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Vice Chairman

Talina R. Mathews
Commissioner

January 27, 2021

PARTIES OF RECORD

Re: Case No. 2020-00154

Attached is a copy of a memorandum, which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the memorandum, please do so within five days of receipt of this letter.

If you have any questions, please contact Nancy Vinsel, Assistant General Counsel at 502-782-2582.

Sincerely,


Linda C. Bridwell
Executive Director

njv

Attachment

INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2020-00154

FROM: Nancy J. Vinsel, Assistant General Counsel

DATE: January 27, 2021

RE: Informal Conference of January 27, 2021

A video informal conference ("IC") was conducted on January 27, 2021. Attached is a copy of the attendance roster.

The purpose of the IC was to discuss the financial and operational information contained in the October 2020 board packet that was filed into the case record on October 26, 2020.

Commission Staff asked for clarification about the following:

1. The memo dated January 22, 2021 references an adjustment to MCWD's books for \$81,575.53 for customer deposits that I would assume Staff was not able to tie directly to a customer. Will this adjustment be an adjusting journal entry as part of MCWD's 2020 audit, or will it be recorded in the 2021 calendar year entries? Will this be an increase to Miscellaneous Revenues when it is recorded?
 - a. Entry made before 2020 books sent to Auditor; will be Miscellaneous Revenue.
 - b. Amount is not tied to any customers in MCWD system.

MCCC asked for clarification about the following:

1. Payment arrangements and disconnects: Describe process
 - a. Disconnects down to 88 customers without a payment arrangement; all are in arrearages for November, December, and January. All 88 also had past due bills from March forward.
 - b. Went above and beyond PSC order for payment arrangements, extending through December bill arrearage (beyond October date in 2020-00085 order).
 - c. Funding for CAP assistance and Healthy at Home: MCWD Staff made applications on behalf of customers, even those who did not come into the office. Staff made list of potentially eligible customers and sent applications on customers' behalf. Also helped customers who requested assistance with filing for financial assistance.
 - d. Customer contact: initial contact via phone calls, then letters, and Facebook page. Documented contact in customer account.
 - e. MCCC heard that some customers had issues contacting Big Sandy CAP office. MCWD Staff contacted as they could; do not have info about Big Sandy CAP.

2. In the December 2020 board packet, MCWD reported that it had written off about \$16,000 in bad debts on water customers' accounts. Can you describe the efforts MCWD made to collect those debts prior to the bad debt write off?
 - a. MCWD in the past used a collection agency. Alliance discontinued service because MCWD was not receiving a return. MCWD has been billing customers at current or forwarding address.
3. Negative reads: January board packet reports 41 negative reads. Do you still believe that those issues may be related to customers turning the meter around? Are there other explanations that could account for these problems?
 - a. Alliance can find no other explanation. Craig verified himself and tested meters at the meter plant to check other possibilities. Backflow could be an issue if 100 gallon, but this would mean there is no backflow protection. Amount of negative read of several thousand gallons is common on negative reads, which would be possible only if customer had substantial storage. Hard to prove potential water theft via turning meter around; customers have to be caught in the act, which is difficult. Negative read possible if there were two water sources, but MCWD pressure would overcome other, and it would be illegal.
4. Commercial water sales have been declining over the year. The December numbers are about 44% below budget. Can you tell us the extent to which the decline in revenue is due to account closures v. non-payments?
 - a. One large commercial customer was disconnected.

There being no further discussion, the conference was adjourned.

Attachment: Sign-in Sheet

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC MARTIN COUNTY WATER)	
DISTRICT MANAGEMENT AND OPERATION)	CASE NO.
MONITORING PURSUANT TO KRS 278.250)	2020-00154

January 27, 2021

Please sign in:

NAME	REPRESENTING
Nancy Vinsel	PSC – Legal
Ariel Miller	PSC – FA
Craig Miller	Martin County Water District/Alliance
Keith Onysio	Martin County Water District/Alliance
Mary Cromer	Martin County Concerned Citizens
Nina McCoy	Martin County Concerned Citizens
John Paul Hensley	Martin County Water District Board

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