

- I. Proposed Tariff Original Sheet No. 4 – Section I, paragraph 3: On occasion, Northern Kentucky District has discovered that customers needed additional clarification that, upon approval of a water service application or contract, water service will be connected (in accordance with 807 KAR 5:006) and water will begin flowing, and charges, including the fixed service charge, will be incurred. This language was added for clarification.
- II. Proposed Tariff Original Sheet No. 5 – Section I, paragraph 11: Language regarding Sales Tax has been added to inform customers that some water service accounts may be subject to the Kentucky Sales Tax, and clarify that it is the obligation of the customer to provide appropriate and accurate information in order to determine whether sales tax or an exemption permitted by KRS 139.470 applies to the customer’s account.
- III. Proposed Tariff Original Sheet No. 5 – Section I, paragraph 13: Please refer to 2018-00291 responses to Data Request 2, question 5. For your convenience, the question and response is provided below:

Q5. Refer to the application, Exhibit M, Proposed Tariff Original Sheet No. 5, paragraph 11, in regards to the cost of total gallons billed used when actual water usage cannot be determined.

- a. Explain why Northern Kentucky District decreased the total gallons used from 18,000 to 12,000 gallons and from 6,000 to 4,000 gallons.
- b. Provide the number of occurrences in the past three years when a customer's actual water usage could not be determined.

A5a. Northern Kentucky District decreased the total gallons used from 18,000 to 12,000 gallons and from 6,000 to 4,000 gallons based on an analysis of actual consumption of its customers. Actual consumption data reflects the average customer consumption is approximately 12,000 gallons per quarterly customer and approximately 4,000 gallons per monthly customer.

A5b. Northern Kentucky District estimates the number of occurrences in the past three years when a customer’s actual water usage could not be determined as follows:

2016 – 68  
2017 – 42  
2018 – 23

IV. Proposed Tariff Original Sheet No. 5 – Section I, paragraph 14: Please refer to 2018-00291 response to Data Request 3, question 2. For your convenience, the question and response is provided below:

Q2. Refer to the Application, Exhibit M, Proposed Tariff Original Sheet No. 5, paragraph 12.

- a. Given that Northern Kentucky District utilizes an automated meter reading system, explain whether the meter transmitter or software will be upgraded if a customer switches from quarterly to monthly billing.
- b. Explain why there would be additional monthly fees from the vendor for reading meters more frequent than quarterly

A2a. If a customer submits a written request along with an explanation of why the billing change is needed, the request will be reviewed by the District on a case-by-case basis. At that time, the District will evaluate whether the meter transmitter or software needs to be upgraded to fulfill the customer's request to switch from quarterly to monthly billing. The District would like to reserve the right to apply the costs associated with the potential upgrade to the meter transmitter or software costs to the customer that is requesting the upgraded transmitter and software.

A2b. Northern Kentucky District has received a limited number of requests for more frequent readings from a few of our larger customers in order for them to perform water consumption analysis. Northern Kentucky District is working with a few of these customers in an attempt to provide more frequent meter readings than quarterly so that the requests of these select customers can be fulfilled. In order for Northern Kentucky District and the customer to receive more frequent readings, the meter transmitter may have to be upgraded at a cost set by the vendor, and software subscription may have to be purchased at a cost set by the vendor. The fees would be limited and applied only to the customers requesting more frequent readings. Note that Northern Kentucky District maintains a poll on the website that asks if customers would prefer monthly or quarterly reads. The customer poll states that 65% prefer quarterly billing compared to 35% that prefer monthly billing. As such, Northern Kentucky District intends to continue to read and bill on a quarterly basis for the vast majority of our customers, but also would like to respond and meet the requests of the select few customers that may prefer more frequent readings. In those instances, Northern Kentucky District would like to reserve the right to bill the requesting customer for the incidental fees for the more frequent readings so those additional costs are not being incurred by customers not desiring this additional service.

