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August 5, 2010

VIA HAND DELIVERY

Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40601

RE: In the Matter of:  
JOINT APPLICATION OF PPL CORPORATION, E.ON AG, E.ON US INVESTMENTS  
CORP., E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC COMPANY AND  
KENTUCKY UTILITIES COMPANY FOR APPROVAL OF AN ACQUISITION OF  
OWNERSHIP AND CONTROL OF UTILITIES; CASE NO 2010-00204

Dear Mr. Derouen:

Enclosed for filing in the above-captioned case are an original and twelve (12) copies of the Testimony of Marlon Cummings on behalf of Association of Community Ministries.

Thank you for your assistance in this matter. Please contact me if you need further information.

Sincerely,

Lisa Kilkelly  
Eileen Ordover  
Attorneys for ACM

Cc: parties of record



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

**In The Matter Of:**

**JOINT APPLICATION OF PPL CORPORATION, E.ON AG, )  
E.ON US INVESTMENTS CORP., E.ON U.S. LLC, )  
LOUISVILLE GAS AND ELECTRIC COMPANY AND )  
KENTUCKY UTILITIES COMPANY FOR APPROVAL OF )  
AN ACQUISITION OF OWNERSHIP AND CONTROL OF )  
UTILITIES**

**CASE NO.  
2010-00204**

**TESTIMONY OF  
MARLON CUMMINGS**

**ASSOCIATION OF COMMUNITY MINISTRIES**

**ON BEHALF OF  
ASSOCIATION OF COMMUNITY MINISTRIES**

**Filed: August 5, 2010**

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

2 **A.** My name is Marlon Cummings and I am Treasurer of the Board of Directors of the  
3 Association of Community Ministries (“ACM”). I have been appointed by the Board to  
4 represent ACM in all low-income utility issues. My business address is P.O. Box 99545,  
5 Louisville, Kentucky 40269.

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

7 **A.** Currently and for the past 12 years I have been Executive Director of Jeffersontown  
8 Area Ministries, which is one of the member agencies of ACM and which provides  
9 emergency utility and rental assistance and a variety of other social services to residents  
10 in the Jeffersontown area. I have been on the Board of Directors of ACM since 1994. I  
11 served the Jeffersontown Christian Church (Disciples of Christ), from 1985 until 1996, as  
12 the Family and Youth Minister. I have a Bachelor of Arts in Business from Bellarmine  
13 University and received my Minister’s license from the Kentucky Region of the Christian  
14 Church (Disciples of Christ) in conjunction with the Lexington Theological Seminary.

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

16 **A.** Yes, I filed testimony in the last two LG&E base rate cases, Case No. 2009-00549, In  
17 the Matter of Application of Louisville Gas and Electric Company, Inc. for an  
18 Adjustment of Electric and Gas Base Rates on behalf of ACM and in Case No. 2008-  
19 00252, In the Matter of Application of Louisville Gas and Electric Company for an  
20 Adjustment of its Electric and Gas Base Rates on behalf of ACM and POWER. I have  
21 also filed testimony in Case No. 2006-00045, In The Matter Of: Consideration of the  
22 Requirements of the Federal Energy Policy Act of 2005 Regarding Time-based Metering,  
23 Demand Response and Interconnection Service on behalf of Metro Human Needs

1 Alliance and in Case No. 2007-00477, In the Matter of: An Investigation of the Energy  
2 and Regulatory Issues in Section 50 of Kentucky's 2007 Energy Act on behalf of ACM.

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

4 **A.** ACM offers this testimony to encourage the Public Service Commission to consider  
5 the needs of low-income utility customers in its investigation of whether the proposed  
6 acquisition is consistent with the public interest. Should the Commission approve the  
7 proposed acquisition, ACM encourages it to require such protections as are necessary to  
8 spare rate payers from any adverse effects such as increased costs as a result of the  
9 acquisition. We also have specific recommendations on two of the Regulatory  
10 Commitments made by the Joint Applicants.

