

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

**ELECTRONIC EMERGENCY DOCKET RELATED TO
THE NOVEL CORONAVIRUS COVID-19**

CASE NO. 2020-00085

RESPONSE OF

HARDIN COUNTY WATER DISTRICT NO. 1

TO

COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION

DATED JULY 7, 2020

FILED: JULY 7, 2020

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

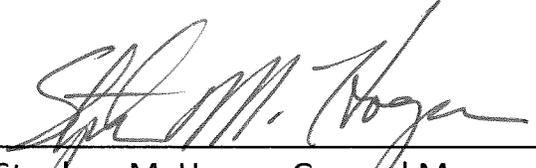
ELECTRONIC EMERGENCY DOCKET
RELATED TO THE NOVEL CORONAVIRUS
COVID-19

CASE NO. 2020-00085

CERTIFICATION OF RESPONSE OF [WATER DISTRICT] TO COMMISSION STAFF'S
INITIAL REQUEST FOR INFORMATION

This is to certify that I have supervised the preparation of Hardin County Water District No. 1 Responses to Commission Staff's Initial Request for Information. The response submitted on behalf of Hardin County Water District No. 1 is true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

Date: 7-7-2020



Stephen M. Hogan, General Manager
Hardin County Water District No. 1

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. 1's Response to Commission Staff's Initial Request for Information was transmitted to the Public Service Commission by way of email on July 7, 2020 and Hardin County Water District No. 1 will file original paper copies of this filing within 30 days of the lifting of the State of Emergency.



Stephen M. Hogan, General Manager
Hardin County Water District No. 1

HARDIN COUNTY WATER DISTRICT NO. 1

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 1

Responding Witness: Linda Thompson, Utility Billing Specialist

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

ANSWER 1: As of May 29, 2020, Hardin County Water District No. 1 had 10,411 Water customers, 3 Water Wholesale Customers and 9,091 Sewer customers. Please refer to attachment labeled HCWD1 Response 1, 2 and 10c.

HARDIN COUNTY WATER DISTRICT NO. 1

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 2

Responding Witness: Linda Thompson, Utility Billing Specialist

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

ANSWER 2: As of May 29, 2020, Hardin County Water District No. 1 had the following customers by Class:

	Water	Sewer
Residential	9,603	8,333
Taxable	808	758
Wholesale	3	N/A

HARDIN COUNTY WATER DISTRICT NO. 1

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 3

**Responding Witness: Scott Schmuck, CGFM, Finance & Accounting Manager and
Charlene Easter, Customer Service Supervisor**

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.

ANSWER 3: Please refer to the 2017_2020 Summary tab of the attachment labeled HCWD1 Response 3.a-d. & 4a.-d. for the requested information.

Case No. 2020-00085
 Hardin County Water District No. 1
 Response to Data Request Question 3 and 4

		2017 Avg Bill	
		Water	Sewer
4.a	Residential	\$ 25.90	\$ 32.92
4.a	Taxable	\$ 64.22	\$ 79.97
4.a	Wholesale	\$ 28,001.86	N/A
3.a	All Customers with Wholesale	\$ 37.02	N/A **NOTE**
3.a	All Customers without Wholesale	\$ 31.05	\$ 38.92 **NOTE**

		2018 Avg Bill	
		Water	Sewer
4.b	Residential	\$ 27.82	\$ 32.70
4.b	Taxable	\$ 74.79	\$ 87.82
4.b	Wholesale	\$ 31,540.65	N/A
3.b	All Customers with Wholesale	\$ 42.49	N/A **NOTE**
3.b	All Customers without Wholesale	\$ 34.07	\$ 39.46 **NOTE**

		2019 Avg Bill	
		Water	Sewer
4.c	Residential	\$ 27.63	\$ 32.49
4.c	Taxable	\$ 75.96	\$ 90.08
4.c	Wholesale	\$ 41,687.90	N/A
3.c	All Customers with Wholesale	\$ 46.27	N/A **NOTE**
3.c	All Customers without Wholesale	\$ 34.17	\$ 39.99 **NOTE**

