

AFFIDAVIT

COMMONWEALTH OF KENTUCKY

SS:

COUNTY OF KENTON

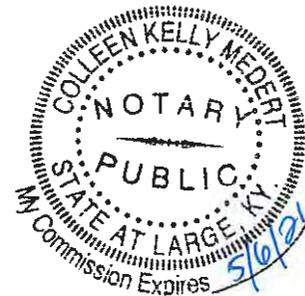
Comes now affiant, Stacey Kampsen, after being first sworn, deposes, and states that she is the Finance Manager for the Northern Kentucky Water District, that she is authorized to submit this Response on behalf of Northern Kentucky Water District, and that the information contained in the Response is true and correct to the best of her knowledge and belief, except as to those matters that are based on information provided to her and, as to those, she believes that information to be true and correct.

Stacey Kampsen
Stacey Kampsen

This instrument was acknowledged, signed and declared by Stacey Kampsen to be her act and deed the 21ST day of JULY, 2020.

Colleen Kelly Medert
Notary Public
Registration Number 597360

My Commission expires: MAY 6, 2021



Q1. Provide the utility's current number of customers and the date used for that determination.

A1. The number of current customer accounts as of 6/30/2020 is 84,696.

Q2. If applicable, provide the utility's current number of customers per class.

A2. The number of current customer accounts as of 6/30/2020 per class is:

Residential	77,325
Commercial	4,107
Industrial	108
Public Authorities	507
Multiple Family Dwellings	2,643
Resale	<u>6</u>
Total Customers	84,696

Q3. 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.

A3. See attachment provided in Excel format.

Northern Kentucky Water District
Case NO: 2020-00085
Response to Q3
Average Total Bill for All Customers

NKWD_PSCDR1_06-23-20
Case 2020-00085
Response to Q3
Witness: Kampsen

	<u>Year</u>	<u>Average Total Bill</u>
3.a	2017	\$613.81
3.b	2018	\$618.21
3.c	2019	\$638.79

	<u>Year</u>	<u>Month</u>	<u>Average Total Bill</u> *
3.d	2020	January	\$151.96
	2020	February	\$145.07
	2020	March	\$165.11
	2020	April	\$148.11
	2020	May	\$153.15
	2020	June	\$178.13

* Note that the majority of NKWD's Customers are billed Quarterly rather than Monthly. To get an estimate comparable to a monthly bill, the Average Total Bill for each month in 2020 would be divided by 3.

Q4. 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.

A4. See attachment provided in Excel format.

Northern Kentucky Water District
Case NO: 2020-00085
Response to Q4
Average Total Bill for All Customers In Each Class

NKWD_PSCDR1_06-23-20
Case 2020-00085
Response to Q4
Witness: Kampsen

<u>Customer Class</u>	<u>Average Total Bill as a Year - 4.a - 4.c</u>		
	<u>2017</u>	<u>2018</u>	<u>2019</u>
Commercial	\$1,844.05	\$1,818.53	\$1,938.97
Industrial	\$37,568.17	\$40,044.60	\$40,500.32
MultiFamily	\$2,095.01	\$2,125.70	\$2,107.56
PA/Government	\$4,488.74	\$4,964.82	\$5,165.62
Resale	\$258,214.87	\$261,198.28	\$296,912.41
Residential	\$414.50	\$413.62	\$422.67

<u>Customer Class</u>	<u>Average Total Bill Each Month in 2020 - 4.d</u> *					
	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>
Commercial	\$420.59	\$323.40	\$548.35	\$365.79	\$299.46	\$490.19
Industrial	\$13,755.91	\$23,227.37	\$8,945.26	\$13,175.01	\$26,527.12	\$10,155.22
MultiFamily	\$527.93	\$449.30	\$660.89	\$500.67	\$455.97	\$691.47
PA/Government	\$1,094.48	\$946.83	\$1,017.37	\$1,168.67	\$894.79	\$934.16
Resale	\$20,752.55	\$19,754.96	\$22,190.82	\$22,689.34	\$21,036.89	\$30,042.45
Residential	\$106.58	\$100.14	\$104.44	\$105.98	\$109.13	\$116.75

* Note that the majority of NKWD's Customers are billed Quarterly rather than Monthly. To get an estimate comparable to a monthly bill, the Average Total Bill for each month in 2020 would be divided by 3, with the exception of Resale accounts, which are billed Monthly.

Q5. 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.

A5. See attachment provided in Excel format.

