

**From:** [Melnykovych, Andrew \(PSC\)](#)  
**To:** [Cathy Hinko](#)  
**Subject:** your comments in case 2019-00366 - HEA administrative case  
**Date:** Friday, February 7, 2020 1:57:00 PM

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Dear. Ms. Hinko-

The PSC has received your comments and supporting materials in case 2019-00366, the administrative proceeding regarding home energy assistance programs. They will be placed into the case record for the commission's consideration.

Please cite the case number in any future correspondence in this matter.

The case file is available online at [https://psc.ky.gov/PSC\\_WebNet/ViewCaseFilings.aspx?case=2019-00366](https://psc.ky.gov/PSC_WebNet/ViewCaseFilings.aspx?case=2019-00366).

Thank you for your interest in this matter.

Andrew Melnykovych  
Director of Communications/Public Information Officer  
Kentucky Public Service Commission  
211 Sower Boulevard, Frankfort KY 40601  
[Andrew.melnykovych@ky.gov](mailto:Andrew.melnykovych@ky.gov)  
Direct line 502-782-2564  
Cell 502-330-5981  
Main 502-564-3940

**RECEIVED**  
**By PSC at 2:11 pm, Feb 07, 2020**

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**From:** Cathy Hinko <[REDACTED]>  
**Sent:** Friday, January 10, 2020 11:25 AM  
**To:** Melnykovych, Andrew (PSC) <Andrew.Melnykovych@ky.gov>  
**Subject:** ASAP and metered sponsored utility assistance program - with all attachments

Andrew

I am not sure what the case number is, but this is MHC's position paper and supporting documentation on the issue of meter-sponsored utility assistance programs and specifically in support of ASAP. The program also has many comments in the words of clients on the impact that the design of this program has on their lives. These are large files and I would have to send them through teams Microsoft, so I am holding off.

Also MHC has copies of studies from 1991 and 2007 if the Commission does not have these.

Here is a position paper by MHC on the ASAP program.

I am attaching several support documents

Housing ownership and rental by race, ethnicity and family composition- federal, state and Jefferson County

Poverty map of Louisville

Race map of Louisville

Cut off map of Louisville

Female headed households with children map of Louisville

Elderly and disabled map of Louisville

Age of housing map of Louisville

Cathy

Cathy Hinko

Executive Director

Metropolitan Housing Coalition

P.O. Box 4533

Louisville, KY 40204

[REDACTED]

[REDACTED]



**Metropolitan Housing Coalition**  
P.O. Box 4533  
Louisville, Kentucky 40204  
Phone: (502) [REDACTED]  
Fax: (502) [REDACTED]  
[www.metropolitanhousing.org](http://www.metropolitanhousing.org)  
[Facebook.com/mhclouisville](https://www.facebook.com/mhclouisville)  
Twitter: [@mhclouisville](https://twitter.com/mhclouisville)  
Cathy Hinko, Executive Director  
[REDACTED]

**Meter Sponsored Utility Assistance Program**  
10 January 2020

The Public Service Commission is reviewing utility assistance payment programs in the state to see if there are certain requirements that should be standardized.

Metropolitan Housing Coalition believes there are standards that should be put in place to ensure efficacy, efficiency, transparency and fairness in governance of these programs. Those requirements should be:

- Programs should not exceed 14% of funding for operations
- Programs should be studied to see if the program design stabilized households and how long the program payment prevents either shut-offs or delinquencies
- Programs should be audited
- Programs should have an appeal process for denials that includes a review by someone who is not supervised by the person making the initial decision
- Programs should be reviewed to ensure they do not violate the rights of classes protected by the Fair Housing Act
- Programs should have an operations plan that includes outreach, program design, client rights

With these elements, the Public Service Commission can ensure that meter sponsored utility assistance programs are well run.

However, the design of the program should be left to the locality of the collecting utility. Each area of Kentucky has different needs. That is why there is no standard Kentucky cost for a kWh, for a CCF, for operational charges by usage, for meter charges that support delivery, for Demand Side Management Programs and all other charges. Each area is different in need, capacity, demographics and history.

The All Seasons Assurance Plan (ASAP), which operates in the LG&E area, serves both gas and electricity users. This is an urban area that has very few units that are not heated by either gas

or electricity. That is different from other programs that only provide one utility, that provide water and not gas or electricity and/or that serve an area where there is more diversity in the way heat is provided.

The ASAP program operates in a city that has 42% of all of Kentucky's African American population and has a shameful history of intentional segregation that has deliberately prevented homeownership opportunities and inter-generational wealth building which has made very few geographic areas available for African American renters and lower-income renters. The United States Supreme Court case Buchanan v. Warley arose from a Louisville ordinance mandating, block by block, where African Americans would be allowed to live. This effort was replaced by economic zoning which was overtly racist and is still in effect. The Louisville Redlining Project revealed how African American neighborhoods were excluded from access to capital. Recently, from the years 2000 to 2017, Louisville has experienced white flight and real estate steering, leading to down-grading real estate prices in an area that remains both middle class majority and homeownership, but has gone from 39% of owners being African American to 61% of owners being African American.

