

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In The Matter Of:

APPLICATION OF LOUISVILLE GAS AND)	
ELECTRIC COMPANY FOR AN ADJUSTMENT)	CASE NO.
OF ITS ELECTRIC AND GAS RATES)	2014-00372

TESTIMONY OF
MARLON CUMMINGS

ASSOCIATION OF
COMMUNITY MINISTRIES, INC.

ON BEHALF OF
ASSOCIATION OF COMMUNITY MINISTRIES, INC.

Filed: March 6, 2014

1 **Q. Please state your name, title and address.**

2 **A.** My name is Marlon Cummings and I am Treasurer of the Board of Directors of the
3 Association of Community Ministries (“ACM”). I have been appointed by the Board to represent
4 ACM on all low-income utility issues. My business address is P.O. Box 99545, Louisville,
5 Kentucky 40269.

6 **Q. Describe your employment and educational background.**

7 **A.** Currently and for the past 19 years I have been Executive Director of Jeffersontown Area
8 Ministries, which is one of the member agencies of ACM and which provides emergency utility
9 and rental assistance and a variety of other social services to residents in the Jeffersontown area.
10 I have been on the Board of Directors of ACM since 1994. I served the Jeffersontown Christian
11 Church (Disciples of Christ), from 1985 until 1996, as the Family and Youth Minister. I have a
12 Bachelor of Arts in Business from Bellarmine University and received my Minister’s license
13 from the Kentucky Region of the Christian Church (Disciples of Christ) in conjunction with the
14 Lexington Theological Seminary.

15 **Q. Have you previously testified before the Commission?**

16 **A.** Yes, I filed testimony in the last three LG&E base rate cases, Case No. 2012-00222,
17 *Application Of Louisville Gas And Electric Company For Adjustment Of Its Electric And Gas*
18 *Rates, A Certificate Of Public Convenience And Necessity, Approval Of Ownership of Gas Service*
19 *Lines And Risers, And A Gas Line Surcharge*, Case No. 2009-00549, *In the Matter of Application*
20 *of Louisville Gas and Electric Company for an Adjustment of Electric and Gas Base Rates* on
21 behalf of ACM and in Case No. 2008-00252, *In the Matter of Application of Louisville Gas and*
22 *Electric Company for an Adjustment of its Electric and Gas Base Rates* on behalf of ACM and
23 POWER. I have also filed testimony in the following matters: Case No. 2014-00003, *Joint*

1 *Application of Louisville Gas & Electric Company and Kentucky Utilities Company for Review,*
2 *Modification, and Continuation of Existing, and Addition of New, Demand-Side Management and*
3 *Energy-Efficiency Programs; Case No. 2011-00134, Joint Application of Louisville Gas & Electric*
4 *Company and Kentucky Utilities Company for Review, Modification, and Continuation of Existing,*
5 *and Addition of New, Demand-Side Management and Energy-Efficiency Programs; Case No. 2010-*
6 *00204, In the Matter of Joint Application of PPL Corporation, E.ON AG, E.ON US Investments*
7 *Corp., E.ON U.S. LLC, Louisville Gas and Electric Company and Kentucky Utilities Company*
8 *for Approval of an Acquisition of Ownership and Control of Utilities; Case No. 2010-00146, An*
9 *Investigation of Natural Gas Retail Competition Programs; Case No. 2006-00045, In The Matter*
10 *Of: Consideration of the Requirements of the Federal Energy Policy Act of 2005 Regarding*
11 *Time-based Metering, Demand Response and Interconnection Service and in Case No. 2007-*
12 *00477, In the Matter of: An Investigation of the Energy and Regulatory Issues in Section 50 of*
13 *Kentucky's 2007 Energy Act.*

14 **Q. What is the purpose of your testimony?**

15 **A.** I offer this testimony to state ACM's opposition to the electric and gas increases for
16 residential customers proposed by LG&E and to provide the Public Service Commission with
17 information about the needs of low income customers and the impact of the proposed rate
18 increases on such customers. More specifically, after briefly describing ACM's work and the
19 clients we serve, my testimony will discuss ACM's concerns regarding the proposed rate design;
20 current trends in disconnections for non-payment and reconnections among low-income
21 customers; under-utilization of winter hardship reconnections in Jefferson County; the
22 Company's proposals to increase customer deposits and issue discontinuance of service notices

1 by electronic mail; and the pending termination of shareholder contributions to utility assistance
2 programs.

