



1700 PNC PLAZA
500 WEST JEFFERSON STREET
LOUISVILLE, KENTUCKY 40202-2874
(502) 582-1601
FAX (502) 581-9564
www.ogdenlaw.com

July 30, 2004

HAND DELIVERY

CONNIE L. VERRILL

DIRECT DIAL 502-560-4232
DIRECT FAX 502-627-8732

cverrill@ogdenlaw.com

RECEIVED

JUL 30 2004

**PUBLIC SERVICE
COMMISSION**

Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

Case 2004-00303

RE: *Joint Application of Kentucky Utilities Company, Kentucky Association for Community Action, Inc. and Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties, Inc. for the Establishment of a Home Energy Assistance Program*

Dear Ms. O'Donnell:

Enclosed please find and accept for filing the original and ten (10) copies of a Joint Application in the above-referenced matter. Please confirm your receipt of this filing by placing the stamp of your Office with the date received on the enclosed additional copy and return it to me in the enclosed self-addressed stamped envelope.

Should you have any questions or need any additional information, please contact me at your convenience.

Very truly yours,

Connie L. Verrill

CLV/ec

Enclosures

cc: Parties of Record
Elizabeth E. Blackford (w/ encl.)

COMMONWEALTH OF KENTUCKY

RECEIVED

BEFORE THE PUBLIC SERVICE COMMISSION JUL 30 2004

In the Matter of:

PUBLIC SERVICE
COMMISSION

JOINT APPLICATION OF KENTUCKY UTILITIES)
COMPANY, KENTUCKY ASSOCIATION FOR)
COMMUNITY ACTION, INC., AND COMMUNITY)
ACTION COUNCIL FOR LEXINGTON-FAYETTE,) CASE NO: 2004-00303
BOURBON, HARRISON AND NICHOLAS)
COUNTIES, INC. FOR THE ESTABLISHMENT)
OF A HOME ENERGY ASSISTANCE PROGRAM)

JOINT APPLICATION

Kentucky Utilities Company (“KU”), Kentucky Association for Community Action, Inc. (“KACA”), and Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties, Inc. (“CAC”) (collectively “Joint Applicants”), by counsel, hereby petition the Kentucky Public Service Commission (“Commission”) for an order approving the programmatic details of a new Home Energy Assistance (“HEA”) Program in KU’s service territory.

In support of this Application, Joint Applicants state as follows:

1. KU’s post office address is P.O. Box 32010, 220 West Main Street, Louisville, Kentucky 40232. A certified copy of KU’s Articles of Incorporation is already on file with the Commission in Case No. 2000-095, *In the Matter of: Joint Application of Powergen plc and LG&E Energy Corp., Louisville Gas and Electric Company and Kentucky Utilities Company for Approval of Merger*, and is incorporated by reference herein pursuant to 807 KAR 5:001, Section 8(3).

2. KACA’s post office address is 101 Burch Court, Frankfort, Kentucky 40601. A certified copy of KACA’s Articles of Incorporation is attached hereto as Exhibit A.

3. CAC's post office address is P.O. Box 11610, Lexington, Kentucky 40576. A certified copy of CAC's Articles of Incorporation is attached hereto as Exhibit B.

4. This Application is filed pursuant to the Commission's Order of June 30, 2004 in *In the Matter of: An Adjustment of the Electric Rates, Terms, and Conditions of Kentucky Utilities Company*, Case No. 2003-00434, pp. 60-62.

5. Communications regarding this Application should be addressed to:

For KU:

Allyson K. Sturgeon
Connie L. Verrill
OGDEN NEWELL & WELCH PLLC
1700 PNC Plaza
500 West Jefferson Street
Louisville, Kentucky 40202
Telephone: (502) 582-1601

Michael S. Beer
Vice President, Rates & Regulatory
- and -

Gregory J. Meiman
Senior Counsel
LG&E Energy LLC
220 West Main Street
Louisville, Kentucky 40202

For KACA and CAC:

Joe F. Childers
201 W. Short Street, Suite 310
Lexington, Kentucky 40507
Telephone: (606) 253-9824

6. On May 12, 2004, the parties to Case No. 2003-00434 filed a Partial Settlement Agreement, Stipulation and Recommendation ("Settlement Agreement") with the Commission. The Commission's approval of the unanimous provisions of the Settlement Agreement on June 30, 2004, also included approval of the parameters for a new HEA program in KU's service

territory. As noted by the Commission, the program will be funded by a ten-cent per month charge for each residential meter for a period of three years. The HEA charge will be set forth as a separate line item on each residential customer's bill. Order of June 30, 2004, p. 60. A copy of the proposed HEA tariff is attached hereto as Exhibit C. The Commission also ordered that "the programmatic details for the new HEA program [...] be submitted for approval no later than August 1, 2004. Order of June 30, 2004, p. 62.

7. During the months of June and July, 2004, representatives of KU, KACA, CAC, and the Office of the Attorney General met to discuss development of the programmatic details for the new HEA program. Each party participated in the development of this Application, made recommendations for the program, and agreed with the details as set forth in this Joint Application.

Description of the Program

8. The goal of the HEA program is to positively impact the affordability of electric service for low-income customers by providing a subsidy during peak heating and cooling months. It is anticipated that participation in the program will make energy more affordable and reduce the incidence of disconnects.

9. Program participants will be active KU customers who are enrolled in the Federal LIHEAP Subsidy Program and the ratepayer of record for their household. Eligible households will be those at or below 110% of the then-effective Federal Poverty guidelines issued by the United States Department of Health and Human Services. A copy of the 2004 Federal Poverty Guidelines is attached hereto as Exhibit D. The program is expected to serve approximately 1,300 low-income customers. When participants drop out or no longer need the assistance,

additional customers will be enrolled. Eligible customers will be those who have KU electric as their primary heat source.

10. Intake staff at the contracting community action agency will conduct screenings and assessments. When a potential participant presents at the community action agency, staff will explain the program and inquire about their level of interest. The potential participant's most recent KU bill will be assessed for program eligibility, including whether they are a high energy user. The community action agency will also verify that KU electric is the potential participant's primary heat source. Income will be verified and filed at the community action agency at the time of enrollment and annually thereafter. Verification will be made using income records (check stubs, employer verification, IRS W-2 form, etc). Re-verification will be required annually in order to remain enrolled. Failure to re-verify will result in dismissal from the program. Re-verification of income will also be required to re-enroll in the program should a program default occur.

11. The subsidy benefit will be a direct subsidy of a set dollar amount during peak cooling and heating months. The monthly benefit will initially be set at \$42 per applicable month (not to exceed \$294 per year) and will be posted to the customer's account prior to the due date. However, the dollar amount may vary each year based upon the available funds in the program pool. Peak cooling months will be defined as July, August and September. Peak heating months will be defined as December, January, February and March.

12. Joint Applicants will file a quantification of the cost savings achieved along with their evaluation of the HEA program by January 1, 2007. However, it is difficult to attribute variations in the amount of arrearages, the number of disconnects, and the amount of bad debt solely to the HEA program. For example, changes in such data could be related to economic

fluctuations, fuel supply costs, the amount of available energy assistance funding, better recovery efforts from KU staff, or other causes. To the extent actual net savings are produced from this program, those savings will be addressed in KU's next general rate case.

Responsibilities of the Parties

13. KACA represents Kentucky's twenty-three Community Action Agencies. KACA operates the Low Income Home Energy Assistance Program ("LIHEAP") in all 120 Kentucky counties and provides assistance to 150,000 low-income households in the state each year. KACA also provides technical assistance on an on-going basis to the state's Demand Side Management ("DSM") programs operated by KU, Louisville Gas and Electric Company, American Electric Power, Union Light Heat and Power, and Western Kentucky Gas. These programs provide a variety of conservation services for low-income households. KACA will act as liaison to KU and the Commission. KACA will monitor both the implementation and ongoing operations of the program, and report such to KU and the Commission. KACA will monitor the data collected and make it available for purposes of program evaluation. KACA will provide an ongoing and final evaluation of the program available for review by the Commission, KU, CAC, and partner agencies, as specified by the Commission. KACA will track program expenditures against budget through monthly financial reports made by the CAC, monitor financial activity, and ensure that an annual OMB A-133 audit is performed by a third-party independent auditor that will be evaluated against pre-determined auditing criteria as agreed by all parties.