		2020 Water				
		Jan	Feb	Mar	Apr	May
4.d	Residential	\$ 26.91	\$ 27.02	\$ 26.40	\$ 26.43	\$ 26.66
4.d	Taxable	\$ 69.73	\$ 71.09	\$ 71.72	\$ 69.55	\$ 70.66
4.d	Wholesale	\$ 42,385.53	\$ 45,721.06	\$ 38,570.25	\$ 42,395.15	\$ 40,593.29
3.d	All Customers with Wholesale	\$ 45.11	\$ 46.44	\$ 44.38	\$ 46.22	\$ 45.96 **NOTE**
3.d	All Customers without Wholesale	\$ 32.80	\$ 33.17	\$ 33.21	\$ 33.92	\$ 34.27 **NOTE**

		2020 Sewer				
		Jan	Feb	Mar	Apr	May
4.d	Residential	\$ 31.45	\$ 31.55	\$ 31.04	\$ 30.71	\$ 30.98
4.d	Taxable	\$ 81.76	\$ 84.28	\$ 85.21	\$ 84.76	\$ 82.08
3.d	All Customers	\$ 38.94	\$ 38.51	\$ 39.09	\$ 40.14	\$ 40.61 **NOTE**

****NOTE**** Past Due Amounts for Water and Sewer cannot be broken down by Class (Residential, Taxable) and are included in the All Customer Avg Bill Calculation Only.

HARDIN COUNTY WATER DISTRICT NO. 1

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 4

Responding Witness: Scott Schmuck, CGFM, Finance & Accounting Manager

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.

ANSWER 4: Please refer to the 2017_2020 Summary tab of the attachment labeled HCWD1 Response 3.a-d. & 4a.-d. for the requested information.

Case No. 2020-00085
 Hardin County Water District No. 1
 Response to Data Request Question 3 and 4

		2017 Avg Bill		
		Water	Sewer	
4.a	Residential	\$ 25.90	\$ 32.92	
4.a	Taxable	\$ 64.22	\$ 79.97	
4.a	Wholesale	\$ 28,001.86	N/A	
3.a	All Customers with Wholesale	\$ 37.02	N/A	**NOTE**
3.a	All Customers without Wholesale	\$ 31.05	\$ 38.92	**NOTE**

		2018 Avg Bill		
		Water	Sewer	
4.b	Residential	\$ 27.82	\$ 32.70	
4.b	Taxable	\$ 74.79	\$ 87.82	
4.b	Wholesale	\$ 31,540.65	N/A	
3.b	All Customers with Wholesale	\$ 42.49	N/A	**NOTE**
3.b	All Customers without Wholesale	\$ 34.07	\$ 39.46	**NOTE**

		2019 Avg Bill		
		Water	Sewer	
4.c	Residential	\$ 27.63	\$ 32.49	
4.c	Taxable	\$ 75.96	\$ 90.08	
4.c	Wholesale	\$ 41,687.90	N/A	
3.c	All Customers with Wholesale	\$ 46.27	N/A	**NOTE**
3.c	All Customers without Wholesale	\$ 34.17	\$ 39.99	**NOTE**

		2020 Water				
		Jan	Feb	Mar	Apr	May
4.d	Residential	\$ 26.91	\$ 27.02	\$ 26.40	\$ 26.43	\$ 26.66
4.d	Taxable	\$ 69.73	\$ 71.09	\$ 71.72	\$ 69.55	\$ 70.66
4.d	Wholesale	\$ 42,385.53	\$ 45,721.06	\$ 38,570.25	\$ 42,395.15	\$ 40,593.29
3.d	All Customers with Wholesale	\$ 45.11	\$ 46.44	\$ 44.98	\$ 46.22	\$ 45.96
3.d	All Customers without Wholesale	\$ 32.80	\$ 33.17	\$ 33.21	\$ 33.92	\$ 34.27

		2020 Sewer				
4.d	Residential	\$ 31.45	\$ 31.55	\$ 31.04	\$ 30.71	\$ 30.98
4.d	Taxable	\$ 81.76	\$ 84.28	\$ 85.21	\$ 84.76	\$ 82.08
3.d	All Customers	\$ 38.94	\$ 38.51	\$ 39.09	\$ 40.14	\$ 40.61

NOTE Past Due Amounts for Water and Sewer cannot be broken down by Class (Residential, Taxable) and are included in the All Customer Avg Bill Calculation Only.

