BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Transmittal of HAWAIIAN ELECTRIC COMPANY, INC., HAWAII ELECTRIC LIGHT COMPANY, INC., and MAUI ELECTRIC COMPANY, LIMITED For Approval to Establish a Special Medical Needs Provision in Schedule R - Residential Service, on a Pilot Basis.	)	TRANSMITTAL NO. 17-01 (Non-Docketed)

DECISION AND ORDER NO. 34467

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In the Matter of the Transmittal of)) HAWAIIAN ELECTRIC COMPANY, INC.,) HAWAII ELECTRIC LIGHT COMPANY, INC.,) and MAUI ELECTRIC COMPANY, LIMITED)) For Approval to Establish a Special) Medical Needs Provision in) Schedule R - Residential Service,) on a Pilot Basis.))	Transmittal No. 17-01 (Non-Docketed) Decision and Order No. 34467

DECISION AND ORDER

By this Decision and Order, the commission approves, subject to certain conditions, Transmittal No. 17-01, filed on January 18, 2017, by HAWAIIAN ELECTRIC COMPANY, INC. ("HECO"), HAWAII ELECTRIC LIGHT COMPANY, INC. ("HELCO"), and MAUI ELECTRIC COMPANY, LIMITED ("MECO") (collectively, the "Companies"). As a result, the commission specifically approves the Companies' proposed Special Medical Needs Pilot Program for the two-year period from April 1, 2017 through March 31, 2019.

Concomitantly, the commission takes no action on the Companies' request that the commission "[a]llow the bill adjustments provided to customers under the [Special Medical Needs Pilot Program] Provision to be included as a reduction to recorded adjusted revenues for the determination of the monthly entry to the revenue balancing account per the Revenue Balancing Account Provision[.]"[1]

I.

Background

HECO is the franchised provider of electric utility service on the island of Oahu, HELCO is the franchised provider of electric utility service on the island of Hawaii, and MECO is the franchised provider of electric utility service on the islands of Lanai, Maui, and Molokai.

The Companies' existing Schedule R, governing residential service, includes a fixed customer charge, a non-fuel energy charge, a base fuel energy charge, and applicable surcharges such as the energy cost adjustment surcharge.[2]

A.

Procedural Background

On January 18, 2017, the Companies filed Transmittal No. 17-01, requesting that the commission:

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[1]Transmittal No. 17-01, at 3 and 12; see also id., at 10.

[2]See, e.g., HECO's Schedule R, at 51-51A.

1. Approve certain revisions to Schedule R for the purpose of offering a Special Medical Needs Pilot Program for the two-year period from April 1, 2017 through March 31, 2019; and

2. "Allow the bill adjustments provided to customers under the [Special Medical Needs Pilot Program] Provision to be included as a reduction to recorded adjusted revenues for the determination of the monthly entry to the revenue balancing account per the Revenue Balancing Account Provision[.]"[3]

The Companies: (1) filed their transmittal pursuant to Hawaii Administrative Rules ("HAR") § 6-61-111; and (2) served copies upon the DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, DIVISION OF CONSUMER ADVOCACY ("Consumer Advocate").

The Companies request an effective date of April 1, 2017, following the expiration of the minimum thirty-day statutory notice period.

On February 2, 2017, the Companies filed their responses to the commission's information requests.

On March 17, 2017, the Consumer Advocate filed its position statement: (1) stating its support for the Companies' proposed pilot program; and (2) recommending the adoption of certain conditions.

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[3]Transmittal No. 17-01, at 3 and 12; see also id., at 10; and Companies' response to PUC-IR-103.

The deadline for any interested persons to timely file a protest in opposition to the Companies' transmittal expired on March 17, 2017, pursuant to HAR § 6-61-61. No protests were filed.

On March 23, 2017, the Companies filed their reply position statement.

B.

Companies' Existing Life Support Program

HAR § 6-80-8, governing an electric utility's termination of electric service, states in pertinent part:

> § 6-60-8 Procedures for termination of service.
>
> . . . .
>
> (c) The utility shall provide special consideration in the handling of termination of service in the case of . . . handicapped customers.
>
> . . . .
>
> (2) Handicapped customers can be qualified by certification of their physical condition by a registered physician or by an appropriate state agency; and .
>
> (3) In no event shall termination of service to [a] . . . handicapped customer commence without a written report and investigation by the utility to the commission. The report and investigation must be submitted by the utility not less than five days prior to the planned date for termination of service.
>
> . . . .

