



Division of Consumer Advocacy

CONSUMER SPOTLIGHT

Issue #5

Public Utility News You Can Use

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www.hawaii.gov/budget/puc

Federal Communications Commission (FCC)

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E-mail: fccinfo@fcc.gov
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www.fcc.gov/cgb/consumers.html

Federal Energy Regulatory Commission (FERC)

888 First St., NE
Washington, DC 20426
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EXECUTIVE DIRECTOR'S MESSAGE

BY CATHERINE AWAKUNI

Protecting and promoting the interests of you, the consumer, was a year-long effort in 2007, and the Division of Consumer Advocacy will continue to work even harder in 2008.

State lawmakers are set to convene on January 16 for the 2008 legislative session. A hot topic this year will be "going green" and pushing for increased implementation of renewable energy. We will of course be keeping tabs on any legislation related to public utilities because they ultimately have an impact on consumers.

Price increases seem to be popping up on everything, and it is inevitable that utility costs will follow the trend. Our office examines requests by public utility companies to raise rates to determine if they are warranted. We make our recommendations to the Public Utilities Commission and they ultimately make a decision based on their own research and recommendations from all parties. Inside this quarter's newsletter is a brief explanation of examining costs and the latest approved rate increase for Hawaiian Electric Company (HECO) and Maui Electric Company (MECO). Since electric rates are going up we also included suggestions to help cut your costs and keep that electric bill reasonably low.

As always, we invite you to share your concerns, questions, and suggestions. Our contact information is printed in the left column.

GET YOUR FREE PHONE

If you are a Hawaiian Telcom residential phone service subscriber, watch for notification in your upcoming monthly bills. As part of the deal allowing the company to sell their directory publishing business (see New Phonebooks, Page 4), Hawaiian Telcom agreed to issue coupons for free slimline-type phones. Don't worry if your friend tells you they received a coupon and you did not receive one in the same

month. Hawaiian Telcom says the distribution will be staggered because the vendor does not have enough phones on hand and needs more time to manufacture them. Spreading out distribution will also ease the lines to redeem the coupons at Hawaiian Telcom retail stores and other select locations. As a reminder, you'll likely see advertisements in the newspaper closer to the time of distribution.



Nowadays everyone owns cordless phones with extra features you may not even use. During a power outage, however, most cordless phones will not work. Pick up your free phone and store it away in case your cordless phone doesn't work during an outage.

LEARN MORE



Included in your monthly HECO, HELCO, or MECO bill is the utility company's newsletter, *Consumer Lines*. You may find it worthwhile to take the time to read through it. Each issue offers great tips, information, and even tasty recipes. If you are eco-friendly and switched to paperless billing, you can still read it at your leisure. The newsletter, and an archive, is available on the company's website.

KIUC also has a wealth of tips and information on their website. The links to all electric utilities are printed in the column below.

Electric Companies:**Hawaiian Electric Co. (HECO)**

Phone: (808) 548-7311

www.heco.com

Hawaii Electric Light Co. (HELCO)

Hilo: (808) 969-6999

Kona: (808) 329-3584

Waimea: (808) 885-4605

www.heco.com/portal/site/helco/

Maui Electric Co. (MECO)

Phone: (808) 871-9777

Molokai & Lanai: 1-877-871-8461

www.mauielectric.com

Kauai Island Utility Cooperative (KIUC)

Phone: (808) 246-4300

www.kiuc.coop

GOING UP AGAIN?

The Public Utilities Commission (PUC) approved an interim rate increase of 3.7% for Maui Electric Company (MECO) on December 21, 2007.

A rate increase of 4.96% for Hawaiian Electric Company (HECO) was also approved by the PUC on October 22, 2007.

The thought and frustration of digging deeper into pockets to pay the monthly electric bill has many wondering why rates continue to rise, especially if the electric company already has an automatic energy cost adjustment for rising fuel costs.

Utility companies factor in various costs, including operation and maintenance, in their revenue requirements. So when storms hit and crews work overtime scrambling to restore service that cost is considered, though not always recovered, in the ratemaking process. The cost of utility poles that need to be replaced and projects like installing underground lines are also considered.

If the company needs to build a new power plant then that cost would be shared by ratepayers.

Consider implementing energy saving ideas (see Page 3) to lessen the burden on the power grids and lower your monthly bill.

