



851 Aviation Parkway
Smyrna, TN 37167

July 13, 2020

Dr. Kenneth Hill, Chairman
c/o Ectory Lawless
Tennessee Public Utility Commission
502 Deaderick St., 4th Floor
Nashville, TN 37243

VIA EMAIL: tpuc.docketroom@tn.gov

Re: Docket No. 20-00047 – *Emergency Petition to Suspend Service filed by the Consumer Advocate Unit of the Financial Division of the Office of the Tennessee Attorney General* – Response to Commission Data Request

Tennessee Wastewater Systems, Inc. (“TWSI”) submits the follow response to the data request issued by the Commission on June 30, 2020 related to the moratorium on customer disconnects for nonpayment issued by the Commission in this docket on March 31, 2020.

1. Should the moratorium on disconnects for nonpayment be lifted? If the moratorium should not be lifted at this time, when should the moratorium be lifted? Please explain your answer.

RESPONSE: Yes. TWSI has not seen a significant increase in non-payments from the usual amount per billing cycle due to COVID-19. In fact, the month of June represents the lowest total number of delinquencies for TWSI since the start of 2020 (see Exhibit A attached in response to data request number 5). During the months of March and April, TWSI saw delinquencies rise slightly but most of that appears attributable to rental cabin customers who were not able to rent their cabins and chose not to pay their bill. As the restrictions in Tennessee were lifted and cabin rentals resumed, those customers have become current with their bills. TWSI has a handful of customers who are habitually late paying their bill. The habitually late customers typically pay once they are threatened with service disconnection. Since TWSI has not been able to disconnect these customers they have continued to receive service without any fear of disconnection. TWSI will continue to have issues with these habitually late paying customers until such time the utility is allowed to resume disconnects.

2. Did you continue to accrue late charges for delinquent accounts during the moratorium period?

RESPONSE: No.

3. Should late charges accrued during the moratorium period be billed to delinquent customers once the moratorium is lifted?

RESPONSE: TWSI has not accrued late charges. This decision was made voluntarily, and the fees, had they accrued, are not significant. The general purpose of a late fee is to encourage timely payment. If customers have genuinely fallen delinquent as a result of COVID-19 related issues, the accrual of late fees and requirement to pay could be seen as overly punitive. Each utility is uniquely situated and a decision on this issue likely needs to be on a case by case basis for each utility based on their unique circumstances.

4. If late charges accrued during the moratorium period are not collected from delinquent customers, do you plan to seek recovery of such charges from customers through other means? If so, please describe the mechanism you propose to recover late charges accrued during the moratorium period.

RESPONSE: No.

5. For each customer class, please provide the (i) total number, (ii) aggregate amount excluding late charges, (iii) aggregate amount of accrued late charges, and (iv) average days overdue of delinquent accounts for each month beginning January 2020 through the most recent month the information is available at the time of your response.

RESPONSE: Please see Exhibit A, attached.

6. For each customer class, please provide the aggregate amount of delinquent customer accounts written off to bad debt expense for each month beginning January 2020 through the most recent month the information is available at the time of your response.

RESPONSE: No delinquent customer accounts have been written off to bad debt expense.

7. In the event the moratorium on customer disconnects for nonpayment is lifted, please describe the process you propose to use to commence disconnections for nonpayment. Notwithstanding current Commission rules and company tariffs, please include in your description the length of customer notice that should be given prior to disconnection of

service, as well as availability of customer service representatives to address customer concerns or complaints regarding disconnection or potential disconnection of their service.

RESPONSE: TWSI proposes a 45-day notice period during which time delinquent customers may be provided the opportunity to enter into a repayment plan. Those that do not pay their bill in full or enter into an approved plan will be subject to disconnection. TWSI's customer service representatives are available everyday during regular business hours to address any questions or concerns customers may have about their billing or service.

8. In the event the moratorium is lifted and the customer is unable to promptly pay overdue amounts to bring their account current within a reasonable notice period, please describe the programs, arrangements, or payment plans, if any, that you would propose to permit customers to maintain their service while paying past due balances over a reasonable time. Please state whether you would propose to apply late charges, or assess interest charges, on the unpaid balances of such arrangements provided the customer is keeping their payments current.

