

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 FOR CERTIFICATES OF)	CASE NO. 2018-00005
PUBLIC CONVENIENCE AND NECESSITY)	
FOR FULL DEPLOYMENT OF ADVANCED)	
METERING SYSTEMS)	

TESTIMONY OF
MICHAEL ASHABRANER

ASSOCIATION OF
COMMUNITY MINISTRIES, INC.

ON BEHALF OF
ASSOCIATION OF COMMUNITY MINISTRIES, INC.

Filed: May 18, 2018

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

2 **A.** My name is Michael Ashabraner and I am the Deputy Treasurer of the Association of
3 Community Ministries (“ACM”). My business address is 6500 Six Mile Lane, Louisville,
4 Kentucky 40218.

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

6 **A.** Currently and for the past two and a half years I have been Executive Director of South
7 East Associated Ministries (“SEAM”), which is one of the member agencies of ACM and which
8 provides emergency utility and rental assistance and a variety of other social services to residents
9 in the 40218 and 40220 zip codes in Louisville Metro. I have been on the Board of Directors of
10 ACM since January, 2016. Prior to joining SEAM, I worked at UPS for 17 years in Revenue
11 Recovery. I have served as a volunteer firefighter with an emphasis on Fire Investigation. I also
12 worked as a Senior Consultant for Unique Computer Solutions Inc. for three years and worked
13 for five years in financial coaching.

14 My educational background includes:

15 AAS in Computer Programming from Jefferson Community College

16 B.S. Business Administration & Management from the University of Louisville

17 Firefighter Certification from the Kentucky State Fire Commission

18 Previous FINRA License Series 6 & 63

19 Previous Kentucky Department of Insurance Life Insurance & Variable Annuity License

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

21 **A.** No.

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

1 **A.** I offer this testimony to describe ACM’s concerns with the proposal of Louisville Gas
2 and Electric Company (“LG&E”) and Kentucky Utilities Company (“KU”) for full deployment
3 of Advanced Metering Systems (“AMS”). ACM’s areas of concern include the Companies’ plan
4 to use remote disconnection of service, the lack of information on low income customers in
5 support of the Companies’ proposal and business case and challenges that low income customers
6 will face in saving money on their bills through AMS.

7 **Q. Please describe ACM.**

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

16 **Q. Describe ACM’s activities with respect to helping utility customers in need.**

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

1 ACM agencies regularly encourage clients to conserve energy and take advantage of
2 LG&E energy efficiency programs. Several of the Ministries have partnered with LG&E to have
3 LG&E representatives to come to the Ministry offices to sign clients up for LG&E’s WeCare
4 Residential Low Income Weatherization Program. ACM agencies also host Project Warm
5 weatherization workshops where clients learn how to weatherize their homes and receive free
6 weatherization supplies such as caulk and tape. Project Warm is a nonprofit organization which
7 provides free weatherization services and education to low income families in Louisville.

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

9 **A.** ACM was one of the joint applicants for the Louisville Gas & Electric Company Home
10 Energy Assistance (“HEA”) Program and has a seat on the Board of the Affordable Energy
11 Corporation which administers the HEA program. ACM representatives participate on a regular
12 basis in the LG&E and KU Customer Commitment Advisory Forum and the Energy Efficiency
13 Advisory Group. ACM was a participant in the AMS Collaborative convened by LG&E and KU
14 as a result of the Companies’ 2016 base-rate cases in which they requested Certificates of Public
15 Convenience and Necessity (“CPCNs”) for full deployment of AMS.

16 As described above, ACM agencies administer and distribute emergency assistance funds
17 to low income LG&E customers to help them pay their bills and maintain service. These
18 agencies also distribute Community Winterhelp funds from January through April each year and
19 ACM has a seat on the Board of Community Winterhelp. To fund its emergency assistance, the
20 agencies raise funds from a variety of sources including donations from groups, individuals,
21 businesses, corporations, over 300 congregations, local government grants and from LG&E.
22 Pursuant to agreements arising from the last base rate cases and the PPL Corporation change of

1 control proceeding, LG&E has donated shareholder funds to ACM for use in assisting low
2 income utility customers. LG&E's current annual contribution to ACM is \$700,000.