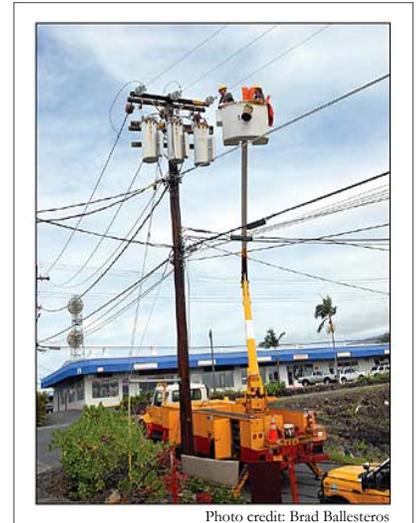


Photo credit: Brad Ballesteros

A HELCO crew repairs damage caused by a storm in Dec. 2007.

GOING UNDERGROUND

West Oahu residents renewed their request for underground power lines after a storm, last December, once again toppled power poles along Farrington Highway. Not only is safety a major concern, but also traffic. A pole that falls across the highway would obstruct the only public thoroughfare through the area.

Going from overhead to underground, however, is not a simple process.

HECO estimates the cost at \$12 million per mile. Cable and telephone companies sharing the poles would also have to contribute to the cost of the project. Customers should be aware that they can also expect to pay for conversion projects in subsequent rate increases (see Going Up Again?, above).

While many agree that ideally the utility lines in West Oahu should be moved underground,

some may question whether it is fair to ask all ratepayers on Oahu to pay for something that benefits only one community.

Would it make more sense to reduce costs of the project by only doing underground sections where no bypass roads exist instead of a 17 mile stretch of the highway?

Despite the urgency of the situation, many questions and concerns need to be addressed before proceeding with such a costly project. Public input is welcomed at upcoming community meetings.



CUTTING BACK

Some energy saving methods require an initial investment, whether it's switching to compact fluorescent lamps (CFLs), purchasing Energy Star appliances, or installing solar water heating systems. The Division of Consumer Advocacy encourages you to take advantage of coupons, rebates, tax credits, and even a pay as you save plan to help cover the costs. We realize, however, that some may still be reluctant to jump in the pool. So instead, consider "free" ways to cut back on energy use and lower electric bills.

If you're using incandescent lights, always turn them off when not in

use. Contrary to popular belief, turning lights on and off does not draw an exorbitant amount of power. You waste much more electricity leaving them on, even for a short while.

The same concept applies with fluorescent lights, however, the life of the bulb can be reduced every time it is turned on. Since fluorescent lights are more expensive, it may not be as cost-effective to frequently turn the light off and on during short time intervals.

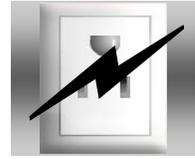
Wash only full loads of clothes and dishes. Use cold water for clothes and consider washing dishes by hand. Air dry dishes, and line dry

clothes if possible. Hawaii has lots of sun and breezy trade winds!

Take advantage of the trades, open the windows and leave the air conditioner off. New high-rise project suddenly blocked the breeze? See if an interior fan is sufficient, or combine it with your AC to improve the unit's efficiency. Keep hot appliances or lamps away from the unit's thermostat because it will trick it into running longer than necessary. Lowering the thermostat will only cause more strain on the AC and will not cool the house any faster, so find a comfortable temperature and try to keep it there.

Beware of wasted energy. (see Phantom Power, right)

PHANTOM POWER



Phantom power may not be a big reason your electric bill is so high, but it definitely does take a bite here and there when you're not looking.

Cell phone chargers are notorious phantom power suckers. It's convenient to have it plugged into the electrical outlet and hook up your cell when needed. No worries, right? Remember how it was warm when you unplugged it to carry with you to Vegas? That's because it's always drawing power. If this is you, officials estimate that when plugged in only 5% of the power consumed is actually used to charge the phone, the other 95% is wasted.

The same applies to chargers for other devices such as laptops, mp3 players, etc. Electronics in "stand-by" mode are other common phantoms. That includes DVD players, TVs, computers, monitors, etc. Of course nobody wants to constantly plug and unplug each and every device in your home. Instead connect them with a power strip to conveniently cut off the power. Keep in mind that this will reset any clock or timer on those devices.

CFL MYTHS



Common misconceptions about CFLs have some hesitating to switch to the newer bulbs. Early adopters of CFLs experienced poor performance, but the bulbs have greatly improved since then. No more flickering or humming.

"Da buggah look funny kine color..." That strange tinge is gone and CFLs now emulate the tone of a traditional incandescent bulb. They also come in a wide range of colors including a popular bright white marketed as "daylight" or "natural light."