Northern Kentucky Water District
Case NO: 2020-00085
Response to Q5
Average Bill for Current Service for All Customers

NKWD_PSCDR1_06-23-20
Case 2020-00085
Response to Q5
Witness: Kampsen

	<u>Year</u>	<u>Average Bill - Current Service</u>
5.a	2017	\$599.93
5.b	2018	\$608.65
5.c	2019	\$630.52

	<u>Year</u>	<u>Month</u>	<u>Average Bill - Current Service</u> *
5.d	2020	January	\$145.71
	2020	February	\$142.70
	2020	March	\$165.21
	2020	April	\$139.94
	2020	May	\$140.81
	2020	June	\$168.37

* Note that the majority of NKWD's Customers are billed Quarterly rather than Monthly. To get an estimate comparable to a monthly bill, the Average Bill for each month in 2020 would be divided by 3.

Q6. 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.

A6. See attachment provided in Excel format.

Northern Kentucky Water District
 Case NO: 2020-00085
 Response to Q6
 Average Bill for Current Service for All Customers In Each Class

NKWD_PSCDR1_06-23-20
Case 2020-00085
Response to Q6
Witness: Kampsen

Average Bill Current Service as a Year -
 6.a - 6.c

<u>Customer Class</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Commercial	\$1,828.96	\$1,842.32	\$1,902.00
Industrial	\$37,538.81	\$39,319.61	\$40,465.14
MultiFamily	\$2,108.95	\$2,114.91	\$2,115.92
PA/Government	\$4,442.91	\$4,908.21	\$5,210.61
Resale	\$258,931.93	\$261,198.28	\$286,261.89
Residential	\$400.03	\$403.61	\$415.81

Average Bill Current Service Each Month in 2020 - 6.d

<u>Customer Class</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>
Commercial	\$394.48	\$320.72	\$540.77	\$354.75	\$279.09	\$470.29
Industrial	\$8,865.82	\$22,842.18	\$9,186.64	\$9,297.31	\$21,899.61	\$8,702.71
MultiFamily	\$522.26	\$452.87	\$666.99	\$493.64	\$450.94	\$689.53
PA/Government	\$1,092.62	\$1,032.27	\$1,021.82	\$948.12	\$911.20	\$940.99
Resale	\$20,752.55	\$19,754.96	\$22,190.82	\$22,689.34	\$21,036.89	\$30,042.45
Residential	\$104.29	\$97.30	\$104.20	\$101.54	\$99.26	\$110.72

* Note that the majority of NKWD's Customers are billed Quarterly rather than Monthly. To get an estimate comparable to a monthly bill, the Average Bill for each month in 2020 would be divided by 3, with the exception of Resale accounts, which are billed Monthly.

Q7. 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.

A7a. When an account is finalled, a final bill is generated with the payment due in 30 days. If the bill is unpaid 45 days after the Billing Date, a Collection Letter is sent to the customer. 60 days after the Billing Date, any unpaid balance \$25 or greater is turned over to a collection agency. If the balance is still unpaid 90 days after the Billing Date, NKWD will write off the unpaid balance as bad debt.

A7b. See attachment provided in Excel format.

A7c. Prior to August 2018, NKWD had a practice to only send accounts to a collection agency with an unpaid balance under \$1,000. The accounts over \$1,000 were attempted to collect in-house to reduce fees paid to a collection agency. In August 2018, NKWD changed its practice to send all finalled accounts with an unpaid balance \$25 or greater. The unpaid balances greater than \$1,000 were reviewed and sent to a collection agency in September 2018 and were written off.

Month	2018				
	Write-Off	Recovery	Net Write-Off	Reserve	Bad Debt Expense
January	\$64,275.97	\$16,290.96	\$47,985.01	-\$35,000.00	\$12,985.01
February	\$43,346.82	\$26,381.63	\$16,965.19		\$16,965.19
March	\$33,120.71	\$29,257.16	\$3,863.55		\$3,863.55
April	\$35,104.03	\$22,766.03	\$12,338.00		\$12,338.00
May	\$39,705.73	\$23,726.62	\$15,979.11		\$15,979.11
June	\$45,494.48	\$20,898.68	\$24,595.80	\$20,000.00	\$44,595.80
July	\$46,852.37	\$17,741.31	\$29,111.06	\$4,255.23	\$33,366.29
August	\$1,383.90	\$24,530.98	-\$23,147.08	\$5,590.76	\$31,443.68
September	\$156,420.66	\$10,928.07	\$145,492.59	-\$75,492.59	\$70,000.00
October	\$57,888.47	\$16,962.20	\$40,926.27	-\$10,926.97	\$29,999.30
November	\$43,306.64	\$14,525.27	\$28,781.37	\$10,851.06	\$39,632.43
December	\$41,647.77	\$12,398.32	\$29,249.45	\$31,722.51	\$60,971.96
TOTAL	\$608,547.55	\$236,407.23	\$372,140.32	\$0.00	\$372,140.32