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

5 **A.** Yes. ACM agencies dedicate a significant portion of their limited staff resources to
6 administering these funds. Most ministry emergency assistance programs have limited staff and
7 are only able to be open for a few hours per day. Despite these limitations, during 2016, ACM
8 agencies administered \$971,408 in utility assistance dollars paid to LG&E on behalf of low
9 income customers. Of these funds, \$463,986 came from the LG&E shareholder contribution
10 resulting from the last base rate case, \$297,131 came from funds the Ministries raised from other
11 sources, and \$210,291 were Community Winterhelp funds. Of all the areas in which ACM
12 agencies provide emergency assistance, LG&E assistance accounts for over 50% of assistance
13 dollars.

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

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

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

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

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

8 **A.** Income levels and sources vary, of course, as do the sizes of clients' households and
9 families. One example of income levels would be the many individuals ACM serves who are
10 subsisting on federal Supplemental Security Income (SSI) benefits. This is a means-tested
11 poverty program for the eligible elderly and younger people who have disabilities that preclude
12 substantial gainful employment. Currently, the maximum monthly cash benefit is \$750 for an
13 individual and \$1,125 for a couple (assuming both spouses are eligible).¹ This amounts to
14 \$9,007 per year for an individual -- well below the federal poverty level of \$12,140 for a
15 household of one² – and \$13,509 annually for an eligible couple, also well below the pertinent
16 poverty guideline, which is \$16,460.

17 Another example would be the individuals we interact with who are eligible for LIHEAP
18 assistance, which is limited to those with income at or below 130% of the federal poverty level.
19 Using the 2018 U.S. Department of Health and Human Services Poverty Guidelines,³ for a
20 family of four this means a maximum annual income of \$32,630, and for a single-person
21 household \$15,782. The ministries of course also see clients with incomes below 100% of the

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

² See <https://aspe.hhs.gov/poverty-guidelines>.

³ Available at <https://aspe.hhs.gov/poverty-guidelines>.

1 federal poverty guidelines, which for 2018, for example, are \$25,100 annually for a family of
2 four. Even clients up to 200% of the federal poverty guidelines, which is the limit for
3 Community Winterhelp and ACM's other utility assistance programs, seek ACM's assistance.

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

5 **A.** Most definitely. Working full time at the minimum wage, which is currently \$7.25 per
6 hour, yields an annual gross income of \$15,080 which is below the 130 % of poverty level for a
7 single person. Many of our working clients struggle to manage household expenses on a low
8 income and we assist them with water, rent, and food in addition to LGE assistance. Many, in
9 fact the vast majority it seems to me, utilize more than one service from their local ministry.

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

12 **A.** Simply put, we see many people who cannot afford the basics of life, including rent,
13 utilities and food. It is very difficult to support a family on an income at or below 200% of
14 poverty.

15 **Q. How pervasive is the kind of poverty you've described?**

16 **A.** According to the information I've reviewed from the U.S. Census Bureau's 2012-2016
17 American Community Survey 5-Year Estimates, the overall poverty rate for individuals in
18 Jefferson County is 16%. But most of our member ministries serve areas with individual poverty
19 rates much higher than that. Also according to the 2012-2016 American Community Survey 5-
20 Year Estimates, individual poverty rates in the ten highest-poverty zip codes in Jefferson County
21 range from 20.4% to 61.9%.

22 **Q. Are you familiar with LG&E's current proposal to deploy Advanced Metering**
23 **Systems throughout its service territory?**

1 A. Yes.

2 **Q. What are ACM’s concerns with the current proposal to deploy Advanced Metering**
3 **Systems throughout its service territory?**

4 A. ACM’s concerns fall into three broad areas. First, ACM is very concerned about the
5 impact of the proposal to implement remote disconnections of service for nonpayment. Second,
6 it does not appear that LG&E has adequately taken its low income customers into account in
7 studying, planning for and justifying the proposed AMS deployment. Our third concern is that
8 low income customers will have little, if any, ability to benefit from the energy savings potential
9 touted as a benefit of AMS.

