

MCCREARY COUNTY WATER DISTRICT

Response to Commission Staff's First Request for Information Case No. 2022-00336

Question No. 2

Responding Witness: Stephen Whitaker

Q-2. Refer to the Proposed Tariff, PSC Ky No. 4, Original Sheet 9, Terms and Conditions of Billing and Payment, 4(i).

- a. Explain why the District provides a night depository box.**
- b. Explain why the payments placed into this night depository are not credited to the customer account until the next day and not credited to the previous day's receipts.**
- c. If a termination notice has been issued, explain why a payment placed into the night depository is not credited to the previous day's receipts.**

A-2. Original Response

- a. A night depository box is provided for the customer's convenience. The depository box allows customers who prefer to deliver their payment directly to the District's office but are unable to visit during business hours to do so. Some McCreary County Water District customers for various reasons are unable to take advantage of other forms of payment, for example, payment by credit card or check or bank draft or prefer not to make their payment by mail. Please note that several water utilities have provide night deposit boxes for customer payments. *See, e.g.,* Estill County Water District No. 1, PSC KY No. 4, Original Sheet No. 6; Hardin County Water District No. 1, PSC KY No. 1, First Revision Sheet No. 4; Hyden-Leslie County Water District, PSC KY No. 6, Original Sheet No. 4; LaRue County Water District No. 1, PSC KY. No. 3, Original Sheet 13.
- b. The Board of Commissioners determined that payments not received before the end of the business day should not be credited to that day's receipts. Please note that other water utilities have adopted similar rules. *See, e.g.,* Estill County Water District No. 1, PSC KY No. 4, Original Sheet No. 6; Hardin County Water District No. 1, PSC KY No. 1, First Revision Sheet No. 4; Hyden-Leslie County Water District, PSC KY No. 6, Original Sheet No. 4. In *Hyden-Leslie County Water District*, Case No. 2021-00071 (Ky. PSC Aug. 4, 2021), the Public Service Commission found that such a rule was reasonable. *See also Deborah B. Schmidt and John R. Schmidt v. Union Light, Heat and Power Co.*, Case No. 2004-00454 (Ky. PSC Oct. 14, 2005). So long as customers are aware of the rule and how a utility records the payment, the matter is one of management discretion.

- c. For customers issued a termination notice, a payment placed into the night depository box **is credited to the previous day's receipts**. McCreary County Water District generally will not terminate service on the final payment date on the termination notice but will terminate service on the next business day after the final payment date. Prior to beginning terminations of service, McCreary County Water District office personnel will review night depository payments for payments from customers subject to a disconnect notice and will remove from the termination schedule any customer who has made the required payment the previous evening.

First Supplemental Response:

- b. Please note an error in McCreary District's proposed tariff, PSC KY No. 4, Original Sheet No. 9, Item i. As originally submitted, the proposed tariff reads:

Payments deposited in the night deposit box, except for those made in response to a termination for service notice, will be considered as received on the previous business day.

This sentence incorrectly states McCreary County Water District policy and was marked for revision prior to the proposed tariff's filing. but through an oversight by legal counsel was not revised. This sentence should read:

The District maintains a night depository box for the convenience of Customers and retrieves the deposited payments at the start of each business day. Payments deposited in the night deposit box will be considered as received on the next business day.

The Board of Commissioners determined that payments not received before the end of the business day should not be credited to that day's receipts. Please note that other water utilities have adopted similar rules. *See, e.g., Estill County Water District No. 1, PSC KY No. 4, Original Sheet No. 6; Hardin County Water District No. 1, PSC KY No. 1, First Revision Sheet No. 4; Hyden-Leslie County Water District, PSC KY No. 6, Original Sheet No. 4.* In *Hyden-Leslie County Water District*, Case No. 2021-00071 (Ky. PSC Aug. 4, 2021), the Public Service Commission found that such a rule was reasonable. *See also Deborah B. Schmidt and John R. Schmidt v. Union Light, Heat and Power Co.*, Case No. 2004-00454 (Ky. PSC Oct. 14, 2005). So long as customers are aware of the rule and how a utility records the payment, the matter is one of management discretion.

- c. McCreary County Water District generally will not terminate service on the final payment date on the termination notice but will terminate service on the next business day after the final payment date. Prior to beginning terminations of service, McCreary County Water District office personnel will review night depository payments for payments from customers subject to a disconnect notice and will remove from the termination schedule any customer who has made the required payment the previous evening.