Month	2019				
	Write-Off	Recovery	Net Write-Off	Reserve	Bad Debt Expense
January	\$38,611.13	\$17,603.82	\$21,007.31	-\$5,000.00	\$16,007.31
February	\$37,212.37	\$23,996.78	\$13,215.59	\$5,000.00	\$18,215.59
March	\$43,386.88	\$19,002.13	\$24,384.75	\$0.00	\$24,384.75
April	\$44,944.19	\$31,988.46	\$12,955.73	\$5,000.00	\$17,955.73
May	\$48,043.16	\$19,212.80	\$28,830.36	-\$5,000.00	\$23,830.36
June	\$40,237.57	\$19,830.21	\$20,407.36	\$0.00	\$20,407.36
July	\$37,410.06	\$12,427.82	\$24,982.24	-\$24,982.24	\$127,538.72 *
August	\$44,608.46	\$18,180.00	\$26,428.46	\$19,982.24	\$46,410.70
September	\$39,477.12	\$15,062.97	\$24,414.15	\$15,000.00	\$39,414.15
October	\$52,017.21	\$12,782.43	\$39,234.78	-\$14,000.00	\$25,234.78
November	\$47,553.60	\$15,791.92	\$31,761.68	\$2,476.64	\$34,238.32
December	\$49,668.27	\$20,024.40	\$29,643.87	\$1,523.36	\$31,167.23
TOTAL	\$523,170.02	\$225,903.74	\$297,266.28	\$0.00	\$424,805.00

*Note that in July 2019, NKWD reviewed old outstanding Accounts Receivables other than for Water Service, such as billings for work performed by NKWD for repairing fire hydrants, mains, or services damaged by a contractor, relocating a fire hydrant, etc. NKWD determined these old receivables were not collectible and wrote them off.

Month	2020				
	Write-Off	Recovery	Net Write-Off	Reserve	Bad Debt Expense
January	\$37,134.24	\$17,877.62	\$19,256.62	\$0.00	\$19,256.62
February	\$42,781.59	\$22,245.16	\$20,536.43	\$0.00	\$20,536.43
March	\$41,575.06	\$24,070.32	\$17,504.74	\$0.00	\$17,504.74
April	\$0.00	\$19,956.63	-\$19,956.63	\$35,000.00	\$15,043.37
May	\$0.00	\$28,855.92	-\$28,855.92	\$50,000.00	\$21,144.08
June	\$0.00	\$16,984.37	-\$16,984.37	\$35,000.00	\$18,015.63 **
TOTAL	\$121,490.89	\$129,990.02	-\$8,499.13	\$120,000.00	\$111,500.87

**Note that NKWD temporarily discontinued write-offs in April 2020 since we have ceased disconnections per the PSC's Order. The Reserve has continued to be increased and will be offset by future write-offs.

Q8. 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.

A8. See attachment provided in Excel format.

Northern Kentucky Water District
Case NO: 2020-00085
Response to Q8
Customers in Each Class Subject to Disconnection Absent Commission's Moratorium

NKWD_PSCDR1_06-23-20
Case 2020-00085
Response to Q8
Witness: Kampsen

The number of customers in each class that would have been subject to disconnection if the Commission's moratorium on disconnections was not in effect is presented below as of 6/30/2020.

<u>Customer Class</u>	<u>Number of Customers</u>
Commercial	310
Industrial	11
MultiFamily	152
PA/Government	20
Resale	-
Residential	7,985
TOTAL	<u>8,478</u>

Q9. 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

A9. See attachment provided in Excel format.

