

COMMONWEALTH OF KENTUCKY

BEFORE THE

PUBLIC SERVICE COMMISSION

In the Matter of:)
)
THE ANNUAL COST RECOVERY FILING) Case No. 2018-00370
FOR DEMAND SIDE MANAGEMENT BY)
DUKE ENERGY KENTUCKY, INC.)

**DUKE ENERGY KENTUCKY, INC.'S
BRIEF**

Comes now Duke Energy Kentucky, Inc. (Duke Energy Kentucky or Company), by counsel, pursuant to the Commission’s August 1, 2019 post-hearing scheduling order, and does hereby offer the following brief in support of its proposed updated Home Energy Assistance (HEA) Program, respectfully stating as follows:

I. Background

Duke Energy Kentucky currently has approximately 19,637 gas only residential customers, 54,850 electric only residential customers, and 72,739 combination gas and electric residential customers across seven counties in Northern Kentucky. Duke Energy Kentucky filed its annual DSM update on November 15, 2018, seeking approval to implement new DSM rates. The Commission suspended the proposed tariffs for one day on December 13, 2018 and then commenced its review of the Company’s proposals. On May 16, 2019, an Order was entered scheduling a hearing to be held on July 31, 2019. In preparation for the hearing, an informal conference was held on June 6, 2019 which helped narrow and focus the issues to be heard at the hearing to those primarily relating to the Company’s HEA Program.¹ Following lengthy

¹ See Commission Staff’s Informal Conference Memorandum (dated June 10, 2019).

discussions with the leadership of the Northern Kentucky Community Action Council (NKCAC) – Duke Energy Kentucky’s strategic partner in implementing and administering the HEA Program – the Company filed a proposal to revise the HEA Program along with supporting testimony from Cynthia Givens on July 2, 2019. A hearing was held on July 31, 2019, which was followed by one round of post-hearing data requests.

II. The Proposed HEA Program Should be Approved

A. Duke Energy Kentucky’s Current HEA Program

Duke Energy Kentucky’s existing HEA Program, which was first approved in 2006,² and most recently approved by the Commission in 2017, is not set to expire until December 31, 2020.³ The HEA Program is administered as a component of the Company’s WinterCare Program.⁴ HEA Program funds are currently available to Duke Energy Kentucky customers with an income level of up to 150 percent of the federal poverty guidelines when federal Low-Income Home Energy Assistance (LIHEAP) and WinterCare assistance funds are insufficient to satisfy a customer’s immediate bill crisis.⁵ The assistance period for the current iteration of the HEA program runs on a July 1 to June 30 fiscal year and eligible customers may receive up to \$300 per assistance period.⁶ The HEA program is currently funded through a \$0.10 charge per customer per month on both electric and gas service, resulting in approximately \$262,250 in available assistance funding per fiscal year.⁷ The total annual bill cost impacts to customers are \$1.20 for gas only customers and

² *In the Matter of the Annual Cost Recovery Filing for Demand Side Management by the Union Light, Heat and Power Company*, Case No. 2005-00402 (Ky. P.S.C. January 31, 2006).

³ *In the Matter of the Application of Duke Energy Kentucky, Inc. to Continue and Amend the Home Energy Assistance Program*, Case No. 2017-00189 (Ky. P.S.C. June 21, 2017).

⁴ See Testimony of Cynthia Givens, p. 3 (July 2, 2019) (Givens Testimony).

⁵ See *id.*

⁶ See Givens Testimony, p. 4.

⁷ See *id.*, p. 5.

electric only customers, and \$2.40 for customers receiving both gas and electric service.⁸ Currently, unexpended HEA Program funds are trued-up as part of the Company's annual DSM filing and returned to customers.⁹