HARDIN COUNTY WATER DISTRICT NO. 1

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 5

Responding Witness: Scott Schmuck, CGFM, Finance & Accounting Manager

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.

ANSWER 5: Please refer to the 2017_2020 Summary tab of the attachment labeled HCWD1 Response 5.a-d. & 6a.-d. for the requested information.

Case No. 2020-00085
 Hardin County Water District No. 1
 Response to Data Request Question 5 and 6

		2017 Avg Bill	
		Water	Sewer
6.a	Residential	\$ 25.17	\$ 31.92
6.a	Taxable	\$ 63.35	\$ 78.80
6.a	Wholesale	\$ 28,001.86	N/A
5.a	All Customers with Wholesale	\$ 34.49	N/A
5.a	All Customers without Wholesale	\$ 28.51	\$ 36.34

		2018 Avg Bill	
		Water	Sewer
6.b	Residential	\$ 27.04	\$ 31.71
6.b	Taxable	\$ 73.95	\$ 86.74
6.b	Wholesale	\$ 28,038.12	N/A
5.b	All Customers with Wholesale	\$ 38.48	N/A
5.b	All Customers without Wholesale	\$ 31.00	\$ 36.70

		2019 Avg Bill	
		Water	Sewer
6.c	Residential	\$ 26.89	\$ 31.54
6.c	Taxable	\$ 75.07	\$ 88.91
6.c	Wholesale	\$ 36,579.61	N/A
5.c	All Customers with Wholesale	\$ 41.41	N/A
5.c	All Customers without Wholesale	\$ 30.79	\$ 36.54

		2020 Water				
		Jan	Feb	Mar	Apr	May
6.d	Residential	\$ 26.17	\$ 26.36	\$ 26.09	\$ 26.43	\$ 26.66
6.d	Taxable	\$ 68.94	\$ 70.53	\$ 71.16	\$ 69.55	\$ 70.66
6.d	Wholesale	\$ 38,672.56	\$ 40,224.19	\$ 36,791.88	\$ 39,372.78	\$ 40,593.29
5.d	All Customers with Wholesale	\$ 40.83	\$ 41.58	\$ 40.32	\$ 41.20	\$ 41.76
5.d	All Customers without Wholesale	\$ 29.60	\$ 29.91	\$ 29.66	\$ 29.78	\$ 30.08

HARDIN COUNTY WATER DISTRICT NO. 1

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 6

Responding Witness: Scott Schmuck, CGFM, Finance & Accounting Manager

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.

ANSWER 6: Please refer to the 2017_2020 Summary tab of the attachment labeled HCWD1 Response 5.a-d. & 6a.-d. for the requested information.

Case No. 2020-00085
 Hardin County Water District No. 1
 Response to Data Request Question 5 and 6

		2017 Avg Bill	
		Water	Sewer
6.a	Residential	\$ 25.17	\$ 31.92
6.a	Taxable	\$ 63.35	\$ 78.80
6.a	Wholesale	\$ 28,001.86	N/A
5.a	All Customers with Wholesale	\$ 34.49	N/A
5.a	All Customers without Wholesale	\$ 28.51	\$ 36.34

		2018 Avg Bill	
		Water	Sewer
6.b	Residential	\$ 27.04	\$ 31.71
6.b	Taxable	\$ 73.95	\$ 86.74
6.b	Wholesale	\$ 28,038.12	N/A
5.b	All Customers with Wholesale	\$ 38.48	N/A
5.b	All Customers without Wholesale	\$ 31.00	\$ 36.70

		2019 Avg Bill	
		Water	Sewer
6.c	Residential	\$ 26.89	\$ 31.54
6.c	Taxable	\$ 75.07	\$ 88.91
6.c	Wholesale	\$ 36,579.61	N/A
5.c	All Customers with Wholesale	\$ 41.41	N/A
5.c	All Customers without Wholesale	\$ 30.79	\$ 36.54

		2020 Water				
		Jan	Feb	Mar	Apr	May
6.d	Residential	\$ 26.17	\$ 26.36	\$ 26.09	\$ 26.43	\$ 26.66
6.d	Taxable	\$ 68.94	\$ 70.53	\$ 71.16	\$ 69.55	\$ 70.66
6.d	Wholesale	\$ 38,672.56	\$ 40,224.19	\$ 36,791.88	\$ 39,372.78	\$ 40,593.29
5.d	All Customers with Wholesale	\$ 40.83	\$ 41.58	\$ 40.32	\$ 41.20	\$ 41.76
5.d	All Customers without Wholesale	\$ 29.60	\$ 29.91	\$ 29.66	\$ 29.78	\$ 30.08

HARDIN COUNTY WATER DISTRICT NO. 1

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 7

Responding Witness: Stephanie Strange, Accountant

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.