Northern Kentucky Water District
 Case NO: 2020-00085
 Response to Q9
 Percent of Customers, By Class, That Pay on Time

NKWD_PSCDR1_06-23-20
 Case 2020-00085
 Response to Q9
 Witness: Kampsen

<u>Customer Class</u>	<u>% Paid on Time as a Year - 9.a - 9.c</u>		
	<u>2017</u>	<u>2018</u>	<u>2019</u>
Commercial	83.20	81.26	82.04
Industrial	94.31	89.89	80.13
MultiFamily	85.43	83.67	83.91
PA/Government	94.51	93.75	93.14
Resale	100.00	100.00	98.61
Residential	71.86	72.21	73.49

<u>Customer Class</u>	<u>% Paid on Time Each Month in 2020 - 9.d</u>					
	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>
Commercial	75.92	79.76	79.31	78.41	80.38	82.18
Industrial	57.50	66.67	64.29	58.54	82.35	69.23
MultiFamily	83.69	83.44	81.41	84.51	82.51	83.63
PA/Government	82.72	94.04	88.74	86.98	84.75	88.10
Resale	100.00	100.00	100.00	100.00	100.00	100.00
Residential	71.96	70.75	71.50	76.76	77.32	73.76 *

*It appears that an increase in the percent of customers that paid on time coincides with the timing of the federal economic stimulus payments. NKWD does not anticipate this upward trend to continue without additional stimulus payments.

Q10. 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.

A10. See attachment provided in Excel format.

10.a - Monthly Totals of Service Termination Notices - 2015

Customer Class	January	February	March	April	May	June	July	August	September	October	November	December
Commercial	118	119	75	89	128	73	126	119	85	88	122	74
Industrial	0	3	1	0	3	0	0	6	0	1	0	0
MultiFamily	83	64	63	71	63	41	85	78	29	80	68	43
PA/Government	3	0	6	0	6	1	4	7	0	1	0	2
Resale	0	0	0	0	0	0	0	0	0	0	0	0
Residential	4,465	4,386	4,098	3,737	4,856	3,862	4,816	4,355	4,093	4,112	4,507	4,228
TOTAL	4,669	4,572	4,243	3,897	5,056	3,977	5,031	4,565	4,207	4,282	4,697	4,347

10.a - Monthly Totals of Service Termination Notices - 2016

Customer Class	January	February	March	April	May	June	July	August	September	October	November	December
Commercial	116	118	76	102	122	59	107	115	81	102	125	77
Industrial	1	3	0	0	4	2	0	2	0	0	1	1
MultiFamily	82	59	36	64	75	32	84	51	38	58	61	45
PA/Government	2	3	2	1	2	0	1	4	0	1	3	1
Resale	0	0	0	0	0	0	0	0	0	0	0	0
Residential	4,808	4,077	4,130	3,973	4,668	4,095	4,218	4,583	4,079	4,236	4,410	4,351
TOTAL	5,009	4,260	4,244	4,140	4,871	4,188	4,410	4,755	4,198	4,397	4,600	4,475

10.a - Monthly Totals of Service Termination Notices - 2017

Customer Class	January	February	March	April	May	June	July	August	September	October	November	December
Commercial	116	102	74	79	118	69	117	123	69	120	100	77
Industrial	0	7	0	0	1	0	0	1	0	4	3	1
MultiFamily	79	51	40	68	62	30	84	57	40	67	60	33
PA/Government	2	1	0	1	1	1	3	4	1	4	4	2
Resale	0	0	0	0	0	0	0	0	0	0	0	0
Residential	4,621	3,748	3,857	3,874	4,708	3,915	4,306	4,431	3,758	4,833	3,723	4,112
TOTAL	4,818	3,909	3,971	4,022	4,890	4,015	4,510	4,616	3,868	5,028	3,890	4,225

10.a - Monthly Totals of Service Termination Notices - 2018

<u>Customer Class</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
Commercial	128	92	69	104	123	79	111	125	78	143	122	82
Industrial	5	4	0	0	6	0	0	3	0	3	2	0
MultiFamily	84	40	44	59	55	48	77	59	39	74	49	40
PA/Government	4	3	3	1	1	1	0	0	1	1	2	1
Resale	0	0	0	0	0	0	0	0	0	0	0	0
Residential	5,483	3,224	3,607	4,090	4,228	3,734	4,063	4,418	3,642	4,697	3,830	3,990
TOTAL	5,704	3,363	3,723	4,254	4,413	3,862	4,251	4,605	3,760	4,918	4,005	4,113

10.a - Monthly Totals of Service Termination Notices - 2019

<u>Customer Class</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
Commercial	146	90	75	116	100	70	121	83	78	110	129	88
Industrial	2	1	0	0	8	0	5	3	0	3	8	1
MultiFamily	74	45	40	72	51	27	81	69	32	71	79	55
PA/Government	1	1	2	7	3	0	4	1	5	1	4	3
Resale	0	0	0	0	0	0	0	0	0	0	0	0
Residential	5,031	2,980	3,483	3,775	3,880	3,539	4,418	3,540	3,722	4,290	4,032	4,111
TOTAL	5,254	3,117	3,600	3,970	4,042	3,636	4,629	3,696	3,837	4,475	4,252	4,258

