

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of a Working Case to Consider Best)
Practices for Recovery of Past-Due Utility Customer) **File No. AW-2020-0356**
Payments After the Covid-19 Pandemic Emergency)

RESPONSE TO COMMISSION ORDER DIRECTING RESPONSES

COME NOW Confluence Rivers Utility Operating Company, Inc., Elm Hills Utility Operating Company, Inc., Hillcrest Utility Operating Company, Inc., Indian Hills Utility Operating Company, Inc., and Raccoon Creek Utility Operating Company, by the through the undersigned counsel, and provide the attached Response answering the questions contained in Appendix A of the Commission's June 24, 2020 *Order Directing Responses*.

Respectfully submitted,



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**ATTORNEYS FOR CONFLUENCE RIVERS
UTILITY OPERATING COMPANY, INC.,
ELM HILLS UTILITY OPERATING
COMPANY, INC., HILLCREST UTILITY
OPERATING COMPANY, INC., INDIAN
HILLS UTILITY OPERATING COMPANY,
INC, AND RACCOON CREEK UTILITY
OPERATING COMPANY, INC.**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was sent by electronic mail to all counsel of record this 15th day of July 2020.

/s/ Jennifer L. Hernandez

1. What date did the company initiate the suspension of discontinuances of service as a result of the COVID-19 pandemic emergency?

RESPONSE:

The Company initiated the suspension of discontinuances on March 13, 2020.

2. Please describe practices used prior to the suspension of customer discontinuances that were used to minimize past due accounts receivable.

RESPONSE:

Customers are mailed and/or emailed reminders upon application of a late charge, which provided an incentive to pay. Discontinuance notices as specified in Rule 7 of each Missouri tariff were followed to allow customers time to pay prior to disconnect.

3. Please describe efforts made since the suspension of discontinuances to mitigate past due accounts receivable.

RESPONSE:

CSWR has used forms of communication via paper bills, emails and social media to make customers aware of ways to reduce use/water bill. The company used the same forms of communication to offer payment plans and on time payments. CSWR also monitors and contacts customers with unusually high usage.

4. Please provide examples of customer communication regarding changes in collection practices related to accounts subject to discontinuance.

RESPONSE:

Please see the attachment.

5. Please describe any changes in procedures related to customer payment arrangements since initiating the suspension of discontinuances of service.

RESPONSE:

CSWR continued the practice of offering payment arrangements to the customers as requested.

6. Please provide documentation of the number of customers with payment arrangements, on a monthly basis, by customer class, from March 2016 to 2020 YTD. For each

period, provide the number of Cold Weather Rule and non-Cold Weather Rule payment arrangements for residential customers.

RESPONSE:

The information requested is not available due to the unique nature of CSWR. The Cold Weather Rule does not apply to our customers

7. Please describe the alternatives discussed by company management to collect past due accounts receivable without unduly burdening vulnerable customers when discontinuances of service are resumed. For each alternative, please describe the associated advantages and disadvantages. Please describe how alternatives to collect past due accounts receivable will be communicated to customers.

RESPONSE:

CSWR is working internally to create a plan for restarting disconnections and collections of late fees. The company plans on closely monitoring the COVID-19 pandemic and responding accordingly.

8. What criteria will be used to determine the timing for resuming discontinuances of service?

RESPONSE:

CSWR is working internally to create a plan for restarting disconnections and collections of late fees. The company plans on closely monitoring the COVID-19 pandemic and responding accordingly.

9. If applicable, describe COVID-19 related changes to the company's community-funded assistance program (i.e. Dollar More, Dollar Help etc.). If eligibility requirements were modified in an effort to assist more customers, did the changes result in increased pledges on customer accounts, please explain.

RESPONSE:

This request for data is not applicable to the company.