B. Duke Energy Kentucky's Proposed HEA Program

The proposed HEA Program is not just an incremental improvement in the existing program, but rather a significant leap forward. As proposed, the new HEA Program includes many benefits that will help the Company better serve eligible customers in partnership with NKCAC.¹⁰ Some of these benefits include: (1) creating a larger pool of funds to be able to assist customers; (2) increasing administrative efficiency and lowering program costs by making the qualification process an annual event as opposed to a monthly event; (3) reducing the administrative charge by one-third; (4) administering the HEA Program pursuant to a written Memorandum of Understanding; (5) increasing the Company's oversight of the HEA Program through additional reporting from, and communication with, NKCAC; (6) reinvigorating the process of making customers aware of the HEA program's existence through a new advertising strategy; (7) enhancing the seamlessness of a customer's experience by having increased interaction between the Company's customer service professionals and NKCAC screeners; (8) allowing unallocated funds to roll-over from one year to the next; (9) removing impediments relating to health and safety concerns that prevent customers from currently taking advantage of available weatherization funds; (10) offering an increased monthly benefit to qualifying customers enrolled in the HEA

⁸ *See id.*

⁹ *See id.*, p. 6.

¹⁰ The eligibility requirements for the revised HEA Program are as follows: (1) applicants must be active Duke Energy Kentucky customer who has electric or natural gas as their primary heat source; (2) household incomes must be up to 150% of federal poverty guidelines; (3) applicants must be responsible for home energy costs (bill in their name or spouse's name); and (4) eligibility must be re-certified annually by the anniversary date of enrollment. Eligibility will be demonstrated by providing proof of income for the previous month for all adults in the home and a current electric or gas bill in head of household or spouse's name. *See Givens Testimony, Exhibit A, Attachment A.*

Program; (11) evolving the benefit from a crisis benefit to a bill subsidy; and (12) reducing the number of disconnections each year.

1. A Larger Pool of HEA Funds

Duke Energy Kentucky will create a larger pool of funds for the HEA Program by increasing the monthly per account charge to \$0.20 for both gas and electric customers.¹¹ This will effectively double the annual pool of available funds from customers to \$527,000.¹² From a customer's point of view, the amount of an electric only or gas only residential customer's annual charge will increase from \$1.20 to \$2.40 and a combination electric and gas customer's charge will increase from \$2.40 to \$4.80 per year.¹³ In addition, Duke Energy Kentucky shareholders will contribute an additional \$50,000 towards the HEA assistance program.¹⁴

2. Increased Administrative Efficiency

The proposed HEA Program will achieve greater administrative efficiency by converting from a crisis benefit program to a subsidiary program. Rather than having to apply every bill crisis month to receive assistance through an HEA Program benefit, customers need only apply once per year.¹⁵ This provides value to customers by allowing them a greater benefit based upon a single application process so as to hopefully avoid the crisis of pending disconnection, while reducing the costs involved in interviewing and screening customers. This change alone is anticipated to greatly increase customer participation in the program by reducing barriers to applying for HEA Program assistance and making the benefit more valuable from a customer's perspective.¹⁶

¹¹ See Givens Testimony, p. 5.

¹² See *id.*, p. 6.

¹³ See *id.*

¹⁴ See *id.*, p. 5; Video Record ("VR") 3:17:05 (July 31, 2019).

¹⁵ See Givens Testimony, p. 8.

¹⁶ See VR 11:09:15; 11:44:15 (discussing barriers to the current application process); 11:45:35 (discussing the relative value to a customer of an annual subsidy when compared to a monthly crisis benefit); 3:18:45.

3. Reduced Administrative Fee

As a result of lower administrative obligations, it is possible to also reduce the administrative fee from 15 percent of program funds distributed to the lesser of actual costs or 10 percent of funds that are distributed.¹⁷ While a smaller percentage of a larger pool will result in a larger administrative fee for NKCAC, the testimony at the hearing established that even this amount was unlikely to be sufficient to fully cover NKCAC's costs.¹⁸ Lowering the administrative fee will allow more customers to be served as a percentage of the overall HEA Program budget.

