

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC JOINT APPLICATION OF )  
LOUISVILLE GAS AND ELECTRIC COMPANY )  
AND KENTUCKY UTILITIES COMPANY ) CASE NO. 2018-00005  
FOR CERTIFICATES OF PUBLIC CONVENIENCE )  
AND NECESSITY FOR FULL DEPLOYMENT )  
OF ADVANCED METERING SYSTEMS )

**COMMUNITY ACTION COUNCIL FOR LEXINGTON-FAYETTE,  
BOURBON, HARRISON, AND NICHOLAS COUNTIES, INC.'S  
POST HEARING BRIEF**

\* \* \* \* \*

Comes the Community Action Council for Lexington-Fayette, Bourbon, Harrison, and Nicholas Counties, Inc. (hereinafter “CAC”), by counsel, and for its Post Hearing Brief, states as follows:

**INTRODUCTION**

In this matter, Louisville Gas and Electric Company and Kentucky Utilities Company (hereinafter “the Companies”) seek Certificates of Public Convenience and Necessity for full deployment of advanced metering systems (AMS). CAC was granted leave to intervene in this action on February 14, 2018. Other intervenors are the Attorney General of the Commonwealth of Kentucky, Metropolitan Housing Coalition, Association of Community Ministries, Inc., and Kentucky Industrial Utility Customers, Inc.

CAC’s Executive Director Malcolm J. Ratchford filed Direct Testimony on Behalf of CAC on May 18, 2018. An administrative hearing was held on July 24, 2018. For the reasons stated below, the Commission should deny the applications for Certificates of Public Convenience and Necessity (CPCN) for full deployment of AMS.

## ARGUMENT

### **1. The benefits of full deployment of AMS do not exceed the costs.**

CAC is supportive of the position of the Attorney General of the Commonwealth of Kentucky and witness Paul J. Alvarez that the costs of full deployment of AMS exceed the benefits. [See Direct Testimony of Paul J. Alvarez, pp. 49-53]. In rebuttal testimony, the Companies urge the Commission to approve the CPCN's even if the Commission determines the net costs of full deployment exceed the net quantifiable benefits. The Companies argue that there are unquantifiable benefits and future possible benefits of AMS [Rebuttal Testimony of John Malloy, pp. 50-51]. CAC's assessment is that the benefits of AMS are only as good as the customers' available resources. [Direct Testimony of Malcolm J. Ratchford, p. 12].

### **2. Customers with low income have fewer resources to allow them to benefit from AMS.**

Nearly 20% of all Kentucky Utilities Company customers live in poverty, and thirty-one of counties served by KU have poverty rates above 20 percent. [Id., pp. 7-9]. This significant number of customers with low income will be unable to fully take advantage of the benefits of AMS to lower their electric bills for the reason that they have fewer resources available to them. Customers with low income, including seniors and the elderly, will have more limited access to viewing their consumption information on line, and have a more limited financial capacity to make adjustments. [Id. at p. 12].

Because of the burden of utility bills in the budgets of persons with low income, many have already made the adjustments that they are able to make to lower their bills. Purchasing more energy efficient appliances or implementing additional weatherization measures is not financially possible for many of these customers with low income. [Id. at pp. 12-13].

Out of 140 customers who had participated in the AMS Customer Service Offering who responded to a survey on steps they took to save energy as a result of participation in AMS, a

relatively small number who stated that they had programmed the temperature on their existing thermostats identified their income category as low income. [See Companies' Response to CAC's Initial Request for Information, No. 9]. While the Companies stated that the participants in the customer offering spanned socio-economic segments through the service territories, it is apparent from this survey information that there were very few persons with low income participating in the customer offering. [Id. at Nos. 8 and 9].

If the Commission approves this application, CAC has suggested additional methods to communicate a household's energy usage that would help overcome the barriers faced by lack of access to technology. These include a summary sheet in the monthly bill with information on household's dates and times of highest daily usage; text notifications of high energy usage; phone consultations, and video tutorials. [See Response of CAC to Commission Staff's Initial Request for Information No. 1]. CAC asks that the Commission mandate outreach and education to all segments of customers with low income, including seniors on fixed incomes, multi-family homes, renters, and their landlords.

Further, if the Commission approves this application, CAC asks that the Commission mandate that the Companies provide customers with low income additional assistance for energy efficient appliances and programmable thermostats. While CAC very much appreciates the energy efficient appliances installed through WeCare, there are many customers with low income who will be unable to benefit from AMS. In the event that AMS is fully deployed, low income customers should not have the costs associated with deployment, without the opportunity to lower their bills.

