

Consumer Spotlight

Giving You Public Utility News You Can Use

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Brought to you by the Division of Consumer Advocacy

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Executive Director's Message

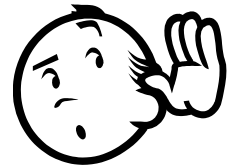
Public hearings help DCA advocate for consumers more effectively

By John E. Cole

On behalf of all of us at the Division of Consumer Advocacy (DCA), it gives me great pleasure to share with you the second issue of the Division's newsletter, Consumer Spotlight. The response to our first issue was extremely positive, and we want to thank all of you who helped circulate the newsletter to your friends, family, co-workers, and business associates. As a result, many people have contacted us and asked to be placed on our e-mail distribution list. These efforts help us greatly as we seek to share information and educate the public about important utility matters. Thanks again and keep up the good work!

In this issue, we turn the consumer spotlight on the local water and wastewater industry. As you read on you will learn more about the regulatory process and the types of things our staff considers as they review these cases. This process is very similar to the process that other utilities go through before offering services or changing rates.

State law requires the Public Utilities Commission (PUC) to hold a public hearing when a utility company seeks to modify its rates. The purpose for these hearings is to allow the PUC and the DCA to hear the opinions of consumers and to gauge the impact of a utility company's request on affected communities. Public input at these hearings enables the DCA to better represent consumers by helping us understand what issues are most important to them. Sadly though, few take the opportunity to participate in these important meetings. For some it is because they simply do not know how to participate.



With this in mind, the DCA has prepared consumer tips on how to prepare testimony for a public hearing, what to expect while you are there, and how to effectively participate. Just click on the "**Public Hearing Notices**" link at hawaii.gov/dcca/dca. You will also find links to the PUC's hearing notices that give the date and time of the hearing and a brief summary of the company's proposal. Reviewing the hearing notice is a quick and easy way to become acquainted with issues that may come up at the hearing. By taking time to familiarize yourself with the public hearing process and some of the issues that may arise, your participation at these hearings will be an easier and more rewarding experience. Hopefully, it will also encourage you to be an active participant in this important process.



*Happy Holidays from the
Division of Consumer Advocacy*



The Gas Company 535-5933 or 526-0066 (24 Hour Emergency Operator)
www.hawaiigas.com

Hawaiian Telcom 643-3456
www.hawaiiantel.com

Internet Resources

- Almost anything you wanted to know about water but were afraid to ask can be found at the American Water Works Association's web site. Point your browser to www.awwa.org and click on the Consumer Water Center link. HINT: A good place to start looking is the FAQ section.
- The Federal Communications Commission (FCC) provides fact sheets & consumer alerts on everything from telecommunications to broadcasting. To learn more point your browser to www.fcc.gov/cgb/information_directory.html
- Explore the numerous options for saving energy and using renewable energy provided by the U.S. Department of Energy's web site.
www.eere.energy.gov/consumer

Taking our message to you

Do you belong to a group or association who is looking for a fun and interesting speaker on utility issues? Then drop our Speakers Bureau an e-mail at: consumeradvocate.dcca.hawaii.gov or call 586-2769. We'll be happy to create a presentation that meets your needs and interests.



In Focus: Water & Wastewater Utility Services

DCA keeps consumer interests from going down the drain

In Hawaii, municipalities (i.e. county governments) generally provide water and wastewater treatment services, but so do privately owned companies.

Privately owned companies that provide water and wastewater services are found primarily in outlying areas and small residential developments where municipal services are not readily available and are most commonly found on the neighbor islands. Privately owned companies use investor resources to build the infrastructure and facilities that allow them to provide water or wastewater services to their customers. The state's PUC regulates these companies when they provide services to the general public.

Before providing services to the public, a privately owned water/wastewater company must obtain a Certificate of Public Convenience and Necessity (CPCN) from the PUC. In reviewing a request for a CPCN, the PUC and DCA determine whether there is a need for the service, if the company is financially fit and able to provide the service, and whether the rates and rules proposed by the company for providing those services are fair and reasonable.



Once in operation, a company can file for an adjustment to its rates with the PUC. A utility company generally files for a rate increase when its revenues are not adequate to cover the cost of providing the regulated service, which may include a fair return on investment. Different factors can influence a utility rate case, such as new construction projects and increasing labor costs.

After a utility files a rate application with the PUC, the DCA reviews the application to determine if the application complies with PUC requirements. A public hearing is then scheduled so that affected consumers can comment or express concerns on the company's proposal. In analyzing the merits of the utility's request, the DCA also considers the public's comments. Following its review and analysis, the DCA, on behalf of consumers, makes recommendations to the PUC regarding the merits of the application. The PUC then decides whether to deny, approve, or modify the company's rate request.

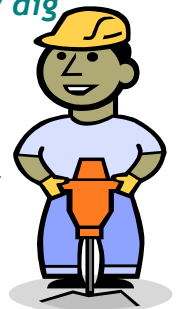
Government Happenings: The One Call Center

Helps excavators find underground facilities before they dig

Under a 2004 law, a new One Call Center to be administered by the PUC will be up and running on January 1, 2006.

Last November, the PUC established a One Call Center Advisory Committee to assist it in implementing the law. The committee is composed of fifteen members who represent the gas, electric, telecommunications, pipeline operator, and cable industries, and state and county government. The general contractors and building industry associations are also represented.

With assistance from the committee, the PUC will also collect fees from excavators and other operators to administer this new program.



This mandatory, call before you dig, program will allow excavators to make one phone call to find out if there are any underground facilities located where they plan to dig. Having this information in one central place is important because previously, anyone wanting to excavate had to make several phone calls to the different utilities and government agencies to determine if it was safe to dig in a certain spot. Making a single phone call will hopefully reduce the risk of disrupting critical services and insure greater public health and safety while saving excavators time and money.