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SECRETARY'S BUREAU
Testimony Presented to the Public Utility Commission
Regarding the Rate Increase Request of PPL Electric Utilities Corporation

My name is Janet Ney. I am the Associate Executive Director of the Community Action Committee of the Lehigh Valley. As you know, our organization is dedicated to problem-solving in order to improve the lives of low-income people and, in the end, to eradicate poverty. We are engaged in community economic development and the provision of human services throughout the two-county area. Our community revitalization work is providing significant enhancements to the quality of life, especially in the inner city areas of Allentown, Bethlehem, and Easton. We have more than a 40 year track record of working with the local low-income population. We are grateful for the opportunity to present a few insights pertinent to the rate increase request before us today.

Low-income people in the Lehigh Valley cannot afford the current cost burden of living here. The Fair Market Rent of \$791 for 2 bedrooms requires an hourly wage of \$15.21, more than double the new minimum wage that goes into effect on July 1; this hourly wage requirement has risen 18% in just two years. Rising fuel costs have had an impact on people in two ways: first, it's much more expensive to get to and from work and, second, the Second Harvest Food Bank, one of our programs, reports that the cost of food has risen about 15% over the past year due to those fuel costs. Even households earning the median income of \$48,957 per year are shut out of the local housing market if they adhere to the standard that housing should represent 30% of your household income.

Recently, Community Action published two documents that provide data in this regard. A total of 350 households were interviewed at food pantries and soup kitchens throughout the six-county area served by the Second Harvest Food Bank. One significant finding of that effort is that 54 percent of the households surveyed are paying more than one-half of their monthly income for housing, that is, rent, heat and utilities. As noted previously, a household is considered cost burdened if more than 30% of the household's income is spent on housing. A recent affordable housing study revealed that more than 60% of very low income households are cost burdened. The statistics abound; the day-to-day existence of low-income households becomes more and more challenging.

The point is that low-income people, both working or unable to work, cannot afford their existing expenses. Therefore, they are unable to afford any rate increase whatsoever.

We deeply appreciate the company's recognition of this harsh reality as evidenced by the significant increase in their array of intervention programs noted in their rate request. In the interest of full disclosure, I should note here that our agency has long administered some of these programs. We work closely with PPL and can attest to the sincerity of the company's commitment to these valuable programs.

Until recently, we administered PPL's Operation Help program. Currently, we operate OnTrack, PPL's Customer Assistance Program and WRAP, PPL's Weatherization Program. During the last few years, we have also been responsible for PPL's Solar Water Heating Program. In the last 12 months, we served more than 6500 income-eligible households in the OnTrack program. In the coming year, we expect to enroll 4650 new participants in this program for payment-troubled

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customers. At the same time, we anticipate weatherizing 350 housing units occupied by low-income families through the PPL WRAP program.

Despite the growth in both funding and numbers of participants, these worthy programs do not affect the depth of concern that we have for the effect this rate increase will have on lower-income families in the region. Simply put, these programs cannot possibly mitigate the full effect of the increase. Again, thank you for this opportunity to share with you our thoughts on this vital matter.