10.b - Monthly Totals of Service Terminations - 2015

Customer Class	January	February	March	April	May	June	July	August	September	October	November	December
Commercial	25	14	24	11	23	18	23	30	31	28	18	11
Industrial	0	0	1	0	0	0	0	1	2	0	0	1
MultiFamily	7	9	5	8	10	3	25	19	26	9	19	2
PA/Government	0	0	0	1	0	0	1	0	1	0	0	0
Resale	0	0	0	0	0	0	0	0	0	0	0	0
Residential	782	472	728	621	622	570	763	1,176	1,080	1,056	527	416
TOTAL	814	495	758	641	655	591	812	1,226	1,140	1,093	564	430

10.b - Monthly Totals of Service Terminations - 2016

Customer Class	January	February	March	April	May	June	July	August	September	October	November	December
Commercial	14	17	22	22	20	23	9	26	17	21	12	12
Industrial	0	0	0	0	3	2	0	0	0	0	0	0
MultiFamily	17	16	18	16	12	16	6	19	9	14	8	2
PA/Government	0	0	0	0	1	0	0	0	0	0	0	0
Resale	0	0	0	0	0	0	0	0	0	0	0	0
Residential	451	623	685	634	514	579	391	821	612	654	494	396
TOTAL	482	656	725	672	550	620	406	866	638	689	514	410

10.b - Monthly Totals of Service Terminations - 2017

Customer Class	January	February	March	April	May	June	July	August	September	October	November	December
Commercial	25	13	21	17	16	34	9	20	23	14	29	9
Industrial	1	0	2	0	0	0	0	0	0	0	0	4
MultiFamily	12	10	4	7	9	16	5	21	13	24	13	3
PA/Government	1	0	0	0	0	0	0	0	0	2	0	1
Resale	0	0	0	0	0	0	0	0	0	0	0	0
Residential	662	573	487	581	502	683	386	668	501	623	610	402
TOTAL	701	596	514	605	527	733	400	709	537	663	652	419

10.b - Monthly Totals of Service Terminations - 2018

<u>Customer Class</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
Commercial	10	30	36	17	23	21	17	30	23	21	18	16
Industrial	0	0	2	0	1	1	0	1	1	0	0	1
MultiFamily	4	13	14	23	9	9	16	14	5	14	4	0
PA/Government	0	0	1	1	0	0	0	0	0	0	0	0
Resale	0	0	0	0	0	0	0	0	0	0	0	0
Residential	213	844	578	585	480	572	476	511	508	618	436	404
TOTAL	227	887	631	626	513	603	509	556	537	653	458	421

10.b - Monthly Totals of Service Terminations - 2019

<u>Customer Class</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
Commercial	25	29	14	13	16	16	26	16	16	14	29	15
Industrial	0	0	0	0	0	4	0	0	2	0	2	0
MultiFamily	12	13	10	3	12	3	12	13	12	4	10	2
PA/Government	0	1	0	1	0	0	0	0	0	0	0	0
Resale	0	0	0	0	0	0	0	0	0	0	0	0
Residential	355	748	338	305	482	382	359	576	376	556	449	360
TOTAL	392	791	362	322	510	405	397	605	406	574	490	377

Northern Kentucky Water District
Case NO: 2020-00085
Response to Q10.c
Total Number of Customers Each Month

NKWD_PSCDR1_06-23-20
Case 2020-00085
Response to Q10.c
Witness: Kampsen

Note that the majority of NKWD's Customers are billed Quarterly rather than Monthly. The total number of Customer Accounts below represents the number of Customer Accounts that were billed in each month.

10.c - Total Number of Customer Accounts - 2015

Customer Class	January	February	March	April	May	June	July	August	September	October	November	December
Commercial	1,343	1,229	1,671	1,350	1,219	1,708	1,332	1,230	1,695	1,353	1,238	1,696
Industrial	18	15	83	19	17	83	17	15	84	19	17	84
MultiFamily	829	865	635	825	864	639	830	870	641	836	880	649
PA/Government	204	136	192	202	146	203	199	151	206	199	153	197
Resale	6	6	6	6	6	6	6	6	6	6	6	6
Residential	26,364	22,905	32,181	26,540	23,061	32,413	26,747	23,314	32,487	26,766	23,152	32,419
TOTAL	28,764	25,156	34,768	28,942	25,313	35,052	29,131	25,586	35,119	29,179	25,446	35,051