- V. Proposed Tariff Original Sheet No. 6 – Section I, paragraph 16: Please refer to 2018-00291 responses to Data Request 3, question 3. For your convenience, the question and response is provided below:

Q3. Refer to the Application, Exhibit M, Proposed Tariff Original Sheet No. 5, paragraph 14. Indicate under what circumstances customers will be billed for water testing.

A3. The District provides analytical services to customers who request the water coming into the structure be tested because of a concern. The services offered are limited to analytical methods that can be performed in-house by District staff. The primary analyses offered are chlorine, Total Coliform, E.coli, and routine chemical parameters (Alkalinity, Aluminum, Calcium, Chloride, Conductivity, Fluoride, Hardness, Iron, Manganese, pH, Temperature, Turbidity, Sodium and Sulfate). The necessary testing, to investigate the concern, will be determined by the laboratory staff and the customer. Laboratory testing services agreed upon to be appropriate are provided free of charge, provided the water has not undergone additional conditioning and has not been altered in some manner by the customer. The number of samples and type of tests performed will be determined by the possible cause of the concern. If a customer requests testing of water that has been altered by the customer, such as a faucet treated by a whole-house filter, a filtered refrigerator tap, or after a water heater, then the customer will be charged for the sample. If the customer is asking for analyses that are above those deemed necessary by the laboratory staff, then the customer will be asked to pay the actual cost of the testing.

In addition, the District charges for samples that are part of a lead testing program within a school or daycare. The District charges other utilities including the District's wholesale customers for analyzing samples collected within the other utility's or wholesale customer's system. The District charges for samples that are not from District customers, such as those collected from a cistern or private water well.

- VI. Proposed Tariff Original Sheet No. 7 – Section I-A, paragraphs 8-9: Definitions of "Residential" and "Commercial" have been added to assist the customer in determining whether a Residential or Commercial application should be completed. These definitions will also assist in the determination of whether the account should be charged the Kentucky sales tax or an exemption applies to the account per KRS 139.470.

VII. Proposed Tariff Original Sheet No. 12 – Section VIII, paragraph 5: To be more efficient and customer friendly, Northern Kentucky District has proposed to simplify the circumstances where it will charge a customer a deposit. Going forward, a deposit will be charged if the customer has had water service disconnected three times or more within the preceding 12 months. Based on the District's review of its deposit program, this change should not cause issues collecting delinquent water service fees.

VIII. Proposed Tariff Original Sheet No. 12 – Section VIII, paragraph 6: Please refer to 2018-00291 responses to Data Request 3, question 4. For your convenience, the question and response is provided below:

Q4. Refer to Appendix A, the frequently asked questions (FAQ) guide that was prepared for and emailed to all water districts and water associations on January 14, 2013, regarding KRS 278.460, the statute regarding interest on customer deposits. Also refer to Appendix B, the updated FAQ with the interest rate applicable for customer deposits for calendar year 2019. Also refer to Northern Kentucky District's Application, Exhibit M, Proposed Tariff Original Sheet No. 11, paragraph 6, which states, "[t]he District will pay interest on deposits in accordance with KRS 278.460 at the rate the District receives (as determined on January 1 of each year) but not to exceed six percent (6%) annually." As stated in the FAQs, under KRS 278.460, a water district is required to pay interest on customer deposits at the lesser of the annual interest rate the water district earned on its bank accounts or the annual interest rate established by the Commission.

a. Indicate whether Northern Kentucky District will revise the Tariff language as follows: "Interest will accrue on all deposits at the rate prescribed by law beginning on the date of the deposit. Interest accrued will be refunded to the customer or credited to the customer's bill on an annual basis. If interest is paid or credited to the customer's bill prior to twelve (12) months from the date of deposit or the last interest payment date, the payment or credit shall be on a prorated basis."

b. If so, provide a revised tariff sheet reflecting such change. If not, explain why not.

A4a. Northern Kentucky District will revise the Tariff language as proposed by Staff.

IX. Proposed Tariff Original Sheet No. 13 – Section VIII, paragraph 9: This section was added in order for Northern Kentucky District to require collection of payment from customers via another method of payment upon receiving two checks that have been returned for insufficient funds.

