

Mary B. Shekarchi
Attorney at Law

33 College Hill Road, Suite 15-E
Warwick, Rhode Island 02886

Phone: (401) 828-5030
Fax: (401) 823-1400
E-Mail: marybali@aol.com

May 22, 2020


Ms. Luly Massaro, Clerk
RI Division of Public Utilities and Carriers
89 Jefferson Blvd.
Warwick, RI 02888

RE: RI Public Utilities Commission ("RIPUC") Docket No. 5022 - Order #23826

Dear Ms. Massaro:

Please find enclosed herewith Kent County Water Authority's Plan for Collection Activities pursuant to the above-referenced Docket and Order. Thank you.

Sincerely,


Mary B. Shekarchi
Attorney at Law

MBS/mdc
Enclosure

Cc: Service List via electronic mail



Kent County Water Authority

May 22, 2020

KCWA Response to Questions

RIPUC Docket 5022 - Order 23826

(PUC-1) (1) Have collections dropped off for residential and nonresidential customers over the past two weeks, four weeks, and six weeks compared to prior months and prior years?

(PUC-2) If so, please quantify the extent of the reduction.

KCWA RESPONSE TO PUC 1 & 2:

KCWA Collections Trending and Mitigation

- Collections actually increased over the last few weeks (see below) but decreased looking back six weeks compared to past years.
- **Delinquent accounts** have increased **33 %** from **1735** in May 2019 to **2299** for May 2020.
- **Shutoff accounts** have increased **30%** from **829** in May 2019 to **1081** for May 2020.
- **Total outstanding as of 4-29-20** in delinquent and shutoff status **\$694,415**
- **Total outstanding as of 5-21-20** in delinquent and shutoff status **\$290,382** (\$184,839 in delinquent status and \$105,543 in shutoff status)
- Delinquent accounts are defined as those that have not paid after 30 days. Delinquent notices are sent after 45 days. Shutoff accounts are 60 days past due and are typically scheduled to be terminated for non-payment. These accounts are not being shut off for nonpayment.
- KCWA has stopped all shutoff notifications and service terminations for nonpayment until May 31, 2020 and is continuing to send revised delinquent notifications (attached) in their place to encourage payment. The notice provides the customers with payment options including online bill payment, online ACH, drop off at the main office in a drop slot, and telephone payments.
- Payment plans are being offered to all customers having difficulty paying their bills.
- KCWA requested and was granted a waiver on interest for past due accounts during the pandemic.
- KCWA requested and was granted a waiver on credit card and ACH fees for online and phone payments

(PUC- 3) What effect has any such reduction had on the utility's cash flow?

KCWA RESPONSE TO PUC- 3 :

KCWA Meter Revenue Trending

- The metered billing amounts for May have not been processed as of the date of this filing 5-22-20. The final reads should be arriving next week to process the billing file and determine if there is a downturn in use.
- KCWA will have to continue to wait until the end of June to get a full handle on the downturn in revenues from the COVID-19 pandemic due to businesses closing and/or reducing their usage.

KCWA Financial Coverage Plan

- Plan for anticipated reduction in timed revenues from non-payment and/or reduced usage.
- There is \$3.1 M in the Operating Revenue Account.
- April Expenditures: \$ 1 M in monthly restricted acct funding and 983 K in operating expenditures for a total of \$1.983 M for April. The overall anticipated operating expenditures for May are approximately \$1.9 M and \$2.0 M for June, respectively.
- KCWA collected **\$613 K** as of May 21, 2020 for April billings. The April billings were **\$1.4 M**. The collections represent **54 %** of the anticipated receivables with 10 days left in the month.
- If our collections decrease by 50% for any given month during the pandemic, then KCWA would petition the RIPUC for permission for emergency use of our Operating Reserve Account to handle the short-term shortfall if needed. There is currently \$1.4 M in the Operating Reserve Account.
- If the Operating Reserve Account gets fully utilized, we would then petition the RIPUC to use the restricted Infrastructure account. There is \$4.1 M in the Infrastructure account as of today 4-30-2020.
- The plan would be to refund all restricted accounts once the pandemic has passed.

KCWA Production Trending

- Production trending can potentially signal a decrease in anticipated sales.
- Production has decreased in March 2020 by 3%, or 5 million gallons, compared to March 2019.
- Production has decreased in April 2020 by 8% or 15 million gallons to date compared to 2019.
- Production has increased in May 2020 by 2% or 2.6 million gallons to date compared to 2019.

(PUC-4) Has the utility been unable to meet any obligations, or does it expect to be unable to meet any financial obligations in the next two weeks if it cannot commence termination of service as a collections option?

KCWA RESPONSE TO PUC- 4 :

KCWA does not anticipate any issue meeting its obligations in its decision to suspend termination activities through the end of May.

(PUC-5) Provide any information on plans for termination of service for nonpayment absent an extension of this order

KCWA RESPONSE TO PUC- 5 :

KCWA stopped sending shutoff notices and terminations for non-payment on Monday March 16th, 2020. This is being done for all customers, residential and non-residential, until May 31st, 2020. KCWA will resume collection activities as outlined in the 5-15-20 filing unless ordered to extend further.