The legacy is that a substantial portion of Louisville's population has been excluded from wealth building. In Louisville, 36% of African American households are homeowners compared to 70% of white households. This also means that there is little geographic choice for a portion of the population that rents, confining them to older areas with housing built before insulation was required in the building code. The result is that it is difficult to get home improvement loans, for those who do own, to do upgrades of energy efficiency. The utility usage and utility cost can remain high all year round. However, as part of ASAP's program energy efficient programs are provided for consumers, to bring down the usage. This entwining is unique and provides even more efficiency for the clients, hence more stability.

These numbers and percentages are replicated by ethnicity, familial status and having a disability. So a program that operated year-round and keeps the cost to the very low income household at a manageable percentage of income is the best design for Louisville.

This responds to our current conditions and helps prevent instability in households.

The ASAP program has had several studies that prove the efficacy of the program, not just for one month or a quarter, but in changing the lives of the households that participate. MHC has a copy of a study in May 1991, ***The Percentage of Income Payment Plan in Jefferson County, Kentucky*** done by the National Consumer Law Center and a copy of ***the Louisville Gas and Electric Company Home Energy Assistance (HEA) Program Evaluation Final Report March 2007*** done by RLW Analytics.

When we bring down the cost of utilities to 10% of income (these are extremely low-income households) **households pay!** While this is a much larger percent of income than middle income

people pay, the truth is that a MERE 10 % makes utilities affordable, and the minimization of percent of income fluctuation makes budgeting possible. When the spikes occur, there is more assistance. The household remains stable and the results are a healthier household.

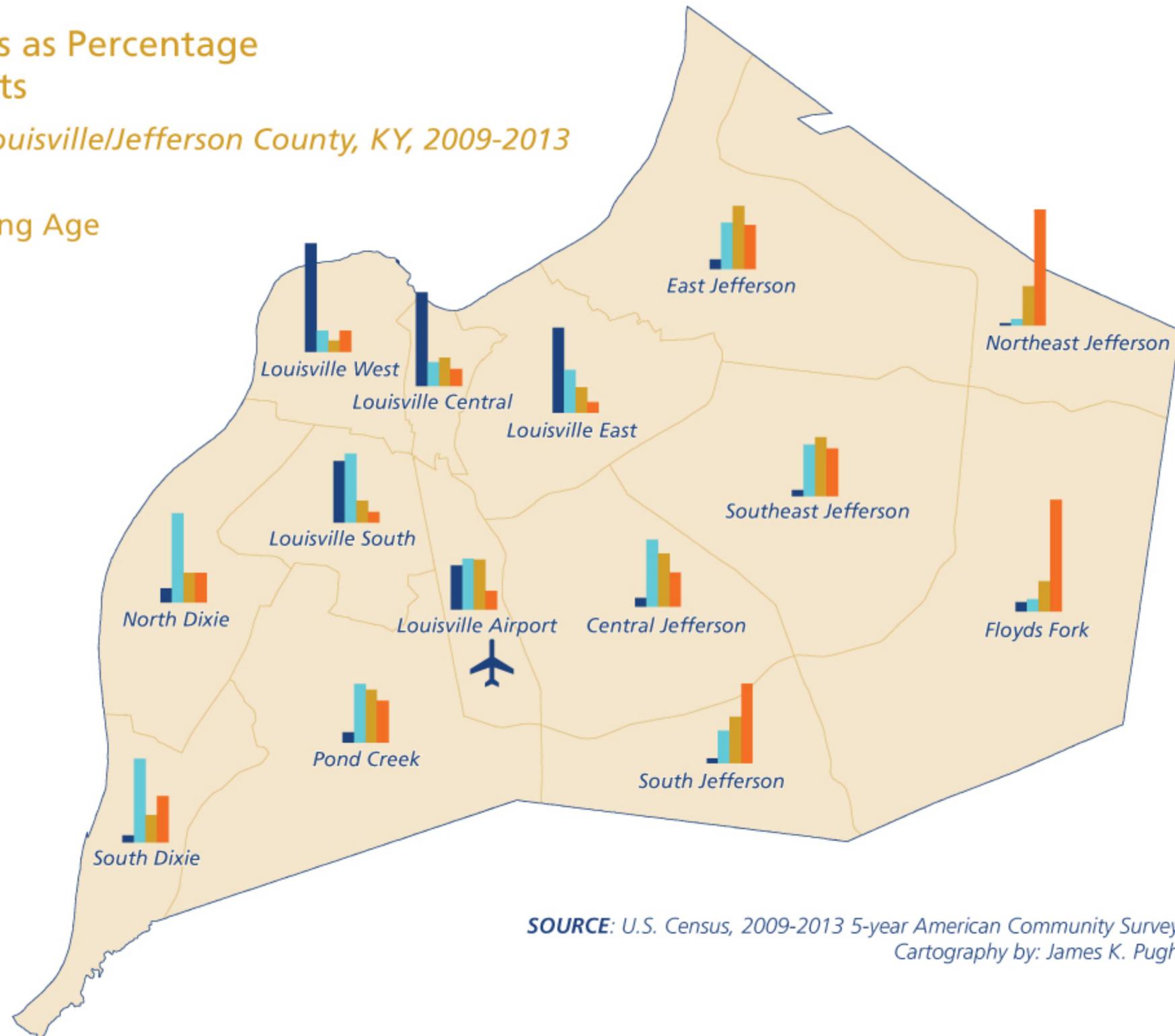
This proven model may be the ONLY proven model to stabilize a household over a long duration. It certainly helps Louisville combat the rise of homelessness.