X. Proposed Tariff Original Sheet No. 14 – Section IX: Northern Kentucky District frequently receives calls from customers requesting adjustments for leaks inside the customer’s structure, such as a toilet or faucet leak. Language was added to define an underground leak for Type 1 adjustments as “a leak in the customer service line between the meter and the premises.” Additionally, mobile home and multi-family customers that are billed through a master meter have requested leak adjustments for leaks beyond the master meter. Northern Kentucky District only bills for consumption up to the master meter, and the infrastructure beyond the master meter are privately maintained by these entities. The Type 2 adjustment section was revised to clarify that a leak is considered unknown only after an investigation by a District employee and a licensed plumber determines the cause for high consumption is unknown. Additionally, language was added to state that receipts showing costs for repairs made must be provided in order to receive an adjustment.

XI. Proposed Tariff Original Sheet No. 15 – Section X, paragraph 2: Please refer to 2018-00291 responses to Data Request 2, question 7. For your convenience, the question and response is provided below:

Q7. Refer to the application, Exhibit M, Proposed Tariff Original Sheet No. 14, paragraph 2.

- a. State the number of times that Northern Kentucky District has been unable to read a customer's meter due to a car, truck, trailer, or boat blocking access to the meter.
- b. Explain the process that Northern Kentucky District currently follows when access to a customer's meter is blocked due to a car, truck, trailer, or boat.

A7a. Northern Kentucky District utilizes an automated meter reading (AMR) system, therefore the number of times that a Customer Service Field Representative has been unable to be read a meter due to car, truck, trailer, or boat blocking access to the meter is zero. Northern Kentucky District currently has, and historically has had, an issue with blocked meters mainly when a Customer Service Field Representative arrives on site to terminate service in accordance with 807 KAR 5:006, Section 15(1)(f). In 2018, Northern Kentucky District noted 15 times when a Customer Service Field Representative arrived at a location to terminate service for nonpayment of bills, and the meter was blocked.

A7b. The process currently followed when access to a customer’s meter is blocked is to attempt to contact the customer by knocking on the customer’s door. If unable to contact, a door hanger is left requesting the customer to call the office when they return home.

- XII. Proposed Tariff Original Sheet No. 15 – Section X, paragraph 4: When a bypass pipe is installed in a building by Northern Kentucky District in relation to an interior water meter relocation, the District frequently encounters questions related to the responsibility for the bypass and any future repairs or issues. Language has been added to state that the District will only be responsible for the bypass for a period of one year.
- XIII. Proposed Tariff Original Sheet No. 16 – Section XII, paragraph 6: Language was added to state that late penalties will be applied to invoices for services and work performed by the District in the same manner that late penalties are applied to customer bills in accordance with tariff section VIII.
- XIV. Proposed Tariff Original Sheet No. 16 – Section XII, paragraph 7: Language has been added to allow Northern Kentucky District to transfer a customer's unpaid invoice to the customer's water account, if an account exists. This will assist Northern Kentucky District in collecting the balance due.
- XV. Proposed Tariff Original Sheet No. 17 – Section XIII, paragraph 2: New language is being inserted regarding costs for boring in rock areas that matches Northern Kentucky District's existing design standards for new developments. When rock is encountered, a conduit is supposed to be installed by the developer prior to building the road. The conduit is used to install the service connection and avoids the added cost of boring through rock. Effective Jan. 1, 2020, the District will charge a developer the District's costs, less the service connection fee paid at the time of application, for any necessary rock boring when the developer fails to install a crossover conduit.
- XVI. Proposed Tariff Original Sheet No. 17 – Section XIII, paragraph 3: The original wording in this paragraph is being removed and will be relocated with changes to new paragraph 8 in the same section. The new language is being inserted so that Northern Kentucky District can bill a customer who wants a specific location for a new service line that is different than the location recommended by the District. The customer's desired service line location may be significantly more expensive than the service connection fee and the District's recommended location due to difficult terrain or additional restoration.