4. Administering the HEA Program through a Written Memorandum of Understanding (MOU) with Increased Reporting and Accountability

The proposed HEA Program will be administered pursuant to a new written MOU.¹⁹ The MOU attached to the Company's July 2, 2019 filing includes important provisions to clarify the rights and obligations of both Duke Energy Kentucky and the NKCAC, including: audits; coordination with Duke Energy Kentucky; monitoring and data collection; financial monitoring; communication; and regulatory oversight. The new MOU is a marked improvement over the status quo.²⁰ Moreover, the draft MOU has a one-year term which is specifically intended to allow the Company to make any necessary changes on a going forward basis in subsequent terms.²¹ By having a separate, written agreement in place, there will be less uncertainty and confusion regarding the operation of the HEA Program.

¹⁷ See Givens Testimony, p. 6.

¹⁸ See VR 3:33:25.

¹⁹ See Givens Testimony, p. 3.

²⁰ See VR 11:45:25.

²¹ See VR 11:45:25.

5. A More Robust Communications Strategy

The Company is also reinvigorating its communications plan to make customers more aware of the HEA Program. This includes using new channels to communicate with customers.²² Specifically, Duke Energy Kentucky will: 1) include HEA training as part of its ten-week new hire training; 2) include the HEA Program in refresher training for customer service representatives; 3) promote the HEA Program on the Company's website; 4) look for ways to add language concerning the HEA Program on disconnection notices; and 5) promote the HEA Program in the Company's newsletters and mobile app.²³ In addition, NKCAC has committed to: 1) developing a flyer to promoting the HEA Program specifically, including on its website and social media; 2) reaching out directly to families currently served by the HEA Program through mail and email; 3) holding Energy Saver events; 4) promoting the HEA Program through community partner meetings; and 5) working with Duke Energy Kentucky on additional print and social media promotion opportunities.²⁴ All of these efforts will help increase public awareness of the HEA Program.

6. Increased Interaction between NKCAC's Screeners and Duke Energy Kentucky's Customer Service Professionals

The new HEA Program will also use the Company's customer service professionals and NKCAC's staff to provide opportunities for cross-training regarding the availability of HEA Program funds and other energy expense assistance and management options.²⁵ This will help assure a uniformity of messaging and seamless integration of the screening and fund allocation process.

²² See VR 11:12:15; 11:48:20.

²³ See Testimony of Cynthia Givens, Attachment B.

²⁴ See *id.*

²⁵ See VR 11:13:12.

7. Improving Funding by Rolling-Over Unallocated Funds

The Company's proposal also provides that a carry-over balance of any unallocated HEA Program dollars will roll-over from one fiscal year to the next, instead of being subject to an annual true-up through the Company's Demand Side Management Rider (Rider DSMR).²⁶ This will benefit income-eligible customers by assuring that funds not used during a year of relatively mild weather will be available during a subsequent year of more extreme weather.²⁷ It also allows the Company to avoid the effort of having to true-up customer contributions and disbursements, thereby allowing the HEA Program to become a permanent fund for helping low-income customers cover their energy bills.²⁸

8. Filling a Gap by Providing Shareholder Funding for a Pre-Weatherization Program

Duke Energy Kentucky's proposal also creates a grant of \$50,000 each year to fund pre-weatherization health and safety-related improvements for qualifying customers.²⁹ Weatherization assistance helps customer reduce their monthly energy usage by making the dwelling more energy efficient. However, some homes are unable to be weatherized because of a patent need for repairs or a safety issue that prevents the weatherization service from being performed.³⁰ Pre-weatherization funding is used, as an example, to repair leaking plumbing or roofs so that insulation or other weatherization repairs can be performed.³¹ The proposed health and safety pre-weatherization fund will be managed by NKCAC as part of the weatherization work it already performs with funding from the Kentucky Housing Corporation.³² The Company

²⁶ See Givens Testimony, p. 8.

²⁷ See *id.*

²⁸ See *id.*

²⁹ See *id.*, pp. 7-8.

³⁰ See VR 11:46:20.

³¹ See Givens Testimony, p. 7.