## MAP 14

### Age of Housing Units as Percentage of Total Housing Units

By Census Subdivision, Louisville/Jefferson County, KY, 2009-2013

Percentage (%) by Housing Age



SOURCE: U.S. Census, 2009-2013 5-year American Community Survey  
Cartography by: James K. Pugh

## Figure 12: Housing Tenure

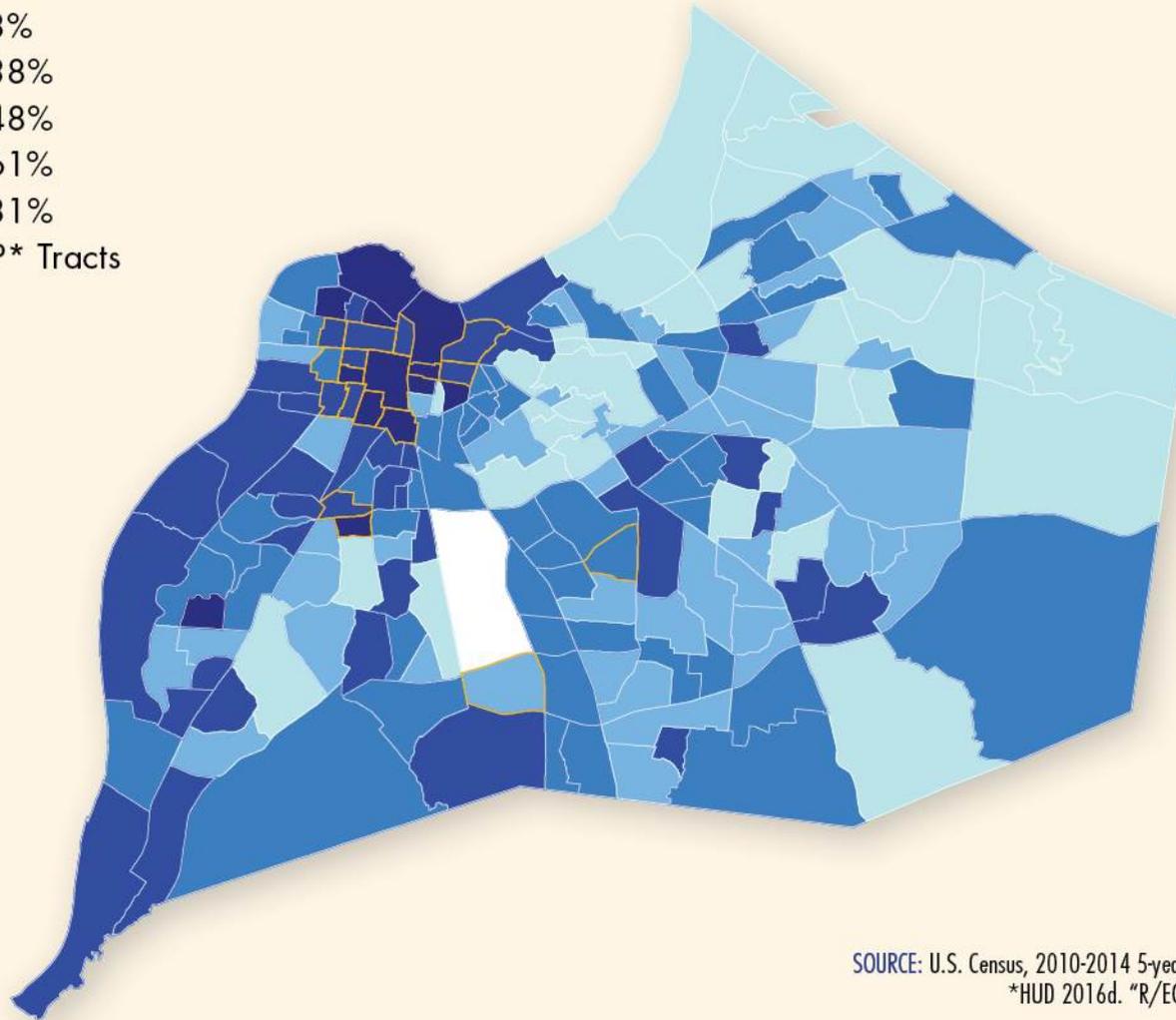
United States, Kentucky, Louisville MSA, and Louisville/Jefferson County 2016