- XVII. Proposed Tariff Original Sheet No. 18 – Section XIII, paragraph 8: The purpose of the proposed revisions is to allocate the cost of the reduced, enlarged or relocated service line installation to the customer making the request. An existing customer requesting to modify the size of the service or move a service is done so for the customer's own convenience. The customer making the request already has service for which a new service connection fee was paid based on the size of the connection installed. With the proposed revisions, the customer requesting a smaller, larger, or relocated service will pay for the actual cost to do the work, which may be less than or more than the new service connection fee stated in the tariff. The proposed revisions will ensure that the cost of the reduced, enlarged or relocated service will not be subsidized by other customers, in the event the cost exceeds the cost of a new service.

The cost would include the labor to install the service and to complete the restoration, along with the following materials list (restoration items may vary depending on field conditions):

Service Line: saddle (for tapping polyvinyl chloride pipe only), corporation stop, copper pipe, tracing wire with split bolt, water meter, 2 angle valves, pressure regulator (depending on incoming pressure), meter yoke, meter box and lid, polyethylene tape, and miscellaneous fittings required for connection;

Restoration: backfill with sand, gravel, or flowable fill; concrete or asphalt pavement (for street, sidewalk, or driveway); and seed and straw.

- XVIII. Proposed Tariff Original Sheet No. 32 – Section XX, paragraph 3: Language has been added to allow Northern Kentucky District to transfer a customer's unpaid fire hydrant fee and any repair/replacement costs caused by damage or theft to the customer's water account. This will assist Northern Kentucky District in collecting these fees and repair/replacement costs.
- XIX. Proposed Tariff Original Sheet No. 33 – Section XXI, paragraph 3: In the instance of a fire protection district failing to report its estimate of the amount of water used for fighting fires and/or training, Northern Kentucky District may bill the fire protection district for the presumed usage. The amount to be billed has been reduced from 0.3% to 0.03% of total water sales for the calendar month. Based on recent results reported from fire departments in the service area (currently 27 fire departments), this volume reasonably reflects normal fire department water usage. Additionally, Northern Kentucky District is clarifying that a non-reporting user may present evidence of its actual usage to rebut the presumed usage.

XX. Proposed Tariff Original Sheet Nos. 46 - 54 – Appendix A: Copies of forms to be completed by customers for New Water Service, including:

- “Application for Water Service (Residential)” – this is completed by a Residential customer applying for water service.
- “Application for Water Service (Commercial)” – this is completed by a Commercial customer applying for water service.

Several questions regarding the applications for water service were included in 2018-00291 Data Requests. For your convenience, the questions and responses are provided below:

**Data Request 2, questions 11, 12:**

Q11. Refer to the application, Exhibit M, Appendix A, New Service Residential Application.

a. In Northern Kentucky District's current residential application, applicants must provide a photo ID. Explain why applicants must now provide a driver's license and what documentation applicants without a driver's license must provide.

b. Also, Refer to Case No. 2013-00309, Donald B. and Kimberly A. Niergarth v. Northern Kentucky Water District (Ky. PSC Jan. 31, 2014). Explain why Northern Kentucky District included an optional provision for applicants to provide their social security number.

c. Explain why Northern Kentucky District now requires applicants to sign a water turn on a release form.

A11a. Northern Kentucky District requests applicants to provide a driver's license because the driver's license number is used to uniquely identify the customer if they move from one property to another property and have left a debt on an account pertaining to a previous property. The driver's license number is also used as an identifier in the event multiple customers with the same name apply for water service. Additionally, it is used to protect customers from another person attempting to falsely apply for water service in their name. In the event that a customer does not have a driver's license, Northern Kentucky District will accept a KY State issued ID, or any other form of photo identification such as a passport or military ID.