10.c - Total Number of Customer Accounts - 2016

Customer Class	January	February	March	April	May	June	July	August	September	October	November	December
Commercial	1,333	1,226	1,674	1,344	1,230	1,690	1,352	1,251	1,715	1,359	1,247	1,694
Industrial	17	16	82	19	15	82	18	16	84	17	14	84
MultiFamily	847	877	655	849	881	661	859	893	664	862	904	671
PA/Government	192	137	197	191	149	209	197	150	208	222	152	195
Resale	6	6	6	6	6	6	6	6	6	6	6	6
Residential	26,600	23,107	32,542	26,697	23,284	32,726	26,872	23,466	32,737	26,947	23,293	32,690
TOTAL	28,995	25,369	35,156	29,106	25,565	35,374	29,304	25,782	35,414	29,413	25,616	35,340

10.c - Total Number of Customer Accounts - 2017

Customer Class	January	February	March	April	May	June	July	August	September	October	November	December
Commercial	1,360	1,227	1,689	1,341	1,251	1,701	1,353	1,250	1,712	1,370	1,252	1,697
Industrial	18	14	81	18	14	81	17	14	82	17	14	82
MultiFamily	870	901	696	858	914	685	863	919	695	874	929	698
PA/Government	180	115	192	186	132	202	192	150	205	211	148	190
Resale	6	6	6	6	6	6	6	6	6	6	6	6
Residential	26,933	23,298	32,958	26,996	23,585	32,984	27,258	23,630	33,052	27,221	23,537	33,011
TOTAL	29,367	25,561	35,622	29,405	25,902	35,659	29,689	25,969	35,752	29,699	25,886	35,684

10.c - Total Number of Customer Accounts - 2018

<u>Customer Class</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
Commercial	1,350	1,236	1,677	1,362	1,227	1,697	1,364	1,224	1,715	1,357	1,256	1,680
Industrial	17	15	82	17	14	82	17	15	82	17	14	81
MultiFamily	884	928	714	882	936	710	890	938	713	905	957	715
PA/Government	181	118	191	182	129	204	187	154	213	202	144	197
Resale	6	6	6	6	6	6	6	6	6	6	6	6
Residential	27,249	23,474	33,081	27,339	23,728	33,282	27,457	23,826	33,322	27,501	23,665	33,333
TOTAL	29,687	25,777	35,751	29,788	26,040	35,981	29,921	26,163	36,051	29,988	26,042	36,012

10.c - Total Number of Customer Accounts - 2019

<u>Customer Class</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
Commercial	1,362	1,248	1,696	1,353	1,243	1,705	1,362	1,258	1,713	1,371	1,267	1,721
Industrial	17	15	82	18	15	82	18	13	81	18	13	80
MultiFamily	908	971	736	911	970	726	932	990	732	938	1,005	750
PA/Government	178	123	198	179	136	209	184	153	210	203	157	191
Resale	6	6	6	6	6	6	6	6	6	6	6	6
Residential	27,338	23,594	33,351	27,521	23,768	33,505	27,505	24,016	33,610	27,690	23,828	33,652
TOTAL	29,809	25,957	36,069	29,988	26,138	36,233	30,007	26,436	36,352	30,226	26,276	36,400

Q11. 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

A11. See attachment provided in Excel format.

Q12. Quantify the amount of late payment fees the utility would have assessed since March 16, 2020, absent the Commission's directive.

A12. As of 6/30/2020, NKWD would have assessed late payment fees in the amount of \$402,998.45.

Q13. 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.

A13. NKWD has provided general communication to customers regarding these issues on our website and on all customer bills. See attachment for a copy of the communication on our website and a customer bill.



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View Your Account Online



*Log-in to Customer Portal to pay your account
or download a PDF of your bill*

NOTICE:

Per the order of the Kentucky Public Service Commission applicable to the coronavirus emergency, the District is temporarily suspending water service disconnections and assessment of penalties for late payment. However, customers are still responsible for water service charges owed to the District. If you are having difficulty paying, the District wants to help and can provide assistance in the form of flexible payment plans. Please contact Customer Service at (859) 578-9898 if you have questions on what amount to pay (your bill may still show penalties when none are due) or if you need to make payment arrangements.

Registration on the customer portal is fast and easy. Visit today and take advantage of the many features, including:

- Pay your water bill with just a few clicks of the mouse
- Sign up to receive your water bill in your email inbox
- Quickly see how much you owe on your account
- View past payment information at-a-glance
- Receive notifications of requested payments and changes to your water account
- Free apps for both iPhone and Android.