HAR § 6-80-8(c).

The Companies explain that their existing Life Support Program is in place to comply with HAR § 6-80-8(c)(3) by providing a qualifying customer special consideration in the event said customer's account becomes delinquent.[4]

C.

Companies' Proposed Pilot Program

1.

Proposed Revisions to Existing Schedule R

The Companies propose to revise Schedule R by offering to qualifying residential customers/participants a Special Medical Needs Pilot Program for the two-year period from April 1, 2017, through March 31, 2019. Pursuant to said pilot program:

1. Residential customers who depend on life support equipment and/or have increased heating and cooling needs due to their medical conditions will be provided a discounted, non-fuel energy charge for energy usage that is approximately four cents per kilowatt-hour ("kWh") less than the regular, non-discounted applicable non-fuel energy charge, for up to 500 kWh per month. Energy usage above 500 kWh will be charged at the regular, non-discounted applicable non-fuel energy charge.

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[4]See Transmittal No. 17-01, at 7 and 9-10; and Companies' response to PUC-IR-102.

2. An eligible residential customer (i.e., participant) can realize a maximum savings of twenty dollars ($20) per month.

3. Participants will be limited to 2,000 HECO/HELCO/MECO residential customers in total.[5]

2.

Proposed Application Form

The Companies' proposed Special Medical Needs Pilot Program Application form is a separate document that is not intended to be included as an attachment to Schedule R.

The Companies' proposed application form defines "qualifying life-support device" and "heating and/or cooling" (i.e., the eligibility requirements) as follows:

> A qualifying life-support device is any medical device used to sustain life or relied upon for mobility. This device must run on electricity supplied by [the electric utility]. It includes, but is not limited to, respirators (oxygen concentrators), iron lungs, hemodialysis machines, suction machines, electric nerve simulators, pressure pads and pumps, aerosol tents, electrostatic and ultrasonic nebulizers, compressors, [intermittent positive pressure breathing] machines, kidney dialysis machines, and motorized wheelchairs. Devices used for therapy/comfort rather than life-support do not qualify.
>
> . . . .

[5]Transmittal No. 17-01, at 3-4 and 10, and Exhibits A and B thereto; and Companies' response to PUC-IR-101.

> The Special Medical Needs Pilot Program is available for heating and/or cooling if the patient is Paraplegic, Quadriplegic, Hemiplegic, has Multiple Sclerosis or Scleroderma. The Special Medical Needs Pilot Program is also available if the patient has a compromised immune system, life threatening illness, or any other condition for which additional heating or cooling is medically necessary to sustain the patient's life or prevent deterioration of the patient's medical condition.

Transmittal No. 17-01, Exhibit C, at 2 (emphasis added).

Said eligibility requirements, the Companies explain, are "mirrored after" the Medical Baseline Program in California, with sample eligibility requirements from Pacific Gas and Electric Company and Southern California Edison attached as Exhibit D to Transmittal No. 17-01.[6]

The Companies' proposed application form must be completed and signed by both the applicant and the applicant's licensed medical doctor or doctor of osteopathy. In this regard:

1. The applicant must certify that she or he lives full-time at the service address and requires or continues to require the pilot program. By signing said form, the applicant also agrees to allow the electric utility to verify said information, and to promptly notify the electric utility if the

[6]Transmittal No. 17-01, at 7-8; and Exhibit D thereto.

applicant/participant moves or no longer requires the pilot program;[7] and

2. The applicant's doctor must certify that the applicant requires the use of a qualifying life-support device and/or has qualifying heating and/or cooling needs.[8]

D.

Companies' Position

The Companies assert that the pilot program is designed to provide:

1. Eligible residential customers with some form of financial relief (i.e., maximum projected savings of $20 per month) associated with "higher-than-average electricity bills, in addition to the rising health care expenses that they already incur[.]"[9]

2. The Companies with "additional experience in the administration and billing of a social program while providing assistance to customers with particular medical needs, as well as further align customer program offerings with the Companies'

[7]Transmittal No. 17-01, at 6; and Exhibit C thereto, at 1.

[8]Transmittal No. 17-01, at 8; and Exhibit C thereto, at 1.