10 **Q. What is it about the proposal to implement remote disconnections of service for**
11 **nonpayment that concerns ACM?**

12 A. ACM is extremely concerned about the ability of ACM agencies to keep up with
13 increased daily numbers of disconnections. Currently, the number of disconnections LG&E is
14 able to carry out each day is affected by variations in its workload and available workforce, with
15 such events as training sessions and storm response affecting the number of service technicians
16 available to work on disconnection orders.⁴ Disconnections by remote computer system will
17 alleviate some of these workforce limitations and the Companies have confirmed that they
18 expect the daily numbers of residential disconnections for nonpayment to increase upon
19 implementation of remote disconnection.⁵ This is of grave concern because ACM agencies are
20 already working at maximum capacity to serve clients who cannot pay their bills before they are
21 disconnected. An increase in the number of disconnections set per day in a given agency’s
22 service area due to simultaneous remote disconnections could overwhelm our member agencies,

⁴ Response to ACM First Request for Information, No. 27(a) (“ACM-1 27(a)”)

⁵ Response to ACM Second Request for Information, No.1 (“ACM-2 1”)

1 even if the total number of disconnections for nonpayment does not increase as a result of remote
2 disconnection.

3 By way of example my agency, SEAM, is open three hours per day, Monday through
4 Friday (except holidays). We process approximately 50 clients per week on average.
5 Approximately 30-35 of the 50 appointments per week are for LG&E assistance. SEAM has two
6 full time employees who together already work a total of about 100 hours per week. With this
7 already strained capacity, any increase in the number of clients being disconnected would have
8 an impact on SEAM's ability to prevent disconnections of service. Twelve more LG&E
9 disconnect cases a week would leave more clients waiting one week or more for an appointment
10 for LG&E assistance. If the number of disconnections were to double, it would take two
11 additional SEAM employees working 4 hours each (40 hours total) with LG&E assistance to
12 handle such an increase in LG&E disconnection assistance appointments. It is safe to say that
13 most (approximately 13 out of 15) ministries would have similar issues and needs, if not more.

14 The above scenarios do not take into account the reality that the potential to
15 simultaneously disconnect greater numbers of customers will also increase the potential for more
16 erroneous disconnections to occur simultaneously. I would expect to see increased numbers of
17 new SEAM clients seeking assistance when errors occur, such as the wrong customers being shut
18 off or being shut off too early.

19 **Q. What will happen to ACM clients if more concentrated demand for LG&E**
20 **assistance appointments overwhelms agency capacity?**

21 **A.** Because clients at risk of losing their utility service will have to wait longer for
22 appointments, more of what should be disconnection prevention cases will become reconnection

1 cases. It is likely that many clients forced to wait for an appointment will be disconnected in the
2 interim, and suffer accordingly until we can see them to assist with reconnection.

3 **Q. What hardships do you anticipate clients facing if disconnection prevention cases**
4 **become reconnection cases instead due to the capacity issues you've described?**

5 **A.** First there are economic consequences to being disconnected. It is much cheaper to
6 maintain service than to be disconnected and then reconnected. According to its Policy for
7 Disconnect/Reconnect, in order to be reconnected, LG&E requires the full past due balance.⁶
8 Outside of winter hardship months a reconnect fee (\$28) is billed and if LG&E does not hold a
9 deposit, then a deposit is billed (\$160 for electric and \$260 for combined gas and electric
10 customers). In addition, customers may lose precious food and medicines requiring refrigeration
11 due to spoilage.

12 We are even more concerned about the consequences of more disconnections on those
13 customers who are over the age of 65 and disabled and who would face health risks without
14 electric service. Lack of heat in the winter and air in the summer could exacerbate illnesses and
15 place clients at risk of death. Younger people with serious health conditions, such as children
16 with asthma, are also put at medical risk from lack of heating and air conditioning. Further, the
17 fact that disconnections will be carried out remotely, rather than by service technicians who have
18 discretion to not carry out a disconnection when safety issues are evident, increases our concern
19 for vulnerable customers.

20 **Q. Are you aware of LG&E's current policy and practice of extending the**
21 **disconnection date when a client's appointment with an assistance agency falls after the**
22 **disconnection date on the brown bill?**

23 **A.** Yes.

⁶ Attachment to Response to ACM-1 26, LG&E KU & ODP Revenue Collection Policy Manual at 29.

