COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:			
ELECTRONIC APPLICATION OF OHIO COUNTY WATER DISTRICT FOR A RATE ADJUSTMENT)	CASE NO. 2024-00127	
PURSUANT 807 KAR 5:076)	2021 00127	

RESPONSE OF OHIO COUNTY WATER DISTRICT
TO THE COMMMISSION STAFF'S FOURTH REQUEST FOR
INFORMATION DATED SEPTEMBER 16, 2024

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:						
ELECTRONIC APPLICATION OF OHIO COUNTY WATER DISTRICT FOR A RATE ADJUSTMENT PURSUANT 807 KAR 5:076	,	CASE NO. 2024-00127				
VERIFICATION OF ERIC HICKMAN						
COMMONWEALTH OF KENTUCKY) COUNTY OF OHIO)						
Eric Hickman, Kentucky Rural Water Association on behalf of C that he has supervised the preparation of certain responses to the above-referenced case and that the matters and things set forth the best of his knowledge, information and belief, formed after reasonable to the control of the c	ne Request f herein are tronable inqui	for Information in the ue and accurate to the				
The foregoing Verification was signed, acknowledged and swor September, 2024, by Eric Hickman.	n to before i	me this <u>17</u> day of <u>KYNP38919</u>				
Commission expira	ation:	10/18/2025				

Ohio County Water District Case No. 2024-00127 Commission Staff's Fourth Request for Information

Witness: Eric Hickman

- 1. Refer to Ohio District's response to Commission Staff's Third Request for Information (Response to Staff's Third Request), Item 2. Also refer to Ohio District's response to Commission Staff's First Request for Information (Response to Staff's First Request), Item 4, Employee Wages Pro Forma Excel Sheet.
 - a. Explain the difference between Ohio District's statement in its Response to Staff's Third Request that it has 17 employees and the table provided in Ohio District's Response to Staff's First Request that lists a total of 19 employees.

Response: The difference is 2 part-time employees. Ohio District has 17 full-time and 2 part-time employees.

b. Provide the number of full-time employees Ohio District expects to have when fully staffed after the addition of the 3 new employees listed in its request to modify expenses.

Response: Ohio District expects to have 20 full-time employees when fully staffed.

c. Provide the number of part-time employees Ohio District expects to have when fully staffed after the addition of the 3 new employees listed in its request to modify expenses.

Response: Ohio District expects to have 1 part-time employee when fully staffed.

2. Refer to Ohio District's Current Tariff, PSC Ky No. 1, Original Sheet No. 43. Also refer to Ohio District's Response to Staff's Third Request, Item 5. Confirm the amount of \$2.53, stated in Ohio District's Response to Staff's Third Request, charged to Ohio District's customers is a flat fee. If not confirmed, state how it is calculated and if there was any change in the fee from the test year to the current date.

The District has reviewed the current tariff provision and the proposed tariff provision regarding payment by credit/debit and proposes to revise the Rule 4k as follows:

"Customers may make payment by credit or debit card online, in person at the District's office or at the offices of the District's designated agents, or by telephone. If payment by credit or debit card is declined, the customer's obligation to pay the billed amount on the due date remains unchanged. Credit and debit card payments are subject to a processing fee to equal to that charged to the utility by the credit or debit card processing company to process the transaction. This fee is generally calculated using a formula applied to the balance of the amount charged to the credit or debit account but may be a flat fee per transaction. Prior to processing the transaction, the District will inform the customer of the fee amount."

The processing company assesses the District a fee for each credit/debit card transaction. This fee will vary based upon the amount of the bill and other factors. Each monthly the processing company submits a bill to the District for the total fee for processing these transactions. Upon receipt of the bill, the District makes payment to the processing company.

When a customer makes payment by credit/debit card, the District assesses a fee to the customer. This fee is added to the amount of the bill. The District bases its fee upon the average processing fee cost per transaction. It periodically reviews the amount assessed by its processing company to determine if the District's assessed fee is recovering the processing cost.

