

**From:** [PSC Public Comment](#)  
**To:** [Cathy Hinko](#)  
**Subject:** RE: Case no 2023-00422  
**Date:** Tuesday, May 21, 2024 1:53:00 PM

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Case No. 2023-00422

Thank you for your comments on the application of Kentucky Utilities Company, Louisville Gas and Electric Company. Your comments in the above-referenced matter have been received and will be placed into the case file for the Commission's consideration. Please cite the case number in this matter, 2023-00422, in any further correspondence. The documents in this case are available at [View Case Filings for: 2023-00422 \(ky.gov\)](#).

Thank you for your interest in this matter.

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**From:** Cathy Hinko [REDACTED]  
**Sent:** Tuesday, May 21, 2024 10:34 AM  
**To:** PSC Public Comment <PSC.Comment@ky.gov>  
**Subject:** Case no 2023-00422

Submitted by:

Cathy Hinko  
[REDACTED]  
Louisville, KY 40206

I am concerned at the disparate racial impact of the cost of outages. In summary, low-income Black neighborhoods are densely populated, thereby paying thousands of Basic Service Charges (BSC) each month and the cost of electricity has been moved substantially from KWH to the BSC. The same neighborhoods use less electricity than affluent White neighborhoods, so do not reap benefits of large use amortized over the BSC. Yet, these the low-income Black neighborhoods do not have the damage that White affluent neighborhoods, which are much more sparsely populated thereby paying fewer BSCs each month, have. So the low-income Black neighborhoods clearly subsidize White affluent neighborhoods. That is true in this particular case.

Here is one comparison. Zip code 40210 and zip code 40223. I used 2017 data from LG&E and the census but the data from 2023 storm.

40210- 84% Black with annual KWH per residential account of 9,474.

40223- 90% White with annual KWH per residential account of 12,352.

From 2023's US Post office site

40210- is 3.22 square miles with 4,606 people per square mile

40223 is 11.74 square miles with a density of 1,874 people per square mile.

2023 storm- LG&E reported fewer than five outages in 40210, but 957 outages in 40223. Wow a lot of repair in the White neighborhood with an annual 2023 Median Household Income of \$71,014 subsidized by the Black neighborhood with an annual 2023 Median Household Income of \$20,069.

You want more? I have the 2017 testimony of LG&E and I have the US Post Office data by zip code and the report by LG&E on where the outages are. I have a map of poverty and one of race.

But this is an analysis YOU should be doing. And you need to get it by census tract. And that census tract data should be publicly available for me to use, for the universities to use, for a fifth grade class to use and for government to use.

**The PSC cannot continue to promulgate racism in its system of fees and charges. The PSC must study the impact and rectify the imbalance. I believe a rebated to those in the most disparate neighborhoods would be an appropriate answer to a fair housing, fair accommodations claim.**

### **Study of how the electricity charge has been transferred to the Basic Service Charge and the racial impact:**

LG&E has conducted a 20-year stealth strategy to increase the percentage of the cost of utilities in the mandatory Basic Service Charge and lower the percentage of the charge for usage. **In electricity the Basic Service Charge has increased from 12.8% of the bill in 1998 to 32.78% of the bill under the proposed changes.**

By transferring the percent of cost of utilities from usage into the mandatory Basic Service

Charge, LG&E is disparately bleeding dense census tracts of Black households, who have lower usage than affluent White areas, to subsidize utility service to White areas. It also has the effect of taking money from low-income households to provide service to high income households. The transfer of cost from usage to mandatory Basic Service Charge creates an inflexible payment demand that cannot be controlled by the user regardless of usage. Yet, from the testimony of LG&E in the 2018 rate case number 2019-00295, it is clear that low-income household zip codes use less electricity than high-income household zip codes. It is clear to anyone who concerned with racial equity and with anyone who does not want to bottom feed off of low-income people. I presume that after this year, that would include the Kentucky Public Service Commission.

There is a chart below that uses the testimony of LG&E in answer to Question 7 of the First Request for Information by the Association of Community Ministries in the case 2018-00295. In addition, I researched the income and ranking of income by zip code for Jefferson County and used the five highest income zip codes and the five lowest income zip codes. I also researched the racial composition of each of the ten zip codes. White affluent households use more electricity than low income Black households. It is a pity that Louisville is so segregated that we can know that fact.

| Zip code by top 5 income and bottom 5 income | Residential Electric Customer Account Billings 2017 | Annualized use kWh per Residential Electric Customer Accounts | Average Annual Income by zip code | Population in zip code | Population that is Black | Population that is White |
|--|---|---|-----------------------------------|------------------------|--------------------------|--------------------------|
| 40245  | 159,161   | 13,947  | \$80,634                          | 16,095                 | 3,070                    | 25,434                   |
| 40241  | 157,807   | 12,153  | \$67,211                          | 24,421                 | 3,134                    | 23,675                   |
| 40223  | 125,263   | 12,352  | \$60,973                          | 21,970                 | 2,129                    | 18,907                   |
| 40243  | 59,026  | 10,648  | \$58,3888                         | 8,864                  | 664                      | 9,245                    |
| 40299  | 204,074   | 12,013  | \$55,884                          | 31,483                 | 3,531                    | 33,820                   |
|  |   |   |                                   |                        |                          |                          |
| 40202  | 20,115  | 7,769   | \$8,495                           | 5,115                  | 3,776                    | 2,730                    |
| 40203  | 84,778  | 8,268   | \$13,458                          | 20,837                 | 13,024                   | 6,671                    |
| 40210  | 66,783  | 9,474   | \$20,722                          | 16,273                 | 13,629                   | 1,284                    |
| 40211  | 111,959   | 9,776   | \$21,906                          | 23,553                 | 21,626                   | 1,116                    |
| 40212  | 85,409  | 10,306  | \$23,240                          | 20,307                 | 10,987                   | 6,893                    |

These low-income Black areas already over-pay for electricity. As LG&E snookered the PSC into transferring costs into the daily service charge. Black low-income neighborhoods use less electricity per household than affluent White

neighborhoods and Black low-income households live in very dense areas with thousands of households per mile (and a fee for every household) compared to very low density White affluent neighborhoods. The difference between those living in multi-family housing or single-family housing is racial and affects how many daily fees for one plot of land. Even the recent wind storms showed power failure at a higher rate for White affluent neighborhoods (who have a high rate of tree canopy). So, servicing in catastrophic events has been higher in these affluent neighborhoods. But the Black low-income households subsidize the lower per KWH and servicing.

Again, I stress the disparate racial impact of the fee and cost schedules of LG&E which are approved by the PSC. Racism is embedded in these schedules.