[9]Transmittal No. 17-01, at 3; see also id., at 11.

vision of empowering customers and communities with affordable energy."[10]

The Companies, in further support of the pilot program, state:

1. Based on the information available through their existing Life Support Program, the Companies estimate the total number of participants to be in the 1,135 to 2,000 range.[11] As a result, the Companies estimate the "annual participant benefits" to be in the range of $272,400 to $480,000.[12]

2. It is anticipated that the initial administration of the pilot program will be accomplished with the existing personnel and resources assigned to the Life Support Program. If additional resources are subsequently required, "they will be included in a subsequent general rate case proceeding."[13]

3. "[T]he Companies may request that customers respond to or participate in customer surveys and other data collection and program evaluation efforts related to their energy usage for the purpose of improving this pilot program or successor

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[10]Transmittal No. 17-01, at 3.

[11]Transmittal No. 17-01, at 9.

[12]Transmittal No. 17-01, at 9.

[13]See Transmittal No. 17-01, at 9-10.

programs."[14] Based in part on said data and information, the Companies will file: (A) a preliminary report in the "mid-2018 timeframe and make any appropriate recommendations for modification of the pilot[;]" and (B) a final report "subsequent to the end of the pilot, in the third quarter of 2019."[15]

E.

Consumer Advocate's Position

As part of its costs/benefits analysis, the Consumer Advocate notes that "it is unclear whether the $20.00 per month will provide the assistance that is beneficial to [qualified] customers, while ensuring that the costs associated with the proposed [pilot program] do not significantly adversely impact [all] ratepayers."[16] Consistent with its concerns regarding cross-subsidization, the Consumer Advocate further notes that "the costs associated with the proposed program through the decoupling mechanism may result in an inequitable recovery of those charges from customers who are unable to offset their energy usage, in part or in whole, with distributed energy resources."[17]

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[14]Transmittal No. 17-01, at 10-11.

[15]Transmittal No. 17-01, at 10-11.

[16]Statement of Position, filed on March 17, 2017, at 6-7.

[17]Statement of Position, at 8.

Given these overall observations, the Consumer Advocate recommends that the Companies:

1. "[E]stablish as part of the application process a limited survey process that will seek to gather relevant information such as: (1) average monthly bill prior to enrollment; (2) annual household income; and (3) type/nature of medical device and estimated monthly load associated with that device."[18]

2. Include the eligibility criteria, which is already set forth in the application form, in the Companies' respective tariffs.

3. File quarterly reports which include the following information:

A. Identifying by each island: (1) the total number of applications; (2) the total number of enrolled pilot program customers "with a summary of the type of customer by criteria enrolled in the program[;]" (3) the total number of customers who dis-enroll from the program; and (4) the total number of customers who also participate in the Companies' Low-Income Home Energy Assistance Program.

B. Identifying all pilot program administrative costs and indicating: (1) whether such costs are initial or on-going;

[18]Statement of Position, at 7.

and (2) whether said "administrative costs could have been lower if, instead of 500 kWh, an existing kWh tier was used[.]"[19]

C. Identifying the total costs which are included in each electric utility's revenue balancing account associated with the pilot program, and the estimated cost impact to each electric utility's revenue balancing account.

4. Prior to the sunset of the two-year pilot program, investigate other means of cost recovery besides relying on the decoupling mechanism and energy charges.

F.

Companies' Reply

The Companies agree with most of the Consumer Advocate's recommended conditions, including the recommendations that the Companies include: (1) the eligibility criteria in their respective tariffs; and (2) information regarding the impact of the pilot program on the Companies' respective Revenue Balancing Accounts.

In this regard, the Companies attach to their reply position statement: (1) Exhibit B, a HECO sample tariff which incorporates the eligibility criteria; and (2) Exhibit A, customer bill impact information.

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[19]Statement of Position, at 7.

Conversely, the Companies object to the Consumer Advocate's recommendations that: (1) the Companies' limited survey process solicit information on annual household income; and (2) the Companies investigate other means of cost recovery prior to the sunset of the two-year pilot program. Concomitantly, the Companies express their intent to "collaborate with the Consumer Advocate to evaluate other mechanisms to recover the funding requirements . . . by the end of the pilot program."[20]

II.

Discussion

All rates, charges, classifications, schedules, rules, and practices made, charged, or observed by a public utility must be just and reasonable and filed with the commission, in accordance with Hawaii Revised Statutes ("HRS") § 269-16(a) and (b). State of Hawaii law, in turn, also authorizes a public utility to establish such a rate, charge, classification, schedule, rule, or practice following thirty days' notice to the commission. HRS §§ 269-16(b) and 269-12(b).