	United States	Kentucky	Louisville MSA	Louisville/ Jefferson County
<b>Total Households</b>	117,716,240	1,718,217	497,174	310,355
Owners	63.6%	66.8%	66.7%	61.2%
Renters	36.4%	33.2%	33.3%	38.8%
<b>Households by Race/Ethnicity</b>				
<b>White Households</b>	81,079,480	1,506,718	396,501	224,570
Owners	71.4%	70.7%	73.7%	70.3%
Renters	28.6%	29.3%	26.3%	29.7%
<b>Black/African-American Households</b>	14,343,764	134,831	70,530	63,585
Owners	41.9%	36.5%	36.6%	35.8%
Renters	58.1%	63.5%	63.4%	64.2%
<b>Hispanic/Latinx Households</b>	14,725,771	37,970	15,596	11,259
Owners	45.8%	35.3%	39.0%	37.1%
Renters	54.2%	64.7%	61.0%	62.9%
<b>Households by Family Type</b>				
<b>Family households</b>	77,608,832	1,136,651	318,689	185,805
<b>Married-couple Household</b>	56,270,862	836,940	228,179	126,001
Owners	79.5%	82.5%	84.7%	81.9%
Renters	20.5%	17.5%	15.3%	18.1%
<b>Male Household, No Wife Present</b>	5,681,312	82,911	24,196	15,241
Owners	53.2%	57.7%	59.2%	55.4%
Renters	46.8%	42.3%	40.8%	44.6%
<b>Female Household, No Husband Present</b>	15,146,112	220,274	66,710	44,990
Owners	45.1%	46.9%	46.4%	42.3%
Renters	54.9%	53.1%	53.6%	57.7%

SOURCE: U.S. Census, 2012-2016 5-year American Community Survey

### Map 3: Percentage of Population 65 years and Older with a Disability by Census Tracts – Louisville/Jefferson County 2010-2014

- 9% – 28%
- 29% – 38%
- 39% – 48%
- 49% – 61%
- 62% – 81%
- R/ECAP\* Tracts



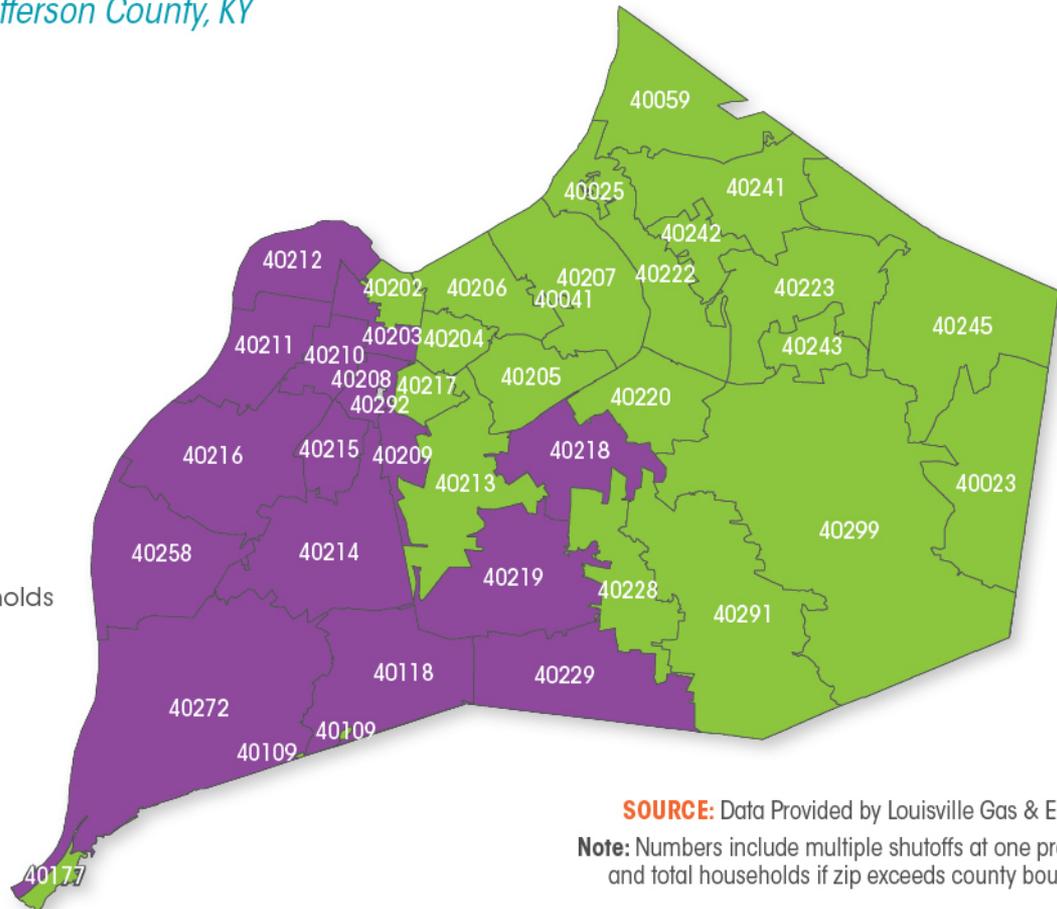
SOURCE: U.S. Census, 2010-2014 5-year American Community Survey  
\*HUD 2016d. "R/ECAP Tract Current and Historic."