- A11b. Similar to the response provided above in A11a, Northern Kentucky District requests that applicants provide their Social Security number in order to aid in the identification of a customer. Using unique identifiers can serve as additional protection to the customer in the event that another person attempts to apply for water in a name that is not their own, and can also be used to determine if a customer has left a bad debt on an account pertaining to a previous property. Customers are asked if they are willing to provide their Social Security number, but, referencing case no. 2013-00309, customers are not denied service because of their refusal to provide a Social Security number.
- A11c. When a customer requests water to be turned on at their premises, Northern Kentucky District first offers a date and time for a Customer Service Field Representative to meet the customer at the premises, so the owner or lawful tenant is on-site at the time the water is turned on. Requesting the physical presence of the owner or tenant is ideal so that, if any issues arise after the water is turned on, the owner or lawful tenant can address such an issue immediately and limit the amount of any potential water damage that may arise from unforeseen issues after the water is turned on (such as an unknown broken interior water pipe, etc.). Frequently, customers request that District personnel turn on water in their absence. Northern Kentucky District clearly sets forth the risks associated with turning on water service without the owner or lawful tenant present and requests a written release from the customer as evidence that the customer was apprised of those risks and approved the action by Northern Kentucky District related to starting/resuming water service. Legal counsel to Northern Kentucky District has advised that this document is necessary as evidence of customer consent if a claim or complaint is later filed.
- Q12. Refer to the application, Exhibit M, Appendix A, New Service Commercial Application. Also refer to the January 31, 2014 Order in Case No. 2013-00309. Explain why Northern Kentucky District requires commercial applicants to provide their Federal Employer Identification Number.
- A12. The Federal Employer Identification Number (FEIN) of commercial applicants is used as a unique identifier to assist Northern Kentucky District in distinguishing between multiple companies with similar or identical company names. Additionally, the FEIN can be used to alert Northern Kentucky District of companies that no longer exist or that are fictitious, and assist in the collection of bad debt.

**Data Request 3, questions 9, 10, 11:**

- Q9. Refer to Northern Kentucky District's Response to Staff's Second Request, Item 12. Also refer to the March 24, 2014 letter filed in TFS2014-00161. In the March 24, 2014 letter, Northern Kentucky District states "The District has deleted the federal employer identification number from the application. Because the identity and legal existence of the applicant business entity can be verified in alternative ways, and because of concerns raised by the Public Service Commission in its Order in Case No. 2013-00309, entered January 31, 2014, the District has removed the federal employer identification number." Explain what has happened since then to cause Northern Kentucky District to propose to put the federal employer identification number back into the customer service application.
- A9. Based upon Northern Kentucky District's Account Service Representatives' and Billing Representatives' experiences, there have been problems identifying legitimate businesses and verifying their legal existence without obtaining their federal employer identification number. Northern Kentucky District believes that verifying the federal employer identification mitigates the risk of a customer falsely starting water service in a business' name to avoid a bad debt to the District that may be hindering his/her ability to resume or start water service in his/her personal name.
- Q10. Refer to Northern Kentucky District's Response to Staff's Second Request, Item 11 b. Also refer to the March 24, 2014 letter filed in TFS2014-00161. In it, Northern Kentucky District states "The District has deleted the Social Security number from the current application. Because the identity of the individual applicant can be verified in alternative ways, and because of concerns raised by the Public Service Commission in its Order in Case No. 2013-00309 entered January 31, 2014, the District has removed the Social Security number." Explain what has happened since then to cause Northern Kentucky District to propose to put the Social Security number back into the customer service application.

