

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC INVESTIGATION OF THE )  
REASONABLENESS OF THE ENERGY )  
EFFICIENCY AND CONSERVATION RIDER OF ) CASE NO. 2018-00044  
COLUMBIA GAS OF KENTUCKY, INC. )

**DIRECT TESTIMONY OF MALCOLM J. RATCHFORD ON BEHALF OF  
COMMUNITY ACTION COUNCIL FOR LEXINGTON-FAYETTE,  
BOURBON, HARRISON, AND NICHOLAS COUNTIES, INC.**

\* \* \* \* \*

Comes the Community Action Council for Lexington-Fayette, Bourbon, Harrison, and Nicholas Counties, Inc. (hereinafter "CAC"), by counsel, and hereby tenders the pre-filed Direct Testimony of Malcolm J. Ratchford in support of its position in this matter.

Respectfully submitted,



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COUNSEL FOR CAC

1 **Q: Please state your name and address and describe your current position and**  
2 **professional background.**

3 A: My name is Malcolm J. Ratchford and I have served as Executive Director of  
4 Community Action Council for Lexington-Fayette, Bourbon, Harrison, and Nicholas Counties  
5 (“CAC”) since 2013. CAC’s Administrative and Support Services offices are located at 710 W.  
6 High Street in Lexington, Kentucky.

7 I have worked within the Community Action Network for over 21 years. Before my  
8 appointment as Executive Director, I held the position of Senior Manager for Neighborhood and  
9 Community Services at CAC. In that position, I implemented self-sufficiency programs for the  
10 low-income populations of the areas we serve. As Executive Director, I have participated in  
11 other cases before the Kentucky Public Service Commission on behalf of utility customers with  
12 low incomes. Based upon my experience at CAC and within the Community Action Network, I  
13 am well-informed about the issues and concerns of the low-income populations for which we are  
14 advocating in this matter.

15 **Q: Please describe the purpose of your testimony.**

16 A: The purpose of my testimony is to state the position of CAC with respect to the matter  
17 before the Public Service Commission related to the Low-Income Furnace Replacement Program  
18 operated by Community Action Council through Columbia Gas of Kentucky, Inc. (hereinafter  
19 “the Company”). CAC is an organization that provides services and advocacy for people with  
20 low income, and I speak as an advocate on behalf of the Company’s customers with low income.

21 **Q: Please describe in detail CAC’s programs and services, especially those which**  
22 **partner with public utilities.**

1 A: CAC creates opportunities for individuals and families to become self-sufficient members  
2 of the community, and serves people with low income through advocacy, service delivery and  
3 community involvement.

4 In 1983, CAC together with Kentucky Utilities Company initiated the establishment of  
5 the **WinterCare Energy Fund**. CAC has provided administrative services, financial  
6 management and marketing support for the Fund since that time. CAC has also managed the  
7 federal **LIHEAP** program (Low-Income Home Energy Assistance Program), serving customers  
8 with low income in Fayette, Bourbon, Harrison and Nicholas counties, since its inception in  
9 1981.

10 Since 1978, CAC has operated the Federal **Weatherization Assistance Program**  
11 designed to help households with low income conserve energy. CAC operates several additional  
12 company-sponsored weatherization and furnace replacement programs, including LG&E/KU's  
13 **WeCare** and the Company's **WarmWise** high-efficiency furnace replacement program.

14 In partnership with the **Columbia Gas of Kentucky Energy Assistance Program**  
15 (**EAP**) and the network of community action agencies serving the Columbia Gas service  
16 territory, CAC administers a utility-funded energy subsidy program serving 2,000 low-income  
17 households.

18 Finally, CAC also administers the **Home Energy Assistance (HEA) Program**, which  
19 serves 2,700 LG&E/KU customers whose primary heat source is KU electricity, by providing  
20 regular monthly subsidies throughout the winter and summer peak usage months.

21 **Q: Please describe the low-income population in the Company's service territory.**

22 A: Based on county customer data provided by the Company in response to CAC's Initial  
23 Requests for Information No. 1 combined with data taken from the 2016 U.S. Census Bureau,

1 Small Area Income and Poverty Estimates (SAIPE) Program, the following chart provides an  
 2 estimate of poverty status by county for the Company's service counties in Kentucky.

