



Division of Consumer Advocacy

CONSUMER SPOTLIGHT

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www.hawaii.gov/budget/puc

Federal Communications Commission (FCC)

445 12th St., SW
Washington, DC 20554
Toll-Free: 1-888-225-5322
E-mail: fccinfo@fcc.gov
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www.fcc.gov/consumers

Federal Energy Regulatory Commission (FERC)

888 First St., NE
Washington, DC 20426
Toll-Free: 1-866-208-3372
E-mail: customer@ferc.gov
Web Address: www.ferc.gov

EXECUTIVE DIRECTOR'S MESSAGE BY JEFFREY ONO



Rising electricity rates — this is by far the most frequent complaint that I receive about all of Hawaii's regulated utilities. The State of Hawaii has the highest electricity rates nationwide. It is a distinction that none of us is proud of. The primary reason for our high electricity rates is our dependence on imported oil for energy generation. As the price of imported petroleum continues to rise, so will our electricity rates. Renewable energy generation is the key to keeping electricity pricing stable. Our office has been and will continue to be a strong supporter for all forms of renewable energy — wind, solar, geothermal, biofuels, and ocean technology. This is also why we have supported the development of the undersea electricity transmission cable system, so that renewable energy from the neighbor islands can be brought to Oahu. The undersea cable would also be used so that reserve power on Oahu could be available to the neighbor islands. Although the solution seems simple enough, getting there is a challenge as we work through technical, economical, environmental, and cultural issues. I look forward to hearing from and working with all of you as we move forward to reaching a cleaner, cheaper, and more secure energy future in Hawaii. As always, please do not hesitate to contact our office with any questions or concerns.

LORRAINE AKIBA APPOINTED PUC COMMISSIONER

Governor Neil Abercrombie appointed Lorraine Akiba as a commissioner to the Public Utilities Commission (PUC) in February. Ms. Akiba is a partner at McCarriston Miller Mukai MacKinnon, LLP, where she heads the law firm's Environmental Practice Group. She previously served as the State Director of Labor and Industrial Relations from 1995 to 2000 and also headed the Environmental Practice Group at Cades Schutte Fleming & Wright. Ms. Akiba will succeed Commissioner John Cole when his term expires on June 30, 2012. She joins PUC Chair Hermina Morita and Commissioner Michael Champley, who joined the PUC in March and September 2011, respectively. Commissioners are appointed by the governor to serve six-year terms. The Hawaii State Senate recently confirmed Mr. Champley as commissioner, while Ms. Akiba's appointment is still subject to confirmation as of this writing.



Lorraine H. Akiba
Photo courtesy:
<http://www.m4law.com/>

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BILL CHANGES

Hawaiian Electric, Maui Electric, and Hawaii Electric Light Company say they will be implementing a new customer information system in May or June. Officials say the switch will allow for more self-service and online customer service options, and provide more detailed energy use information to enable you to better manage your electricity costs. Customers can expect to receive new account numbers and will also notice some changes to the bill format. More details will be shared in the companies' Consumer Lines newsletters, which are inserted with your monthly bill. Customers can also check the utilities' website for more information.

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

KAUAI SMART METERS

Kauai Island Utility Cooperative (KIUC) is moving ahead with its plan to replace existing electric meters with state-of-the-art digital two-way meters, commonly referred to as "smart meters." The smart meters essentially function the same as traditional meters, but include communication devices that can transmit data back to the utility. The benefits include more accurate meter reading, increased efficiency and lower costs from reading meters remotely, improved power quality, and faster outage restoration times. A "smart grid" consists of the new two-way interoperable network of delivering electricity. While Hawaiian Electric is conducting a pilot project to test the integration of smart meters in select areas, KIUC plans to slowly roll them out island-wide, beginning in April, and is taking advantage of federal grant money to help offset the cost of replacing the electric meters and moving to a smart grid. KIUC anticipates it will take about two years to replace all the residential and commercial meters, and then will spend another three years gathering and analyzing the data. KIUC will look at running both the new and old meters initially to ensure accuracy, as users in other jurisdictions have complained of faulty energy usage readings. In addition, KIUC will start providing 500 member volunteers with an in-home monitor display system, which will provide real-time electric usage data. The hope is that physically seeing how an appliance or activity is using energy, consumers can make adjustments or invest in more efficient appliances to reduce consumption and lower their electric bill. With new technology comes skepticism and concerns. Questions arise over the possibility of health issues from the wireless transmission of data and the sharing of that data. KIUC believes the meters are safe, and says the signal is no different than those emitted from other wireless devices, such as home WiFi, baby monitors, and cell phones, except the smart meter transmits intermittently. KIUC says the data stored is mainly electricity usage, no personal information, and it is not shared without the user's consent. KIUC has yet to decide if members can opt out of switching to a smart meter. In the mean time, KIUC will use a deferred installation process for those that do not want a smart meter. Members will receive at least two weeks notice prior to installation of a smart meter at their home or business. KIUC is sensitive to concerns from its members and hopes providing them with more information will help alleviate any issues that they may have. The public is invited to another informational meeting on Kauai's Smart Grid Initiative on April 12, 2012, from 6 p.m. to 7 p.m. at the KIUC Main Conference Room.

Contact KIUC or visit www.kiuc-renewablesolutions.coop for more information.



UNAUTHORIZED CONNECTIONS

Residents and businesses that plan to install a customer-generation system, such as a photovoltaic (PV) system, that will be interconnected to the electric utility must follow that utility's tariff rules to ensure safety and reliability, as approved by the Public Utilities Commission. KIUC recently reported that it noticed an increase in customer PV systems connected to its electric grid without obtaining the required interconnection agreement. Hawaiian Electric has also observed similar problems. When consumers connect their PV systems to the utility without their knowledge, the utility is unaware of that power fed into the grid, which creates a serious safety hazard for employees working out in the field on that circuit. Unauthorized customer generation systems may also disrupt the electric system's reliability and cause power outages. Utilities encourage consumers to adopt these technologies and support Hawaii's Clean Energy Initiative, but only when in accordance with all rules. Contact your utility directly for more information.

