

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2020-00091
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION

Witness: Brian Queen

1. Refer to Kentucky-American's responses to Commission Staff's First Request for Information, Item 2, in which Kentucky-American stated that, since the close of Case No. 2018-00358, the projected revenues decreased due to the loss of a significant sale-for-resale customer.
 - a. Identify the referenced sale-for-resale customer.
 - b. Provide the date Kentucky-American was aware of the potential loss of the sale-for-resale customer and the date the customer actually left the system.
 - c. Provide the historical sales in gallons and dollars Kentucky-American made to the sale-for-resale customer for the five calendar years from 2014 through 2018.
 - d. Provide Kentucky-American's projected sales to the sale-for-resale customer that was included in the test year in Case No. 2018-00358.

Response:

- a. Jessamine South Elkhorn Water District.
- b. KAW first noticed lower than expected usage in July 2019 so it performed meter testing to ensure accuracy in August 2019. Shortly thereafter, KAW learned from the customer that it had decided to transition almost all of its KAW purchases to another provider.
- c. The accompanying Excel file shows gallons and dollars for the years 2014 through 2018. It also shows gallons and dollars on a monthly basis for 2019 and 2020. Please see the Excel file named KAW_R_PSCDR2_NUM001_051520_Attachment.
- d. The forecasted test period in Case No. 2018-00358 was July 1, 2019 through June 30, 2020. For that period, KAW projected sales to this customer of 232,944,000 gallons. At the approved tariff rate of \$4.236 per thousand gallons, the total amount owed would be \$986,751.

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2. Provide a list of Kentucky-American's expenses and savings, as well as supporting documentation, related to COVID-19.

Response:

As a result of the COVID-19 health emergency, KAW has incurred, and reasonably expects that it will continue to incur, incremental costs. At present, these effects primarily relate to the Company's voluntary shut-off moratorium, suspension of fees, and related customer communications. Accordingly, we expect uncollectible accounts expense (e.g., bad debt collections costs and write offs) to increase, but those cannot yet be quantified. The Company also is incurring additional expense for employee personal protective equipment and temporary housing for water production personnel. The effects of the COVID-19 emergency on system delivery and revenue are also still being compiled and assessed.

KAW also has begun identifying, tracking and evaluating how to best mitigate the incremental costs and lost revenues resulting from COVID-19. KAW sincerely thanks the Commission for its leadership and looks forward to working collaboratively to develop a meaningful approach to mitigate current and future COVID-19 impacts.