Similarly, HAR § 6-61-111 states in part:

> §6-61-111 Public utility tariff filings. Except for tariff filings of water carriers and motor carriers that are governed by

[20]Reply Statement of Position, filed on March 23, 2017, at 5.

> sections 6-61-93 and 6-61-94, any public utility tariff additions or changes, other than tariff additions or changes which result in an increase in rates, fares, or charges or changes in any classifications, practices, or rules which would result in an increase in rates, fares, or charges, may be filed with the commission to become effective not less than thirty days after filing . . . The additions or changes to the tariff, unless suspended by the commission, shall become effective thirty days after filing with the commission in compliance with this section or at a later date as may be specified in the transmittal letter. Tariff filings not in compliance with this section will be rejected.

HAR § 6-61-111.

The commission, at the outset, notes that: (1) "[o]ne of the most vexing issues confronting regulators is melding traditional rate-setting principles with social policy goals[;]" and (2) "from a general policy perspective, in some cases tariff design has less to do with economic efficiency and more to do with promoting social policies."[21]

Moreover, from a purely economic, isolated perspective, the subsidization of one or more group of customers by other customers may appear: (1) inefficient (distorting pricing signals and consumption decisions); and (2) inconsistent with the cost

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[21]Jonathan A. Lesser, Ph.D., and Leonardo R. Giacchino, Ph.D., Fundamentals of Energy Regulation (2nd ed. 2013), Section 7.7, Pricing and Social Policy, at 256-57.

allocation principle of aligning (i.e., matching) costs with benefits.[22]

In the commission's view, the Companies' proposed pilot program represents their latest effort in promoting social policy by seeking to offer a specific customer or group of customers a discount on their electricity bills. Such a view is evident by the Companies' reference to their proposed pilot as a "social program."[23]

Other similar examples of the Companies' past efforts in promoting social policy include:

1. The Companies' proposal to "adopt lifeline rates as a means to support low income families through a fixed monthly bill credit to qualified customers for assistance with a minimum level of necessary energy use."[24] (Note: On July 1, 2014,

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[22]Cf. Fundamentals of Energy Regulation (2nd ed. 2013), Section 7.7, Pricing and Social Policy, at 256-58; and Statement of Position, at 8 (prior to the two-year sunset of the pilot program, the Companies should investigate other means of cost recovery besides relying on the decoupling mechanism and energy charges).

[23]Transmittal No. 17-01, at 3 and 11; and Reply Statement of Position, at 1.

[24]In re Hawaiian Elec. Co., Inc., Hawaii Elec. Light Co., Inc., and Maui Elec. Co., Ltd., Docket No. 2009-0096 ("Docket No. 2009-0096"), Order No. 32179, filed on July 1, 2014, at 1 (footnote and citation therein omitted).

the commission subsequently accepted the Companies' withdrawal of their lifeline rate application.[25])

2. The Companies' proposal to offer the State of Hawaii, Department of Education ("DOE"), a discounted time-of-use ("TOU") rate structure (i.e., a proposed 9-1/2 year pilot program), as the DOE "moves toward implementing additional heat abatement and air conditioning equipment at public schools across the State of Hawaii."[26] The Companies' DOE TOU proposal is ultimately designed to promote the social policy goal of "preserv[ing] and promot[ing] the health and safety of students and teachers and create a better learning environment at public schools across the state."[27] (Note: On October 4, 2016, the commission transferred the Companies' DOE TOU proposal to the on-going distributed generation resources investigative proceeding, In re Public Util. Comm'n, Docket No. 2014-0192.[28])

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[25]Docket No. 2009-0096, Order No. 32179.

[26]In re Hawaiian Elec. Co., Inc., Hawaii Elec. Light Co., Inc., and Maui Elec. Co., Ltd., Docket No. 2015-0410 ("Docket No. 2015-0410"), Order No. 33423, filed on December 28, 2015, at 14 (footnote and text therein omitted).

[27]Docket No. 2015-0410, Companies' Transmittal No. 15-10, filed on November 6, 2015, at 1.

[28]Docket No. 2015-0410, Order No. 33959, filed on October 4, 2016.