"Da buggah not as bright as one regular bulb..." Make sure you buy a CFL with wattage equivalent to the old bulb, no less. For instance if you are replacing a 100W incandescent light bulb, you need a 26W CFL, not the 13W one. It can be tricky to figure out with several different wattages available, but on most packaging it is labeled correctly for you. If not sure, a general rule is that the CFL uses only about 1/4 of the wattage. You can even increase brightness in a room since you can substitute a higher wattage equivalent CFL in a fixture with a limited cap of, say, 60 watts.

"Da buggah no last as long as they said..." It might be because you placed it in a recessed enclosed fixture, a fixture with a dimmer switch, or turned it off and on too frequently. It's advised that CFLs be installed in areas where lights will be on for at least 15 minutes. Excessive heat or vibrations can damage the electronics inside a CFL. Specialty bulbs for modern applications, including dimmers, are available now.

"Da buggah dangerous, get mercury inside..." Broken CFLs should be handled with caution, but the EPA says the amount of mercury in a CFL is not enough to cause harm. However too much mercury in the landfills cannot be a good thing so establishing a recycling program is imperative.

DO NOT CALL

The Do Not Call Registry is set to expire in 2008, prompting fears that all phone numbers will be purged, opening the flood gates and allowing telemarketers to once again bombard phone lines. Last fall, however, the Federal Trade Commission testified that the five-year program was a success and they sought to continue shielding the public from unwanted telemarketers to help protect them from fraud. A bill to keep phone numbers on the list is now in the hands of a Congressional Conference Committee.

Remember, placing your number on the Do Not Call list will not block all telemarketers. Some organizations are exempt.

For more information visit: www.donotcall.gov
Call: 1-888-382-1222

Telecommunication Companies:

Hawaiian Telcom
Phone: (808) 643-3456
www.hawaiiantel.com

Time Warner Telcom
Phone: (808) 441-8500
www.twtelecom.com

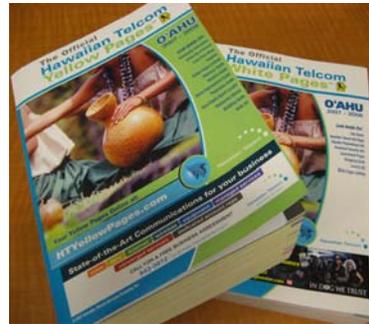
Pacific LightNet Communications
Phone: (808) 791-1000
Toll-Free: 1-888-478-1414
www.plni.net

NEW PHONE BOOKS

Hawaiian Telcom officially sold its telephone directories business, "Hawaiian Telcom Yellow Pages," to Local Insight Media (LIM), a Colorado-based company with directory publishing experience.

The Public Utilities Commission (PUC) approved the \$435 million sale last November, which helped to reduce Hawaiian Telcom's debt. The Division of Consumer Advocacy (DCA) recommended approval of the sale with certain stipulations that allowed consumers to see benefit from the sale. That included providing customers with free phones and apportioning a reve-

nue credit from directory publishing in future rate cases. In the order approving the sale the PUC agreed with and adopted the DCA's recommended stipulations.



Hawaiian Telcom's current 2007-2008 phone books

Although LIM took control over the directories business, the phone books will continue to be published under the

"Hawaiian Telcom" name. In fact LIM plans to continue working with L.M. Berry, whom Hawaiian Telcom outsourced their yellow page business to previously.

Most consumers are unlikely to notice any changes to the phone books as long as LIM does not revert back to Verizon's bulky combined white and yellow pages, from a few years back. You may remember that some people struggled to lift and flip through the phone book and found other uses for it such as turning it into a make-shift stepladder.

SERVICE QUALITY

Countless customers experienced issues with their telephone bills after Hawaiian Telcom took over local landline service. The initial barrage of disputes flooded customer service lines, resulting in busy signals and long hold times before speaking to a live representative. To alleviate the problem Hawaiian Telcom hired more workers and apologized profusely. Some customers, however, continued to receive successive erroneous bills after being reassured everything would be taken care of by the next month. The Division of Consumer Advocacy received many complaints as well and worked diligently with Hawaiian Telcom to resolve disputes, and continues to do so. Obviously the transition to new ownership did not go smoothly. Kinks are to be expected with change involving a large operation, and no company purposely puts customers through that kind of hassle as the frustration would obviously send subscribers looking for an alternative phone service. But was this an acceptable level? The mounting complaints undoubtedly influenced the Public Utilities Commission (PUC) in October 2006 to initiate an investigation into Hawaiian Telcom's "service quality and performance levels and standards in relation to its retail and wholesale customers."

Although it is now 2008 the investigative docket is still open. If the PUC rules against Hawaiian Telcom the company may face penalties and fines, which could possibly be distributed among customers as a credit or refund. When a decision is issued, you will be sure to find it printed in the latest newsletter and also posted on our website.

