

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

AN ELECTRONIC INVESTIGATION OF HOME	)	CASE NO.
ENERGY ASSISTANCE PROGRAMS OFFERED	)	2019-00366
BY INVESTOR-OWNED UTILITIES PURSUANT	)	
TO KRS 278.285(4)	)	

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**COMMENTS OF DUKE ENERGY KENTUCKY, INC.**

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**I. INTRODUCTION**

Please accept these comments submitted on behalf of Duke Energy Kentucky, Inc., (Duke Energy Kentucky or Company) in response to the Kentucky Public Service Commission's (Commission's) request for comments from interested utilities in order to develop a record that the Commission can draw upon as it conducts its investigation into Home Energy Assistance (HEA) Programs offered by Investor-Owned Utilities.<sup>1</sup>

**II. BACKGROUND**

On October 28, 2019, the Commission initiated this proceeding to investigate HEA programs offered by investor-owned jurisdictional utilities pursuant to KRS 278.285(4). HEA programs provide financial assistance to eligible low-income residential customers who are unable to pay their utility bills. The Commission is concerned about the operational effectiveness, accountability, and fairness of current HEA programs. The Commission desires to create uniformity in HEA programs across the Commonwealth and ensure effective and accountable HEA programs that are consistently applied, more beneficial to

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<sup>1</sup> *In the Matter of an Electronic Investigation of Home Energy Assistance Programs Offered by Investor-Owned Utilities Pursuant to KRS 278.285(4)*, Case No. 2019-00366, Order, Appendix A (October 28, 2019).

and easily accessed by eligible low-income customers and result in increased benefits to all ratepayers.

### **III. DISCUSSION**

#### Duke Energy Kentucky's Current HEA Program

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. The Company's existing HEA program is administered as a component of the Company's WinterCare Program. 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. 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. 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. The total annual bill cost impact to customers are \$1.20 for gas only customers and electric only customers, and \$2.40 for customers receiving both gas and electric service. Currently, unexpended HEA program funds are trued-up as part of the Company's annual DSM filings and returned to customers.

### Duke Energy Kentucky's Most Recent Proposed HEA Program

Last year, Duke Energy Kentucky filed a proposal in Case No. 2018-00370 to significantly improve the Company's current HEA program.<sup>2</sup> Although the proposed HEA Program was as significant improvement over its existing program and would have better served the Company's income-eligible customers without imposing a significant burden on other customers, the Commission ultimately denied the Company's proposal.<sup>3</sup> Duke Energy Kentucky believes the changes previously proposed to its HEA program would create an ideally designed customer assistance program.

### Duke Energy Kentucky's Ideal HEA Eligibility Requirements

Based upon the Company's experience, Duke Energy Kentucky believes the following are the ideal HEA eligibility requirements and program parameters:

- Applicants must be active utility customers who have electric and/or natural gas as their primary heat source.
- Customers with verifiable household income up to 200% of the federal poverty level should be eligible to receive HEA funds.
- Applicants must be responsible for home energy costs (bill in their name or spouse's name).
- Participants must re-certify annually by the anniversary date of enrollment.
- Participants should be encouraged to apply for Weatherization services, if available; however, this should not be a requirement to receiving HEA funds.

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<sup>2</sup> *In the Matter of the Annual Cost Recovery Filing for Demand Side Management by Duke Energy Kentucky, Inc.*, Case No. 2018-00370, Brief (August 30, 2019).

<sup>3</sup> *Id.*, Order (October 2, 2019).

- HEA funds should be used as a monthly subsidy payment for the peak heating and cooling months (December, January, February, March, July, August, and September for electric only or electric and natural gas customers; or December, January, February, and March for natural gas only customers) rather than a crisis assistance program.
- Unallocated HEA funds should be retained to “roll-over” to the next program fiscal year.
- Program administrative fees should be consistent and based upon a percentage of HEA funds awarded to customers.
- Utilities should not be responsible for additional fees to administer HEA funds or subsidize HEA administrators other than through the administrative fee described above.
- While the Commission may designate key subjects that should be included in HEA program administration agreements, utilities should have flexibility to negotiate contracts that accommodate their unique systems and processes.
- Incremental costs associated with the development and implementation of mandated HEA processes and tasks should be recoverable through utilities’ rates.


The HEA program would assist people who are at or below 200% of poverty with payment on their electric or gas bills during the peak heating and cooling months. This reduces the yearly costs for electric or gas service substantially and it is anticipated that participation in the program will make energy more affordable and reduce the number of disconnects.

Increasing the income level to 200% of the federal poverty level, will benefit underserved customers who are ineligible for other assistance programs due to income level.

#### **IV. CONCLUSION**

Duke Energy Kentucky appreciates the opportunity to offer its comments regarding the Commission's investigation into HEA programs. The Company supports the Commission's intent to create uniformity in HEA programs across the Commonwealth and is confident that the Commission will fairly account for utilities' current practices and other individual circumstances in assessing the implementation of HEA programs.

Respectfully submitted,



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