11 **Q. Please describe ACM.**

12 **A.** ACM is a Kentucky 501(c)(3) nonprofit corporation and its membership is comprised  
13 of 15 independent community ministries that provide services to the Louisville Metro  
14 area. The common mission for all 15 members is to provide an emergency assistance  
15 network in partnership with the Louisville Metro Government, local congregations, and  
16 other businesses and organizations. Each Ministry serves a specific geographical area to  
17 ensure that all of Louisville Metro is covered under the umbrella of the ACM. Among  
18 the social services provided by ACM members are utility assistance programs.

19 **Q. Describe ACM's activities with respect to helping utility customers in need.**

20 **A.** Our member agencies provide utility assistance to low-income persons year round. To  
21 qualify for service, clients must live in the agency's service area and be in threat of  
22 disconnection of service. Our agencies help clients negotiate payment plans with the  
23 utility companies when they fall behind, and help them avoid utility disconnections. The

1 agencies obtain funding from donations and local governments grants. These agencies  
2 also distribute Community Winterhelp funds from January through April each year.

3 **Q. Describe the typical assistance that ACM agencies provide to clients requesting**  
4 **utility assistance.**

5 **A.** We provide financial assistance to clients to enable them to maintain service for thirty  
6 days. The amount of assistance depends on the quote that is given by LG&E that will  
7 provide the client with 30 days of service. Agency funds are used in conjunction with  
8 outside sources to secure gas and/or electric services.

9 **Q. In addition to assisting utility customers in need, does ACM work with LG&E**  
10 **and KU in other ways?**

11 **A.** Yes, ACM works with the utility companies to enhance programs for the benefit of  
12 low-income customers. ACM is one of the joint applicants for the current Louisville Gas  
13 & Electric Company Home Energy Assistance Program. ACM participates on a regular  
14 basis in the E.ON Customer Commitment Advisory Forum. ACM also raises significant  
15 funds to assist low-income customers, and developed a successful Utility Match program  
16 in 2010 through which ACM raised over \$95,000 to be used only for utility assistance.  
17 These amounts were matched by Louisville Metro Government and LG&E. LG&E has  
18 agreed to continue its current matching contribution to the ACM Utility Match program  
19 for a period of two years following implementation of the rates proposed in the  
20 Stipulation and Recommendation which the Commission just approved in the most recent  
21 base rate case, Case No. 2009-00549.

1 **Q. Are current resources such as ACM agencies emergency assistance, LIHEAP,**  
2 **Winterhelp and LG&E's Home Energy Assistance program sufficient to meet the**  
3 **needs of low-income utility customers?**

4 A. No, our agencies do not have sufficient funds to assist all the customers who need  
5 help and the level of need is on the increase. When ACM compared the number of  
6 requests for services from Fiscal Year 2008-2009 to Fiscal Year 2009-2010, it saw a  
7 thirty percent (30 %) increase. Also, the amount of funds paid to LG&E increased  
8 twenty percent (20%) over the same period. We anticipate that these numbers will be  
9 higher for the current Fiscal Year 2010- 2011, especially with the extremely hot summer  
10 we have been experiencing.

11 **Q. Does ACM support the Joint Applicants' inclusion of Regulatory Commitment**  
12 **36 regarding LG&E and KU's involvement in community activities?**

13 A. Yes, this commitment is more important than ever, as local assistance agencies are  
14 struggling to deal with the effects of the recession, Kentucky's high unemployment rate  
15 and, as previously mentioned, the increasing level of need of low-income customers.