10. Please identify the amount of revenues foregone as of June 30, 2020 due to the COVID pandemic by revenue type, such as late fees, reconnection fees, etc. (Note: This should not include any estimates of "lost revenues" due to a reduction in sales to customers attributable to the COVID pandemic or economic downturn, which is being requested separately below.) Also,

please provide an estimation for the period of July 1, 2020 through December 31, 2020 for the revenues forgone.

RESPONSE:

Confluence Rivers agreed to forego \$180,000 in rate increase revenue by pushing the effective date of the Rate Increase from Case WR-2020-0275 back to July 1st, 2020. The Company does not have an estimation for the period of July 1, 2020 through December 31, 2020.

11. Please provide the change in revenues on an overall basis, and by rate class, by month, starting with February 2020 through June 2020 and the amount attributable to the impacts of the COVID-19 pandemic. Also, please provide estimated revenue changes, by rate class for the period July 1, 2020 through December 31, 2020.

RESPONSE:

The Company saw a 35% increase in receivables during the past 4 months. CSWR doesn't have documentation allocating data by rate class or by month. The Company does not have an estimation for the period of July 1, 2020 through December 31, 2020.

12. Please quantify for each of the following costs that has been incurred due to the COVID-19 pandemic to date: incremental bad debt expense, incremental costs to allow employees to work at home, additional cleaning expense, protective supplies for employees, costs related to new assistance programs implemented to aid customers with payment of bills, costs incurred for possible sequestration, and any other cost tracked by your utility. Also provide a current annual projection for each of these costs.

RESPONSE:

This request for data is not applicable to the company.

13. Please quantify for each of the following categories the savings that has been realized due to the COVID-19 pandemic to date: external travel costs, external training costs, utilities expense for office use, or any other savings category tracked by your utility. Also provide a current annual projection for each of these savings categories.

RESPONSE:

This request for data is not applicable to the company.

14. Please provide a detailed estimate/projection of any Covid-19 related costs that might be covered by governmental reimbursement programs (federal and/or state). Have

applications been made for any federal or state grants, loans or other measures of assistance associated with the COVID pandemic? If so, please provide a list of such.

RESPONSE:

CSWR is not receiving governmental reimbursements.

15. Are limitations being placed on hiring, salary/benefit increases, discretionary construction expenditures, etc. due to the COVID-19 pandemic or any other reason? If yes, please provide documentation setting out the reasons for and the terms of such limitations.

RESPONSE:

This request for data is not applicable to the company.

16. Have employee layoffs occurred due to the COVID-19 pandemic? If so, how many employees were released? Have or will the implementation of any voluntary employee reduction programs in 2020 for Covid-19 or other reasons occur? If yes, please provide the timing of the program, and its rationale.

RESPONSE:

The company has not experienced any layoffs due to the COVID-19 pandemic.

17. Please describe any programs now being implemented or planned to be implemented in the future to assist customers in returning to current status.

RESPONSE:

See previous statements regarding payment plans.

18. Please describe any programs now being implemented or planned to be implemented in the future to assist the most vulnerable or at risk customers.

RESPONSE:

Please see previous responses regarding suspension of discontinuances.

19. For electric providers – Please provide any class changes in load overall and by customer class by month starting in February 2020.

RESPONSE:

This request for data is not applicable to the company.

20. Please provide, and update as appropriate, the timing of the company's plans to restart collecting late fees from customers and when the company may begin disconnecting customers for non-payment.

RESPONSE:

CSWR is working internally to create a plan for restarting disconnections and collections of late fees. The company plans on closely monitoring the COVID-19 pandemic and responding accordingly.

21. If your utility has not already filed an application with the Commission requesting special accounting treatment of incremental COVID costs and/or "lost revenues," do you plan to do so at some point in the future? If yes, please discuss the timing of the application and the types of financial impacts you would request be included.

RESPONSE:

The company has not requested special accounting treatment of incremental COVID costs. The company plans on closely monitoring incremental COVID costs and/or "lost revenues" and may request special accounting treatment if necessary.