ANSWER 7:

- a. Hardin County Water District No. 1 writes off customer accounts when the account has been finalized and the collective balance has aged to 120 days old.
- b. Please refer to attachment labeled HCWD1 Response 7b – Bad Debt Write Offs – 2020 COVID – Case No 2020-00085 for bad debt write offs by month from January 2018 through June 2020 for water and sewer separately.
- c. Hardin County Water District No. 1 has not changed the calculation or determination of bad debt in the past two years. All bad debt is calculated per response 7.a. above.

HARDIN COUNTY WATER DISTRICT NO. 1

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 8

Responding Witness: Charlene Easter, Customer Service Supervisor

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.

ANSWER 8: Hardin County Water District No. 1 system does not have the capability to breakout the number of customers by each class that would be subject to disconnection, nor differentiate between water and sewer. The disconnect fee is applied to the account as a non-reoccurring fee applied to the distribution code of county water. This distribution code is then allocated monthly at a percentage of 53% water and 47% sewer (based on the 2019 average number of water and sewer accounts). However, please refer to attachment labeled HCWD1 Response 14b. – COVID_19 Disconnect_Late Fee Summary – PSC Case No. 2020-00085 for a breakout of the number of disconnects by cycle, by date.

<u>Date</u>	<u>Bill Cycle</u>	<u>No of Accts</u>
3/19/2020	2	194
3/30/2020	3	257
4/13/2020	1	361
4/20/2020	2	277
4/27/2020	3	294
5/11/2020	1	262
5/19/2020	2	232
5/27/2020	3	302
6/9/2020	1	327
6/22/2020	2	201
6/29/2020	3	300

TOTAL 3007

HARDIN COUNTY WATER DISTRICT NO. 1

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 9

Responding Witness: Charlene Easter, Customer Service Supervisor

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.

ANSWER 9: Hardin County Water District No. 1 is unable to provide the percent of customers paying on time by class. However, we are able to provide the percent of customers paying on time by cycle (cycle 1, 2 and 3 for both water and sewer combined). Please refer to attachment labeled HCWD1 Response 9a. – 9d. for the requested information.

<u>Year</u>	<u>% Paying on Time</u>
2017	73.2
2018	73.9
2019	74.6
<u>2020</u>	
Jan	73.9
Feb	76.3
March	75.7
April	77.7
May	80.5
June	75.7

HARDIN COUNTY WATER DISTRICT NO. 1

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 10

Responding Witness: Charlene Easter, Customer Service Supervisor and Linda Thompson, Utility Billing Specialist

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. 2019-00366.2. 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.

ANSWER 10:

- a. Please refer to attachment labeled HCWD1 Response 10a. & 10.b for the requested information.
- b. Please refer to attachment labeled HCWD1 Response 10a. & 10.b for the requested information.
- c. Please refer to attachment labeled HCWD1 Response 1, 2 and 10c., section 10.c. for the requested information.

HARDIN COUNTY WATER DISTRICT NO. 1

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 11

Responding Witness: Stephanie Strange, Accountant

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.

ANSWER 11:

- a. Please see attachment labeled HCWD1 Response 11a. – d.- 2020 COVID Case No. 2020-00085 for 2017 income by month charged for late payments.
- b. Please see attachment labeled HCWD1 Response 11a. – d.- 2020 COVID Case No. 2020-00085 for 2018 income by month charged for late payments.
- c. Please see attachment labeled HCWD1 Response 11a. – d.- 2020 COVID Case No. 2020-00085 for 2019 income by month charged for late payments.
- d. Please see attachment labeled HCWD1 Response 11a. – d.- 2020 COVID Case No. 2020-00085 for 2020 income by month charged for late payments (January through March).