County Name	Columbia Gas Active Customers	County Poverty Rate	Estimated Number of Customers in Poverty
BATH	3	24.9%	1
BOURBON	2,719	17.6%	479
BOYD	9,364	18.2%	1,704
BRACKEN	118	16.7%	20
CARTER	3	22.6%	1
CLARK	5,661	15.9%	900
CLAY	11	42.1%	5
ESTILL	1,423	27.3%	388
FAYETTE	65,177	17.9%	11,667
FLOYD	712	30.4%	216
FRANKLIN	10,295	13.7%	1,410
GREENUP	6,598	17.4%	1,148
HARRISON	1,606	15.3%	246
JESSAMINE	930	15.9%	148
JOHNSON	31	25.9%	8
KNOTT	166	38.2%	63
LAWRENCE	910	27.1%	247
LEE	3	39.0%	1
LETCHER	1	31.6%	0
LEWIS	74	26.8%	20
MADISON	509	21.3%	108
MARTIN	670	39.3%	263
MASON	2,327	19.4%	451
MONTGOMERY	2,461	17.9%	441
NICHOLAS	18	19.8%	4
OWSLEY	18	42.2%	8
PIKE	501	31.4%	157
ROBERTSON	9	24.6%	2
SCOTT	5,168	10.4%	537
WOODFORD	4,472	12.1%	541
<b>TOTAL</b>	<b>121,958</b>		<b>21,184</b>

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1 Many of these counties report some of the highest poverty rates in Kentucky. Small Area  
2 Income and Poverty Estimates are considered a reliable source to estimate poverty at the county  
3 level. By definition, families with incomes at or below the poverty line cannot meet their basic  
4 needs, and therefore every additional dollar spent requires careful consideration of needs and  
5 priorities.

6 **Q: What impact does the Company's Low-Income Furnace Replacement program have**  
7 **on the low income community?**

8 A. In short, the Low-Income Furnace Replacement program has a positive impact on the low  
9 income community as it is a rate payer funded program in Kentucky that allows low income  
10 households, in many instances households with very low income, the ability to replace an aging,  
11 non-working or inefficient furnace. The Council has been operating the Low-Income Furnace  
12 Replacement program on behalf of the Company since 2010 and in that time, based on our own  
13 data and that of the Company as provided by Judy Cooper in response to Question No. 3 of  
14 CAC's Initial Requests for Information, the Council has installed over 1,000 high-efficiency  
15 natural gas furnaces in low income households. In the last calendar year the Council replaced 96  
16 furnaces and as of May 15, 2018, the Council has replaced 33 furnaces for Company customers  
17 with low income this year. Because of the Company's program, these households have a greater  
18 sense of security in that they have a working, high-efficiency furnace and an increased capacity  
19 to control their associated utility costs. Additionally, over the years the Council has been able to  
20 secure additional funding through local grants to leverage with the funding provided by the  
21 Company to replace ductwork and other necessary measures for increased home safety.

22 **Q: Is CAC interested in continuing to operate the Low-Income Furnace Replacement**  
23 **program on behalf of the Company?**

1 A. Yes, the Council has a strong collaboration and good working relationship with the  
2 Company and agrees with the Company in its Response to CAC's Initial Requests for  
3 Information No. 4 that without this program "there would certainly be a negative impact on  
4 access to furnaces..." for customers with low income.

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

6 A: Yes, it does.

## CERTIFICATE OF SERVICE

I hereby certify that CAC's June 1, 2018 electronic filing is a true and accurate copy of Direct Testimony of Malcolm J. Ratchford on Behalf of CAC and Verification to be filed in paper medium; that the electronic filing has been transmitted to the Commission on June 1, 2018; that an original and six copies of the filing will be delivered to the Commission on June 1, 2018; that there are currently no parties excused from participation by electronic service; and that, on June 1, 2018, electronic mail notification of the electronic filing is provided to the following:

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