The District currently assesses a flat fee of \$2.53 per credit/debit card transaction. The fee does not vary. The District last revised the fee in May 2021. The table below shows that the District's processing fee has recovered the approximate cost of credit/debit card processing fees charged to the District for calendar years 2021 through 2023 by the District's credit/debit card processor.

		Processing	Average
		Company	Processing
Statement	Transactions	Charges	Fee
01/1/2021	1,423	\$3,591.69	\$2.52
02/1/2021	1,241	\$3,037.48	\$2.45
03/1/2021	1,471	\$3,683.92	\$2.50
04/1/2021	1,450	\$3,844.09	\$2.65
05/1/2021	1,413	\$3,406.52	\$2.41
06/1/2021	1,430	\$3,625.72	\$2.54
07/1/2021	1,496	\$3,744.57	\$2.50
08/1/2021	1,388	\$3,705.44	\$2.67
09/1/2021	1,452	\$4,011.29	\$2.76
10/1/2021	1,521	\$3,858.82	\$2.54
11/1/2021	1,421	\$3,539.25	\$2.49
12/1/2021	1,569	\$3,781.16	\$2.41
2021 Average	9		\$2.54

		Processing Company	Average Processing
Statement	Transactions	Charges	Fee
		J	
01/1/2022	1,509	\$3,908.42	\$2.59
02/1/2022	1,391	\$3,479.93	\$2.50
03/1/2022	1,644	\$3,925.95	\$2.39
04/1/2022	1,512	\$3,686.46	\$2.44
05/1/2022	1,416	\$3,293.07	\$2.33
06/1/2022	1,547	\$3,816.42	\$2.47
07/1/2022	1,685	\$4,428.31	\$2.63
08/1/2022	1,507	\$4,336.92	\$2.88
09/1/2022	1,470	\$4,019.44	\$2.73
10/1/2022	1,769	\$4,706.17	\$2.66
11/1/2022	1,556	\$4,055.70	\$2.61
12/1/2022	1,676	\$3 <i>,</i> 856.25	\$2.30
2022 Averag	e		\$2.54
		Processing	Average
		Company	Processing
Statement	Transactions	Charges	Fee
01 /1 /2022	1 649	\$4,459.19	ć2 71
01/1/2023	1,648	• •	\$2.71 \$2.55
02/1/2023	1,549	\$3,947.19 \$4,072.04	\$2.35 \$2.35
03/1/2023 04/1/2023	1,733 1,735	\$4,072.04 \$4,261.57	\$2.35 \$2.46
04/1/2023	1,735 1,588	\$4,261.57 \$3,779.90	\$2.46 \$2.38
	•	• •	
06/1/2023	1,626	\$3,928.68	\$2.42 \$2.70
07/1/2023	1,807	\$5,031.19	\$2.78
08/1/2023	1,688	\$4,840.83	\$2.87
09/1/2023	1,768	\$4,893.48	\$2.77
10/1/2023	1,656	\$4,432.14	\$2.68
11/1/2023	1,667	\$4,297.50	\$2.58
12/1/2023	1,851	\$4,674.53	\$2.53
2023 Averag	e		\$2.52

Ohio District will continue charging a flat fee until its new billing system is operational. When this system is operational, Ohio District will no longer assess a fee to the customer to recover the cost of assessed to the water district for credit/debit card payments. Instead, the credit/debit card processor will directly assess and collect a fee from the cardholder. The new billing system is expected to be operational within 230 days.

As Ohio District will not be charging any credit/debit card transaction fee to its customers, it will remove the fee from its filed rate schedule when the credit/debit card processor

begins directly assessing and collecting a fee from customers. Ohio District will continue to advise customers wishing to pay with a credit or debit card that a fee for credit/debit card payment will be assess but inform the customer that the fee is established and directly charged by the credit/debit card payment processor. The fee will be established under the terms of a contract with the credit/debit card processor and is subject to change when the contract is renegotiated or a new contract is entered.

3. Provide a copy of the terms and conditions between Ohio District and its credit card processor company for the fees described in Item 5. Include in the response any relevant contract.

Response: See files 3_ACH_Merchant_2021

3_Card_Neil_Group_2021