HARDIN COUNTY WATER DISTRICT NO. 1

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 12

Responding Witness: Scott Schmuck, CGFM, Finance & Accounting Manager

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

ANSWER 12: Through June 29, 2020, Hardin County Water District No. 1 would have assessed \$63,064.00 in late fees to 9,203 accounts over the three-month period to date, absent the Commission's directive. Of this amount, approximately \$29,640.08 would be attributable to County Water and approximately \$33,423.92 would be attributable to Radcliff Sewer respectfully. See attachment labeled "HCWD1 Response 14.b - COVID_19 Disconnect_Late Fee Summary – PSC Case No. 2020-0085".

HARDIN COUNTY WATER DISTRICT NO. 1

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 13

Responding Witness: Nora Gocking, Executive Assistant

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.

ANSWER 13: The following message was posted to our Facebook Page and website www.hcwd.com.

"In keeping with the Public Service Commission Order 2020-00085 issued this morning, the District will suspend disconnections due to non-payment and waive the assessment of new late fees until otherwise notified by the PSC. While this is not normal procedure, we are sensitive to the well-being of all our customers. Though disconnects may not occur, as noted in the Order, it remains the responsibility of each account holder to pay for service rendered. Making payments as you can will help avoid a larger balance in the future. Regular bills and late notices will continue to be sent as usual. Account holders may contact us at anytime regarding their particular circumstance. If at anytime, you have any questions or concerns regarding your personal circumstances, please give our Customer Service Representatives a call at 270-351-3222."

The screenshot shows a Facebook post from the official page of Hardin County Water District No. 1. The post is titled "Updated Policy Change Notice" and is dated March 17. The text of the post is identical to the text provided in the document above. The post has received 2,749 "People Reached" and 201 "Engagements". It also shows 4 comments and 31 shares. The post is categorized as a "POSTED IN ANNOUNCEMENTS". The Facebook interface includes navigation links at the top (Home, Contact, Pay My Bill, Create Work Order, Bid Information) and a "Boost Post" button.

Hardin County Water District No. 1
Published by Nora Gocking (P) · March 17 · 🌐

In keeping with the Public Service Commission Order 2020-00085 issued this morning, the District will suspend disconnections due to non-payment and waive the assessment of new late fees until otherwise notified by the PSC. While this is not normal procedure, we are sensitive to the well-being of all our customers. Though disconnects may not occur, as noted in the Order, it remains the responsibility of each account holder to pay for service rendered. Making payments as you can will help avoid a larger balance in the future. Regular bills and late notices will continue to be sent as usual. Account holders may contact us at anytime regarding their particular circumstance. If at anytime, you have any questions or concerns regarding your personal circumstances, please give our Customer Service Representatives a call at 270-351-3222.

2,749 People Reached 201 Engagements Boost Post

You and 21 others 4 Comments 31 Shares

Like Comment Share

Most Relevant ▾

Hardin County Water District No. 1
Home Contact Pay My Bill Create Work Order Bid Information

17 Updated Policy Change Notice
MARCH POSTED IN ANNOUNCEMENTS

Hardin County Water District No. 1
52 mins 🌐

In keeping with the Public Service Commission Order 2020-00085 issued this morning, the District will suspend disconnections due to non-payment and waive the assessment of new late fees for the next 30 days. While this is not normal procedure, we are sensitive to the well-being of all our customers. Though disconnects may not occur, as noted in the Order, it remains the responsibility of each account holder to pay for service rendered. Making payments as you can will help avoid a larger balance in the future. Regular bills and late notices will continue to be sent as usual. Account holders may contact us at anytime regarding their particular circumstance. If at anytime, you have any questions or concerns regarding your personal circumstances, please give our Customer Service Representatives a call at 270-351-3222.

HARDIN COUNTY WATER DISTRICT NO. 1

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 14

Responding Witness: Scott Schmuck, CGFM, Finance & Accounting Manager

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.

ANSWER 14: Hardin County Water District No. 1 incurred increased costs due to the purchase of masks, cleaning supplies, the making of "homemade" masks by District personnel and the installation of safety glass for customer service personnel, etc. See attached schedule labeled "HCWD1 Response 14.a – 2020 COVID Related Costs for Data Request_Case No. 2020-00085" for a detailed breakdown of COVID-19 related costs through June 18, 2020, with descriptions totaling \$16,383.14.