3 **Q. Please describe ACM.**

4 **A.** ACM is a Kentucky 501(c)(3) nonprofit corporation and its membership is comprised of 15
5 independent community ministries that provide various social services to the Louisville Metro
6 area. The common mission for all 15 members is to provide an emergency assistance network in
7 partnership with the Louisville Metro Government, local congregations, and other businesses and
8 organizations. Each Ministry serves a specific geographical area to ensure that all of Louisville
9 Metro is covered under the umbrella of the ACM. The social services provided by ACM
10 members include emergency assistance to low income households in the areas of rent, utilities
11 and prescription medications.

12 **Q. Describe ACM's activities with respect to helping utility customers in need.**

13 **A.** Our member agencies provide utility assistance to low-income persons year round. To
14 qualify for service, clients must live in the agency's service area and be in threat of
15 disconnection of service. Our agencies help clients negotiate payment plans with the utility
16 companies when they fall behind, and provide limited financial assistance to help them avoid
17 utility disconnections. We provide enough financial assistance to clients to help them to maintain
18 service for thirty days. The amount of assistance depends on the quote that is given by LG&E
19 that will provide the client with thirty days of service.

20 ACM agencies regularly encourage clients to conserve energy and take advantage of
21 LG&E energy efficiency programs. Recently LG&E modified the Low Income Agency Portal
22 so that ACM agencies can sign up clients for LG&E's WeCare Residential Low Income
23 Weatherization Program. ACM agencies also host Project Warm weatherization workshops

1 where clients learn how to weatherize their homes and receive free weatherization supplies such
2 as caulk and tape. Project Warm is a nonprofit organization which provides free weatherization
3 services and education to low income families in Louisville.

4 **Q. How do ACM agencies work with LG&E to help low income utility customers?**

5 A. ACM is one of the joint applicants for the current Louisville Gas & Electric Company Home
6 Energy Assistance Program. ACM representatives participate on a regular basis in the LG&E
7 and KU Customer Commitment Advisory Forum and the Energy Efficiency Advisory Group.
8 As described above, ACM agencies administer and distribute emergency assistance funds to low
9 income LG&E customers to help them pay their bills and maintain service. These agencies also
10 distribute Community Winterhelp funds from January through April each year. To fund its
11 emergency assistance, the agencies raise funds from a variety of sources including donation from
12 groups, individuals, businesses, corporations, over 300 congregations, local government grants
13 and from LG&E. Pursuant to agreements arising from the last base rate cases and the PPL
14 Corporation change of control proceeding, LG&E has donated shareholder funds to ACM for use
15 in assisting low income utility customers. LG&E's current annual contribution to ACM is
16 \$412,500.

17 **Q. Does low income utility assistance make up a large part of ACM's services overall to low**
18 **income clients?**

19 A. Yes. ACM agencies dedicate a significant portion of their limited staff resources to
20 administering these funds. Most ministry emergency assistance programs have limited staff and
21 are only able to be open for a few hours per day. Despite these limitations, during the 2013-2014
22 fiscal year, ACM agencies helped 7,839 LG&E customers maintain service. Of all the areas in
23 which ACM agencies provided emergency assistance, LG&E assistance accounted for 55% of

1 the households served, followed by rent assistance, (19%), Louisville Water Company
2 assistance, (15%) and prescription medication assistance (11%).

3 **Q. Is the assistance you provide sufficient to help low income clients meet their energy
4 needs?**

5 **A.** Unfortunately, our clients' utility bills are often greater than we can cover with limited
6 assistance. First, we only pay half of the total amount LG&E requires in order to maintain the
7 client's service for thirty days. It is up to the client to find other means to pay the remaining
8 balance. When other assistance is available, we refer clients to those community resources such
9 as LIHEAP. Because we want to make some assistance available to the greatest number of
10 clients, there are limits on the number of times a client can come to a particular agency for
11 assistance.