1 **Q. Are these policies and practices sufficient to alleviate the ACM concerns you've**
2 **detailed regarding increased simultaneous disconnections?**

3 **A.** No, they are not. The policy leaves some customers with pending appointments at risk of
4 disconnections, and would likely place many more at risk if the scenarios I've described above
5 come to pass. This is because LG&E's current policy limits the length of extensions to the date
6 on which the customer's current green (regular) bill is due, regardless of the date of the
7 customer's appointment with an assistance agency. A customer who cannot be seen until after
8 that due date will again be at risk of disconnection once that due date passes. We see this
9 phenomenon during the early stages of the Crisis phase of LIHEAP in Louisville, when the
10 volume of clients needing assistance often outstrips LIHEAP's capacity to schedule and hold
11 appointments before extensions expire pursuant to the LG&E policy. Clients have been
12 disconnected as a result.

13 **Q. Would impacts of increased simultaneous disconnections you've described be**
14 **compounded by other challenges facing low income customers?**

15 **A.** The prospect of remote disconnections comes at a time when low income people are
16 facing challenges on many fronts. These challenges also tax the ACM member agencies to which
17 they reach out for assistance.

18 Dare to Care, a regional food bank historically the principal supplier for the food pantries
19 run by ACM members, recently suffered a major funding loss when Yum Brands announced it
20 was phasing out the \$1 million per year it had contributed to the organization since 2002. Since
21 the funding cut, ACM agencies have had to spend more time raising money to buy food,
22 shopping for food and picking up food that previously Dare to Care delivered, in order to meet
23 the needs of its clients. Additionally, proposed changes to the Supplemental Nutrition Assistance

1 Program (formerly known as the Food Stamp program), if passed by Congress, are expected to
2 reduce benefits to low income Kentuckians. This reduction would increase demand on ACM and
3 other local food pantries and leave low income clients with fewer resources with which to meet
4 their basic necessities. In fact, demand is already increasing. In 2017, SEAM saw a nineteen
5 percent increase in clients seeking food assistance. Further, changes to the Medicaid program in
6 Kentucky will soon go into effect which will affect program eligibility and procedures. Clients
7 who lose coverage will face increased need, and, based on past experience, are likely to reach out
8 to ACM agencies for assistance, such as through their prescription drug assistance programs or
9 for help understanding new requirements.

10 **Q. What other concerns does ACM have with respect to the Companies proposal to**
11 **implement remote disconnections?**

12 **A.** ACM remains concerned that important details about how the Companies will implement
13 remote disconnection are still undetermined. Two of these details are the timing of
14 disconnections and additional notice procedures to customers of impending remote
15 disconnection.

16 **Q. Please describe these concerns about timing.**

17 **A.** Regarding timing issues, as I have described above, agencies would not be able to handle
18 a large number of assistance requests should too many disconnections take place at once or in a
19 short time frame. It appears that the Companies are still weighing whether everyone will be
20 disconnected at approximately the same time or will be staggered across the service territory. No
21 decision has been made on this.⁷

22 **Q. Please describe ACM's concerns about notification.**

⁷ Response to ACM-1 36.

1 **A.** Regarding notification, we think the current process for notification of disconnection will
2 be insufficient once remote disconnections are implemented. Under the current process, the only
3 notification a customer receives is the brown bill. If payment is not received by the brown bill
4 due date, LG&E creates a service order for a technician to disconnect for the following business
5 day and the disconnection can take place any time over a four day window.⁸ The capacity of a
6 remote disconnection system would allow disconnections to take place much faster, as there will
7 no longer be the need to schedule technicians. We think that customers should receive additional
8 notification to alert them as to when to expect the disconnection, which hopefully will allow
9 them to take steps to avoid the disconnection altogether, or at least be able to plan to for the
10 consequences of going without power, air and/or heat. The Companies have not made a decision
11 on the method or timing of notifications.⁹

12 **Q. Is the Companies' plan to work with low income agencies to determine a window of**
13 **time for disconnections as stated in Response to ACM 1-40, sufficient to alleviate ACM's**
14 **concerns?**

15 **A.** Although we appreciate that the Companies' plan to do so and ACM would participate,
16 we do not think it is appropriate for the Commission to approve the AMS proposal while such
17 details surrounding remote disconnection are still undetermined.

18 **Q. The Companies' witness John Malloy has stated that the Companies are not**
19 **proposing to change any of their service disconnection or reconnection policies or tariff**
20 **provisions in this proceeding and will continue to comply with all applicable Commission**
21 **regulations. Is this sufficient to alleviate ACM's concerns with respect to remote**
22 **disconnections?**

⁸ Testimony of David Huff, Exhibit DEH-4, at 33.