Also, as a result of the pandemic emergency and PSC order 2020-00085, through June 29, 2020, the District has incurred lost revenues totaling \$174,323.00. Of this amount, \$111,259.00 is for lost disconnect fees and \$63,064.00 is for lost late fees. See attachment labeled "HCWD1 Response 14.b - COVID_19 Disconnect_Late Fee Summary – PSC Case No. 2020-0085" for a breakout by bill cycle.

Separation by customer class is not applicable as all Residential, Commercial and Multi-Family customers are combined within each cycle for Cycle 1, 2 and 3 and include charges for both water and sewer by customer account. As a result, a detailed breakout by "customer class" for "water only fees" and "sewer only fees" cannot be made. The allocation of these actual lost revenues is allocated as follows: Disconnect Fees (\$111,259.00) allocated 53% to water and 47% to sewer based on the average number of water and sewer accounts for 2019; late fees (\$63,064.00) are allocated 47% to water and 53% to sewer based on the 3.5-year average of actual fees charged (2017 through June 2020). Cycle 9 is for Master Meters for Mobile Home Parks and include combined fees for both water and sewer. The lost fees for this cycle are also allocated the same way.

HARDIN COUNTY WATER DISTRICT NO. 1

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 15

Responding Witness: Scott Schmuck, CGFM, Finance & Accounting Manager

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.

ANSWER 15: Hardin County Water District No. 1 has had no cost decreases as a result of the COVID-19 State of Emergency.

While Y-T-D water Residential revenues are up slightly (+2.5%) as compared to 2019, this cannot be solely attributable to the COVID Pandemic. Other factors come into play such as extremely warmer weather and a slight increase in the average number of accounts being billed monthly. Therefore, while our revenues have slightly increased, there is no way to quantify how much is related to the PSC order in place

Water Wholesale revenues are up 12.7% Y-T-D through May 2020 as compared to 2019. This is mainly a function of one customer who we supply 100% of the water. Their demand has been increasing since November 2018 and can be attributable to their increased customer based along with the warmer weather as well. Hardin County Water District No. 1 does not have the means to extrapolate how much of this increase is due to the Pandemic.

Conversely, Y-T-D Commercial revenues are down (-15.6%) as compared to the same time period in 2019. These decreased revenues are a direct result of the Pandemic as these businesses have either been shut down for approximately 3-months or running at a very decreased capacity.

Overall, Hardin County Water District No. 1 May Y-T-D revenues are only up 1.3% as compared to the same time period in 2019. If Wholesale revenues are factored out of the equation, the Water fund would have decreased revenues.

During this same time period, Radcliff Sewer Residential revenues are basically flat at a +0.14% increase while Commercial revenues are down -16.4%. Total revenues are down -3.9% through May 2020.

HARDIN COUNTY WATER DISTRICT NO. 1

CASE NO. 2020-00085

Response to Commission Staff's Initial Request for Information

Question No. 16

Responding Witness: Stephen M. Hogan, PE, General Manager

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

ANSWER 16: The following are more observations than information or data regarding vacating PSC Order 2020-00085.

HCWD1 has continued operations throughout the COVID-19 crisis. In doing so, there has been no decrease in expenses. All personnel have remained working with only 4 exceptions due to COVID-19 precautions. No personnel have been diagnosed nor tested positive for the virus.

The District has stopped all capital projects due to disruption in cash flow. This will lead to a compounding effect of work that needs to be performed in the near future. Due to the open-ended nature of the order, we are unable to plan for resumption of projects nor plan for future work.

As reported by our Customer Service Representatives, we have received several calls inquiring if the order has been lifted. On our reply of "no", customers then state they will not be paying their bill. Until there is a definitive date for which cut-off and penalties are assessed, there is no impetus for customers to pay the bill.

When the order is lifted, we anticipate an increase in requests for extended payment plans, which will further delay cash flow and cause additional administrative expense for the District.

We are anticipating an increase in bad debt due to increased evictions as the state re-opens and with tenants moving to avoid paying the accumulated unpaid bills.

While revenue is recognized when customers are billed, cashflow is impacted by non-payment of bills.

In reference to response # 9, an observation we made is that the uptick in on time payments seems to coincide with the stimulus payments, additional/supplemental unemployment payments and income tax refunds from those that filed early.