12 **Q. Based upon your experience and that of other ACM member agencies, are all low-
13 income LG&E customers who cannot afford to pay their energy bills able to obtain third-
14 party assistance, whether from an ACM member, the LIHEAP program or elsewhere?**

15 **A.** No. Historically need has outstripped community resources, and that trend continues. Many
16 people who are in danger of losing their utilities therefore go without help.

17 **Q. Edwin Staton has stated in his testimony on behalf of LG&E that with its proposed rate
18 adjustment, LG&E's average residential electric rate for 2015-2016 will be approximately
19 16% lower than the 2013 average retail rate of investor-owned utilities in the U.S. In your
20 view, does this necessarily mean that energy costs are more affordable for low-income
21 LG&E customers than elsewhere in the country?**

22 **A.** No. First, and putting aside the question of whether it is instructive to compare 2015-2016
23 rates with 2013 rates, Kentucky is poorer than the nation as a whole. According to the U.S.

1 Census Bureau’s 2009-2013 American Community Survey 5-Year Estimates, median household
2 income in Kentucky is 19% lower than in the U.S. overall: \$43,036 annually compared to
3 \$53,046. Our child poverty rate of 26% is 21% higher than the national rate. Further, the three
4 highest poverty zip codes in Jefferson County have individual poverty rates approximately
5 triple the national rate of 15.4%; five others have poverty rates more than double the national
6 rate. Secondly, some states have mandated rate relief programs for low income customers, such
7 as low-income discounts and percentage of income payment plans. Thus while rates may be
8 higher than those proposed by LG&E, low-income customers in those jurisdictions are protected
9 in ways that Kentucky customers are not.

10 **Q. What are the income levels of some of the low income individuals that ACM agencies**
11 **interact with?**

12 **A.** Income levels and sources vary, of course, as do the sizes of clients’ households and families.
13 One example of income levels would be individuals who receive federal Supplemental Security
14 Income (SSI) benefits. This is a means-tested poverty program for the eligible elderly and
15 younger people who have disabilities that preclude substantial gainful employment. Currently,
16 the monthly cash benefit is \$733 for an individual and \$1,100 for a couple (assuming both
17 partners are eligible).¹ Another example would be the individuals we interact with who are
18 eligible for LIHEAP assistance, which is limited to those with income at or below 130% of the
19 federal poverty level. Using the 2015 U.S. Department of Health and Human Services Poverty
20 Guidelines,² for a family of four this means a maximum annual income of \$31,525. The

¹ See <http://www.ssa.gov/oact/cola/SSI.html>.

² Available at <http://aspe.hhs.gov/poverty/15poverty.cfm>.

1 ministries of course also see clients with incomes below 100% of the federal poverty guidelines,
2 which for 2015 are \$24, 250 annually for a family of four.

3 **Q. Do you have clients among the working poor?**

4 **A.** Most definitely. Working full time at the minimum wage, which is currently \$7.25 per hour,
5 yields an annual gross income of \$15,080 or just above the 130 % of poverty level for a single
6 person. Many of our clients have seen their hours reduced or have been laid off and thus are
7 struggling to manage household expenses on a reduced income.

8 **Q. What kind of problems do ACM agencies see clients at the above income levels**
9 **experiencing?**

10 **A.** Simply put, we see many people who cannot afford the basics of life, including rent, utilities
11 and food. It is very difficult to support a family on an income at or below 130% of poverty.

12 **Q. What are ACM's concerns with LG&E's proposed base rate increases?**

13 **A.** Any rate increase that harms low income customers is a concern. The large increases in the
14 fixed Basic Service Charges mean that clients lose the ability to save money by conserving
15 energy. This reduces their ability to control costs. Further, it appears that the increases are higher
16 at lower usages, thereby increasing bills during the lower usage months of the year. Most
17 customers are combined gas and electric customers, and there are many months in which usage
18 of one service is low but the other is high. The Attachments to Response to Question No. 4 of
19 ACM's Second Request for Information show how the projected monthly bills for electric and
20 gas customers would increase throughout the year. The gas bills are particularly noticeable. On
21 Attachment 2, LG&E projects that gas bills will increase during the summer months of June
22 through September by approximately 28%. These are months in which electric bills are high and
23 there is less third party assistance available than in winter. ACM is concerned that the proposed

1 rate increases will make utilities less affordable for low income clients and will cause more
2 clients to have their service disconnected.