14. CAC is a community action agency and special district of the Commonwealth of Kentucky in accordance with KRS 273.405 *et sequens* and is a Kentucky non-profit, 501(c)3 public interest corporation established to represent and serve the interests of low-income persons. CAC operates LIHEAP, the Weatherization Assistance Program ("WAP"), Kentucky Utilities'

WeCare DSM program, and a variety of smaller energy assistance programs funded by its local governments and private donors in its four county core services area. Additionally, CAC administers the energy assistance programs of WinterCare Energy Fund, Inc., a supporting corporation of CAC, serving all 120 Kentucky counties. CAC will make contracts with other energy assistance providers throughout the KU service territory. See list attached hereto as Exhibit E. CAC will centralize all program data in the Intake Reporting and Information System (“IRIS”). The IRIS database is available to all contracting community action agencies and KACA via a secure Internet site. CAC will provide the following data support and services for the program: data management, software training for contracting community action agencies, technical assistance to contracting community action agencies, data transfers to KU for benefits distribution, and all required reporting to KU and the Commission. CAC’s program management staff will provide specific programmatic training and technical assistance to contracting community action agencies’ staff.

15. Each contracting community action agency will be responsible for the following activities in their service area: (1) program recruitment and outreach; (2) intake; (3) income verification; (4) income re-verification; (5) client follow-up and communications; and (6) recording data real-time in IRIS.

16. KU will include on each residential customer’s monthly bill a ten-cent HEA charge for each residential electric meter to fund the HEA program. KU will respond to general billing questions related to whether or not a participant’s account has been credited with an HEA subsidy payment. KU will also work with KACA and CAC to evaluate and report on HEA program results, and will provide regular reports to KACA and CAC to assist in the production of quality data in order to determine relevant statistics on the HEA program. KU agrees to

provide to KACA, by no later than the 20th day of the month prior to service provision, one-twelfth of ten percent of the annual proposed budget for administrative costs for eleven months. The first payment to KACA will include the recovery of administrative costs for initial expenses incurred following Commission approval of the HEA program; provided, however, that such costs are still limited to ten percent of the annual proposed budget for administrative costs. The actual administrative costs will be trued up in the twelfth month of the program year. KU will be responsible for providing information to KACA and CAC so that actual HEA funds collected can be balanced with HEA funds distributed to participants for each program year. KU will also work with KACA and CAC to provide a “customer balancing” mechanism at least twice a year for the program year.

17. Each KU customer that participates in the HEA must be at or below 110% of poverty, and must verify their gross monthly income at the time of application and annually thereafter. Participants must apply for LIHEAP subsidy and direct payment to KU. Participants must also apply for available weatherization programs, including KU’s WeCare program, and accept services if eligible and available. Participants must sign a written agreement for the exchange of pertinent information between CAC and KU, and must sign a release from liability form that will be provided by KU. Participants must allow KU access to their electric meters for regularly scheduled meter reading. Participants must not live in a multi-unit single meter dwelling. Participants must accept any program change resulting from approved modification made by the Joint Applicants, the Commission, or any other governing agency. Participants must understand that no refunds will be issued unless a credit balance exists on a final bill, then the amount refunded will only be the portion of the credit balance in excess of the subsidy assistance in the current program year.

Implementation and Administration of the Program

18. Potential program participants will be recruited through a data search at the CAC and its partner agencies. Participants will be recruited based upon their history of high energy bills and repeat requests for energy assistance including LIHEAP Crisis. CAC will develop fliers to use as a method to educate potential program participants about the program. Fliers will also be available at KU customer service points. KU will also promote the program through inserts to customers' bills or messages on customers' bills.

19. CAC, under contract with KACA, will be responsible for service delivery through contracts with its sister community action agencies throughout the KU service territory. Each energy assistance provider will have the opportunity to enroll a pro rata share of participants to the number of KU customers in their area. See pro rata calculations attached hereto as Exhibit F. Eligibility, enrollments, initial income verification, re-verification will be tracked in IRIS, and contracting community action agencies will process activity real-time in IRIS over a secure Internet connection.

20. The contracting community action agencies are the front line contact with program participants and are generally the ones who have in-person contact with participants before they enter into the program, and each year as they re-verify.

21. Participants will be responsible for portions of the bill not paid by the subsidy. Participants will receive a credit on their bill during the designated months. If the credit exceeds the balance due at billing, the credit will carry forward to the next month's bill. If a participant moves residences, they may remain on the program provided they remain a KU customer and that they notify their enrollment agency of the change of address. If they move and do not continue, any remaining subsidy dollars will be placed back in the program pool. Participants

may also elect to participate in the budget plan. Budget participants will go through the normal annual budget review. The budget review will take into consideration all eligible subsidy credits the participant is to receive when calculating the budget amount.

22. Any LIHEAP subsidy assistance received by the participant will be directed to KU and credited to their bill. Participants will still be eligible for other types of assistance such as LIHEAP Crisis, WinterCare, and other local resources. Should a participant not pay their bill by the due date, a termination of service notice will be issued. If a disconnect order is issued by KU, the participant will not be removed automatically from the program if they pay the past due bill and other required charges within five working days after the disconnection. Should the participant go beyond the five-day period, a default would result and the participant would be removed from the HEA program. If the final bill results in a credit balance, a refund will only include the portion of the credit balance in excess of the subsidy assistance provided in the current program year.

23. Removal from the HEA program may result if a participant defaults to KU and is disconnected from service. A participant is eligible to be removed from the program once they default on the “disconnect notice” payment terms. Participants do not have to be physically disconnected to be removed from the program. Participants may also be removed upon request.

24. A small energy assistance fund will also be available as part of the HEA program to assist low-income KU customers whose primary heat source is not electric.

25. Once a participant is enrolled, CAC will electronically transmit the enrollment file to KU for processing, and send a copy to KACA for ongoing monitoring. The annual re-verification of income will be updated via an electronic file as well. CAC will notify participants

annually by mail that it is time for them to re-verify. Failure to re-verify income by the date indicated in the notification will result in removal from the HEA program.

26. CAC's IRIS will be the keystone for participant processing, data collection, and reporting for the HEA program. The system has the capacity to share files with KU over a secure FTP Internet site so that program enrollment can be shared and uploaded into the other's system, KU to IRIS, or IRIS to KU. File sharing will take place each business day in order to keep records up-to-date. A true-up and verification file share will take place monthly.

27. The HEA program will be regularly reviewed by the staff responsible for the program as well as by KU's and Louisville Gas and Electric Company's DSM Advisory Board. KU will also maintain communication with KACA and CAC, as well as respond to any customer inquiries. KACA will provide oversight for the project, which includes on-site monitoring as well as review and analysis of monthly program reports. This information will be available to KU and the Commission upon request.

28. By January 1, 2007, Joint Applicants will file with the Commission comprehensive program assessments to insure that the HEA program is meeting its established goals, as described above. The program evaluation will consist of an analysis of low income accounts for further implementation of the program and will be performed by KACA with input from KU. The program will be monitored against a pre-determined set of expected outcomes through routinely collected data from participants and stored in the IRIS database, as well as data provided by KU. The expected HEA program outcomes are as follows:

1. **Reduce the need for LIHEAP Crisis Assistance** - x% of enrollees in the HEA were free of need for LIHEAP Crisis Assistance.