³² See *id.*

anticipates that approximately 20 homes will be served each year, based upon an average pre-weatherization cost per home of \$2,500.³³ Without this contribution, these customers would have no ability to receive assistance to become qualified to benefit from existing weatherization programs.³⁴ This portion of the proposal is funded exclusively by a shareholder contribution.³⁵ Importantly, even if a customer's health and safety issue does not qualify for the pre-weatherization service, they are still eligible for assistance from the proposed HEA Program.³⁶ NKCAC expects that pre-weatherization funds will be completely exhausted each year.³⁷

9. Increasing the Benefit for Eligible Customers

Moreover, the proposed HEA program increases the benefit available to eligible customers. Residential customers who receive either electric only or both electric and natural gas service from the Company, provide ongoing monthly assistance of up to \$99 per month during the seven billing months each year when weather tends to increase energy costs (July, August, September, December, January, February and March).³⁸ Residential customers who receive only natural gas service from the Company, provide ongoing monthly assistance of up to \$173.25 per month during the four months of the winter heating season (December, January, February and March).³⁹ By making this change, the proposed HEA Program is evolving from a crisis-based program to a bill subsidy program. With the total maximum benefit increasing from \$300 per year to \$693 per year, Duke Energy Kentucky anticipates approximately 742 customers will be able to be served by the

³³ *See id.*; VR 3:15:40.

³⁴ *See* VR 11:46:20.

³⁵ *See* Givens Testimony, p. 7.

³⁶ *See* VR 11:01:30.

³⁷ *See* VR 3:15:45.

³⁸ *See* Givens Testimony, Errata (July 29, 2019).

³⁹ *See id.*

revised program annually.⁴⁰ NKCAC will also create a “wait list” for customers who may qualify for the program once it is fully subscribed.⁴¹

10. Decreasing the Likelihood of Disconnections

It is the Company’s belief that the proposed HEA Program will also encourage bill management and reduce the likelihood of disconnections.⁴² As customers realize that HEA Program funds are available for an entire year, it makes it more likely that they will recognize value in the subsidy and make a greater effort to participate.⁴³ A subsidy program should help customers avoid crisis situations. Thus, Duke Energy Kentucky anticipates that this will reduce the likelihood of disconnection for customers.

11. Other Considerations

While there are several important changes to the HEA Program, there are other elements that will continue in their current configuration. NKCAC will continue to be Duke Energy Kentucky’s strategic partner in administering the HEA Program, thereby harnessing the efficiencies of administering both of the Company’s bill assistance programs and leveraging NKCAC’s existing community support infrastructure throughout Duke Energy Kentucky’s service territory. Likewise, the current arrangement of Duke Energy Kentucky retaining available HEA Program funds for allocation to qualifying customers’ bills will not change. The only funds provided to NKCAC will be the administrative fee provided for in the MOU. Finally, although the HEA Program Fact Sheet originally provided by NKCAC to Duke Energy Kentucky included customers signing up and accepting weatherization services (if available) as a criteria for being

⁴⁰ See VR 11:47:50.

⁴¹ See Givens Testimony, p. 8; VR 11:06:50.

⁴² See Givens Testimony, p. 3.

⁴³ See VR 11:45:40.

eligible for HEA Program assistance, NKCAC confirmed that this was not required in the course of the hearing.⁴⁴ Duke Energy Kentucky has no objection to eliminating this requirement from the HEA Program criteria. Based upon the foregoing, it is abundantly clear that the proposed HEA Program is a significant improvement over the existing program and should be approved.

III. Overview of Duke Energy Kentucky's Customer Assistance Programs

While the focus of the hearing in this case was on Duke Energy Kentucky's HEA Program, it is useful to view the HEA Program within the broader context of all the benefits, programs and options available to the Company's income-eligible customers. Indeed, the HEA Program is just one of the tools in Duke Energy Kentucky's portfolio that enable customers to afford and manage their energy bills.⁴⁵ In addition to the utility-sponsored programs, there are also assistance programs available through the federal government and charitable organizations, as well as state regulations that provide a safety net for the most vulnerable segments of the population.

1. Federal LIHEAP Assistance

LIHEAP, a federally funded home energy assistance program, is the first program for which customers are screened for eligibility by NKCAC.⁴⁶ LIHEAP is available throughout the winter heating season for families meeting income requirements and involves both a crisis benefit and a subsidy benefit.⁴⁷ The federal guidelines allow a one-time subsidy during the months of

⁴⁴ See VR 3:28:25.