3 **Q. What does the data in this case show with respect to disconnections for nonpayment?**

4 **A.** Disconnections overall have increased over the past five years. In Response to Question No. 9
5 of ACM's First Request for Information in this case, LG&E provided us with copies of the Non-
6 Payment Disconnection/Reconnection Reports for July 1, 2012 through June 30, 2013 and July
7 1, 2013 through June 30, 2014. LG&E files these reports with the Commission each year. In the
8 last base rate case, ACM obtained the Disconnection/Reconnection reports for the previous three
9 years.³ Each year, LG&E files two reports; one for electric, which includes combined gas and
10 electric customers and another for gas customers only.⁴ The charts below summarize the
11 numbers reported for the five year period. The bottom line of each chart lists the difference
12 between the numbers of disconnections and reconnections each year.

13 **LG&E Electric and Combined Customers Disconnection/Reconnection Summary**

Period	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014
Disconnections	48,831	61,041	62,088	62,429	64,252
Reconnections	48,280	59,977	61,491	55,151	55,686
Difference	551	1,064	597	7,278	8,566

LG&E Gas Customers Only Disconnection/Reconnection Summary

Period	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014
Disconnections	994	1,539	2,718	2,411	2,539
Reconnections	763	1,266	2,269	1,826	1,903
Difference	231	273	449	585	636

1 The number of disconnections for electric and combined customers has increased 31%
2 over this five year period. The gas only disconnections increased 15% over this period.

3 **Q. Has the number of reconnections similarly increased?**

4 **A.** For electric and combined customers, the data shows that over the first three years, the
5 number of reconnections increased along with the numbers of disconnections. However, in the
6 last two years, the numbers of reconnections declined noticeably. For gas only customers, the
7 difference between disconnections and reconnections has been growing. We are concerned that
8 the declining numbers of reconnections is an indication that rising utility costs are becoming an
9 increasing barrier to utility service.

10 **Q. Is there information on how disconnections impact low income LG&E customers?**

11 **A.** To ACM's knowledge, LG&E does not maintain data specifically by customer income level.
12 Therefore, ACM looks for other ways to measure impact on low income customers. ACM
13 requested data by zip code. Census data on poverty rates is available by zip code, so we looked at
14 zip codes with high poverty rates to see how disconnections were impacting these areas.

15 **Q. What are the zip code areas in Jefferson County with the highest poverty rates?**

16 **A.** According to the most recent American Community Survey 5 Year Estimates, the following
17 zip codes have the highest rates of people in poverty.⁵ Median household incomes for these zip
18 codes are below the Jefferson County median income. These zip codes also have higher rates of
19 child poverty, and a higher percentage of residents receiving Supplemental Security Income as
20 compared to Jefferson County as a whole. This information is summarized on the chart below.

³ Case No. 2012-00222, *Application Of Louisville Gas And Electric Company For Adjustment Of Its Electric And Gas Rates, A Certificate Of Public Convenience And Necessity, Approval Of Ownership of Gas Service Lines And Risers, And A Gas Line Surcharge* LG&E Response No. 8 to the First Request for Information of ACM.

⁴ Case No. 2012-00222, Response No 6(b) to the Second Request for Information of ACM.

⁵ 2009-2013 American Community Survey 5 Year Estimates

Zip code	% People in Poverty	% Children in Poverty	Median Household Income
40203	53%	67.10%	\$15,535
40210	43.60%	58.00%	\$20,069
40202	47%	67.50%	\$16,069
40209	37.70%	43.80%	\$37,218
40208	40.80%	58.30%	\$25,760
40212	35%	50.30%	\$27,212
40211	34.80%	46%	\$23,790
40215	34.20%	50.40%	\$27,615
40213	24.60%	43.70%	\$34,769
40218	21.20%	32.80%	\$33,906
Jefferson County	16.70%	24.70%	\$46,959
United States	15.40%	21.60%	\$53,046

1 **Q. How does the disconnection rate for residential electric customers in zip codes with high**
2 **rates of poverty compare to the rate for Jefferson County as a whole?**

3 **A.** All of these zip codes have higher rates of disconnection than the County as a whole.