Baseline: Upon enrollment, match enrollee with history of Crisis Assistance using state-wide LIHEAP data for past three years.

Evaluation Procedure: Compare receipt of Crisis Assistance requested and approved during enrollment in the program.

2. Reduce arrearages - Enrollees in the HEA were able to reduce their past arrearages by x%.

Baseline: Upon enrollment, KU provides amount of arrearages currently associated with customer account.

Evaluation Procedure: Compare KU provided data every six months during enrollment in the program.

3. Reduce loss of service due to non-payment - x% of enrollees in the HEA did not experience loss of service due to non-payment during their time in the program.

Baseline: KU provided data for each enrollee reporting the number of disconnect notices and actual disconnection for the period of one-year prior to enrolling.

Evaluation: KU provided data for each enrollee reporting the number of disconnect notices and actual disconnections.

4. Increase in energy savings in combination with weatherization programs - Enrollees in the HEA who were also enrolled in other weatherization program (e.g. WeCare) experienced at least a x% reduction in energy costs.

Baseline: When enrolled in a weatherization program, document previous year's energy consumption.

Evaluation: One year post-intervention document past year's energy consumption and compare.

5. **Other** - Total households served, Total amount of assistance provided.

Data collected throughout program participation

29. The financial records of the entire project will be audited annually in accordance with OMB A-133 auditing standards by a third-party independent auditor.

Timeline

30. Applicants respectfully request that the Commission consider the programmatic details proposed by the Joint Applicants on an expedited basis in order to permit it to issue an order by September 30, 2004. Subject to the Commission Order referenced above, collection of the HEA charge will begin with the first billing cycle rendered for service provided on and after October 1, 2004. HEA subsidies will begin to be distributed thereafter according to the participant's billing cycle.

Annual Budget

31. A proposed operating budget for KU's HEA program is attached hereto as Exhibit G.

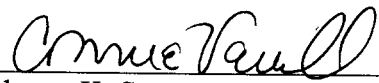
32. Pursuant to the Commission's June 30, 2004, Order, KU is entitled to recover its one-time information technology implementation costs through its DSM mechanism. Based upon information to date, KU estimates these costs to be \$78,610. A copy of KU's proposed revised DSM tariff is attached hereto as Exhibit H.

WHEREFORE, the Joint Applicants respectfully request that the Commission issue an Order by September 30, 2004:

1. Approving this Application for the programmatic details of a Home Energy Assistance Program in the KU service territory;
2. Approving the three-year budget to which the Joint Applicants have agreed;
3. Approving the proposed tariff for the HEA charge; and
4. Approving the recovery of KU's one-time information technology implementation costs through its DSM mechanism.

Dated: July 30, 2004

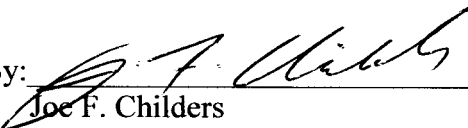
Respectfully submitted,

By: 
Allyson K. Sturgeon
Connie L. Verrill
OGDEN NEWELL & WELCH PLLC
1700 PNC Plaza
500 West Jefferson Street
Louisville, Kentucky 40202
Telephone: (502) 582-1601

Dorothy E. O'Brien
Deputy General Counsel
- and -
Michael S. Beer
Vice President, Rates & Regulatory
LG&E Energy LLC
220 West Main Street
Post Office Box 32010
Louisville, Kentucky 40232

Counsel for Louisville Gas and
Electric Company

Kentucky Association for Community Action

By:  _____

Joe F. Childers

201 W. Short Street, Suite 310

Lexington, Kentucky 40507

Telephone: (606) 253-9824

Community Action Council

By: 

Joe F. Childers

201 W. Short Street, Suite 310

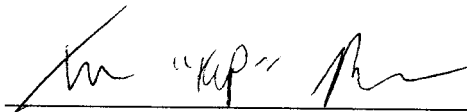
Lexington, Kentucky 40507

Telephone: (606) 253-9824

VERIFICATION

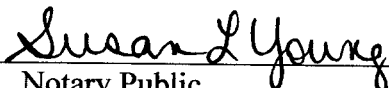
COMMONWEALTH OF KENTUCKY)
) **SS:**
COUNTY OF FRANKLIN)

The undersigned, Thomas "Kip" Bowmar, being duly sworn, deposes and says he is Executive Director of Kentucky Association for Community Action, Inc., that he has personal knowledge of the matters set forth in the foregoing Joint Application, and the facts contained therein are true and correct to the best of his information, knowledge and belief.



THOMAS "KIP" BOWMAR

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 27th day of July 2004.

 (SEAL)

Notary Public


My Commission Expires:

5/12/06

VERIFICATION

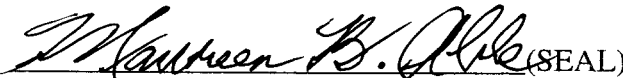
COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF Fayette)

The undersigned, Jack Burch, being duly sworn, deposes and says he is Executive Director of Community Action Council, that he has personal knowledge of the matters set forth in the foregoing Joint Application, and the facts contained therein are true and correct to the best of his information, knowledge and belief.



JACK BURCH

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 26th day of July 2004.

 (SEAL)

Notary Public (Maureen B. Able)

My Commission Expires:
JUNE 25, 2005

VERIFICATION

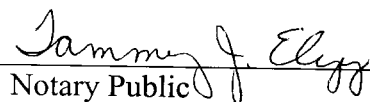
COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, Butch Cockerill, being duly sworn, deposes and says he is Director - Revenue Collections of LG&E Energy LLC, that he has personal knowledge of the matters set forth in the foregoing Joint Application, and the facts contained therein are true and correct to the best of his information, knowledge and belief.



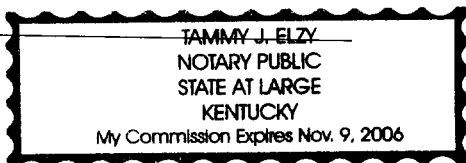
BUTCH COCKERILL

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 29th day of July 2004.



Notary Public (SEAL)

My Commission Expires:





Trey Grayson
SECRETARY OF STATE

CERTIFICATE

I, **Trey Grayson**, Secretary of State for the Commonwealth of Kentucky, do hereby certify that the foregoing writing has been carefully compared by me with the original thereof, now in my official custody as Secretary of State and remaining on file in my office, and found to be a true and correct copy of **ARTICLES OF INCORPORATION OF**

KENTUCKY CAP DIRECTORS ASSOCIATION FILED JANUARY 10, 1968,

ARTICLES OF AMENDMENT OF KENTUCKY CAP DIRECTORS ASSOCIATION CHANGING NAME TO KENTUCKY ASSOCIATION OF COMMUNITY ACTION AGENCIES, INCORPORATED FILED JUNE 24, 1974,

ARTICLES OF AMENDMENT FILED APRIL 30, 1976,

ARTICLES OF AMENDMENT OF KENTUCKY ASSOCIATION OF COMMUNITY ACTION AGENCIES, INC. CHANGING NAME TO KENTUCKY ASSOCIATION FOR COMMUNITY ACTION, INC. FILED OCTOBER 22, 1980.

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150132

Commonwealth of Kentucky

Department of State



Office of Secretary of State

ELMER BEGLEY, SECRETARY
DOMESTIC CORPORATION DEPARTMENT
NON-STOCK CORPORATION

I, **ELMER BEGLEY**, Secretary of the State of Kentucky,
hereby certify that Articles of Incorporation of the

KENTUCKY GAP DIRECTORS ASSOCIATION, INCORPORATED (Hardinsburg, Kentucky)

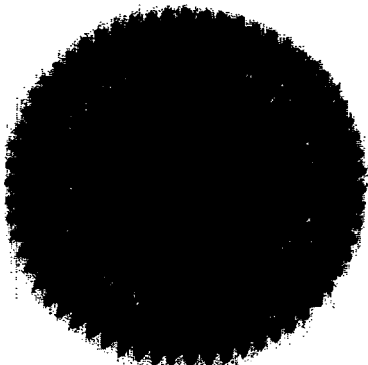
has this day been filed in my office.