16 **Q. Does ACM have any recommendations regarding Regulatory Commitment 36?**

17 A. Yes, we would encourage the Commission to require the Companies to continue to  
18 provide reporting on this commitment. At a minimum, the Companies should continue to  
19 file a report similar to the annual Schedule of Charitable Contributions pursuant to the  
20 Commission's Order in Case No. 2000-095 on the level of giving of LG&E, KU and the  
21 Foundation. Also, since this commitment is for the purpose of supporting the  
22 relationship between LG&E and KU with the communities that they serve, the report to  
23 the Commission should clearly delineate the amounts given for the benefit of those in the

1 service territories of LG&E and KU. The reason for this suggestion is that the Joint  
2 Applicants' Response No. 4(c), to the Tendered Second Request for Information of ACM  
3 indicates that a small amount of the contributions previously reported on the Schedule of  
4 Charitable Contributions went to recipients outside of the service territories. Responses  
5 No. 5(a) and 6(b) to the same requests for information indicate that some of the recipients  
6 of the Matching Gift Program and Scholarship Program may also have been outside of  
7 the service territory.

8 **Q. Does ACM have any other recommendations with respect to Regulatory**  
9 **Commitment 36?**

10 **A.** Regulatory Commitment 36 appears to be the shortest commitment in terms of its  
11 duration. Most of the other commitments are for an indefinite term with no limit.  
12 Commitments relating to maintaining the corporate headquarters in Kentucky are for 15  
13 years. Because of the importance of LG&E and KU support for their communities, we  
14 would like to see this commitment extended indefinitely or 15 years at a minimum.

15 **Q. Does ACM support the Joint Applicants' inclusion of Regulatory Commitment**  
16 **43?**

17 **A.** Yes, we do not want to see changes in current policies for low-income customers as a  
18 result of the Purchase that would be detrimental to such customers. Further, there is a  
19 need for a review of current policies and practices with respect to low-income customers  
20 to determine whether policies and practices more sympathetic to the needs of such  
21 customers would be appropriate.

22 **Q. Does ACM have any recommendations regarding Regulatory Commitment 43?**

1 A. Yes, we believe that low-income assistance providers should participate in this review  
2 along with PPL and LG&E and KU because such agencies can provide valuable insight  
3 into what the needs of low-income customers are and what kinds of policies and practices  
4 could be made more sympathetic to these customers.

5 **Q. Why is the perspective of low income assistance providers needed?**

6 A. Because of our daily contact with low-income customers, agencies can help the  
7 Companies understand how changes in their policies and practices affect those customers.  
8 By way of example, in its last base rate case, LG&E and KU proposed a change to their  
9 residential deposit policy which would have required customers who had been  
10 disconnected for nonpayment to pay their deposit in full in order to be reconnected. The  
11 Companies saw this as a commonsense loss prevention measure and apparently did not  
12 realize the importance of the installment option. Assistance providers immediately saw  
13 that this policy change would be devastating to low-income families struggling to regain  
14 service and began questioning the proposal. Fortunately, the proposal was withdrawn  
15 from the rate application. However, had the Companies consulted assistance providers  
16 before making the proposal, they could have saved themselves time and energy in dealing  
17 with this issue. This is just one example of how the experience of assistance agencies can  
18 inform the Companies and lead them to make better decisions about their efforts to assist  
19 customers.

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

21 A. Yes.



VERIFICATION

COMMONWEALTH OF KENTUCKY )  
  )       SS:  
COUNTY OF JEFFERSON                                )

The undersigned, Marlon Cummings, being duly sworn, deposes and says he is Treasurer of the Board of Directors of Association of Community Ministries, that he has personal knowledge of the matters set forth in the foregoing testimony, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

  
MARLON CUMMINGS

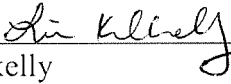
Subscribed and sworn to before me, this 5<sup>th</sup> day of August, 2010.

  
\_\_\_\_\_  
NOTARY PUBLIC  
KENTUCKY STATE AT LARGE

My Commission expires: January 8, 2013.

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing Testimony of Marlon Cummings of Association of Community Ministries was served on the following parties on the 5<sup>th</sup> day of August, 2010, by United States mail, postage prepaid:

  
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