

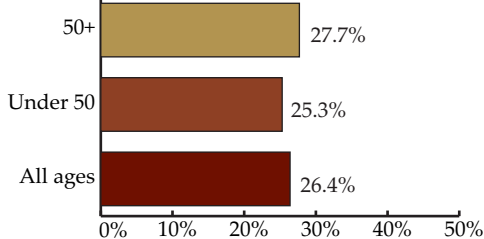
Energy and Telephone Assistance in the States

Kentucky

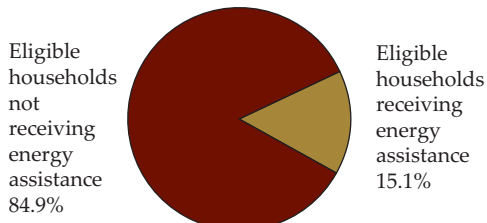
Kentucky in Brief (2006)

Total state population:	4,206,074
State median income:	\$53,198
Percent households age 50+:	46.7%

Percent Households under 150% of Poverty, by Age

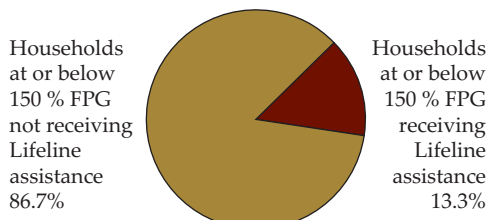


Energy Assistance among Households with Incomes at or Below 150% of Poverty



Telephone penetration rate in state: 89.5 %

Percent Households At or Below 150% of Poverty Receiving Lifeline Assistance



Telephone Assistance

Lifeline and Link-Up are the primary sources of telephone assistance for low-income households in Kentucky.

Lifeline

Lifeline provides participating low-income households with a monthly credit toward the price of basic local telephone service.

Benefits (2006)

Maximum monthly credit: \$13.50

Basic federal support: \$8.25

State support: \$3.50

Federal match: \$1.75

Funding (2005)

Federal: \$7,197,280

State: \$2,572,038 (est.)

The Kentucky Universal Service Fund provides the state's contribution of \$3.50 per month per subscriber. The fund receives its income from a line charge of \$0.08, which is billed monthly to each non-Lifeline customer by the telephone service provider.

Eligibility (2006)

To receive Lifeline assistance, state residents must complete an application with their local telephone provider and prove they are enrolled in any of the following programs:

- Food stamps
- Low-Income Home Energy Assistance Program (LIHEAP)
- Medicaid
- Federal public housing assistance, Section 8
- Supplemental Security Income (SSI)
- National School Lunch
- Temporary Assistance for Needy Families (TANF)

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Beneficiaries must recertify with their local telephone provider periodically to remain eligible for this program.

Participation (2005)

Households served: 64,751

Participation rate: 17.3% (based on 130% of federal poverty guideline)

Link-Up

Qualified customers receive a discount on the price of installing new telephone service.

Benefits (2006)

Link-Up subscribers receive the following:

- A credit of \$30 or a 50% reduction, whichever is less, on the charges customers pay for connecting to new telephone service
- The option of deferring payment on the balance of the connection fee (up to \$200) with no interest charges for a period not to exceed one year

Funding (2005)

Federal: \$237,798

Eligibility (2006)

Eligibility requirements are the same as for Lifeline.

Participation (2005)

Households served: 11,101

Energy Assistance

Low-income energy assistance programs in Kentucky include the following:

- Low-Income Home Energy Assistance Program (LIHEAP)
- Weatherization Assistance Program (WAP)
- Department of Social Services Preventive Assistance Program
- Utility payment arrangements

Low-Income Home Energy Assistance Program (LIHEAP)

The federal Low-Income Home Energy Assistance Program (LIHEAP) provides the state of Kentucky with a block grant to help eligible low-income households meet their immediate home energy needs. With this grant, Kentucky distributes payments under two categories of assistance: heating and crisis. The state also uses a portion of the grant to supplement funding for Kentucky's Weatherization Assistance Program (WAP).

Benefits (FY2006)

Heating: \$125 average per household

Crisis: \$250 maximum per household

Clients receive one benefit for heating and for crisis a year. Benefits are paid to the energy provider unless the client's home energy costs are included in rent, in which case the payment voucher is sent directly to the client. Heating assistance is available from November 1 to December 14, and crisis assistance from January 1 to March 15.

Funding (FY2006)

Total: \$61,103,779

Federal: \$51,103,779

Regular net block grant: \$26,686,205

One-time additional net block grant:
\$17,660,884

Total emergency/cont.: \$972,439

FY2005 carryover funds: \$1,022,322

Department of Energy: \$4,761,929

State: \$10,000,000

Natural gas severance tax: \$10,000,000

The Kentucky Cabinet for Health and Family Services, Department for Community Based Services, distributes grants to community action agencies (CAAs) throughout the state through the Kentucky Association of Community Action (KACA). These agencies accept applications, determine eligibility, notify clients, and make payments to energy providers and clients. Kentucky allocates LIHEAP funding in the following manner:

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- Heating and Crisis: 75%
- Weatherization: 15%
- Administration, etc.: 10%

Eligibility (FY2006)

State residents with household incomes at or below 130% of poverty are eligible for assistance. Kentucky also uses an assets test to determine the financial eligibility of clients for LIHEAP.