It appearing from said Articles of Incorporation that the said Corporation has no capital stock, and no private pecuniary profit is to be derived therefrom, the said Corporation is not required by law to pay a tax on organization; and it further appearing that the aforesaid Corporation has complied with all the requirements of the law, this certificate is issued as evidence of the fact that the said Corporation is now authorized and empowered to do business in this State under its charter, subject to the restrictions imposed by the statutes of Kentucky.

Given under my hand as Secretary of State,
this 10th day of January 1968

By Elmer Begley
Secretary of State

Assistant Secretary of State



SECRETARY OF STATE

ARTICLES OF INCORPORATION
of
KENTUCKY CAP DIRECTORS ASSOCIATION
Incorporated

KNOW ALL MEN BY THESE PRESENTS: That we the undersigned incorporators

Lee Taylor of Hardinsburg, Kentucky,

Ralph Coffman of Henderson, Kentucky,

William Mansell of Owensboro, Kentucky,

Fred Porter of Hopkinsville, Kentucky,

Evans McGraw of Katana, Kentucky

of the Kentucky CAP Directors Association, Incorporated, all residents of and citizens of the Commonwealth of Kentucky, do hereby associate to form a non-profit corporation under the laws of the Commonwealth of Kentucky.

ARTICLE I. This non-profit corporation shall be named and known as Kentucky CAP Directors Association, Incorporated, by which name it may adopt its corporate seal, conduct its business, contract and be contracted with, sue and be sued. It shall be a non-profit corporation, having as its general objective the promotion and protection of the professional status of Community Action Program directors in the State of Kentucky.

ARTICLE II. The nature and purpose of the activities and business of the corporation shall be:

(a) To acquire membership from and among executive directors of Community Action Programs conducted within the State of Kentucky; to assess dues from and for such membership as may be determined by a majority of the membership in a manner prescribed in the by-laws; to prescribe qualifications and standards of professional ethics for and of the membership; and to do all

lawful things in furtherance of the professional character and integrity of the membership.

(b) To organize, promote and conduct training programs, seminars and informative conferences aimed at increasing the professional effectiveness, the management abilities and the program competence of executive directors engaged in the development or administration of Community Action Programs within the State of Kentucky.

(c) To assemble, analyze, correlate and distribute information relative to the Community Action Program to the Association's membership.

To make and enter into contracts of every kind for any lawful purpose, with any individual, firm or association, corporation, or private or public or municipal body politic, and with the government of any state, territory of country, or political subdivision thereof.

(d) To contract for the technical services of any individual, organization or agency to be engaged in the social, economic or professional development of the Kentucky CAP Directors Association, Incorporated, its membership or the communities served by that membership.

(e) The foregoing purposes shall be construed both as objectives and powers and it is hereby expressly provided that the foregoing accumulations of the specific powers shall not be held to limit or restrict in any manner the general powers of this corporation and are in furtherance of and in addition to and not in limitation of, the general powers conferred by the laws of the Commonwealth of Kentucky.

ARTICLE III. The corporation shall have perpetual existence unless sooner dissolved in accordance with laws.

ARTICLE IV. The registered office and place of business of the corporation shall be located at Hardinsburg, Kentucky, and the name of the resident agent of the corporation shall be Lee W. Taylor, P. O. Box 109, Hardinsburg, Kentucky.

ARTICLE V. The affairs and business of the corporation shall be conducted by a Board of Directors whose membership shall number no less than five (5) nor more than nine (9), as fixed by the Board of Directors in accordance with the by-laws of the corporation. The first Board of Directors to be elected by the incorporators shall be five in number and shall be elected by the incorporators of this corporation by ballot at such time and place as the majority of the incorporators may determine, said election being also the first meeting of the incorporators and said Board of Directors so elected will serve until the first annual meeting of the membership. Thereafter, an election of the directors shall be held annually in the office and principal place of business of the corporation or at some place within the State of Kentucky to be designated in the by-laws or by determination of a majority of the membership. Each director shall hold office for a period of one year or until his successor is elected and qualified.

The Board of Directors shall make such rules and by-laws governing the corporation as are not inconsistent with the Articles of Incorporation and the laws of the Commonwealth of Kentucky, subject to the power of the members to change or repeal such by-laws.

Serving as a Board of Directors until the first meeting of the incorporators shall be held are: Lee Taylor of Hardinsburg, Kentucky; Ralph Coffman of Henderson, Kentucky; William Munsell of Owensboro, Kentucky; Fred Porter of Hopkinsville, Kentucky; and Evans McGraw of Katana, Kentucky.

ARTICLE VI. No person, persons or firms shall obtain any personal or pecuniary profit from the transactions of the corporation, other than to enjoy the public improvements and developments created by this corporation solely for the public.

ARTICLE VII. This non-profit corporation is for the purpose of serving and benefiting executive directors of the several Community Action Programs in the State of Kentucky and may utilize such community facilities, economic

opportunities, human and natural resources, federal programs and fundings, state agencies and programs, as might be deemed applicable.

ARTICLE VIII. The private property of the officials and members shall not be subject to the payment of the debts of the corporation.

In testimony whereof, witness our signatures this 15th day of November, 1967.

Lee W. Taylor
William D. Munroe
Ralph Coffman

Evans C. McGraw
Fred Porter

Subscribed and sworn to before me by Lee Taylor, William Munroe, Ralph Coffman, Evans McGraw and Fred Porter, all personally known to me and they being incorporators of the Kentucky CAP Directors Association.

This 20th day of November, 1967.

James Catron
Notary Public

This instrument prepared by Richard E. Moorman, Attorney at Law, Leitchfield, Kentucky.

Richard E. Moorman

- 4 -

ORIGINAL COPY
FILED AND RECORDED

Shirley Bergley

JAN 10 1968

SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY

BY _____
ASSISTANT SECRETARY OF STATE

150738

Commonwealth of Kentucky

Department of State



Office of Secretary of State

THELMA L. STOVALL, SECRETARY

ARTICLES OF AMENDMENT

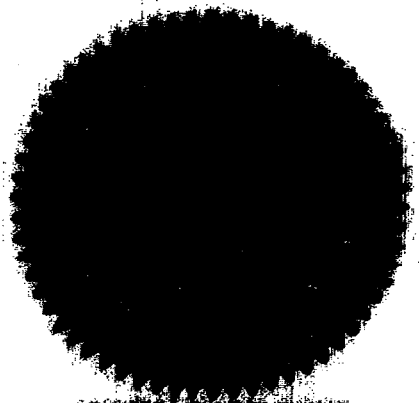
I, THELMA L. STOVALL, Secretary of State of the Commonwealth of Kentucky, do hereby certify that Articles of Incorporation of KENTUCKY CAP DIRECTORS ASSOCIATION, INCORPORATED (Madisonburg, Kentucky) changing name to: KENTUCKY ASSOCIATION OF COMMUNITY ACTION AGENCIES, INCORPORATED

have been amended pursuant to Articles of Amendment, duly signed and acknowledged according to law, this day filed in my office by said corporation, and that all taxes, fees and charges payable upon the filing of said Articles of Amendment have been paid.

Witness my official signature this 24th day of June, 1974.