The Companies, in each of their respective proposals (Docket No. 2009-0096; Transmittal No. 15-10 in Docket No. 2015-0410; and Transmittal No. 17-01 herein), have identified a specific customer or group of customers that, in the Companies' view, should be accorded preferential treatment.[29] Furthermore:

1. With respect to the Companies' DOE TOU proposal and the Special Medical Needs Pilot Program, the Consumer Advocate and the commission are ultimately left with determining whether such proposed cross-subsidizations appear just and reasonable, viewed as a whole and not only in isolation; and

2. With respect to the proposed Special Medical Needs Pilot Program: (A) it appears evident that California is the only state that provides financial relief to customers with special medical needs;[30] and (B) the Companies estimate the

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[29]See Docket No. 2009-0096, Order No. 32179, at 2 (the Companies' lifeline rate proposal attempts to balance the needs of low income families with the rate impact on customers from all rate classes who would help to finance said program through a surcharge); Docket No. 2015-0410, Order No. 33423, at 16-17 (the dollar amount of the Companies' projected savings for the DOE's electricity bill and relative impact on non-DOE ratepayers do not appear to be reflected in the Companies' transmittal); and Companies' response to PUC-IR-103 (all customers, including participants, will contribute towards the revenue adjustments provided to the Special Medical Needs Pilot Program participants, through the Revenue Balancing Account rate adjustment on their electric bills).

[30]Companies' response to PUC-IR-102.

"annual participant benefits" to be in the range of $272,400 to $480,000.[31]

With this background information, the commission proceeds with addressing the Companies' requests, as set forth in Transmittal No. 17-01.

A.

Proposed Pilot Program

The Companies, in support of their proposed Special Medical Needs Pilot Program, represent:

1. The Companies developed the pilot program based on: (A) feedback from Life Support Program participants; and (B) the Companies' collaboration with non-profit organizations that assist said participants. These stakeholders "indicated that a similar type of assistance was needed for customers with special medical needs."[32]

2. In developing the pilot program, the Companies:

A. Evaluated the energy usage of Life Support Program participants and "found that 77.25% of [them] fell within the mid to high tier of energy usage."[33]

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[31]Transmittal No. 17-01, at 9.

[32]Companies' response to PUC-IR-102.

[33]Companies' response to PUC-IR-102.

B. "[L]earned that California was the only state that provided relief to customers with special medical needs via their Medical Baseline Program and studied the provisions of their program."[34]

3. Moreover, due to the lack of available Hawaii-based data "on the number of people on life support devices and who had special heating and/or cooling needs due to a medical condition[,] . . . it was decided that the most prudent way to determine whether there was a need for the program is to run a pilot program for two years to gather data, assess the need for the program, determine the operating and administrative costs for the program, refine the participation process, and explore the auto-notification capability for scheduled outages."[35]

Such efforts, in turn, should provide the foundation for establishing a permanent program "if it is in the best interest of customers."[36]

4. The underlying purpose of the pilot program is to provide monetary relief to qualifying residential customers/participants who depend on life support equipment and/or

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[34]Companies' response to PUC-IR-102.

[35]Companies' response to PUC-IR-102.

[36]Companies' response to PUC-IR-102.

have increased heating and cooling needs due to their medical conditions (projected maximum savings of $20 per month).[37]

5. The projected maximum savings of $20 per month is divided by 500 kWh to derive the four cents per kWh discount on the non-fuel energy charge ($20 per month/500 kWh = $0.04 per kWh discount). The 500 kWh per month eligibility cap, in turn, is equivalent to: (A) Pacific Gas and Electric Company's 500 kWh per month eligibility cap; and (B) Southern California Edison's 495 kWh per month eligibility cap.[38]

6. The Companies have been "collaborating with various non-profit organizations in their service territories that have constituents who will benefit from this proposal and will provide them with material to help apprise them of the eligibility requirements."[39]

On balance, the commission approves as just and reasonable Transmittal No. 17-01. The commission's ultimate finding, in turn, is based on:

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[37]Transmittal No. 17-01, at 3 and 11.

[38]Companies' response to PUC-IR-101 (citing Transmittal No. 17-01, Exhibit D).

[39]Companies' response to PUC-IR-104.