RESPONSE: TWSI proposed in its April response to the Commission's inquiry regarding payment plans that it would allow three (3) months for repayment for every month a customer is delinquent. A customer that is two (2) months past due will have six (6) months to bring their account current. This will require the customer remaining current on their current bills while paying the past due amounts. Provided the customers are enrolled in an approved payment plan and makes timely payments consistent with their plan, TWSI does not anticipate applying late charges or assessing interest charges to unpaid balances. In accordance with the normal terms of a repayment plan, if a payment is missed, the unpaid balance is immediately due, and the customer will be subject to disconnection.

Kind regards,



Jeff Risdien
General Counsel

EXHIBIT A

JANUARY 2020

Rate Class	Total Customers Past Due			Aged Receivables Details						
	Due	Total Past Due	Penalties Accrued	1-30 Days	31-60 Days	61-90 Days	91-120 Days	>121 Days		
1	289	\$ 15,560.56	\$ 179.95	\$ 13,270.75	\$ 2,107.08	\$ 319.68	\$ 42.89	\$ 0.11		
2	10	\$ 385.50	\$ 2.49	\$ 338.20	\$ 49.79	\$ -	\$ -	\$ -		
5	5	\$ 303.85	\$ 4.34	\$ 221.27	\$ 86.92	\$ -	\$ -	\$ -		
9	31	\$ 3,021.43	\$ 48.75	\$ 2,341.42	\$ 728.76	\$ -	\$ -	\$ -		
Commercial w/ Food	4	\$ 2,623.29	\$ 60.20	\$ 2,683.49	\$ -	\$ -	\$ -	\$ -		
Commercial Nonfood	10	\$ 1,707.80	\$ 5.32	\$ 1,713.12	\$ -	\$ -	\$ -	\$ -		
Commercial Cabin	87	\$ 7,150.90	\$ 48.77	\$ 6,605.24	\$ 436.79	\$ 37.64	\$ -	\$ 120.00		

FEBRUARY 2020

Rate Class	Total Customers Past Due			Aged Receivables Details						
	Due	Total Past Due	Penalties Accrued	Charges	1-30 Days	31-60 Days	61-90 Days	91-120 Days	>121 Days	
1	234	\$ 12,392.26	\$ 128.93	\$ 1,347.64	\$ 10,835.64	\$ 1,347.64	\$ 242.19	\$ 95.72	\$ -	
2	7	\$ 399.70	\$ 7.47	\$ 102.07	\$ 255.31	\$ 102.07	\$ 49.79	\$ -	\$ -	
5	3	\$ 1,129.96	\$ -	\$ -	\$ 1,129.96	\$ -	\$ -	\$ -	\$ -	
9	27	\$ 3,175.78	\$ 52.29	\$ 802.86	\$ 2,335.21	\$ 802.86	\$ 90.00	\$ -	\$ -	
Commercial w/ Food	3	\$ 2,608.32	\$ 25.27	\$ -	\$ 2,633.59	\$ -	\$ -	\$ -	\$ -	
Commercial Nonfood	14	\$ 2,123.10	\$ 37.24	\$ 111.79	\$ 2,048.55	\$ 111.79	\$ -	\$ -	\$ -	
Commercial Cabin	62	\$ 4,798.60	\$ 26.21	\$ 557.75	\$ 4,147.06	\$ 557.75	\$ -	\$ -	\$ 120.00	

MARCH 2020

Rate Class	Total				Aged Receivables Details						
	Customers Past Due	Total Past Due	Charges	Penalties Accrued	1-30 Days	31-60 Days	61-90 Days	91-120 Days	>121 Days		
	Due										
1	224	\$ 12,081.35	\$ 142.18	\$ 9,859.32	\$ 1,929.65	\$ 272.73	\$ 86.11	\$ 75.72			
2	6	\$ 300.41	\$ 2.49	\$ 253.11	\$ 49.79	\$ -	\$ -	\$ -			
5	5	\$ 1,173.68	\$ -	\$ 1,173.68	\$ -	\$ -	\$ -	\$ -			
9	27	\$ 2,767.01	\$ 37.90	\$ 2,466.45	\$ 338.46	\$ -	\$ -	\$ -			
Commercial w/ Food	3	\$ 753.32	\$ 25.27	\$ 778.59	\$ -	\$ -	\$ -	\$ -			
Commercial Nonfood	12	\$ 1,542.04	\$ 15.96	\$ 1,558.00	\$ -	\$ -	\$ -	\$ -			
Commercial Cabin	74	\$ 6,086.17	\$ 74.14	\$ 4,610.07	\$ 1,184.24	\$ 246.00	\$ -	\$ 120.00			