4 We looked at the number of disconnections in Jefferson County in 2011, 2012 and 2013 and
5 divided it by the number of electric accounts to determine an overall disconnection rate for the
6 County.

**Jefferson County Residential Electric
Disconnection Rates**

	No. of Accounts	No. of Disconnections	Disconnection Rate
2011	412,560	58,794	14.30%
2012	412,817	56,464	13.70%
2013	416,898	62,570	15.10%

7 Similarly, we took the numbers of disconnections by zip code and divided them by the number
8 of accounts in that zip code to obtain a disconnection rate by zip code.

Residential Electric Disconnection Rates

10 Highest Poverty Zip Codes

2011

Zip Code	No. of Accounts	No. of Disconnections	Rate
40202	1,828	292	16%
40203	10,147	2,532	25%
40208	9,375	1,703	18.2%
40209	276	67	24.3%
40210	7,721	1,987	25.7%
40211	13,087	3,752	28.7%
40212	10,041	2,649	26.4%
40213	9,437	1,540	16.3%
40215	12,635	2,848	22.5%
40218	18,627	3,189	17.1%

Residential Electric Disconnection Rates

10 Highest Poverty Zip Codes

2012

Zip Code	No. of Accounts	No. of Disconnections	Rate
40202	1,895	291	15.4%
40203	10,011	2234	22.3%
40208	9,244	1451	15.7%
40209	242	42	17.4%
40210	7,666	1803	23.5%
40211	12,679	3393	26.8%
40212	9,940	2288	23%
40213	9,622	1551	16.1%
40215	12,259	2426	19.8%
40218	18,542	3391	18.3%

Residential Electric Disconnection Rates

10 Highest Poverty Zip Codes

2013

Zip Code	No. of Accounts	No. of Disconnections	Rate
40202	2,050	411	20%
40203	9,986	2412	24.2%
40208	9,164	1537	16.8%
40209	236	46	19.5%
40210	7,592	2427	32%
40211	12,870	4605	35.8%
40212	9,866	3177	32.2%
40213	9,476	1578	16.7%
40215	12,314	3124	25.4%
40218	18,877	3378	17.9%

1 All of the high poverty zip codes have higher rates than Jefferson County as a whole.

2 **Q. How do the numbers of reconnections in the high poverty zip codes compare to**
3 **Jefferson County as a whole?**

4 **A.** ACM obtained the numbers of disconnections and reconnections for all zip codes in Jefferson
5 County for calendar years 2011, 2012 and 2013. The numbers of disconnections and
6 reconnections in each of the highest poverty zip codes for 2011, 2012, and 2013 are set forth in
7 the charts below. The difference between the number of disconnections and reconnections is
8 expressed as a percentage of the disconnections in the right hand column as the excess
9 disconnection rate. The numbers for Jefferson County as a whole are listed on the bottom line.

10

1 **2011 Electric Disconnections and Reconnections High Poverty Zip Codes**
2 **Zip Code Disconnections Reconnections Difference Excess**
3 **Disconnection Rate**
4
5 40203 292 277 15 5.13%
6 40210 2,532 2,058 474 18.72%
7 40202 1,703 1,400 303 17.79%
8 40209 67 51 16 23.88%
9 40208 1,987 1,627 360 18.11%
10 40212 3,752 3,107 645 17.19%
11 40211 2,649 2,120 529 20%
12 40215 1,540 1,325 215 14%
13 40213 2,848 2,348 500 17.55%
14 40218 3,189 2,809 380 11.91%
15
16 Jeff. Co. 58,794 51,501 7,293 12.40%

17
18
19 **2012 Electric Disconnections and Reconnections High Poverty Zip Codes**
20 **Zip Code Disconnections Reconnections Difference Excess**
21 **Disconnection Rate**
22 40203 291 272 19 6.52%
23 40210 2,234 1,851 383 17.14%
24 40202 1,451 1,193 258 17.78%
25 40209 42 33 9 21.43%
26 40208 1,803 1,525 278 15.42%
27 40212 3,393 2,853 540 15.92%
28 40211 2,288 1,856 432 18.88%
29 40215 1,551 1,376 175 11.28%
30 40213 2,426 2,061 365 15.04%
31 40218 3,391 3,039 352 10.38%
32
33 Jeff. Co. 56,464 50,248 6,216 11%