1. The Companies' pertinent representations, including their plan to utilize existing personnel and resources in implementing and administering the pilot program; and

2. The limited, two-year pilot nature of the program, after which the Companies intend to review the resulting data and information in order to determine whether a permanent program "is in the best interest of customers."[40] In this regard, recognizing the limited, pilot nature of the program, the Consumer Advocate affirmatively does not object to the pilot program, and recommends certain conditions it believes may assist in enhancing the program.[41]

The commission's approval is subject to the following conditions:

1. The Companies shall include their proposed application form as an attachment to the commission-approved revised Schedule R (see HECO's sample tariff, which incorporates the eligibility criteria, attached as Exhibit B to the Companies' reply position statement).

2. As part of the application process, the Companies shall establish a limited survey process that will seek to gather relevant information such as: (1) average monthly bill prior to

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[40]Companies' response to PUC-IR-102.

[41]Statement of Position, at 1-2.

enrollment; and (2) type/nature of medical device and estimated monthly load associated with that device.[42]

Due to the sensitivity of the customer information requested by the Consumer Advocate, said survey shall be strictly voluntary in nature and include a written waiver/release form that must be executed by the customer who voluntarily chooses to participate in said survey.[43]

Also due to the sensitive nature of the customer information requested by the Consumer Advocate, the commission declines to adopt the Consumer Advocate's recommendation that the Companies solicit information on a customer's annual household income. Furthermore, as noted by the Companies, an applicant's income is not an eligibility criteria for participation in the pilot program.[44]

With respect to the Consumer Advocate's recommendation that the Companies solicit information on the estimated monthly load associated with a customer's medical device, the Companies:

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[42]Statement of Position, at 7; see also Transmittal No. 17-01, at 10-11.

[43]See Companies' response to PUC-IR-104 (the Companies are very cognizant of the laws governing the confidentiality of an applicant's and participant's health information, and their employees are trained not to ask for any confidential information related to the medical condition of the customer).

[44]See Reply Statement of Position, at 3-4.

(A) acknowledge the merits in determining the estimated monthly load of various types of medical devices; and (B) express their willingness to work with the State of Hawaii department that "has access to these devices to run tests to determine their estimated monthly loads."[45]

3. The Companies shall file quarterly status reports which include the following information:

A. Identifying by each island: (1) the total number of applications; (2) the total number of enrolled pilot program customers with a summary of the type of customer by criteria enrolled in the program; (3) the total number of customers who dis-enroll from the program; and (4) the total number of customers who also participate in the Companies' Low-Income Home Energy Assistance Program.[46]

The inclusion of information on the total number of Low-Income Home Energy Assistance Program participants, in turn, appears related to the Companies' existing Schedule R, which specifically references "bill credits" for such participants.

B. Identifying all pilot program administrative costs and indicating: (1) whether such costs are initial or on-going;

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[45]Reply Statement of Position, at 3 n.5.

[46]Statement of Position, at 7.

and (2) whether said administrative costs could have been lower if, instead of 500 kWh, an existing kWh tier was used.[47]

C. Recommended revisions, if any, to the pilot program, and an assessment of the feasibility of establishing a permanent program.[48]

Lastly, the commission makes the following observations for future guidance:

1. The Companies' efforts in identifying and advancing social policy programs are laudable. That said, the Companies' future efforts in identifying and advancing social policy goals (other than renewable energy and energy conservation[49]) through their respective rate structures should be fully vetted as part of the electric utility's general rate case application, and not as piecemeal, isolated proposals.

2. With respect to the electric utility industry:

A. The legislature has explicitly authorized: (1) assessing a surcharge on ratepayers from different service territories so that an electric utility may recover from ratepayers

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[47]Statement of Position, at 7.

[48]Transmittal No. 17-01, at 11.

[49]See, e.g., HRS § 269-6(b)(energy efficiency and increased renewable energy generation); HRS chapter 269, part V, Renewable Portfolio Standards; and HRS chapter 269, part VII, Public Benefits Fee).

statewide the affected utility's net restoration and repair costs resulting from a "state of emergency" situation that occurs within the affected utility's specific service territory (see HRS § 269-16.3);[50] (2) preferential rates for the purchase of renewable energy produced in conjunction with agricultural activities (see HRS § 269-27.3); and (3) net energy metering (see HRS chapter 269, part VI).

B. Conversely, the legislature does not appear to have explicitly established, in HRS chapter 269, similar energy subsidy policies for low income families, the DOE, or customers with special medical needs.[51]

B.