3. **The Companies do not have data from other markets showing how adoption of AMS affects the number and frequency of service disconnections.**

The companies have proposed deployment of AMS which will allow instantaneous shut offs without any data, from other markets that have implemented advanced metering, showing how the adoption of AMS affects the number and/or frequency of service disconnections per household. [See Id. at No. 13 and No. 14.]. This is of particular concern to CAC because of the possibility that both a larger number of customers can be disconnected, and that the timing of service disconnections could overwhelm the assistance agencies. [See Response of CAC to Commission Staff's Initial Request for Information No. 3].

Mr. Malloy testified that the Companies do not have a definitive date to rollout the automatic shut offs and that they intend to be cautious in implementing remote disconnections for non-payment. [V.T., Malloy 1:08 – 1:12:11]. Mr. Malloy also stated that there would be outreach to low income advocates through the Low Income Advisory Group at least six (6) months prior to beginning auto disconnect. [Id. at 1:13:29-1:14:42].

If the Commission approves this application, CAC urges that it mandate that the Companies work with the low income advocates on the rollout process for remote disconnections for nonpayment in order to safeguard customers with low income.

### **CONCLUSION**

CAC urges the Commission to deny the CPCN for full deployment of AMS. If the application is granted, the Commission should mandate that the Companies offer customers with low income additional methods for communicating the usage information available through AMS; provide their customers with low income additional assistance with energy efficient appliances; and assure that automatic shutoff processes protect their most vulnerable customers, including seniors on fixed income and the elderly.

Respectfully submitted,



---

IRIS G. SKIDMORE  
Bates and Skidmore  
415 W. Main St., Suite 2  
Frankfort, KY 40601  
Telephone: (502)-352-2930  
Facsimile: (502)-352-2931  
[Batesandskidmore@gmail.com](mailto:Batesandskidmore@gmail.com)

COUNSEL FOR CAC

### **CERTIFICATE OF SERVICE**

I hereby certify that CAC's August 10, 2018 electronic filing is a true and accurate copy of CAC's Post Hearing Brief, and Read 1<sup>st</sup> document to be filed in paper medium; that the electronic filing has been transmitted to the Commission on August 10, 2018; that an original and six copies of the filing will be delivered to the Commission on August 10, 2018, that there are currently no parties excused from participation by electronic service; and that, on August 10, 2018, electronic mail notification of the electronic filing is provided to the following:

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

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

Allyson K. Sturgeon, Esq.  
Senior Corporate Attorney  
LG&E and KU Energy LLC  
220 West Main Street  
Louisville, KY 40202

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

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

Duncan W. Crosby, Esq.  
Stoll, Keenon, Ogden PLLC  
2000 PNC Plaza  
500 West Jefferson Street  
Louisville, KY 40202-2828

Kendrick R. Riggs, Esq.  
Stoll Keenon Ogden, PLLC  
2000 PNC Plaza  
500 Jefferson Street  
Louisville, KY 40202-2828

Rebecca W. Goodman, Esq.  
Office of the Attorney General Rate Intervention  
700 Capital Avenue, Suite 20  
Frankfort, Kentucky 40601-8204

Kent Chandler, Esq.  
Office of the Attorney General Rate Intervention  
700 Capital Avenue, Suite 20  
Frankfort, Kentucky 40601-8204

Justin McNeil, Esq.  
Office of the Attorney General Rate Intervention  
700 Capital Avenue, Suite 20  
Frankfort, Kentucky 40601-8204

Lawrence W. Cook, Esq.  
Office of the Attorney General Rate Intervention  
700 Capital Avenue, Suite 20  
Frankfort, Kentucky 40601-8204

Lisa Kilkelly, Esq.  
Legal Aid Society  
416 West Muhammad Ali Blvd.  
Suite 300  
Louisville, KY 40202

Eileen Ordovery, Esq.  
Legal Aid Society  
416 West Muhammad Ali Blvd.  
Suite 300

Louisville, KY 40202

Thomas J. Fitzgerald, Esq.  
Counsel and Director  
Kentucky Resources Council, Inc.  
P.O. Box 1070  
Frankfort, KY 40602

Michael L. Kurtz, Esq.  
Boehm, Kurtz & Lowry  
36 East Seventh Street  
Suite 1510  
Cincinnati, Ohio 45202

Jody Kyler Cohn, Esq.  
Boehm, Kurtz & Lowry  
36 East Seventh Street  
Suite 1510  
Cincinnati, Ohio 45202

Kurt J. Boehm, Esq.  
Boehm, Kurtz & Lowry  
36 East Seventh Street  
Suite 1510  
Cincinnati, Ohio 45202



---

Counsel for CAC