



LEGAL AID SOCIETY

PURSUING JUSTICE RESTORING HOPE

EILEEN L. ORDOVER
(502) 614-3125
EORDOVER@LASLOU.ORG

August 18, 2011

RECEIVED

AUG 19 2011

PUBLIC SERVICE
COMMISSION

Via USPS Express Mail

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

**Re: Case No. 2011-00134
Joint Application of Louisville Gas and Electric Company and Kentucky
Utilities Company For Review, Modification, and Continuation of Existing, and
Addition of New, Demand-Side Management and Energy-Efficiency Programs**

Dear Mr. Derouen:

Enclosed for filing in the above-captioned matter please find an original plus ten (10) copies of Response of Association of Community Ministries to Commission Staff's First Information Request.

Very truly yours,

Eileen L. Ordover
Counsel for ACM

Cc: Parties of Record



COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**JOINT APPLICATION OF LOUISVILLE GAS AND)
ELECTRIC COMPANY AND KENTUCKY UTILITIES)
COMPANY FOR REVIEW, MODIFICATION, AND) CASE NO.
CONTINUATION OF EXISTING, AND ADDITION OF NEW,) 2011-00134
DEMAND-SIDE MANAGEMENT AND ENERGY-)
EFFICIENT PROGRAMS)**

**ASSOCIATION OF COMMUNITY MINISTRIES, INC.'S
RESPONSE TO COMMISSION STAFF'S
FIRST INFORMATION REQUEST**

RECEIVED

AUG 19 2011

**PUBLIC SERVICE
COMMISSION**

Filed: August 18, 2011

ASSOCIATION OF COMMUNITY MINISTRIES, INC.

**Response to Commission Staff's First Information Request
Dated August 8, 2011**

Case No. 2011-00134

Question No. 1

Responding Witness: Marlon Cummings

Q-1. Provide a brief explanation of ACM's understanding of the purpose of Demand Side Management ("DSM") programs. Include in the explanation whether ACM believes DSM programs should pay for themselves.

A-1. It is ACM's understanding that the purpose of DSM programs is to influence the level or pattern of customer usage of, or demand for, energy. ACM believes that the manner in which costs may be recovered, including the extent to which DSM programs pay for themselves, is governed by statute.

ASSOCIATION OF COMMUNITY MINISTRIES, INC.

**Response to Commission Staff's First Information Request
Dated August 8, 2011**

Case No. 2011-00134

Question No. 2

Responding Witness: Marlon Cummings

Q-2. Provide a brief explanation of ACM's understanding of the purpose of Energy Efficiency ("EE") programs. Include in the explanation whether ACM believes that DSM and EE programs are the same.

A-2. As ACM understands it, the purpose of energy efficiency programs is to make customers more efficient in their use of energy so that they may use less energy than would otherwise be required to accomplish the same purposes. To the extent that this conserves energy and reduces the level of customer usage of, and/or demand for, energy, EE programs would therefore be a type of DSM program (see A-1, above).

ASSOCIATION OF COMMUNITY MINISTRIES, INC.

**Response to Commission Staff's First Information Request
Dated August 8, 2011**

Case No. 2011-00134

Question No. 3

Responding Witness: Marlon Cummings

Q-3. On page 1 of the Testimony of Marlon Cummings on Behalf of Association of Community Ministries, Inc. ("ACM Testimony"), filed July 25, 2011, the ACM Testimony states, "ACM agencies obtain funding from donations and local government grants."

- a. Describe the type of local government grants from which ACM agencies receive funding.
- b. Are the ACM agencies the 15 independent community ministries? If not, identify those individuals or groups that comprise ACM.
- c. Does ACM receive any funding from Louisville Gas & Electric Company ("LG&E")? If yes, provide the amounts received during the past three years and explain how the funds were spent.

A-3.

- a. All ACM member agencies receive funds from Louisville Metro Government for the provision of direct assistance to clients. Some agencies may from time to time receive funds from other local government bodies that lie within the boundaries of Louisville Metro. For example, Jeffersontown Area Ministries receives funding from the City of Jeffersontown.
- b. Yes.
- c. Yes. In fiscal year 2009-10, ACM received \$190,000.00 from LG&E in a one-time program under which LG&E matched on a two-to-one basis certain funds provided to ACM by Louisville Metro for emergency utility assistance. The funds were used exclusively to assist low-income clients in paying their LG&E bills. In addition, pursuant to settlement agreements entered into and approved in Case No. 2009-00549,

Application Of Louisville Gas And Electric Company For An Adjustment Of Electric And Gas Base Rates and Case No. 2010-00204, 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, ACM and LG&E on 6/30/2011 completed Year 1 of a four-year program under which LG&E will match 2:1 funds raised by ACM for emergency utility assistance, up to \$225,000.00 per year. ACM received \$225,000.00 from LG&E during Year 1. Under the terms of the agreement all funds – those raised by ACM as well as those contributed by LG&E – were used exclusively to assist low-income clients in paying their LG&E bills.