Revenue Balancing Account

Lastly, the Companies request that the commission "[a]llow the bill adjustments provided to customers under the [Special Medical Needs Pilot Program] Provision to be included as

[50]By an illustrative, hypothetical example, assessing HECO, MECO, and Kauai Island Utility Cooperative ratepayers a surcharge to enable HELCO to recover its net restoration and repair costs resulting from a state of emergency that occurs within its island of Hawaii service territory.

[51]Contra HRS § 269-16.5 (the commission shall implement a program to achieve lifeline telephone rates for residential telephone users, i.e., a discounted rate for residential telephone users identified as elders with limited income and the handicapped with limited income).

a reduction to recorded adjusted revenues for the determination of the monthly entry to the revenue balancing account per the Revenue Balancing Account Provision."[52]

The Companies' transmittal, filed pursuant to HAR § 6-61-111, is limited to the proposed tariff revisions to their existing Schedule R. Thus, the Companies' Revenue Balancing Account-related request is outside the scope (i.e., "beyond the scope") of this non-docketed, transmittal matter.[53]

Accordingly, the commission takes no action on: (1) the Companies' Revenue Balancing Account-related request; or (2) the Consumer Advocate's related recommendations thereto.

III.

Orders

THE COMMISSION ORDERS:

1. The Companies' Transmittal No. 17-01, filed on January 18, 2017, is approved, and shall take effect from April 1, 2017, with a sunset date of March 31, 2019. As a result,

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[52]Transmittal No. 17-01, at 3 and 12; see also id., at 10.

[53]See In re Hawaiian Elec. Co., Inc., Hawaii Elec. Light Co., Inc., and Maui Elec. Co., Ltd., non-docketed Transmittal No. 16-04, Decision and Order No. 33752, filed on June 9, 2016, at 10-12 (within the context of non-docketed Transmittal No. 16-04, the commission takes no action on agreed-upon revisions to the Companies' respective websites, which are outside/beyond the scope of the Companies' proposed tariff revisions).

the commission specifically approves the Companies' proposed Special Medical Needs Pilot Program for the two-year period from April 1, 2017, through March 31, 2019.

2. The following conditions shall apply:

A. The Companies shall include their proposed application form as an attachment to the commission-approved revised Schedule R.

B. As part of the application process, the Companies shall establish a limited survey process that will seek to gather relevant information, such as the: (1) average monthly bill prior to enrollment; and (2) type/nature of medical device and estimated monthly load associated with that device. Said survey shall be strictly <u>voluntary</u> in nature and include a written waiver/release form that must be executed by the customer who <u>voluntarily</u> chooses to participate in said survey.

C. The Companies shall file quarterly status reports which include the following information:

i. Identifying by each island: (1) the total number of applications; (2) the total number of enrolled pilot program customers with a summary of the type of customer by criteria enrolled in the program; (3) the total number of customers who dis-enroll from the program; and (4) the total number of customers who also participate in the Companies' Low-Income Home Energy Assistance Program.

ii. Identifying all pilot program administrative costs and indicating: (1) whether such costs are initial or on-going; and (2) whether said administrative costs could have been lower if, instead of 500 kWh, an existing kWh tier was used.

iii. Recommended revisions, if any, to the pilot program, and an assessment of the feasibility of establishing a permanent program.

D. The Companies' quarterly status reports shall cover the prior three-month period and be due by July 31, 2017; October 31, 2017; January 31, 2018; April 30, 2018; July 31, 2018; October 31, 2018; January 31, 2019; and April 30, 2019 (final report). The final report, in turn, shall cover the two-year pilot period.

3. No action is taken on the Companies' Revenue Balancing Account-related request.

4. Within five business days from the date of this Decision and Order, the Companies shall re-file their commission-approved tariff sheets for Schedule R (clean version), with the applicable effective and sunset dates. Said filing shall include the application form as an attachment to Schedule R.

5. The commission reserves the right to review, modify, and terminate the Special Medical Needs Pilot Program, consistent with the public interest.

DONE at Honolulu, Hawaii MAR 2 8 2017.

PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By
Randall Y. Iwase, Chair

By
Lorraine H. Akiba, Commissioner

By
Thomas C. Gorak, Commissioner

APPROVED AS TO FORM:

Michael Azama
Commission Counsel

Transmittal No. 17-01.ljk

CERTIFICATE OF SERVICE

The foregoing order was served on the date of filing by mail, postage prepaid, and properly addressed to the following parties:

DEAN NISHINA
EXECUTIVE DIRECTOR
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