APRIL 2020

Rate Class	Total			<u>Aged Receivables Details</u>						
	Customers Due	Total Past Due	Penalties Accrued	1-30 Days	31-60 Days	61-90 Days	91-120 Days	>121 Days		
1	261	\$ 14,645.87	\$ -	\$ 11,706.81	\$ 1,928.16	\$ 624.63	\$ 224.26	\$ 161.83		
2	3	\$ 148.77	\$ -	\$ 98.98	\$ 49.79	\$ -	\$ -	\$ -		
5	8	\$ 304.74	\$ -	\$ 304.74	\$ -	\$ -	\$ -	\$ -		
9	22	\$ 2,139.48	\$ -	\$ 1,921.21	\$ 218.27	\$ -	\$ -	\$ -		
Commercial w/ Food	8	\$ 4,615.13	\$ -	\$ 4,367.12	\$ 248.01	\$ -	\$ -	\$ -		
Commercial Nonfood	16	\$ 2,219.98	\$ -	\$ 2,029.98	\$ 190.00	\$ -	\$ -	\$ -		
Commercial Cabin	87	\$ 6,794.23	\$ -	\$ 6,130.75	\$ 618.37	\$ 45.11	\$ -	\$ -		

MAY 2020

Rate Class	Total			<u>Aged Receivables Details</u>						
	Customers Past Due	Total Past Due Charges	Penalties Accrued	1-30 Days	31-60 Days	61-90 Days	91-120 Days	>121 Days		
1	287	\$ 15,592.26	\$ -	\$ 12,989.40	\$ 1,825.65	\$ 234.53	\$ 186.09	\$ 356.59		
2	9	\$ 484.85	\$ -	\$ 385.27	\$ 49.79	\$ 49.79				
5	4	\$ 134.81	\$ -	\$ 134.81	\$ -	\$ -				
9	20	\$ 1,847.55	\$ -	\$ 1,447.56	\$ 332.13	\$ 67.86				
Commercial w/ Food	2	\$ 670.28	\$ -	\$ 670.28	\$ -	\$ -	\$ -	\$ -		
Commercial Nonfood	10	\$ 1,081.83	\$ -	\$ 996.40	\$ 85.43	\$ -	\$ -	\$ -		
Commercial Cabin	108	\$ 8,268.05	\$ -	\$ 7,491.75	\$ 702.83	\$ 73.47	\$ -	\$ -		

JUNE 2020

Rate Class	Total				Aged Receivables Details						
	Customers Past Due	Total Past Due	Charges	Penalties Accrued	1-30 Days	31-60 Days	61-90 Days	91-120 Days	>121 Days		
	Due										
1	227	\$ 12,916.38	\$	-	\$ 10,250.14	\$ 1,980.99	\$ 218.24	\$ 131.06	\$ 335.95		
2	6	\$ 299.35	\$	-	\$ 199.77	\$ 99.58	\$	\$	\$		
5	5	\$ 217.30	\$	-	\$ 217.30	\$	\$	\$	\$		
9	25	\$ 3,174.55	\$	-	\$ 2,637.60	\$ 407.35	\$ 61.74	\$ 67.86	\$		
Commercial w/ Food	4	\$ 2,822.29	\$	-	\$ 2,822.29	\$	\$	\$	\$		
Commercial Nonfood	10	\$ 1,462.73	\$	-	\$ 1,462.73	\$	\$	\$	\$		
Commercial Cabin	66	\$ 5,037.91	\$	-	\$ 4,110.27	\$ 691.27	\$ 236.37	\$	\$		