Thelma L. Stovall
Secretary of State

Assistant Secretary of State



SECRETARY OF STATE

5-190355

SECRETARY OF STATE
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AK

ARTICLES OF AMENDMENT

Commonwealth of Kentucky

KENTUCKY CAP DIRECTORS ASSOCIATION, INCORPORATED

KNOW ALL MEN BY THESE PRESENTS: That we the undersigned members of the Board of Directors of the Kentucky CAP Directors Association, Incorporated, transacting business under the name of the Kentucky Association of Community Action Agencies, Inc. have met at Frankfort, Kentucky at the Office of the Secretary for Human Resources, at 2:00 P.M., Monday, June 24, 1974 and unanimously adopted the following Articles of Amendment:

ARTICLE I. This non-profit corporation shall be named and known as the Kentucky Association of Community Action Agencies, Incorporated by which name its corporate seal, conduct its business, contract and be contracted with, sue and be sued. It shall be a non-profit corporation having as its general objective the promotion of Community Action Agencies as effective mechanisms for the alleviation of poverty and delivery of social services within the Commonwealth of Kentucky.

ARTICLE II. The nature and purpose of the activities and business of the Corporation shall be:

- (a) to acquire membership from Community Action Agencies within the Commonwealth of Kentucky; to assess dues from and for such membership as may be determined by a majority of the membership in a manner prescribed in the By-Laws; and to do all lawful things in furtherance of the Associations objectives.

- (b) To organize, promote, and conduct training programs, seminars and informative conferences aimed at increasing the professional effectiveness, the management abilities and the program competence of executive directors engaged in the development or administration of Community Action Programs within the State of Kentucky.
- (c) To assemble, analyze, correlate and distribute information relative to the Community Action Program to the Association's membership.
- (d) To make and enter into contracts of every kind for any lawful purpose, with any individual, firm or association, corporation, or private or public or municipal body politic, and with the government or any state, territory or country or political subdivision thereof.
- (e) To contract for the technical services of any individual, organization or agency to be engaged in the social, economic or professional development of the Kentucky Association of Community Action Agencies, Inc. its membership or the communities served by that membership.
- (f) The foregoing purposes shall be construed both as objectives and powers and it is hereby expressly provided that the foregoing accumulations of the specific powers shall not be held to that limit or restrict in any manner the general powers of the corporation and are in furtherance of and in addition to and not in limitation of, the general powers conferred by the laws of the Commonwealth of Kentucky.

ARTICLE III. The corporation shall have perpetual existence unless sooner dissolved in accordance with law.

ARTICLE IV. The registered office and place of business of the Corporation shall be located at ^{c/o the registered agent} ~~202 Woodford St., Lawrenceburg, Kentucky~~, and the name of the resident agent of the Corporation shall be Paul T. Tincher, 202 Woodford St., Lawrenceburg, Ky. 40342.

ARTICLE V. The affairs and business of the Corporation shall be conducted by a Board of Directors whose membership shall number no less than four (4) nor more than nine (9) as fixed by the By-Laws of the Corporation.

Un^{der} further amended in the By-Laws of the Corporation, the Board of Directors shall be composed of the President, Vice President, Secretary and the Treasurer of the Kentucky Association of the Community Action Agencies, Inc. Said officers shall be elected at the annual meeting of the Association to be held in June at some place within the Commonwealth of Kentucky, determined by a majority of the membership. Each officer shall serve for a period of one year or until his successor is elected and qualified. Officers shall be eligible to serve additional terms.

The Board of Directors shall make such rules and By-Laws governing the Corporation as are not inconsistent with the Articles of Incorporation and the laws of the Commonwealth of Kentucky, subject to the power of the members to change or repeal such By-Laws.

ARTICLE VI. No person, persons or firms shall obtain any personal or pecuniary profit from the transactions of the corporation, other than to enjoy the public improvements and developments created by the Corporation solely for the public.

ARTICLE VII. The private property of the officials and members shall not be subject to the payment of the debts of the corporation.

In testimony whereof, witness our signatures this 24th day of June, 1974.


Paul T. Tincher - President


John J. Lovell


Altha Jo Hamilton - Secretary

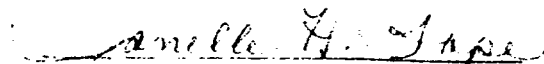

Thelma P. Stovace
SECRETARY OF STATE


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SECRETARY OF STATE OF KENTUCKY
RECORDS SECTION

JUN 24 1974

Subscribed and sworn to before me by Paul T. Tincher, John J. Lovell, and Altha Jo Hamilton, all personally known to me and they being Directors of the Kentucky Association of Community Action Agencies.

This 24th day of June, 1974.


Pamela H. Tapp

My Commission expires
August 2, 1974

150738

Commonwealth of Kentucky

OFFICE OF
SECRETARY OF STATE

DREXELL R. DAVIS
Secretary



FRANKFORT,
KENTUCKY

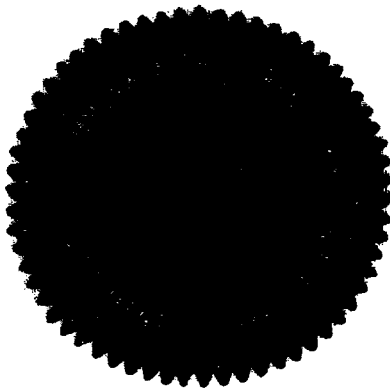
CERTIFICATE OF AMENDMENT TO ARTICLES OF INCORPORATION

I, DREXELL R. DAVIS, Secretary of State of the Commonwealth of Kentucky, do hereby certify that Amended Articles of Incorporation of

KENTUCKY ASSOCIATION OF COMMUNITY ACTION AGENCIES, INCORPORATED

LAWRENCEBURG, KENTUCKY

amended pursuant to Kentucky Revised Statutes, 271A, (273) duly signed and verified or acknowledged according to law, have been filed in my office by said corporation, and that all taxes, fees and charges payable upon the filing of said Articles of Amendment have been paid.



SECRETARY OF STATE

Given under my hand and seal of Office as Secretary of State, at Frankfort, Kentucky, this 30TH day of APRIL, 19 76.

Drexell R. Davis
SECRETARY OF STATE

ASSISTANT SECRETARY OF STATE

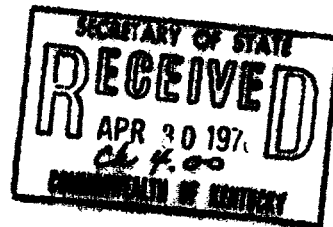
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SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY

APR 30 1976

D. J. Davis
SECRETARY OF STATE

mlb

ARTICLES OF AMENDMENT



18372

KENTUCKY ASSOCIATION OF COMMUNITY ACTION AGENCIES, INC.

KNOW ALL MEN BY THESE PRESENTS: That we the undersigned members of the Board of Directors of the Kentucky Association of Community Action Agencies, Incorporated, transacting business under the name of the Kentucky Association of Community Action Agencies, Inc., have met in Lexington, Kentucky, at the Hospitality Motor Inn, at 2 p.m., Thursday, March 25, 1976, and voted unanimously to adopt the following changes in the Articles of Incorporation filed January 10, 1961, and subsequent Articles of Amendment of June 24, 1974, by adding and amending the following Articles.

Add: ,

ARTICLE VIII. This non-profit corporation is organized exclusively for charitable, religious, educational, and scientific purposes, including the making of distributions to organizations that qualify as exempt organizations under Section 501 (c) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

ARTICLE IX. Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation, exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501 (c) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), as the Board of Directors

shall determine. Any such assets not so disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE V is amended to read as follows:

The affairs and business of the Corporation shall be conducted by a Board of Directors whose membership shall number no less than four (4) nor more than twenty-five (25) as fixed by the By-Laws of the Corporation.

Add:

ARTICLE X. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article III hereof. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under Section 501 (c) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law) or (b) by a corporation, contributions to which

are deductible under Section 170 (c) (2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

In testimony whereof, witness our signatures this 30th day of April, 1976.

Charles T. Clemons Charles T. Clemons, President

Sylvester Tutt Sylvester Tutt, Secretary

Subscribed and sworn to before me by Charles T. Clemons and Sylvester Tutt, personally known to me and they being President and Secretary of the Kentucky Association of Community Action Agencies, Inc.