## Map 5: Average Residential Utility Disconnection Rates (2017-2018)

by Zip Codes, Louisville/Jefferson County, KY

- 0.6% - 12.7%
- 12.7% - 53.8%

All Zip Codes:  
2-year Average Rate per 100 Households  
2017 Total Shutoffs = 39,403  
2018 Total Households = 42,179  
Total Households=321,360  
2-year Average Rate = 12.7 per 100 Households

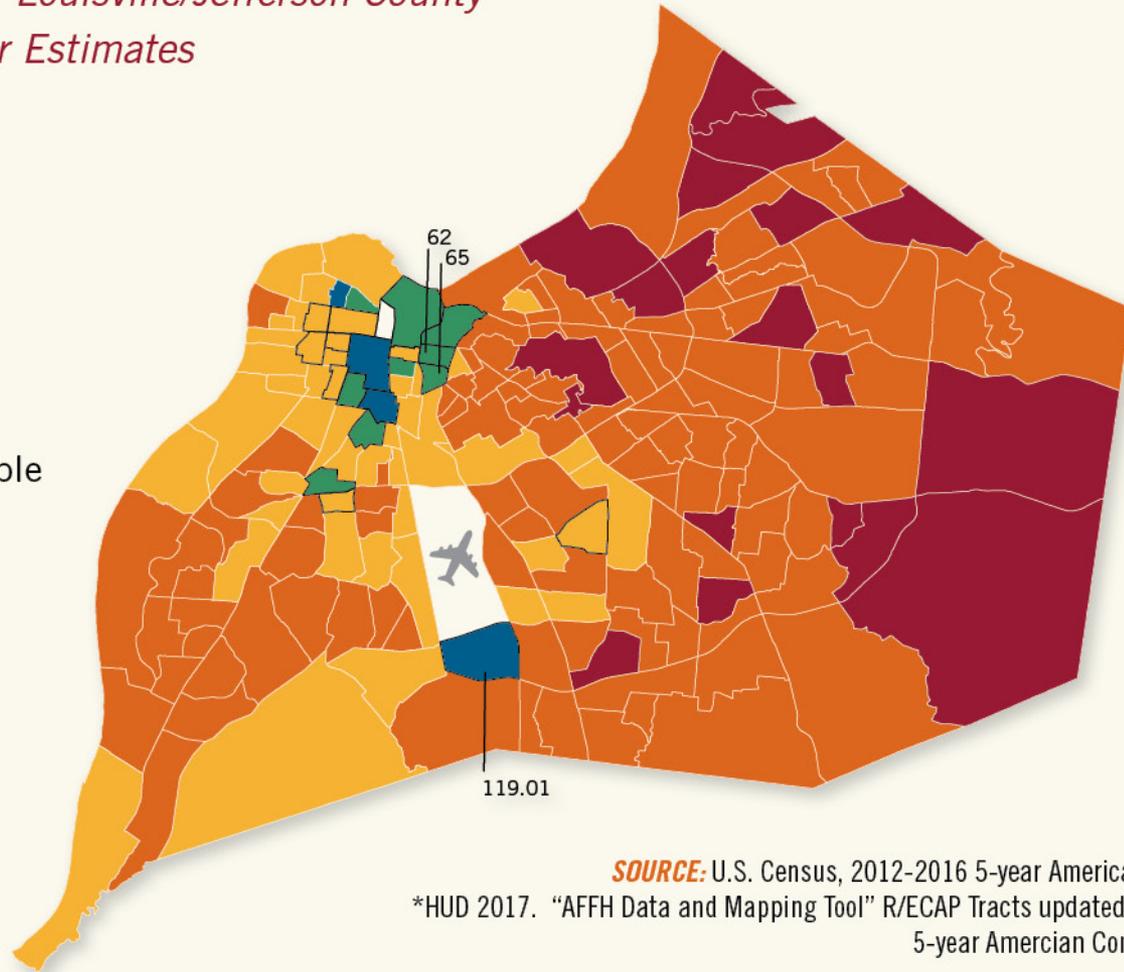


**SOURCE:** Data Provided by Louisville Gas & Electric

**Note:** Numbers include multiple shutoffs at one property and total households if zip exceeds county boundary.

# Map 9: Percentage of Total Population in Poverty by Census Tract - Louisville/Jefferson County 2016 ACS 5-Year Estimates