March 27, 2020



Dear Customer:

The COVID-19 crisis has thrust our nation into an unprecedented time unlike anything our generation has ever experienced, and we need to care for one another like never before. That's why, more than anything, we hope this message finds you and your family safe and healthy.

Whether we provide your drinking water service, your wastewater service or both – at Confluence Rivers Utility we have an obligation to you that is crucial for your health. We will continually work to bring safe, reliable and environmentally responsible water resources to you, your family and neighbors – and we are here for you, 24 hours-a-day and 365 days a year at 1-866-945-3920.

Because our services are so critical, it's important to inform you about measures we are taking during the COVID-19 crisis.

WE ARE PREPARED

We like to say that, "By failing to prepare, you are preparing to fail." It's why we immediately activated our business continuity plan once the COVID-19 crisis came to light. We have an essential responsibility to fulfill all federal and state drinking and wastewater standards and protect our customers and employees. After all, our promise begins and ends with ensuring a safe and reliable water supply, 365 days a year.

As poor water quality can lead to infectious, water-related diseases, we strictly monitor drinking water quality and wastewater discharge effluent to ensure the safety of communities – and will continue to do so throughout this pandemic by using innovative technology solutions and around-the-clock, real-time monitoring to ensure continuous, safe water resources service.

YOUR WATER WILL REMAIN ON

There has never been a more important time to support personal hygiene and hand-washing is an essential part of preventing the spread of the coronavirus. That's why we have suspended billing-related service shutoffs for at least 30 days and will continue to evaluate this suspension period and remain in compliance with any applicable state orders.

Additionally, if your service was turned off previously for non-payment prior to the pandemic and you or your family has been afflicted with COVID-19, we will turn your services back on. Please contact us through our website or call us immediately.

COVID-19 AND DRINKING WATER

Coronavirus, which causes COVID-19, has not been detected in drinking water supplies. You can continue to use and drink water from your tap as usual. We follow strict treatment guidelines established by the state and federal Environmental Protection Agency (EPA) that prevent waterborne pathogens such as viruses from contaminating drinking water and wastewater. Coronavirus is a type of virus that is particularly susceptible to disinfection and standard disinfectant processes are effective.

DOES IT FLUSH

We have a series on our social media channels called "Does it Flush" where we outline a variety of items you may, and should not, flush. And during the coronavirus pandemic, many have used products like disinfecting wipes in an effort to sanitize. These should not and cannot be flushed safely. Please dispose of them in your trash.

SOCIAL DISTANCING

Our organization, team and contractors we work with have put into place essential social distancing procedures. For your safety and that of our employees, please do not approach our employees while they are performing service work. We ask that you follow social distancing recommendations issued by the Centers for Disease Control and Prevention (<https://www.cdc.gov/coronavirus/2019-ncov/>).

WE CARE

We entered into this business because there was, and still is, an essential need. One in every four Americans is exposed to potentially unsafe drinking water or wastewater systems. That's a reality faced across our nation. It's why we are working to transform how water utilities work by using technology and innovation to quickly assess and invest in reliable infrastructure that meets or exceeds stringent state and federal safety standards, ensuring all communities across the U.S. have access to safe, clean and reliable water resources while protecting the aquifers, lakes, rivers and streams that are essential to our world.

WE'RE HERE 24/7, 365

We are doing everything we can to keep our employees safe without any interruption to your service. We're here for any questions you have, and our and emergency teams remain on duty for any trouble that may arise: 1-866-945-3920. We also encourage you to follow us on our website:

ConfluenceRiversWaterUOC.com as well as Facebook:

<https://www.facebook.com/ConfluenceRiversWaterUOC/> and Twitter <https://twitter.com/confluencewater> as we post updates often.

You and your well-being are important to us. Thank you for your trust as we continue to provide you with safe, clean, reliable water and wastewater services. We will not let you down.

Sincerely,

Josiah Cox, President



Josiah Cox, President