HAWAII ENERGY

Hawaii Energy has been handling most of the state's energy conservation and efficiency efforts, including issuing rebates for solar water heating and energy star appliances, for more than two years now, but some believe Hawaiian Electric Company (HECO), Maui Electric Company (MECO), and Hawaii Electric Light Company (HELCO) still run the program. While the utility companies are still on board with those efforts, the transition was made to Hawaii Energy to run the energy efficiency programs following the decision by the Public Utilities Commission to use a third-party "Public Benefits Fee" administrator. You may have noticed this line item on your electric bill that amounts to one and one-half percent of your statement. Kauai Island Utility Cooperative members do not pay this fee and that is why they are ineligible to benefit from the Hawaii Energy rebate programs. KIUC, however, does offer its own incentive programs to its members. Hawaii Energy offers a rebate for purchasing qualifying ENERGY STAR appliances, including refrigerators, but you do not necessarily need to buy one to get cash back. Another effort to reduce energy use is through its Bounty Program. Hawaii Energy will pick up and recycle old, but working, refrigerators and freezers and pay owners a bounty for it. Oahu residents receive \$25, while Maui and Hawaii Island residents earn \$65. The program will be extended to Molokai and Lanai soon. Hawaii Energy says 20-year old refrigerators can use two to three times more electricity than new ENERGY STAR models. Now is the time to retire that old refrigerator you are using in your garage.



Aside from the more well-known rebates offered by Hawaii Energy, some may not realize that the cost of compact fluorescent light bulbs (CFLs) are kept lower through instant rebates given by Hawaii Energy through participating retailers. You can visit the Hawaii Energy website for a complete list of locations, but chances are you probably shop at one of them. In addition, Hawaii Energy partnered with Blue Planet to help bring the organization's CFL exchange program to Maui and the Big Island. Keep an eye out for the "Maui Bulb Blitz" and "Big Island Bulb Blitz" to swap your incandescent light bulbs for energy saving CFLs. Blue Planet and Hawaii Energy are also working together to swap out bulbs in apartment buildings.



Visit www.hawaiienergy.com for more information.

NO SIMPLY SOLAR YET

At the end of 2011, Hawaiian Electric sought approval to run a three-year pilot program that would help its customers avoid the upfront cost of installing solar water heating systems. The Simply Solar program proposed that Hawaiian Electric pay the cost of installing the systems for qualified customers, and customers would pay back the utility over time through a surcharge on their bill. The program is similar to the On-Bill Financing program (discussed in the previous issue of *Consumer Spotlight*) that the Public Utilities Commission is currently investigating. While the intent of the Simply Solar program is supported, deeper analysis, including determining the cost and effect of the program to ratepayers, would have been difficult to complete in the 60-day notice Hawaiian Electric gave before hoping to implement the program. In Order No. 30149, the commission suspended the Simply Solar proposal and consolidated it with the On-Bill Financing docket. The commission says it intends to review and consider the Simply Solar program as a potential interim option during its broader review. On-Bill Financing Docket No. 2011-0186



PUC Docket Numbers corresponding to topics discussed are included for your convenience so that you can read deeper into the subjects. PUC public filings are accessible online via the PUC's Document Management System (DMS).

Visit: <http://dms.puc.hawaii.gov/dms>



LIFELINE

The Lifeline Assistance Program is a government program that offers qualified customers a discount on their monthly local telephone bill from Eligible Telecommunications Carriers (ETCs). ETCs include Hawaiian Telcom, Mobi PCS, Sandwich Isles Communications, Sprint, and T-Mobile, and more pending approval. Each state has its own guidelines to qualify. The savings on basic phone services are made available to low-income residents who meet certain income eligibility requirements (see right) or are enrolled in certain government assistance programs. Contact an ETC for more information.

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

FCC OVERHAULS LIFELINE

The Federal Communications Commission (FCC) released a Report & Order in February that will result in a comprehensive overhaul of the national Lifeline program. Eligible Telecommunications Carriers (ETCs) currently receive varying amounts of federal Lifeline support for each eligible lifeline customer. Beginning April 1, 2012, however, an interim rate of \$9.25 will apply to ETCs nationwide, except for those on Tribal Lands (including Hawaiian Home Lands). An additional amount of up to \$25 may be claimed for each eligible resident of Tribal Lands. Another major change is the elimination of Link-Up for non-Tribal Lifeline customers. Link-Up helped qualifying consumers with a one-time credit that covered a large portion of the charges for activation of phone service. Since the Order does not take effect until April 1, there is still some time left to take advantage of Link-Up before it is gone. The FCC expects to save millions of dollars through reform and eliminating waste, fraud, and abuse of the Lifeline program. The FCC is also seeking to modernize the program by making broadband internet service more accessible to low-income families.

Visit www.federalregister.gov
Search "2012-4978" to read more details on the Lifeline and Link-Up reform.

2012 LIFELINE INCOME LEVEL

Each year the income eligibility amounts change, and the income level increased for 2012, so those that previously did not qualify may now be eligible. See the new guidelines below.

2012 Federal Poverty Guidelines - 135%

Household Size	Income Eligibility for Hawaii
1	\$17,361
2	\$23,504
3	\$29,646
4	\$35,789
5	\$41,931
6	\$48,074
7	\$54,216
8	\$60,359
Each Additional Person, Add	\$6,143

SOURCE: Federal Register, Vol. 77, No. 13, January 26, 2012, pp. 4034-4035