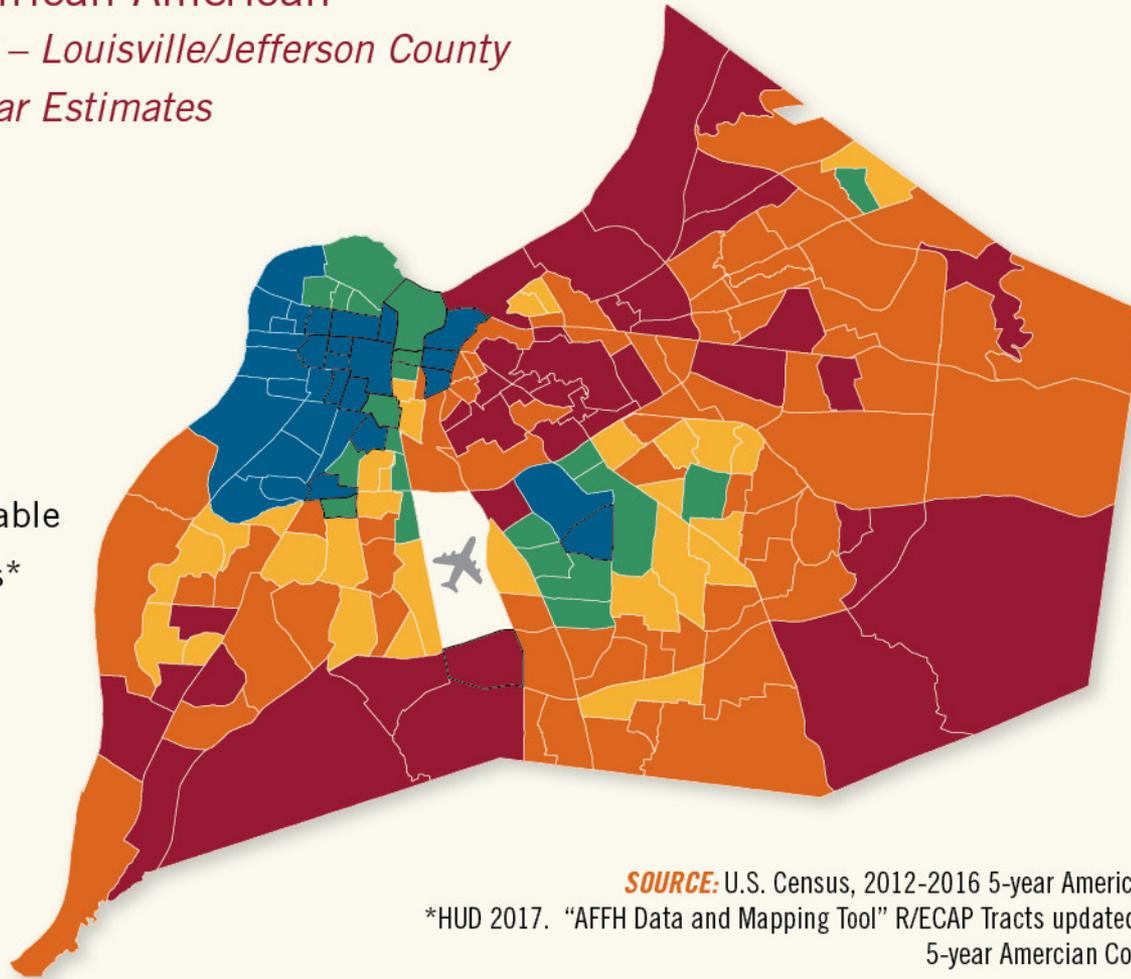
- ≤ 4%
- 5% – 19%
- 20% – 39%
- 40% – 49%
- 50% – 87%
- No Data Available
- R/ECAP\* Tract



**SOURCE:** U.S. Census, 2012-2016 5-year American Community Survey  
 \*HUD 2017. "AFFH Data and Mapping Tool" R/ECAP Tracts updated to reflect 2009-2013  
 5-year American Community Survey data.