ASSOCIATION OF COMMUNITY MINISTRIES, INC.

**Response to Commission Staff's First Information Request
Dated August 8, 2011**

Case No. 2011-00134

Question No. 4

Responding Witness: Marlon Cummings

Q-4. Refer to Pages 4 and 5 of the ACM Testimony. There are listed percentages as to the 10 highest poverty zip codes in Jefferson County, the percentage of the residential DSM/EE charges billed that were paid by those LG&E customers, and the percentage of participation of those LG&E customers in the various programs. The following table is a listing of those percentage descriptions and percentages.

LG&E Residential Customers Who Live in the Ten Highest Poverty Zip Codes in Jefferson County	18.2%
Percentage paid of the Residential DSM/EE Charges Billed by LG&E from April 2009 through December 2010	26.8%
Residential Conservation Online Audits	11.5%
Residential Conservation Receiving CFL Bulbs	11.3%
Residential Conservation Participation in Onsite Audit	15.4%
Residential HVAC Diagnostic and Tune Up Program - Diagnostic Test Performed	16.5%
Residential HVAC Tune Up Program – Received Tune-up	15.6%
Residential Load Management Program - Programmable Thermostats Installed	17.3%

Residential Load Management Program -
Received Load Control Switches 3.65%

Residential High Energy Lighting Program -
Receiving CFL Bulbs 22.1%

- a. Explain whether ACM, through its ministries and agencies, counsels low-income LG&E customers as to the availability of the various residential DSM/EE programs for which they might qualify.
- b. Explain whether ACM assists low-income LG&E customers in identifying energy conservation methods that might help reduce their energy bills.
- c. Explain whether ACM, through its ministries and agencies, has computers available for use by low-income LG&E customers so that they can go online and participate in the online audit in the Residential Conservation program. Explain.
- d. Does ACM, through its ministries and agencies, encourage low-income LG&E customers to request the Compact Fluorescent Light (“CFL”) bulbs that are available to be mailed free to their home? Explain.
- e. Explain whether ACM knows the average number of household members per residential account in the 10 highest poverty zip codes in Jefferson County and, if so, what is that number versus the average number of household members per residential account in the remaining Jefferson County zip codes? Explain.
- f. Even though the percentage of customers receiving load switches under the Residential Load Management Program is low, would many of the low-income LG&E customers who live in the 10 highest poverty zip codes in Jefferson County still qualify for a programmable thermostat? Explain.
- g. Has ACM encouraged the LG&E customers in the 10 highest poverty zip codes in Jefferson County, if they qualify, to participate in the Kentucky Home Performance Program? Explain.
- h. If LG&E’s efforts to communicate and educate LG&E customers about the available residential DSM/EE programs do not increase participation, what suggestions does ACM have to increase participation?

A-4.

- a. Each of the ministries makes individual decisions regarding the breadth of discussions relative to client eligibility for DSM/EE programs. In most cases, ACM does not have the available staffing or the detailed plan knowledge to engage clients in discussions of these program options.
- b. Each of the ministries makes individual decisions regarding the breadth of discussions relative to energy conservation, although all ministries routinely engage in some level of discussion of energy conservation in the context of providing emergency assistance. ACM agencies partner with Project Warm to provide education and supplies to weatherize windows and doors, including organizing and hosting client workshops at the various ministries.
- c. ACM agencies do not generally have the capacity to provide computers for client use.
- d. Yes. Member agencies encourage their clients to return the CFL postcards when received. Clients who pay for their energy use through rent, however, do not receive postcards and so cannot be encouraged to participate.
- e. ACM does not have this information.
- f. Based upon the Application in this proceeding, it is ACM's understanding that in order to qualify for a programmable thermostat a customer must have "qualifying central air conditioning equipment." ACM lacks information as to what constitutes "qualifying central air conditioning equipment." Furthermore, ACM does not have sufficiently detailed knowledge of the housing stock in the relevant zip codes to answer this question definitively. However, based on its members' experience, ACM would question how many additional low-income LG&E customers who live in the 10 highest poverty zip codes in Jefferson County have "qualifying central air conditioning equipment."
- g. Kentucky Home Performance Program is not the type of program on which ACM agencies would generally focus, as it requires participating homeowners to make investments and/or take on debt that would not be feasible for much of ACM's low-income constituency, particularly those living in high-poverty zip codes.
- h. Please see ACM Testimony at page 9, line 3 through page 10, line 9. By way of further elaboration, LG&E might contract with ACM to conduct outreach and eligibility screening for relevant DSM/EE programs, and for distribution of CFL bulbs as part of the Residential High Efficiency Lighting program.

**Response to Commission Staff's First Information Request
Dated August 8, 2011**

Case No. 2011-00134

Question No. 5

Responding Witness: Marlon Cummings

Q-5. Explain whether ACM, through its ministries and agencies, refers those LG&E customers in the 10 highest poverty zip codes that may qualify for the WeCare Program to local community action agencies, or community-based organizations.