⁴⁵ See VR 11:40:20 (July 31, 2019). Prior to 2019, the Company also administered an Energy Efficiency Education for Schools Program. Despite passing the California Tests, it was terminated by the Commission. See *In the Matter of the Electronic Annual Cost Recovery Filing for Demand Side Management by Duke Energy Kentucky, Inc.*, Order, Case No. 2017-00427 (Ky. P.S.C. Sept. 13, 2018).

⁴⁶ See VR 3:11:25.

⁴⁷ See VR 3:13:42.

October through December.⁴⁸ The crisis benefit is available from January through March based upon income, up to a total maximum benefit of \$400.⁴⁹

2. WinterCare

After LIHEAP, customers with an income level at or below 150 percent of the federal poverty guidelines are evaluated for eligibility for crisis assistance through the WinterCare Program.⁵⁰ Funding for WinterCare comes from Duke Energy shareholders, employees, and customers, with Duke contributing \$25,000 as seed money and then matching up to \$25,000 in additional shareholder dollars on a dollar for dollar match against contributions from employees and customers.⁵¹ WinterCare is administered by NKCAC, with eligibility and the distribution of funds being determined on a case-by-case basis. Eligible customers may receive assistance up to \$300 during the year as long as funds are available.⁵²

3. Weatherization

When LIHEAP and WinterCare have been insufficient to cover a customer's bill in a crisis situation, it is often an indicator that the customer's dwelling needs weatherization attention.⁵³ NKCAC seeks to bring such customers into the Weatherization Program to provide a more permanent solution to high energy bills. Following an audit and inspection, a dwelling is determined to either be eligible for weatherization or placed on a deferral list if health or safety issues currently disqualify the dwelling for improvement.⁵⁴ As set forth above, Duke Energy

⁴⁸ See VR 3:40:50.

⁴⁹ See *id.*

⁵⁰ See Givens Testimony, p. 4; VR 3:11:25.

⁵¹ See Response to Staff's Post-Hearing DR-01-002.

⁵² See *id.*

⁵³ See VR 3:12:15.

⁵⁴ See *id.*

Kentucky's establishment of a pre-weatherization fund will help move customers from the weatherization deferral list to the weatherization eligible list.⁵⁵ Weatherization funding is provided both by the LIHEAP Program and the United States Department of Energy.⁵⁶ To be eligible, customers must be at or below 200% of the federal poverty level.⁵⁷ Finally, as mentioned above, Duke Energy Kentucky agrees that participation in the weatherization program should not be an eligibility requirement for the HEA Program.

4. Low-Income Services Programs

In addition to the federally funded weatherization programs, Duke Energy Kentucky has implemented a weatherization program as part of its Low-Income Services Program, which is itself part of the Company's DSM portfolio. The weatherization program portion of the Low-Income Services Program is designed to help the Company's income-qualified customers reduce their energy consumption and lower their energy cost. The program works with local weatherization agencies using federal Department of Energy LIHEAP funds as well as other community outreach initiatives for participation. The program provides the agencies incentives for installing energy efficient measures in qualified customers' homes. Agencies also educate customers on their energy usage and other opportunities that can help reduce energy consumption and lower energy costs.

The refrigerator replacement program is also a component of this program wherein the program weatherization provider performs a two-hour meter test of the existing refrigerator unit.⁵⁸ If it is a high-energy consuming refrigerator, as determined by this test, the unit is replaced.⁵⁹

⁵⁵ See Section II, B, 8, *supra*.

⁵⁶ See VR 3:13:42.

⁵⁷ See VR 3:54:20.

⁵⁸ See *id.*, pp. 21-22.

