

The Kentucky Public Service Commission: Low-Income Customers

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and Water Supply Regulatory Commission

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Legal Framework

Kentucky law states that consumers receiving “like and contemporaneous service under the same or substantially the same conditions” must be charged the same rate

Legal Framework

Exceptions:

- Utility employees/retirees
- Charitable institutions
- In event of disaster
- Fire services

Legal Framework

Thus, Kentucky law does not permit reduced rates for residential consumers based on income considerations

Legal Framework

However, PSC statutes and regulations offer certain protections for disadvantaged customers

Customer Bill of Rights

- Right to maintain your utility service for up to thirty (30) days in the event of health problems – customer must have verification from health- care provider
- Right to service restoration within 24 hours
- Low-income consumers have right to maintain natural gas and electric service from November through March if they:
 - Pay one third (1/3) of outstanding bill
 - Agree to a repayment schedule to pay all money owed by October 15
 - Agree to accept energy conservation referral
 - Requires verification of eligibility from state

Low-income Energy Assistance

- Administered through state Cabinet for Health & Family Services - local Community Action Agencies
- Weatherization assistance - eligibility based on income; many utilities provide matching funds

Low-Income Home Energy Assistance Program (LIHEAP)

- 150,000 households each year
 - Two programs - Subsidy & Crisis
 - Subsidy - Nov.-Dec. - 90,000-110,000 households
 - Crisis - Jan.-March - 50,000-60,000 households
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Low-income assistance also is provided by many local non-profit agencies. Utility companies also have low-income assistance programs

Utility assistance programs

Electric and gas service

- Several utilities have Home Energy Assistance Programs
- Funded by small monthly charge (10-15 cents) on each meter
- Companies provide matching funds
- Serves as supplement to government programs

Utility assistance programs

Electric and gas service

- Programs are tarified
- Generally are the result of rate cases – often sought by groups representing low-income customers
- Benefit utility by reducing uncollected bills
- Many utilities also have untarified programs funded by voluntary contributions from customers and matched by company

Other assistance programs

Telephone service – funded by surcharge on all customers

- Link-up – Reduced-cost telephone installation
- Lifeline – reduced cost basic service
- Subsidies for service for the deaf and hard-of-hearing

Water utilities

- Some offer low-income assistance programs