34

2013 Electric Disconnections and Reconnections High Poverty Zip Codes					
Zip Code	Disconnections	Reconnections	Difference	Excess Disconnection Rate	
40203	411	379	32	8%	
40210	2,412	2,011	401	16.63%	
40202	1,537	1,319	218	14.18%	
40209	46	39	7	15.21%	
40208	2,427	2,079	348	14.34%	
40212	4,605	3,946	659	14.31%	
40211	3,177	2,616	561	18%	
40215	1,578	1,376	202	13%	
40213	3,124	2,685	439	14.05%	
40218	3,378	2,965	413	12.23%	
Jeff. Co.	62,750	55,471	7,279	11.60%	

With the exception of one zip code, the high poverty zip codes have fewer reconnections relative to the disconnections than does Jefferson County as a whole, which is a cause for concern.

Q. Are you familiar with the winter hardship reconnection option available to low-income utility customers?

A. Yes. That option, under the Commission regulations, allows certain very low-income customers who have had service disconnected to apply for reconnection during the winter months – November 1 – March 31. Customers must obtain a Certificate of Need from the Cabinet for Health and Family Services or its designee, pay 1/3 of the outstanding bill or \$200, whichever is less, and agree to a repayment schedule that would bring the customer current no later than October 15th.

Q. Are winter hardship reconnections playing a significant role in helping Jefferson County customers who cannot afford their energy bills?

A. The LG&E data we've reviewed suggests that winter hardship reconnection may not be playing its intended role in proportion to the need that exists and the number of potentially

1 eligible people. First, the total numbers of Jefferson County winter hardship reconnections seem
2 low in relation to the total number of disconnections for non-payment:

Jefferson County Electric and Combined Customers

	Disconnections	Disconnects Minus Reconnects	Winter Hardship Reconnections
2011	58,794	7,293	750
2012	56,464	6,216	693
2013	62,750	7,279	697

3 Further, according to LG&E’s numbers, there was a precipitous decline in winter hardship
4 reconnections in 2014: only 381 in Jefferson County, down from approximately 700 in the
5 previous three years. Data specific to the ten highest poverty zip codes in the county also raise
6 questions about whether winter hardship reconnection is having its intended impact in Jefferson
7 County. During the winter months of 2013 (January – March and November – December), there
8 were 7,793 disconnections in these neighborhoods, and only 474 winter hardship reconnections.
9 This was during a calendar year when 14.5% of the accounts disconnected for non-payment in
10 these neighborhoods were not reconnected. “Non-reconnection” rates were as high as 17.7% in
11 the 40212 zip code, and 16.6% in 40203. Similarly, in 2014 during the winter months there were
12 7,415 disconnections for non-payment in the 10 highest poverty zip codes, and only 252 winter
13 hardship reconnections. Consistent with these numbers, our member community ministries have
14 seen far fewer numbers of their clients obtain hardship reconnections than they would have
15 expected, given the need.

16 In light of the above, ACM is quite concerned that the winter hardship reconnection
17 process may not be sufficiently accessible to our clients and other similarly-situated Jefferson
18 County customers. We would welcome the opportunity to work with LG&E, the Commission,

1 the Attorney General and the Cabinet for Health and Family Services to further understand the
2 problem, identify the causes, and implement solutions that will allow the Commission's winter
3 hardship reconnection regulation to operate as effectively as possible in its intended role as a
4 safety net in Jefferson County.

5 **Q. What is ACM's view on the Company's proposal to raise customer deposits on**
6 **residential gas and electric accounts?**

7 **A.** We oppose this proposal to raise the electric deposit by 19%, and the deposit for combined
8 gas and electric customers by 15%. LG&E requires these deposits of customers who are already
9 struggling to afford their energy bills and are seeking restoration of service. As I've discussed
10 above, ACM's analysis of LG&E's disconnection and reconnection data has revealed that large
11 numbers of customers disconnected due to financial struggles are not reconnecting. Increasing
12 the deposit heightens the barrier to reconnection these customers face, when instead all
13 concerned should be working to further understand the scope and depth of the problem,
14 including what happens to these non-reconnecting households, and developing solutions.