This 30th day of April, 1976.

My commission expires March 18, 1980

Priscilla B. Cox

Priscilla B. Cox
Notary Public
305 Sequoyah, Apt. 3
Frankfort, Kentucky 40601

I HEREBY CERTIFY THAT THIS INSTRUMENT HAS BEEN DRAFTED BY

ROY VERRIN
ATTORNEY AT LAW

Roy Verrin

✓
158738 ✓

Commonwealth of Kentucky

OFFICE OF
SECRETARY OF STATE

FRANCES JONES MILLS
Secretary



FRANKFORT,
KENTUCKY

CERTIFICATE OF AMENDMENT TO ARTICLES OF INCORPORATION

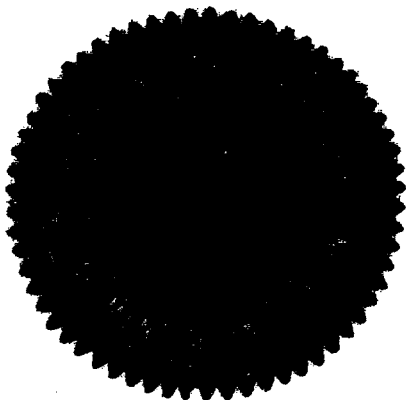
I, **FRANCES JONES MILLS**, *Secretary of State of the Commonwealth of Kentucky*, do hereby certify that Amended Articles of Incorporation of

KENTUCKY ASSOCIATION OF EXHIBITION ACTION AGENCIES, INC.

CHANGING NAME TO:

KENTUCKY ASSOCIATION FOR COMMUNITY ACTION, INC.

amended pursuant to Kentucky Revised Statutes, **BPKN**, (273) duly signed and verified or acknowledged according to law, have been filed in my office by said corporation, and that all taxes, fees and charges payable upon the filing of said Articles of Amendment have been paid.



SECRETARY OF STATE

Given under my hand and seal of Office as Secretary of State, at Frankfort, Kentucky, this 22nd day of OCTOBER, 19 80.

Frances Jones Mills
SECRETARY OF STATE

ASSISTANT SECRETARY OF STATE

ORIGINAL COPY
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SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY

SECRETARY OF STATE
RECEIVED
OCT 22 1980
CBH
Commonwealth of Kentucky

OCT 22 1980 *ynic*

James J. Hill

ARTICLES OF AMENDMENT

SECRETARY OF STATE
KENTUCKY ASSOCIATION OF COMMUNITY ACTION AGENCIES, INC.

KNOW ALL MEN BY THESE PRESENT: That we the undersigned members of the Board of Directors of the Kentucky Association of Community Action **189912** Agencies, Incorporated, transacting business under the name of the Kentucky Association of Community Action Agencies, Inc., have met in Owensboro, Kentucky, at the Executive Inn, at 9 a.m., Friday, October 3, 1980, and voted unanimously to adopt the following changes in the Articles of Incorporation filed January 10, 1968, and subsequent Articles of Amendment of June 24, 1974, and April 30, 1976, by changing the name to the Kentucky Association for Community Action, Inc.

In testimony whereof, witness our signatures this _____ day of October, 1980.

Joe Lovell

Joe Lovell, President

Altha Jo Hamilton

Altha Jo Hamilton, Secretary

Subscribed and sworn to before me by Joe Lovell, personally known to me and being President of the Kentucky Association of Community Action Agencies, Inc.

This 17th day of October, 1980.

Paul A. [Signature]
My commission expires
Paul A. [Signature]

17 Oct. 1980

RECEIVED & FILED

RESTATED ARTICLES OF INCORPORATION *2-1-99*

MAY 3 10 45 AM '99

of

COMMUNITY ACTION COUNCIL FOR LEXINGTON-FAYETTE,
BOURBON, HARRISON AND NICHOLAS COUNTIES, INC. *John Y. Brown III*

JOHN Y. BROWN III
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY

ARTICLE I

Name

The name of the Corporation shall be Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties, Inc.

ARTICLE II

Nature and Purpose

The Corporation shall be a non-profit, non-stock corporation. No private pecuniary profit or gain shall be derived from its existence.

Upon winding up and dissolution of the Corporation, the assets of the Corporation remaining after payment of, or provision for payment of, all debts and liabilities of the Corporation, shall be distributed for one or more exempt purposes within the meaning of Section 501(c) (3) or Section 170 (c) (2) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not disposed of shall be disposed of by the state circuit or district court, having proper jurisdiction in the county in which the principal office of the Corporation is then located, exclusively for such exempt purposes or to such organization or organizations, as said court shall determine, which are organized and operated for such exempt purposes.

No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in, any political campaign on behalf of any candidate for public office. Notwithstanding any other provisions of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal and state income taxes under Section 501(c) (3) or a corporation to which contributions are deductible under Section 170(c)(2) of the Internal Revenue Code as the same may be amended from time to time.

The primary purpose for which the Corporation is formed is: (1) to mobilize the resources of the Corporation's primary service area, the counties of Bourbon, Fayette, Harrison and Nicholas, and where feasible, in other areas of the Commonwealth; (2) to combat poverty, through developing programs which utilize the resources, public and private, to provide services, assistance and other activities of significant scope and size; (3) to give promise of programs toward elimination of poverty and the causes of poverty; (4) to expand employment opportunities, improve human performance, motivation, and productivity; (5) to better the condition under which people live, learn and work; and (6) to encourage the maximum feasible participation of all residents within and without the service area and the members of the groups served in accomplishing such purposes.

It shall be the purpose of the Corporation to implement all the purposes which may feasibly

Return to: David A. Bratt, Esq.
Santana Fay & Bratt, PSC
201 West Short Street #600
Lexington, KY 40507-1374

be applied in the service area which are supported by the Economic Opportunity Act of 1964 as amended or such other successor programs as may be adopted either by the Federal Government or the Commonwealth of Kentucky to further the purpose of the Corporation and to exercise all of the powers hereinafter granted to it.

ARTICLE III

Powers

The Corporation shall have all the powers permitted under the laws of Kentucky to a non-profit, non-stock corporation. Such powers shall include, but not be limited to, the following enumerated powers:

- (A) The power to accept gifts, grants and contributions from any private person or organization and from any government or governmental agency.
- (B) The power to seek and apply for such gifts, grants and contributions.
- (C) The power to adopt bylaws, which shall govern the Corporation, the number, qualifications, powers and duties of the Board of Directors, and any other provision for the government of the Corporation, but which shall not conflict with these Articles or the laws of the Commonwealth.
- (D) The power to contract for the purchase or sale of property of any kind or services, and to make any arrangement with any private person or organization or any government or governmental agency which would provide technical assistance, personnel training, or other assistance in accomplishing its purpose; and the power to purchase, hold title to, sell and convey property of any kind, including but not limited to real estate, to rent any such property, and to borrow money.
- (E) The power to do any and all acts tending to accomplish the purposes for which the Corporation is formed, including but not limited to the conduct of research, training and demonstration pertaining to the said purposes.

ARTICLE IV

Limitations

Any other provision of these Articles notwithstanding the powers of the Corporation shall be limited to the performance of acts which are in furtherance of the purpose for which it is formed and in conformity with Chapter 273 of the KENTUCKY REVISED STATUTES and the Corporation's status as a nonprofit corporation. Further, the Corporation's programs shall focus upon the needs of low income individuals and families and provide expanded and improved services, assistance, and other activities, and facilities necessary to ameliorate present conditions and to improve future conditions in connection therewith.

ARTICLE V

Duration

The Corporation shall be of perpetual duration, unless sooner dissolved as provided by law.