- A10. Based upon Northern Kentucky District's Account Service Representatives' and Billing Representatives' experiences, there have been problems in properly identifying customers without obtaining their Social Security number. Northern Kentucky District has had problems with various customers stating that their name is very common, and that the bad debt/delinquency that is associated with their account belongs to someone else with their same name. Having a unique identifier is beneficial and protects the good paying customers from this situation. Also, obtaining the Social Security number aids in the collection of bad debt which benefits Northern Kentucky District's entire customer base when these bad debts are collected instead of being written off.
- Q11. Refer to Northern Kentucky District's Response to Staff's Second Request, Item 8, the Water Turn-On Release Forms for residential and commercial customers. Explain whether Northern Kentucky District would agree to revise these forms to delete all language after the first paragraph and include the following language after the first paragraph, "When turning on the meter, any indication that the water is running will require that the meter be shut off. The applicant will be charged a turn-on fee even if the meter had to be shut off due to water running."
- A11. Northern Kentucky District believes the suggested revision fails to address the potential liability issue, which could have unforeseen implications for the District if adopted. When a customer requests water to be turned on at their premises, Northern Kentucky District first offers a date and time for a Customer Service Field Representative to meet the customer at the premises, so the owner or lawful tenant is on-site at the time the water is turned on. Requesting the physical presence of the owner or tenant is ideal so that, if any issues arise after the water is turned on, the owner or lawful tenant can address such an issue immediately and limit the amount of any potential water damage that may arise from unforeseen issues after the water is turned on (such as an unknown broken interior water pipe, etc.). Frequently, customers request that District personnel turn on water in their absence. Northern Kentucky District clearly sets forth the risks associated with turning on water service without the owner or lawful tenant present. Since those risks are verbally communicated to the customer, and the customer agrees to proceed with having their water turned on without the owner or lawful tenant present at the discouragement of Northern Kentucky District, the written release allows additional protection against a future claim that may arise in the event property damage occurs, which in turn protects the customer base from then having their rates go up either through increased damage expense or increased insurance expense. In early 2018, Northern Kentucky District

experienced a situation when a customer claimed that the water was turned on without their consent, and subsequently experienced internal water damage to their property after the water was turned on, and sought recovery for damages. At the time the water was turned on, there was no indication to Northern Kentucky District personnel that there was any problem inside the building after the water had been turned on. Northern Kentucky District was able to produce the water turn on release form and deny the claim by the claimant which allowed the District to avoid paying a substantial amount to one claimant. Maintaining the indemnity clause in the Water Turn On release form offers protection to the customer base as a whole given that this reduces the risk of paying significant amounts for individual claims. If the turn on is scheduled only when the customer is present to avoid potential liability, it will create an inconvenience for both the customer and the district and may result in multiple trips to the location and delayed service.

XXI. Proposed Tariff Original Sheet No. 56 – Appendix C: Copy of form to be completed by customers applying for a new service line and water service – “Water Service Connection Contract”. The name of the form is being changed to include “Connection” to clarify the purpose of the form. Some customers do complete this form in addition to the Application for Water Service; for example, a customer that is building a new home and is the contractor. The Water Service Connection Contract is frequently the only form completed by a builder since they are applying for the new service line and the purchaser would complete the Application for Water Service to transfer the water service into their name. A customer applying to turn on water service at a location with an existing service line would only complete the Application for Water Service.

XXII. Proposed Tariff Original Sheet No. 58 – Appendix E: Please refer to 2018-00291 responses to Data Request 3, question 5. For your convenience, the question and response is provided below:

Q5. Refer to the Application, Exhibit M, Current Tariff Sheet No. 34 and Proposed Tariff Sheet No. 56. Explain why Northern Kentucky District is proposing to remove the following language from the Billing Card: "To pay by credit card, please check here, complete the information on the reverse side and mail back to NKWD."

A5. Northern Kentucky District is proposing to remove the following language from the Billing Card: “To pay by credit card, please check here, complete the information on the reverse side and mail back to NKWD” in order to mitigate the risk of a security breach as defined in KRS 61.931 – 61.933, and in order to

mitigate the risk of failing to comply with the Payment Card Industry Data Security Standard (PCI DSS). Personal Information as defined by KRS 61.931 – 933 is defined as an individual’s first name or first initial and last name; personal mark, or unique biometric or genetic print or image, in combination with one or more data element, including, among other things, a credit card number. Also, the PCI DSS requirements on companies that accept credit card payments are voluminous; therefore, Northern Kentucky District does not accept written credit card numbers in order to minimize the risk of inadvertent disclosure of this protected information. Customers are still able to pay by credit card in-person, by phone, or online at the District website.