15 **Q. Does ACM have any concerns about LG&E's proposal to send discontinuation of**
16 **service, or "brown bills" by electronic mail?**

17 **A.** Many of our clients do not have e-mail accounts or, if they do, access to computers and the
18 internet at home. And while studies show that increasing numbers of lower-income people use
19 mobile phones, only 27% of mobile phone-users whose annual family income is below \$25,000
20 use their devices to check or send e-mail.⁶ Participation in any program allowing e-mailed
21 brown bills therefore must be strictly voluntary. Consent should not be folded into a general
22 consent to paperless billing but, rather, should be separate and explicit, and written in plain

⁶ U.S. Department of Commerce, National Telecommunications and Information Administration *Exploring the Digital Nation: Embracing The Mobile Internet* (October 2014) at 9.

1 language. Any materials offering, soliciting or seeking consent should clearly explain that no
2 paper brown bill will be sent, and plainly detail the potential risks and ramifications of agreeing
3 to make the change to e-mail.

4 **Q. Do you have any other concerns regarding the impact of these increases on low-income**
5 **customers?**

6 **A.** I am concerned that funds for energy assistance will plummet as energy bills rise. Referring
7 to commitments LG&E made in its most recent base rate case, Edwin Staton states “LG&E’s
8 shareholder contribution amounts will continue until the effective date of the new base rates
9 proposed in this proceeding, and will thereafter cease absent a settlement extending the
10 contributions.”⁷ These contributions, which consist of \$412,500 to ACM and \$180,000 to the
11 Home Energy Assistance Program, provide valuable assistance to low income customers who
12 simply cannot afford utility service on their own. ACM uses its portion to provide assistance
13 during the non-winter months when disconnections are high and LIHEAP and Winterhelp are not
14 available. The loss of these contributions would have a negative impact on low income utility
15 customers.

16 **Q. Would ACM be in favor of extending these assistance commitments that will expire?**

17 **A.** Yes. Now is not the time for assistance dollars to be cut, further reducing the amount of third
18 party funds available to help low income members of the community maintain utility service. If
19 disconnections are on the rise, even with these various assistance programs in place, ACM would
20 be very concerned to see what would happen if funds were reduced.

21 **Q. What are ACM’s recommendations to the Commission in this case?**

22 **A.** We urge the Commission to only grant the rate increases if and to the degree absolutely
23 necessary; to investigate the high numbers of disconnections, declining rates of reconnections

1 and the low numbers of winter hardship reconnections and to deny the request to increase
2 customer deposits. Additionally, ACM would ask the Commission to encourage LG&E to
3 continue and expand the generous commitments it has made in the past to assist its most
4 vulnerable customers through financial support of utility assistance programs.

5 **Q. Does this conclude your testimony?**

6 **A. Yes.**

⁷ Testimony of Edwin R. "Ed" Staton at 7-8.

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON) **SS:**

The undersigned, Marlon Cummings, being duly sworn, deposes and says that he is Treasurer of the Board of Directors of Association of Community Ministries, Inc., that he has personal knowledge of the matters set forth in the foregoing testimony, and that the information contained therein are true and correct to the best of his information, knowledge and belief.



MARLON CUMMINGS

Subscribed and sworn to before me, this 6th day of March 2015.

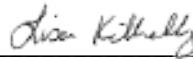


NOTARY PUBLIC
KENTUCKY STATE AT LARGE

My Commission expires: 3/1/2016

CERTIFICATE OF COMPLIANCE

In accordance with Ordering Paragraph No. 4 of the Commission's December 12, 2014 Order, I hereby certify that Association of Community Ministries, Inc.'s March 6, 2015 filing of the foregoing Testimony of Marlon Cummings is a true and accurate copy of the same document being filed in paper medium; that the electronic filing has been transmitted to the Commission on March 6, 2015; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that an original and three copies in paper medium are being mailed to the Commission on March 6, 2015.



Lisa Kilkelly
Counsel for ACM