⁹ Response to ACM-1 40.

1 **A.** No. ACM believes that the new system will require additional protections, as described
2 above around the issues of timing and notification. Additional protections may also be warranted
3 once LG&E determines exactly how the system will work. LG&E has stated that details around
4 how information pertaining to disconnection orders will be transferred to the new AMS system
5 will be determined during the design phases of the AMS project, and therefore they are unable to
6 describe the exact process or personnel that will be involved.¹⁰ Until LG&E can fully describe
7 how the system will work, the parties cannot sufficiently address what additional steps would be
8 appropriate.

9 **Q. In Case No. 2016-371, ACM stated in testimony that LG&E had not taken low**
10 **income customers into account in planning for and justifying AMS and its deployment.**
11 **Does that remain a concern of ACM?**

12 **A.** Yes it does, in two respects beyond what I've already discussed. First, low income
13 customers were not adequately represented in the studies and analyses upon which the AMS
14 proposal and business case are based. Therefore, there is little basis for concluding that they will
15 be able to enjoy the purported energy saving benefits of AMS or, on the flip side, not be harmed
16 by the deployment. Second, low income customers will have limited, if any, ability to save
17 money on their bills through AMS, one of the purported benefits of AMS.

18 **Q. What is the basis of ACM's conclusion that low income customers were not**
19 **adequately represented in the analyses LG&E has put forth in support of its AMS**
20 **proposal?**

21 **A.** Our conclusion is based on an apparent lack of low income enrollment in the AMS opt-in
22 program to date, and on an analysis of the 2016 Bellomy Research survey cited by Mr. Malloy in
23 his testimony and attached as Appendix A-1 to the Companies' AMS Business Case.

¹⁰ Response to [ACM-1 38](#).

1 **Q. What has ACM gleaned about the degree of low income enrollment in the AMS opt-in**
2 **program to date?**

3 **A.** There is little evidence that low income customers have participated. While the Companies
4 do not track household income levels of the AMS Opt-In participants,¹¹ data elicited by ACM as
5 of March 31, 2018 suggests that relatively few are low income. Eighty seven percent of LG&E
6 residential AMS participants own their home, and thirteen percent rent.¹² As of March 31, 2018,
7 4,488 LG&E residential customers were enrolled in AMS.¹³ Only 118 of these enrollees had a
8 bill payment made by a third party assistance provider during the period beginning one year
9 before the start of customer enrollments and ending March 31, 2018. And only 80 enrollees had
10 more than one third party assistance payment during the same time period.¹⁴ Of the 1,456
11 enrollments in DSM/EE programs by AMS participants who started participating in a DSM/EE
12 program after receiving an AMS meter, only 48 enrollments were in WeCare, the Companies
13 Residential Low Income Weatherization Program.¹⁵

14 **Q. In ACM's view, what are the implications of this participation level for LG&E's**
15 **planning process for full AMS deployment?**

16 **A.** Given the apparently low enrollment rate among low income customers, the lessons
17 LG&E is drawing from the AMS pilot would not seem to encompass the situation of low income
18 ratepayers in a significant way.

19 **Q. How has the Bellomy Research Survey informed your conclusion that the**
20 **Companies' business case for AMS does not adequately take into account its low income**
21 **customers?**

¹¹ Response to ACM-1 8.

¹² Response to ACM-1 8.

¹³ Response to ACM-1 5.

¹⁴ Response to ACM-1 6.

¹⁵ Response to ACM-1 13.

1 A. It is my understanding that LG&E is citing the findings of the Bellomy Research
2 customer survey to support its projections about behavior changes and related energy savings
3 that can be expected when residential customers go on-line and access the information that AMS
4 deployment will make available to them. However, the customers who responded to the
5 Bellomy survey are not at all representative of the low income clients ACM member agencies
6 serve, or of Jefferson County as a whole. Only 9% of the 178 LG&E AMS residential
7 participants who completed the Bellomy survey reported annual household income of \$40,000 or
8 less. In contrast, according to the 2012-2016 ACS 5-Year Estimates, 35.4% of Jefferson County
9 households have income of less than \$35,000. Eight of the ten highest poverty zip codes in
10 Jefferson County have median household incomes below this level, some far below it. Median
11 household income in zip codes 40210 and 40212 is \$21,610 and \$25, 470, respectively; in zip
12 codes 40202 and 40203 \$16,500 and \$14,412, respectively.