**Map 10: Percentage of Population Identifying as Black or African-American by Census Tract – Louisville/Jefferson County**  
*2016 ACS 5-Year Estimates*

- <=4%
- 5%–14%
- 15%–24%
- 25%–49%
- >=50%
- No Data Available
- R/ECAP Tracts\*

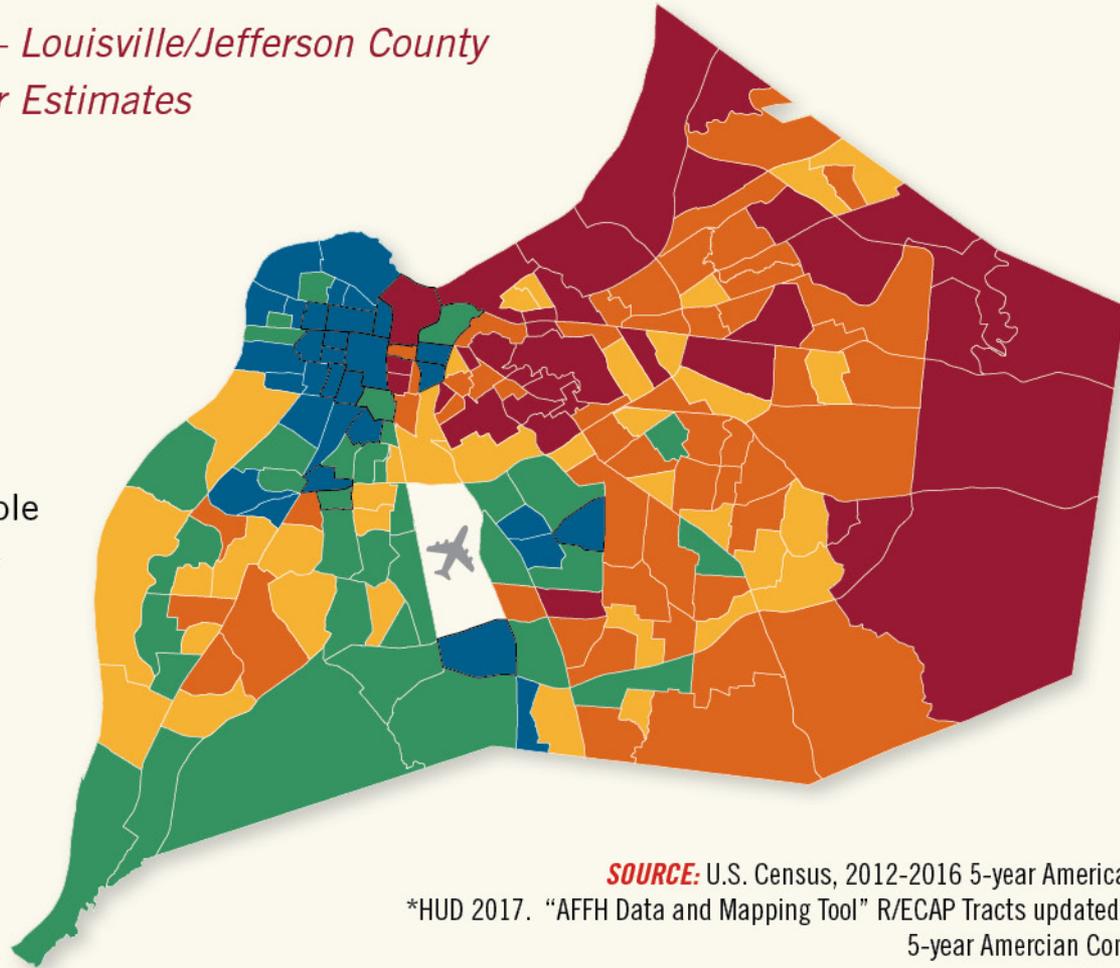


**SOURCE:** U.S. Census, 2012-2016 5-year American Community Survey

\*HUD 2017. "AFFH Data and Mapping Tool" R/ECAP Tracts updated to reflect 2009-2013 5-year American Community Survey data.

**Map 13: Percentage of Female-Headed Households, No Husband Present**  
*by Census Tract – Louisville/Jefferson County*  
*2016 ACS 5-Year Estimates*

- ≤ 6%
- 7%–11%
- 12%–17%
- 18%–27%
- 28%–55%
- No Data Available
- R/ECAP Tracts\*



**SOURCE:** U.S. Census, 2012-2016 5-year American Community Survey

\*HUD 2017. "AFFH Data and Mapping Tool" R/ECAP Tracts updated to reflect 2009-2013 5-year American Community Survey data.