ARTICLE VI

Address and Agent

[Omitted pursuant to KENTUCKY REVISED STATUTES § 273.273(d)(2)(c)]

ARTICLE VII
Board of Directors

There shall be a Board of Directors of the Corporation whose number, qualifications, powers and duties shall be defined in the Bylaws; provided, however, the number of directors shall not be less than three and the residence of each director must be within the counties of Bourbon, Fayette, Harrison or Nicholas. The powers of the Board of Directors shall include, but not be limited to, amending the articles of incorporation passing bylaws, and creating and filling of offices of the Corporation.

[List of Directors omitted pursuant to KENTUCKY REVISED STATUTE §273.273(d)(2)(c)]

ARTICLE VIII
Rules

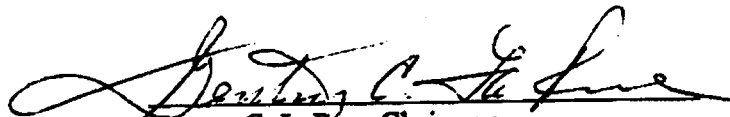
Except as otherwise provided in these Articles or in the bylaws, Roberts Rules of Order as most recently revised at the time any question arises shall govern procedure at all meetings of Directors.

ARTICLE IX
Founders


The founders of the Corporation are: Paul Oberst, Charles Schwartz, Carl Lynem, Mrs. James Gladden, and Mrs. Pauline Gould (now Mrs. Pauline Gould Gay).

Be it known:

These *Restated Articles of Incorporation of Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties, Inc.* correctly set forth the provisions of the articles of incorporation as heretofore amended, supercede the original articles of incorporation and all amendments thereto, and were adopted by the Board of Directors of the Corporation pursuant to a resolution passed at a duly scheduled meeting on the 26th day of April 1999, at which a sufficient number of the directors were present to allow the conduct of business, by an affirmative vote of a majority of the directors in office. The Corporation has no members entitled to vote upon an amendment or restatement of the Articles of Incorporation.


Gentry C. LaBue, Chairman

ATTEST:


Susan Johnson, Secretary

STATE OF KENTUCKY

COUNTY OF FAYETTE

Subscribed, sworn to and acknowledged before me by **Gentry C. LaRue**, Chairman of the Board of Directors of the Corporation, this 29th day of April, 1999.

My Commission expires: JUNE 25, 2001.


NOTARY PUBLIC, STATE AT LARGE

STATE OF KENTUCKY

COUNTY OF FAYETTE

Subscribed, sworn to and acknowledged before me by **Susan Johnson**, Secretary of the Corporation, this 29th day of April, 1999.

My Commission expires: JUNE 25, 2001.


NOTARY PUBLIC, STATE AT LARGE

Prepared by:

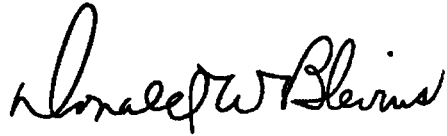
SANTANA FAY & BRATT, PSC

By: 

David A. Bratt, Esq.
600 The Lexington Building
201 West Short Street
Lexington, Kentucky 40507-1374
Telephone: (606) 254-5700
Facsimile: (606) 254-8771

Ref: CAC2145007521-029

**I, Donald W Blevins, County Court Clerk
of Fayette County, Kentucky, hereby
certify that the foregoing instrument
has been duly recorded in my office.**



By: Doug BRADLEY, dc

199905050212

May 5, 1999

14:40:42 PM

Fees \$11.00

Tax \$0.00

Total Paid \$11.00

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5 Pages

384 - 388

STATE OF KENTUCKY JCT.
COUNTY OF FAYETTE

CERTIFICATION OF RECORDED DOCUMENT

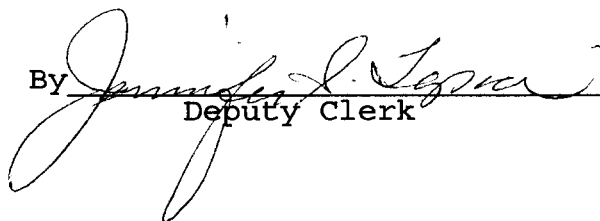
I, Donald W. Blevins, clerk of the County Court in and for said County and State, and as such the custodian of the seal and all records of, or appertaining to said Court, do hereby certify the foregoing to be a true and accurate copy of

A Document filed in CORP. RECORD BOOK

Book # 236 Page # 0384

as the same appears of record in my office. In Testimony Whereof,
Witness my hand, the seal of said Court this 21st day of July,
2004.

Donald W. BLEVINS
Clerk, Fayette County Court

By  Deputy Clerk

STANDARD RIDER

HEA

Home Energy Assistance Program

APPLICABLE

In all territory served.

AVAILABILITY

To all residential customers.

RATE

10¢ per meter per month.

BILLING

The HEA charge shall be shown as a separate item on customer bills.

SERVICE PERIOD

The Home Energy Assistance charge will be applied to all residential electric bills rendered during the billing cycles commencing October 1, 2004 through September 30, 2007, or as otherwise directed by the Public Service Commission. Proceeds from this charge will be used to fund residential low-income demand-side management Home Energy Assistance programs which have been designed through a collaborative advisory process.

Date of Issue: July 30, 2004

Issued By

Date Effective: October 1, 2004

**Michael S. Beer, Vice President
Louisville, Kentucky**

2004 Federal Poverty Guidelines

<u>Size of Household</u>	<u>100% of Poverty</u>	<u>110% of Poverty</u>
1	\$ 9,310	\$10,241
2	12,490	13,739
3	15,670	17,237
4	18,850	20,735
5	22,030	24,233
6	25,210	27,731
7	28,390	31,229
8	31,570	34,727



EXHIBIT E (KU)**List of energy assistance providers throughout KU service territory**

Provider	Counties
Audubon Area Community Services	Daviess, Henderson, McLean, Ohio, Union, Webster
Bell Whitley Community Action Agency	Bell, Whitley
Bluegrass Community Action Agency	Anderson, Boyle, Franklin, Garrard, Jessamine, Lincoln, Mercer, Scott, Woodford
Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties	Fayette, Bourbon, Harrison, Nicholas
Central Kentucky Community Action Agency	Grayson, Hardin, Larue, Marion, Nelson, Washington
Daniel Boone Community Action Agency	Clay, Laurel, Rockcastle
Foothills Community Action Partnership	Clark, Estill, Madison
Gateway Community Action Agency	Bath, Montgomery, Rowan
Harlan County Community Action Agency	Harlan
Kentucky Communities Community Action Agency	Knox
Lake Cumberland Community Action Agency	Adair, Casey, Green, McCreary, Pulaski, Russell, Taylor
Licking Valley Community Action Agency	Bracken, Fleming, Mason, Robertson
Middle Kentucky River Community Action Agency	Lee
Multi-Purpose Community Action Agency	Bulitt, Shelby, Spencer
Northern Kentucky Community Action Agency	Campbell, Carroll, Gallatin, Grant, Owen, Pendleton
Pennyrile Allied Community Services	Caldwell, Christian, Crittenden, Hopkins, Livingston, Lyon, Muhlenberg
Southern Kentucky Community Action Agency	Barren, Edmonson, Hart
Tri County Community Action Agency	Henry, Oldham, Trimble
Western Kentucky Allied Community Services	Ballard, Carlisle, Fulton, Hickman, McCrackent

EXHIBIT F (KU)

Pro rata calculations for availability of subsidies for counties in KU service territory