13 The education levels of the survey respondents are also unrepresentative of low-income
14 customers and the Jefferson County service area as a whole. Seventy-seven percent of the LG&E
15 customer respondents are college graduates, with 37% of the respondents having also completed
16 “graduate/post-graduate school.” In comparison, and again according to the 2012-2016 ACS 5-
17 Year Estimates, only 31.8% of Jefferson County residents age 25 or older have a bachelor’s
18 degree, with only 13.1% having a graduate or professional degree as well. Eight of the ten
19 highest poverty zip codes have bachelor’s degree attainment rates below 17%, with post-
20 graduate degree rates in the single digits. Among these ten zip codes, the highest rates
21 bachelor’s and post-graduate degree attainment are 20.02% and 9.9%, respectively – both in the
22 zip code in which the University of Louisville is located.

1 **Q. Do the Bellomy results provide any insights into the extent to which low income**
2 **ratepayers may be among those customers attaining the predicted individual benefits in**
3 **energy savings from the proposed AMS deployment?**

4 **A.** The numbers suggest that the extent will be relatively limited even among those low
5 income customers with the requisite time, interest and technology. The AMS Participant Study
6 attached as Appendix A-1 to Exhibit JPM-1, the Advanced Metering Business Case, asked the
7 310 participants who had accessed the MyMeter Dashboard whether they had also taken certain
8 energy savings steps as a result, and reported the percentages of these participants who had taken
9 each step. We learned from LG&E's response to our Information Request No. 1-26 in Case No.
10 2016-00371 that 150 of these were LG&E residential customers, who collectively took a
11 reported 260 energy-saving steps. Two hundred thirty-one of these steps, or 89%, were taken by
12 customers with annual household incomes over \$40,000

13 **Q. Does ACM's client constituency generally have available to it the means to monitor**
14 **energy use as contemplated by the Companies' proposal?**

15 **A.** No. Disparities in access to technology make it unrealistic to expect many low income
16 customers to monitor their energy use as the Companies suggest.

17 **Q. Please elaborate.**

18 **A.** The Companies' proposal calls for customers to access their usage information through a
19 web portal. However, low income households have low rates of home internet access.
20 According to a 2017 report prepared by the U.S. Census Bureau, while 76.7% of U.S.
21 households had home broadband in 2015, only 51% of households with annual income below

1 \$25,000 did.¹⁶ Kentucky’s rate of home broadband access lagged behind the national rate by
2 almost six percentage points (at 70.9%), suggesting that access among Kentucky households
3 with income below \$25,000 may be even less than 51%. The study also found that
4 approximately 51% of households in this low income bracket lacked either broadband internet
5 access or any computer at all – defined by the study to include desktop, laptop, tablet,
6 smartphone or other handheld device.¹⁷

7 Along similar lines, a 2016 article published by the U.S. Department of Housing and
8 Urban Development (HUD) reported that while 75% of all U.S. households have a high-speed
9 internet subscription, only 43% of those low income households living in HUD-assisted housing
10 do. The numbers for computer, laptop or notebook ownership, and the gap, are similar at 78%
11 and 44%, respectively.¹⁸

12 **Q. Is it not the case that low income people often have smart phones? Why is this not a**
13 **solution for engaging with the proposed AMS web portal?**

14 The U.S. Census Bureau study I mentioned earlier found that, nationally, 51% of
15 households with annual income below \$25,000 have a “handheld device,” which would include a
16 smartphone. As the HUD article observed, though, for low income people, internet access via
17 mobile phone often entails data cap limits, risk of service interruption or termination due to
18 financial constraints, and difficulty performing relevant tasks on a small screen.¹⁹ For example, a

¹⁶ Ryan, Camille, and Jamie M. Lewis, “Computer and Internet Use in the United States: 2015,” *American Community Survey Reports*, ACS-37, U.S. Census Bureau, Washington, DC, 2107 (September 2017) accessed May 14, 2018 via <https://www.census.gov/content/dam/Census/library/publications/2017/acs/acs-37.pdf>

¹⁷ *Id.*

¹⁸ U.S. Department of Housing and Community Development, Office of Policy Development and Research, “Digital Inequality in Low-Income Households,” *Evidence Matters* (Fall 2016) at 2, accessed May 14, 2018 at www.huduser.gov/portal/periodicals/em/fall16/highlight2.html.