A-5. ACM members routinely make appropriate referrals of clients who might benefit from programs and services available through the Louisville Community Action Agency and other community-based organizations. While aware of WeCare, they generally do not determine eligibility for that program. Prior to the filing of the instant Application, an ACM member agency serving high-poverty zip codes, West Louisville Community Ministries ("WLCM"), initiated a discussion with Honeywell, LG&E's WeCare vendor, proposing a prequalification arrangement. WLCM was advised that most remaining WeCare dollars were being targeted to Kentucky Utilities Customers, and was asked to limit any referrals to cases of exceptional need only. As a result of this limitation, the agency has referred only one client to Honeywell. No prequalification arrangement was entered into.

**Response to Commission Staff's First Information Request
Dated August 8, 2011**

Case No. 2011-00134

Question No. 6

Responding Witness: Marlon Cummings

Q-6. Refer to page 8 of the ACM Testimony. There is a discussion as to struggling LG&E customers whose energy usage is paid through their rent. If the LG&E customer's landlord implements energy saving measures that reduce energy usage and the landlord does not lower the LG&E customer's rent payment, what measures could be taken.

A-6. ACM does not necessarily anticipate that such landlords will lower rent payments; rather, ACM's testimony states in relevant part that "lower usage means lower energy bills for the property owner, who then need not raise rents to the degree that would otherwise be the case." It is unlikely that landlords will make an investment in energy conservation when their energy costs can simply be passed on to the tenant. Insofar as a primary goal of DSM/EE programs is energy conservation, it is important to drive savings where the landlord has no motivation to take independent action. As the landlord's energy costs are then lowered, ACM would anticipate that future rent increases would be lessened as well.

In further response, if LG&E was to provide information about landlord implementation of energy saving measures that reduce energy usage, ACM agencies could then use that information to advocate on behalf of clients whose landlord attempts to charge an unreasonable rent under the circumstances.

**Response to Commission Staff's First Information Request
Dated August 8, 2011**

Case No. 2011-00134

Question No. 7

Responding Witness: Marlon Cummings

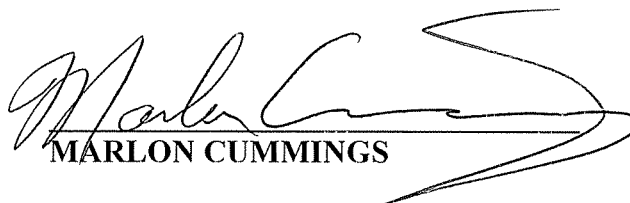
Q-7. Explain how ACM participates in LG&E's Energy Efficiency Advisory Group, or its participation, if any, as an invitee to meetings to discuss DSM/EE programs.

A-7. ACM is not a member of LG&E's Energy Efficiency Advisory Group. In regard to other kinds of meetings, ACM was represented by counsel at one of the November, 2010 meetings for customer groups referenced on page 7 of the Joint Application, at which the joint applicants presented their plans, as of that date, for changes in their DSM/EE program. ACM also attended a meeting convened by the applicants on February 23, 2011 at which invitees were apprised of the final provisions of the proposed DSM/EE program, prior to filing with the Commission. Finally, ACM is a regular participant in the Customer Commitment Advisory Group, which sometimes includes energy efficiency and conservation topics on its agenda.

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 17th day of August, 2011.



NOTARY PUBLIC
KENTUCKY STATE AT LARGE

My Commission expires: 1/11/2014

MEAGEN PEDEN AGNEW
Notary Public-State at Large
KENTUCKY - Notary ID # 411263
My Commission Expires January 11, 2014

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Association of Community Ministries, Inc.'s Response to Commission Staff's First Information Request was served on the following parties on the 18th day of August, 2011 by United States mail, postage prepaid.



Eileen L. Ordovery

Lonnie Bellar
Vice President, State Regulation & Rates
LG&E and KU Services Company
220 West Main Street
Louisville, KY 40202

Iris G. Skidmore
Bates & Skidmore
415 West Main Street
Suite 2
Frankfort, KY 40601

Rick E. Lovekamp
Manager, Regulatory Affairs
LG&E and KU Energy LLC
220 West Main Street
Louisville, KY 40202

Allyson K. Sturgeon
Senior Corporate Attorney
LG&E and KU Services Company
220 West Main Street
Louisville, KY 40202

Kendrick R. Riggs
Stoll Keenon Ogden, PLLC
2000 PNC Plaza
500 West Jefferson Street
Louisville, KY 40202

David J. Barberie
Leslye M. Bowman
Director of Litigation
Department of Law
200 East Main Street
Lexington, KY 40507

David Brown
Stites & Harbison
1800 Aegon Center
400 West Market Street
Louisville, KY 40202

Tom Fitzgerald
Kentucky Resources Council
PO Box 1070
Frankfort, KY 40602

Lawrence W. Cook
Assistant Attorney General
Office of the Attorney General Utility &
Rates
1024 Capital Center Drive
Suite 200
Frankfort, KY 40601-8204