\*Honorable Allyson K Sturgeon  
Senior Corporate Attorney  
LG&E and KU Energy LLC  
220 West Main Street  
Louisville, KENTUCKY 40202

\*Kentucky-American Water Company  
Kentucky-American Water Company  
2300 Richmond Road  
Lexington, KY 40502

\*Karen Greenwell  
Attorney  
Wyatt, Tarrant & Combs, LLP  
250 West Main Street  
Suite 1600  
Lexington, KENTUCKY 40507-1746

\*L Allyson Honaker  
Goss Samford, PLLC  
2365 Harrodsburg Road, Suite B325  
Lexington, KENTUCKY 40504

\*Hector Garcia  
American Electric Power Service Corporation  
1 Riverside Plaza, 29th Floor  
Post Office Box 16631  
Columbus, OHIO 43216

\*Kathie McDonald-McClure  
Attorney  
Wyatt, Tarrant & Combs, LLP  
2600 PNC Plaza  
500 West Jefferson Street  
Louisville, KENTUCKY 40202

\*Brooke Wancheck  
Asst. Counsel  
Columbia Gas of Kentucky, Inc.  
2001 Mercer Road  
P. O. Box 14241  
Lexington, KY 40512-4241

\*John B Brown  
Chief Financial Officer  
Delta Natural Gas Company, Inc.  
3617 Lexington Road  
Winchester, KY 40391

\*Duke Energy Kentucky, Inc.  
Duke Energy Kentucky, Inc.  
139 East Fourth Street  
Cincinnati, OH 45202

\*Cheryl A MacDonald  
Columbia Gas of Kentucky, Inc.  
290 W. Nationwide Blvd.  
Columbus, OHIO 43215

\*Jenny Lowery  
Delta Natural Gas Company, Inc.  
3617 Lexington Road  
Winchester, KY 40391

\*Lindsey Ingram  
STOLL KEENON OGDEN PLLC  
300 West Vine Street  
Suite 2100  
Lexington, KENTUCKY 40507-1801

\*Christen M Blend  
American Electric Power Service Corporation  
1 Riverside Plaza, 29th Floor  
Post Office Box 16631  
Columbus, OHIO 43216

\*Judy M Cooper  
Director, Regulatory Services  
Columbia Gas of Kentucky, Inc.  
2001 Mercer Road  
P. O. Box 14241  
Lexington, KY 40512-4241

\*Lawrence W Cook  
Assistant Attorney General  
Office of the Attorney General Office of Rate  
700 Capitol Avenue  
Suite 20  
Frankfort, KENTUCKY 40601-8204

\*David S Samford  
Goss Samford, PLLC  
2365 Harrodsburg Road, Suite B325  
Lexington, KENTUCKY 40504

\*Justin M. McNeil  
Office of the Attorney General Office of Rate  
700 Capitol Avenue  
Suite 20  
Frankfort, KENTUCKY 40601-8204

\*Minna Sunderman  
Duke Energy Kentucky, Inc.  
139 East Fourth Street  
Cincinnati, OH 45201

\*Debbie Gates  
Duke Energy Kentucky, Inc.  
139 East Fourth Street  
Cincinnati, OH 45201

\*Kentucky Power Company  
Kentucky Power Company  
855 Central Avenue, Suite 200  
Ashland, KY 41101

\*Monica Braun  
STOLL KEENON OGDEN PLLC  
300 West Vine Street  
Suite 2100  
Lexington, KENTUCKY 40507-1801

\*Honorable Mark R Overstreet  
Attorney at Law  
Stites & Harbison  
421 West Main Street  
P. O. Box 634  
Frankfort, KENTUCKY 40602-0634

\*Sara Judd  
LG&E and KU Energy LLC  
220 West Main Street  
Louisville, KENTUCKY 40202

\*Columbia Gas of Kentucky, Inc.  
Columbia Gas of Kentucky, Inc.  
290 W Nationwide Blvd  
Columbus, OH 43215

\*Sidney Gates  
Community Action Kentucky  
101 Burch Court  
Frankfort, KENTUCKY 40601

\*Delta Natural Gas Company, Inc.  
Delta Natural Gas Company, Inc.  
3617 Lexington Road  
Winchester, KY 40391

\*Kentucky Utilities Company  
Kentucky Utilities Company  
220 W. Main Street  
P. O. Box 32010  
Louisville, KY 40232-2010

\*Rick E Lovekamp  
Manager - Regulatory Affairs  
LG&E and KU Energy LLC  
220 West Main Street  
Louisville, KENTUCKY 40202

\*Louisville Gas and Electric Company  
Louisville Gas and Electric Company  
220 W. Main Street  
P. O. Box 32010  
Louisville, KY 40232-2010

\*Robert Conroy  
LG&E and KU Energy LLC  
220 West Main Street  
Louisville, KENTUCKY 40202

\*Rocco O D'Ascenzo  
Duke Energy Kentucky, Inc.  
139 East Fourth Street  
Cincinnati, OH 45201

\*Roger McCann  
Executive Director  
Community Action Kentucky  
101 Burch Court  
Frankfort, KENTUCKY 40601