¹⁹ *Id.* at 3.

1 survey by the Pew Research Center found that 48% of people who were “smartphone dependent”
2 – meaning that they did not have broadband access at home, and also had relatively few options
3 for getting online other than their cell phone – had to cancel or suspend cell service due to
4 financial constraints. Thirty percent said that they “frequently” reach the data cap on their plan,
5 and 51% said that this happens to them at least occasionally.²⁰

6 **Q. Is ACM aware of any potential public policy developments that may reduce access**
7 **to smartphone technology for low income utility customers?**

8 **A.** Eligible low income households can now obtain free or reduced-cost smartphones and
9 plans through the Kentucky Lifeline program. ACM submitted comments in the Commission’s
10 Inquiry Into the State Universal Service Fund²¹ and is aware of the Commission’s March 10,
11 2017 Order eliminating Kentucky Universal Service Fund support for wireless Lifeline service,
12 and subsequent requests for rehearing. I’ve also read that the Federal Communications
13 Commission has proposed changes on the federal level that critics say would have the effect of
14 preventing many income-eligible households from getting broadband or phone subsidies.²²

15 **Q. It has been suggested that low income clients without home internet access may go**
16 **online at the public library to access the AMS web portal and monitor their energy usage.**
17 **Is this likely to afford ACM clients an equitable opportunity to attain the claimed energy**
18 **saving benefits of AMS deployment?**

²⁰ Pew Research Center, “The Smartphone Difference,” April 2015, available at <http://www.pewinternet.org/2015/04/01/us-smartphone-use-in-2015/> .

²¹ *In the Matter of: An Inquiry Into the State Universal Service Fund*
Case No. 2016-00059.

²² Tomer, Adie, and Shivaram, Ranitha, “Rollback of the FCC’s Lifeline program can hurt households that need broadband the most,” Brookings Institute, November 27, 2017, <https://www.brookings.edu/blog/the-avenue/2017/11/27/rollback-of-the-fccs-lifeline-program-can-hurt-households-that-need-broadband-the-most/> .

1 **A.** No. As I explained above, our clients live in poverty and are challenged daily to meet the
2 basic needs of their families and themselves. Many work at low-wage jobs and are raising
3 children, and many are dealing with health issues and disabilities. Many lack transportation,
4 and/or must juggle funds to afford gas for a car or bus fare. It is not realistic to expect that many
5 will have the time and resources to devote to travelling to a library periodically for the purpose
6 of monitoring their energy usage, no matter how motivated they may be to save money on their
7 utility bills.

8 **Q. Are there other challenges in accessing technology, beyond limited Internet access,
9 that will likely affect the potential for ACM clients to achieve energy savings as envisioned
10 in the Companies' proposal?**

11 **A.** ACM members serve increasing numbers of immigrants and refugees who are in various
12 stages of learning English. According to information provided to ACM by Kentucky Refugee
13 Ministries, there are 136 languages spoken in Louisville Metro, and 6.7% of residents are foreign
14 born. Accessing, navigating and understanding the ePortal would be a great challenge for our
15 English language learner clients.

16 **Q. What are ACM's recommendations to the Commission in this case?**

17 **A.** ACM recommends that the Commission not approve the Companies' proposal for full
18 deployment of Advanced Metering Services until the Companies have responded to the issues
19 raised by ACM in its testimony. If the Commission does approve the proposal, ACM
20 recommends that it prohibit the Companies from implementing remote disconnections of service
21 until such time as the concerns raised by ACM in its testimony have been addressed.

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

23 **A.** Yes.

COMMONWEALTH OF KENTUCKY)

COUNTY OF JEFFERSON)

SS:

The undersigned, Michael Ashabraner, being duly sworn, deposes and says that he is Deputy 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.


MICHAEL ASHABRANER

Subscribed and sworn to before me, this 18th day of May, 2018.


NOTARY PUBLIC
KENTUCKY STATE AT LARGE

My Commission expires: March 1, 2020