KU Service County	Agency	KU Customers By County	% of Total Customers	# of Slots
Daviess	Audubon	not reported	#VALUE!	#VALUE!
Henderson	Audubon	2,272	0.57%	7
McLean	Audubon	2,032	0.51%	7
Ohio	Audubon	3,813	0.96%	12
Union	Audubon	4,475	1.13%	15
Webster	Audubon	2,205	0.56%	7
Bell	Bell Whitley	11,903	3.00%	39
Whitley	Bell Whitley	2,779	0.70%	9
Anderson	Bluegrass	5,071	1.28%	17
Boyle	Bluegrass	8,843	2.23%	29
Franklin	Bluegrass	2,345	0.59%	8
Garrard	Bluegrass	3,037	0.76%	10
Jessamine	Bluegrass	3,872	0.98%	13
Lincoln	Bluegrass	3,306	0.83%	11
Mercer	Bluegrass	6,220	1.57%	20
Scott	Bluegrass	12,667	3.19%	41
Woodford	Bluegrass	9,438	2.38%	31
Bourbon	CAC Lex	4,362	1.10%	14
Fayette	CAC Lex	111,055	27.97%	364
Harrison	CAC Lex	3,243	0.82%	11
Nicholas	CAC Lex	1,534	0.39%	5
Grayson	Central	2,810	0.71%	9
Hardin	Central	15,566	3.92%	51
Larue	Central	2,408	0.61%	8
Marion	Central	3,323	0.84%	11
Nelson	Central	2,349	0.59%	8
Washington	Central	1,486	0.37%	5
Clay	Daniel Boone	1,613	0.41%	5
Laurel	Daniel Boone	8,822	2.22%	29
Rockcastle	Daniel Boone	2,543	0.64%	8
Clark	Foothills	11,175	2.81%	37
Estill	Foothills	2,591	0.65%	8
Madison	Foothills	17,127	4.31%	56
Bath	Gateway	1,949	0.49%	6
Montgomery	Gateway	6,640	1.67%	22
Rowan	Gateway	4,042	1.02%	13
Harlan	Harlan	12,089	3.04%	40
Knox	KY Communities	2,928	0.74%	10
Adair	Lake Cumberland	2,002	0.50%	7

Casey	Lake Cumberland	1,347	0.34%	4	
Green	Lake Cumberland	1,074	0.27%	4	
McCreary	Lake Cumberland	1,466	0.37%	5	
Pulaski	Lake Cumberland	7,917	1.99%	26	
Russell	Lake Cumberland	2,001	0.50%	7	
Taylor	Lake Cumberland	3,625	0.91%	12	64
Bracken	Licking Valley	2,138	0.54%	7	
Fleming	Licking Valley	1,672	0.42%	5	
Mason	Licking Valley	5,448	1.37%	18	31
Robertson	Licking Valley	298	0.08%	1	2
Lee	Middle KY River	566	0.14%	2	
Bullitt	Multi-Purpose	588	0.15%	2	
Shelby	Multi-Purpose	9,270	2.33%	30	37
Spencer	Multi-Purpose	1,477	0.37%	5	
Campbell	Northern KY	432	0.11%	1	
Carroll	Northern KY	2,789	0.70%	9	
Gallatin	Northern KY	1,157	0.29%	4	
Grant	Northern KY	199	0.05%	1	
Owen	Northern KY	1,751	0.44%	6	23
Pendleton	Northern KY	660	0.17%	2	
Caldwell	Pennyrile	1,039	0.26%	3	
Christian	Pennyrile	738	0.19%	2	
Crittenden	Pennyrile	2,364	0.60%	8	
Hopkins	Pennyrile	10,445	2.63%	34	
Livingston	Pennyrile	434	0.11%	1	
Lyon	Pennyrile	2,062	0.52%	7	
Muhlenberg	Pennyrile	11,729	2.95%	38	94
Barren	Southern KY	1,016	0.26%	3	
Edmonson	Southern KY	18	0.00%	0	13
Hart	Southern KY	2,888	0.73%	9	
Henry	Tri County	3,310	0.83%	11	
Oldham	Tri County	4,506	1.13%	15	29
Trimble	Tri County	1,155	0.29%	4	
Ballard	West KY Allied	1,884	0.47%	6	
Carlisle	West KY Allied	16	0.00%	0	
Fulton	West KY Allied	43	0.01%	0	
Hickman	West KY Allied	787	0.20%	3	12
McCracken	West KY Allied	807	0.20%	3	
		397,051		1,300	

Exhibit G (KU)

Kentucky Utilities HEA Program KACA/CAC Three-Year Budget Detail

Revenue **\$1,301,337**

Based KU revenue projections for year 1 @ \$433,779, and the same estimate for year's two and three, although actual revenues may vary slightly.

Client Benefits **\$1,146,600**

Total subsidy benefit not to exceed \$294 per year for 1300 households.

Energy Assistance Fund **\$25,319**

Emergency energy fund for households that are KU customers, but do not have KU as primary heating source.

Administrative Expenses **\$129,418**

Personnel –

KACA Personnel **\$5,950**

Cost includes portion of salary for program communications between parties, program monitoring, report review, financial audit, and program evaluation.

CAC Personnel **\$17,338**

Cost includes portion of salary for management staff for implementation and overall coordination of the program including: systems implementation, training, technical assistance, contract development and management with service providers, and reporting required to KACA, KU, AG, and PSC.

Fringe Benefits -- **\$9,082**

Cost is estimated at .39 percent of salaries above based on current rates for fringe benefits.

KACA Evaluation – **\$7,750**

Cost includes expense for report and design development, data analysis, statistical review, and writing of final report.

Contracts – \$78,500

Cost for fee-for-service by contracting agencies. It is estimated that for years two and three a 27% turnover rate will occur. This rate calculates to 350 new applicants and 950 retained program participants.

Fee-for-service rates:

Initial Intake, verification, enrollment: \$25

Includes program recruitment and outreach, client intake, income verification

Annual re-verification, enrollment update: \$15

Includes communications and follow-up, letters indicating that it is time for income re-verification, update of intake and income re-verification

Other --

Supplies \$1,650

Cost for program supplies including customer educational materials, office supplies associated with the program, and other essential materials.

Information Technology \$2,250

Cost for minor updates to database, building customer history storage mechanism, data management, daily data transfers to KU, and report customization for evaluation.

Printing and Advertising \$2,250

Cost for photocopying, as well as the development of promotional materials and brochures and other advertising aides for program recruitment.

Indirect Cost \$3,597

CAC established indirect cost rate based on 10.7% of the following direct costs:

CAC Personnel, CAC Fringe Benefits, Supplies, Information Technology, and Printing and Advertising.

Reconciliation

	Cost	Percent of Total
Revenue	\$1,301,337	100%
Client Benefits	\$1,146,600	88%
Energy Assistance Fund (Emergency)	\$25,319	2%
Administrative Expenses	\$129,418	10%

DSMRM

Demand-Side Management Cost Recovery Mechanism

APPLICABLE TO:

Residential Service Rate RS, Volunteer Fire Department Service Rate VFD, General Service Rate GS, Small Time-of Day Rate STOD, Large Power Rate LP, and Large Commercial and Industrial Time-of-Day Rate LCI-TOD.

DSM Cost Recovery Component (DSMRC):

Residential Service Rate RS and
Volunteer Fire Department Service VFD

Energy Charge

DSM Cost Recovery Component (DCR):

0.084 ¢/Kwh

DSM Revenues from Lost Sales (DRLS):

0.002 ¢/Kwh

DSM Incentive (DSM):

0.003 ¢/Kwh

DSM Balance Adjustment (DBA):

(0.017)¢/Kwh

HEA Implementation Recovery

0.001 ¢/Kwh

DSMRC Rate RS:

0.073 ¢/Kwh

General Service Rate GS

Energy Charge

DSM Cost Recovery Component (DCR):

0.023 ¢/Kwh

DSM Revenues from Lost Sales (DRLS):

0.009 ¢/Kwh

DSM Incentive (DSM):

0.000 ¢/Kwh

DSM Balance Adjustment (DBA):

(0.008)¢/Kwh

DSMRC Rate GS:

0.024 ¢/Kwh

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Michael S. Beer, Vice President
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