⁵⁹ See *id.*

Replacing an inefficient refrigerator with a new Energy Star qualified refrigerator, with an estimated annual usage of 400 kWh, results in an overall savings to the average customer typically more than 1,000 kWh per year.⁶⁰

5. Payment Plus

The Payment Plus portion of the Low-Income Services program is designed to impact participants' behavior (*e.g.*, encourages utility bill payment and reducing arrearages) and to generate energy conservation impacts. This program specifically focuses on LIHEAP customers that meet the income qualification level (*i.e.*, income below 200% of the federal poverty level).⁶¹ This program uses the LIHEAP intake process as well as other community outreach initiatives to improve participation.⁶² In 2018, the Low-Income Program was amended to remove the criteria that a customer must be both in arrears and participate in the LIHEAP program to be eligible to participate in the Payment Plus Program, thereby increasing the participation rate for low-income customers.⁶³

The program is made up of three components: (1) Energy Education & Budget Counseling; (2) Weatherization; and (3) Bill Assistance.⁶⁴ Payment assistance credits are provided to each customer once they complete each aspect of the program.⁶⁵ The credits are: \$200 for participating in energy counseling, \$150 for participating in the budgeting counseling, and \$150 for participating

⁶⁰ *See id.*

⁶¹ *See In the Matter of the Annual Cost Recovery Filing for Demand Side Management by Duke Energy Kentucky, Inc.*, Annual Status Report Filing, p. 18, Case No. 2018-00370 (Nov. 15, 2018).

⁶² *See id.*

⁶³ *See In the Matter of the Electronic Annual Cost Recovery Filing for Demand Side Management by Duke Energy Kentucky, Inc.*, Order, Case No. 2017-00427 (Ky. P.S.C. Sept. 13, 2018).

⁶⁴ *See id.*

⁶⁵ *See id.*

in the weatherization services.⁶⁶ If all the requirements are completed, a household could receive up to a total of \$500 towards their arrearage. This allows for approximately 200 homes to participate per year. Some customers do not complete all three steps or may have already had weatherization services completed prior to the program.⁶⁷ This program is offered twice over six winter months per year (October-March).⁶⁸

6. Residential Energy Assessments Program

Available to all eligible customers, regardless of income, Duke Energy Kentucky's Home Energy House Call (HEHC) empower customers to better manage their energy usage and cost. The Company coordinates with energy specialists who completes walk-through assessments of the home and analyzes energy usage to identify energy savings opportunities.⁶⁹ The program targets residential customers that own a single-family home and have an electric water heater and/or electric heat, or central air.⁷⁰ The energy specialist analyzes energy usage, checks air infiltration, examines insulation levels, checks appliances and inspects the heating/cooling system(s). The report focuses on the building envelope improvements as well as low-cost and no-cost improvements to save energy.⁷¹ At the time of the home audit, the customer receives a free efficiency kit containing a variety of energy saving measures energy efficient lighting, low flow shower head, low flow faucet aerators, outlet/switch gaskets and weather stripping.⁷² The

⁶⁶ *See id.*

⁶⁷ *See id.*

⁶⁸ *See id.*

⁶⁹ *See id.*, p. 15.

⁷⁰ *See id.*

⁷¹ *See id.*

⁷² *See id.*

auditors will install these measures, if approved by the customer, so the customer can begin saving immediately, and to help insure proper installation and use.⁷³

7. Low-Income Neighborhood

Duke Energy Kentucky's Residential Neighborhood Program takes a non-traditional approach to serving income-qualified areas of the Duke Energy Kentucky service territory by directly installing energy efficiency measures in customer homes. The program engages targeted customers with personal interaction in a familiar setting while ultimately reducing energy consumption by installing energy efficient measures and educating customers on ways to manage and lower their energy bills.⁷⁴ Examples of direct installed measures include energy efficient bulbs, water heater and pipe wrap, low flow shower heads/faucet aerators, window and door air sealing and a year supply of HVAC filter replacements.⁷⁵ Targeted low-income neighborhoods qualify for the program if at least 50% of the households are at or below 200% of the federal poverty guidelines.⁷⁶ Duke Energy Kentucky analyzes census and internal data to select and prioritize neighborhoods that have the greatest need and propensity to participate.⁷⁷ While the goal is to serve neighborhoods where most residents are low income, the program is available to all Duke Energy Kentucky customers within the selected boundary. This program is available to both homeowners and renters occupying single family and multi-family dwellings in the target neighborhoods that have electric service provided by Duke Energy Kentucky.⁷⁸

⁷³ *See id.*

⁷⁴ *See id.*, pp. 38-39.