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Customer Service

Visit our office between the hours of
8:00 am - 5:00 pm, Monday through Friday

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CUSTOMER SERVICE

Phone: (859) 578-9898

Fax: (859) 578-3668

AFTER HOURS EMERGENCY SHUT-OFF
(513) 244-9016



NOTICE: Per the order of the Kentucky Public Service Commission applicable to the coronavirus emergency, the District is temporarily suspending water service disconnections and assessment of penalties for late payment. However, customers are still responsible for water service charges owed to the District. If you are having difficulty paying, the District wants to help and can provide assistance in the form of flexible payment plans. Please contact Customer Service at (859) 578-9898 if you have questions on what amount to pay (your bill may still show penalties when none are due) or if you need to make payment arrangements.

PAY YOUR BILL

- Automated Payment by Phone
- [Online Payments](#)
- Drop Boxes
- You can also pay at most area banks

DOWNLOAD A FORM

- Residential Service Application
- Business Service Application
- Phone Contact Consent Form
- Turn-On Release Form
Adobe Reader required
- Service Turn-Off Form



Service Address

Customer Number

Account Number

Online Banking Acct.#:

Account Summary

Prior Balance	Payments	Bal. Forward	Adjustments	New Charges	Total Amount Due
\$61.70	-\$61.70	\$0.00	\$0.00	\$61.37	\$61.37

Office: 2835 Crescent Springs Rd Erlanger, KY 41018-1324

Billing Date 07/15/2020

Payment Due ON or BEFORE 08/17/2020

Payment Due after Due Date \$67.33

Mailing Address: PO Box 18640 Erlanger, KY 41018-0640

Meter Reading Data

Meter #	Meter Size	Previous Read Date	Current Read Date	Days	Read Type	Previous Reading	Current Reading	Usage	Units
20062514		03-26-2020	06-26-2020	92	Regular	145	149	4	HCF
Total Usage Billed:									4 HCF

Any Questions? Please call us at 859.578.9898 Monday - Friday 8:00 AM - 5:00 PM

"Per the order of the PSC all late payment fees have been suspended until further notice to provide relief for customers during the coronavirus (COVID-19) epidemic. Please only pay net amount."

2020 Northern Kentucky Water District annual water quality report for the calendar year 2019 is available. This report contains important information about your drinking water.

Please go to www.nkywater.org/ccr.pdf to view your 2019 annual water quality report or to request a paper copy call (859) 441-0482.

Current Charges Detail

Service Period: 03/26/2020 - 06/26/2020

Previous Balance	\$61.70
Payment - Thank You	-\$61.70
Current Charges Detail:	
Bal. Forward	\$0.00
Fixed Service Charge	\$40.50
Consumption - Tier 1: 4.0 HCF @ \$4.77 per HCF	\$19.08
School Taxes - Kenton County	\$1.79
Current Charges for	\$61.37

Amount Due ON or BEFORE 08/17/2020..... \$61.37

Due date is for CURRENT bill only. Any account with a previous amount due is subject to disconnection.

Usage History

Read Date	Days	Usage
2020-06-26	92	4 HCF
2020-03-26	87	5 HCF
2019-12-30	94	5 HCF
2019-09-27	92	6 HCF
2019-06-27	92	6 HCF
2019-03-27	91	12 HCF

Return this portion with your payment. Make check or money order payable to NKWD.



PO Box 449 Burlington, KY 41005-0449

Address Service Requested

Customer Number

Account Number

Service Address

ON or BEFORE

08/17/2020

Pay this Amount

\$61.37

AFTER

08/17/2020

Pay this Amount

\$67.33

Input box for address change

If address has changed, please check here complete the information on the reverse side and mail back to NKWD

0000000

I=000100

Northern Kentucky Water District PO Box 449 Burlington, KY 41005-0449



Q14. 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.

A14. As a result of the COVID-19 State of Emergency, NKWD has experienced cost increases for cleaning and sanitizing supplies, signage related to COVID-19, PPE, sheltering supplies such as cots, food, water, etc. in the event critical staff would need to be sheltered, and computer equipment to allow NKWD staff to telecommute. See attached breakout provided in Excel format.

NKWD has experienced decreased Penalty income and Turn on Fee income as a result of the COVID-19 State of Emergency. NKWD has also lost a significant amount of Interest income as deposit interest rates have fallen. See attached breakout provided in Excel format.