Participation (FY2006)

Households served by program component:

Heating: 107,733

Winter/year round crisis: 122,114

Weatherization: 1,172

Weatherization Assistance Program (WAP)

This program helps low-income residents—especially those 60 years and older, disabled, or living with young children—increase the energy efficiency of their homes, reduce their energy expenditures, and improve health and safety.

Benefits (FY2006)

Maximum benefit per household: \$3,826

Weatherization technicians use energy audits to identify and implement energy-saving measures for each home. Examples of these measures include the following:

- Insulating attics, floors, water heaters, and exposed pipes
- Tuning up, repairing, or replacing the furnace or heating unit and/or air conditioner
- Providing ventilation fans—including electric, attic, ceiling, or whole-house fans—to increase air circulation
- Stopping air infiltration by weather-stripping and caulking around doors and windows, replacing broken glass panes, and installing storm windows

Funding (FY2006)

Total: 8,765,245

Federal: 8,765,245

Department of Energy grant funds:

\$4,539,785

Carryover funds: \$69,181

LIHEAP funds: \$4,156,279

The Kentucky Cabinet for Health and Family Services, Department for Community Based Services, distributes grants to community action agencies (CAAs) throughout the state through the Kentucky Association of Community Action (KACA). These agencies accept applications, determine eligibility, and provide weatherization services, such as performing energy audits and implementing suggested measures.

Eligibility (FY2006)

Households with total incomes at or below 150% of poverty, or with a member receiving SSI or Temporary Assistance for Needy Families (TANF) in the 12-month period before application, are eligible for assistance.

Participation (2006)

Households served: 1,162

Department of Social Services Preventive Assistance Program

This program provides emergency funds to families in crisis to accomplish the following goals:

- Prevent the removal of children from the home
- Facilitate the return of children to their natural parents
- Prevent the removal of elderly persons from their home
- Assist at-risk adults in need of immediate protective service intervention

The Preventive Assistance Program includes the energy-related services discussed in “Benefits,” below.

Benefits (FY2006)

The program will pay a maximum of \$500 on behalf of a household for utility payments, utility deposits, and the purchase, installation,

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repair, or replacement of heaters and air conditioners.

Funding (FY2006)

Total: \$461,600
State: \$461,600

The state-appropriated funding includes funding for other necessities, in addition to utility payments, and deposits. At least 25% of the state-appropriated funding pays for utility payments and related services.

Eligibility (FY2006)

The following describes categorical eligibility for program assistance:

- Families in danger of having a child placed outside of the home or not returned to the home because of an existing financial emergency
- Older persons in danger of being removed from their homes
- At-risk adults in need of immediate intervention

Families must have exhausted or been denied all other means of public assistance.

Use of the funds requires a program supervisor's request and the approval of the service region administrator before the department authorizes payment for any expenditure. Disbursement of funds is coordinated by the Division of Financial Management and is allocated by region.

Participation (2006)

Families served: 1,483

Utility Payment Arrangements

The Kentucky Public Service Commission requires utilities to offer partial payment plans or budget billing plans to customers who are unable to pay their bills in full. Budget billing plans allow customers to spread their annual utility service costs over equal monthly payments. Customers with medical certificates stating a health need for uninterrupted utility

service and certified low-income customers are eligible for either plan.

Customers with medical certificates or certificates of need are able to negotiate partial payment plans based on their ability to pay. These plans may include budget payment plans and plans deferring payment of arrears until after the end of the heating season. Examples of two payment plans are described in "Benefits," below.

Benefits (FY2006)

Louisville Gas & Electric (LG&E): The program provides a monthly fixed credit that varies by household income, utility bills for the previous 12 months, monthly normal heating degree days, and changes in utility pricing. The credit can be applied to arrearages.

Kentucky Utilities (KU): Beneficiaries (eligible customers who use electric heat) receive a total of \$294 per year, divided in seven monthly installments across peak heating and cooling months. The credit cannot be used to reduce arrearages.

Funding (FY2006)

Total: \$2,140,000
LG&E: \$840,000
KU: \$1,300,000

Both programs are funded through a 10% surcharge on residential electric or gas meters.

Eligibility (FY2006)

Customers with household incomes at or below 110% of federal poverty guidelines and a minimum monthly household income of \$100 (for LG&E only) are eligible for assistance. LG&E customers must have utility arrearages under \$700 to participate.

Participation (2006 Projected)

Total: 2,200
LG&E: 900 households annually
KU: 1,300 households annually

Seasonal, Health-, and Income-Related Disconnection Policies

Seasonal

Between November 1 and March 31, residential utility customers in Kentucky who are certified eligible for LIHEAP by the Cabinet for Human Resources, or who have incomes under 130% of poverty, are exempt from termination for 30 days beyond any termination date set by the utility. Under the winter hardship reconnection policy, which extends from November to March, electric and natural gas utilities are required to reconnect a customer's residential service if the customer obtains a certificate of need from the Cabinet for Human Resources, pays either one-third of the outstanding bill or \$200 (whichever is less), and agrees to a deferred-payment arrangement.

Health

Utilities are required to delay for up to 30 days disconnection of a customer's residential service whenever a physician or other public health official certifies in writing that such an action would aggravate an existing medical or debilitating condition of the customer or any other household member. The customer is required to negotiate a deferred-payment arrangement to maintain service beyond the delay.

Deferred Payment

During the winter protection dates, and at any other time of the year, utilities are required to offer a deferred-payment arrangement to customers in danger of service disconnection, and to determine if they are eligible for energy assistance.