⁷⁵ *See id.*

⁷⁶ *See id.*

⁷⁷ *See id.*

⁷⁸ *See id.*

8. Billing and Payment Programs

Duke Energy Kentucky also has three tariffed programs available to help customers manage their energy bills. The Budget Billing Plan minimizes billing amount fluctuations in customer bills over a twelve-month period.⁷⁹ The plan provides for 11 months of equal payments based upon a customer's historical usage, with the twelfth month being a settle-up month between the billed amounts and customer bills based on actual usage.⁸⁰ To avoid surprises, a message is sent after 6 months with a suggested new bill amount if the budget bill amounts compared to the actual bill amounts exceeds a threshold; however, the decision to change the amount remains the customer's decision.⁸¹ The budget bill amount resets annually. Another option is to use a quarterly plan to adjust the budgeted bill on a more frequent basis.⁸² The Company's Partial Payment Plan allows a non-delinquent customer who has received a termination notice to negotiate a reasonable partial payment plan to avoid a disconnection.⁸³ Similarly, the Pick Your Own Due Date Plan lets a customer choose what day their bill is due each month. This convenience allows customers to better match income with the due date for energy bills and a customer may change their due date once every 12 months.⁸⁴ The Budget Billing Plan and Partial Payment Plan are also available for Duke Energy Kentucky's Natural Gas only customers.⁸⁵

⁷⁹ See KY.P.S.C. Electric No. 2, Fourth Revised Sheet No. 25, p. 3 (March 29, 2019).

⁸⁰ See *id.*

⁸¹ See *id.*

⁸² See *id.*

⁸³ See *id.*

⁸⁴ See *id.*

⁸⁵ See Ky. P.S.C. Gas No. 2, Fourth Revised Sheet No. 25, pp. 3-4 (March 29, 2019).

9. Regulatory Safeguards

If all other means described above have been insufficient in helping a customer successfully manage their energy expenses, the Commission's regulations provide a final safety net. Pursuant to 807 KAR 5:006, Section 15(2)(c) and (3), an electric or gas utility may not terminate a customer's service if the customer presents a medical certificate or a certificate from the Cabinet for Health and Family Services. Likewise, Section 16 of the same regulation provides that a customer shall be reconnected when satisfying the Winter Hardship Reconnection criteria. These regulatory safety nets provide substantive relief to customers who remain vulnerable despite the availability of each of the assistance programs already available.

IV. Conclusion

Duke Energy Kentucky's proposed HEA Program is a significant improvement over its existing program and will better serve the Company's income-eligible customers without imposing a significant burden on other customers. Moreover, it includes a substantial commitment by the Company's shareholders and concessions by NKCAC with regard to a lower administrative fee. When viewed as part of the entire portfolio of state, federal, charitable and Company-sponsored customer assistance, subsidy and billing and payment options, it is self-evident that the HEA Program, as proposed, should be approved forthwith.

Done this 30th day of August, 2019.

Respectfully submitted,

Rocco O. D'Ascenzo (92796)
Deputy General Counsel
Duke Energy Business Services LLC
139 East Fourth Street,
Cincinnati, Ohio 45201
Phone: (513) 287-4320
Fax: (513) 287-4385
E-mail: rocco.d'ascenzo@duke-energy.com

And

A handwritten signature in blue ink, appearing to be 'DS', is written over a horizontal line.

David S. Samford
L. Allyson Honaker
Goss Samford, PLLC
2365 Harrodsburg Road, Suite B-325
Lexington, KY 40504
(859) 368-7740
Email: david@gosssamfordlaw.com
allyson@gosssamfordlaw.com

Counsel for Duke Energy Kentucky, Inc.

CERTIFICATE OF SERVICE

This is to certify that the foregoing electronic filing is a true and accurate copy of the document being filed in paper medium; that the electronic filing was transmitted to the Commission on August 30, 2019; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that a copy of the filing in paper medium is being hand delivered to the Commission within two business days.



Counsel for Duke Energy Kentucky, Inc.