Cost Increases experienced as a result of the COVID-19 State of Emergency:

Cleaning/Sanitizing Supplies	\$	17,831.73
COVID Signage	\$	277.40
PPE	\$	26,823.62
Sheltering Supplies	\$	3,452.71
Social Distance Workplace Setup	\$	501.88
Computer Equipment	\$	42,048.50
TOTAL	\$	90,935.84

Decreased Income experienced as a result of the COVID-19 State of Emergency:

<u>Customer Class</u>	<u>Lost Penalty Income*</u>
Commercial	\$44,256.80
Industrial	\$66,934.08
MultiFamily	\$22,567.75
PA/Government	\$5,949.32
Resale	\$0.00
Residential	\$247,146.88
TOTAL	\$386,854.83

*Lost penalty income is the amount of late payment fees NKWD would have assessed since March 16, 2020, absent the Commission's directive.

<u>Customer Class</u>	<u>Lost Turn On Fee Income**</u>
Commercial	\$7,750
Industrial	\$225
MultiFamily	\$3,800
PA/Government	\$475
Resale	\$0
Residential	\$199,625
TOTAL	\$211,875

**Lost Turn On Fee Income is based on turn on fees that would have been billed to customers that had their water service disconnected due to non-payment of bills.

In addition to NKWD disconnections for non-payment of bills, NKWD also disconnects water service for non-payment of Sanitation District No. 1 bills. NKWD earns an average of approximately \$26,000 per month. NKWD estimates lost revenue from Sanitation District No. 1 disconnections as follows:

	<u>Estimated Lost SD1 Turn On Fee Income</u>
March	\$13,000.00
April	\$26,000.00
May	\$26,000.00
June	\$26,000.00
TOTAL	<u>\$91,000.00</u>

NKWD has experienced a significant decrease in Interest income as interest rates and investment yields have fallen. Year To Date as of 6/30/2020, Interest Income is down 49% compared to 6/30/2019.

	<u>YTD 6/30/2020</u>	<u>YTD 6/30/2019</u>	<u>\$ Variance</u>	<u>% Variance</u>
Interest Income	\$413,421.35	\$803,597.87	-\$390,176.52	-49%

Q15. 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.

A15. NKWD has experienced a decrease in gasoline and diesel fuel costs as a result of the COVID-19 State of Emergency. Additionally, NKWD utilizes part-time temporary employees to perform water service disconnections for Sanitation District No. 1. We have experienced lost revenue from ceasing these disconnections as estimated in question 14, but we have also had a cost decrease due to not utilizing these temporary employees. See attached for breakout provided in Excel format.

NKWD has not experienced any increased income as a result of the COVID-19 State of Emergency.

Northern Kentucky Water District
Case NO: 2020-00085
Response to Q15
Cost Decreases

NKWD_PSCDR1_06-23-20
Case 2020-00085
Response to Q15
Witness: Kampsen

Cost Decreases experienced as a result of the COVID-19 State of Emergency:

Gasoline and Diesel Fuel Costs:

	<u>2020</u>	<u>2019</u>	<u>\$ Variance</u>	<u>% Variance</u>
March	\$25,776.56	\$19,746.35	\$6,030.21	31%
April	\$25,114.96	\$26,730.45	-\$1,615.49	-6%
May	\$14,253.81	\$29,597.39	-\$15,343.58	-52%
June	\$18,701.17	\$26,940.32	-\$8,239.15	-31%
TOTAL	<u>\$83,846.50</u>	<u>\$103,014.52</u>	<u>-\$19,168.02</u>	<u>-19%</u>

Salary and Payroll Tax Savings Due to Ceasing Disconnections for Sanitation District No. 1

Average Salary and Payroll Taxes Per Temp (3 Months)	\$5,230.54
Average Number of Temp Employees Utilized	<u>3</u>
Total Estimated Cost Decrease	\$15,691.62

Q16. Provide any additional information or data the utility believes the Commission should consider in amending or vacating its previous Orders in this matter.

A16. Since the Order has been in effect, NKWD has experienced an increase in the number of customers that have not paid their bill, and unpaid balances continue to accumulate and increase. One concern is that if the moratorium continues, customers' unpaid balances will increase to a level that is not manageable. NKWD anticipates that data from the next round of quarterly billing will reflect a larger amount of delinquencies, and that more account balances will have to be written off as bad debt.

The ability to assess late payment penalties and disconnect water service for non-payment has been an important and effective tool. NKWD encourages the Commission to consider lifting the moratorium.