



# CONSUMER SPOTLIGHT

Public Utility News You Can Use

Issue 25 | June 2017



## Executive Director's Message

By Dean Nishina

There have been a handful of rate cases lately that are before the Public Utilities Commission. Three of them take the spotlight in this issue and involve Hawaii Electric Light Company, Inc. (HELCO), Laie Water Company, Inc. and Young Brothers, Ltd.

On April 28, the Consumer Advocate's office filed its direct testimonies, exhibits and workpapers for the HELCO rate case. Catch up on the application on page 2.

Also, as summer starts to roll around, there are great tips you can do at home to save water. With the season heating up, water can evaporate quicker. Learn how to be more efficient with this precious resource.

Lastly, the new Lifeline income levels for 2017 is featured on the back page. Read more about this federal telecommunication services program. I encourage you to check if you're eligible to apply.

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Congratulations to DCA's NextEra-Hawaiian Electric Merger Evaluation Team for winning the Governor's Award for the State Team of the Year!

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## Hawaii Gas Proposes Fuel Supply Agreement with Honolulu County

Hawaii Gas submitted an application proposing to enter into a Fuel Supply Agreement with the City and County of Honolulu.

Hawaii Gas plans to purify the raw biogas purchased from the county's Honouliuli Wastewater Treatment Plant and inject the resulting purified raw biogas into its utility pipeline distribution system.

The Consumer Advocate (CA) appreciates Hawaii Gas' efforts to investigate the use of renewable gases but is concerned with the costs associated with the use of the biogas.

The CA recommends approval of the Fuel Supply Agreement with the understanding that all of the costs associated with the proposed project are subject to review in Hawaii Gas' next rate proceeding for cost recovery.

*Docket No. 2016-0340*



Example of a biogas plant.

## Hawaii Electric Light Company Inc. Seeks Rate Increase



Community residents attended the HELCO public hearing on December 13, 2016, at Hilo High School.

Hawaii Electric Light Company, Inc. (HELCO) is seeking approval from the Public Utilities Commission (PUC) of a general rate increase of \$19,201,000 or 6.5% over revenues at current effective rates if the Hamakua Energy Partners, L.P. (HEP) application is not

approved, or a revenue increase of \$34,748,000 or 12.5% over revenues at current effective rates if the HEP application is approved.

HELCO cites that significant investments are required to modernize and maintain its system, meet State energy goals and provide customer value. HELCO has not earned its authorized rate of return since 2011.

The Consumer Advocate (CA), after the discovery process and public hearings held in December 2016, submitted testimonies, exhibits and workpapers that recommended a number of adjustments to HELCO's estimates. The CA is recommending much lower revenue requirements.

HELCO is an operating public utility engaged in the production, purchase, transmission, distribution and sale of electricity on the island of Hawaii. It is a subsidiary of Hawaiian Electric Company, Inc.

*Docket No. 2015-0170*

### HEP Application Denied

In a recent Decision and Order, the PUC denied the application request from Hawaiian Electric Company and HELCO to purchase the HEP Facility from HEP and Hamakua Land Partnership, LLP in addition to various requests to capital recovery and accounting treatment relief.

The CA stated that there are potential benefits to HELCO acquiring the HEP Facility, but raised concerns that the purposed purchase presents unreasonable risks to customers without adopting conditions to help protect customers' interests. After review, the PUC found that customer benefits are not sufficiently demonstrated as well as for other reasons, denied the transaction.

*Docket No. 2016-0033*

***PUC Docket Numbers are included in these articles for further, in depth reading. PUC public filings are accessible online via the PUC's Document Management System (DMS). Visit: <http://dms.puc.hawaii.gov/dms>***

## Young Brothers, Limited Receives Modest Rate Hike

In a recent Decision and Order, the Public Utilities Commission (PUC) approved an increase of approximately 0.12 percent for Young Brothers, Limited's (YB) intrastate revenues at present rates of \$72,042,526, which represents an increase in YB's intrastate revenue requirement of \$88,000.



Cargo sits on a Young Brothers barge awaiting departure.

The PUC's approval was based, in part, on the Stipulated Settlement Agreement jointly filed by YB and the Consumer Advocate (CA). The agreement between YB and the CA resolved all disputed issues and included the stipulated revenue increase of \$88,000.

As a result of the CA's efforts, the 0.12 percent hike is a very modest increase in relation to YB's original proposed across-the-board general rate increase of 4.36 percent, for an increase in revenues of \$3,135,000.

*Docket No. 2016-0014*

## PUC Approves Laie Water Company, Inc.'s Rate Increase

In an application filed last year, Laie Water Company, Inc. (LWC) requested approval from the Public Utilities Commission (PUC) for a net revenue rate increase of \$901,953 for its water operations. LWC justifies the rate increase citing current rates "do not now and will not in the foreseeable future produce sufficient revenues."

Based on comments offered at the public hearing held in Laie in November 2016, the proposed increase will represent a significant hardship for many of the customers and many opposed the increase.

Heeding the consumers' comments and combined with its analysis, the Consumer Advocate contended that LWC's proposed revenue requirement was overstated and recommended that the PUC adopt a number of adjustments to LWC's forecasted test year estimates, which resulted in approximately \$539,564 lower revenue requirements than what was requested by LWC in its application.

Ultimately, the PUC ordered that LWC may increase its water utility charges to produce a total annual revenue increase of \$737,258, or approximately 62.74 percent over revenues at present rates.



Laie Water Company's 2-million gallon storage tank.

*Docket No. 2016-0229*

## Simple Steps to Save Water

Saving water around the home is simple. The average U.S. household spends as much as \$500 per year on its water and sewer bill but could save about \$170 per year by retrofitting with water efficient fixtures and incorporating water-saving practices.

Here are few simple tips on how you can save water today:

- Water your lawn in the morning to reduce evaporation.
- Try not to overwater your landscaping.
- Don't over-fertilize. You'll increase the lawn's need for water.
- Turn off the tap while you brush your teeth; it'll save 8 gallons per day.
- Wash full loads of dishes and clothes or lower the water setting for smaller loads.
- Take a 5-minute shower; using only 10 to 25 gallons of water.



Article source: Environmental Protection Agency, WaterSense

# Lifeline Income Levels for 2017

Lifeline is a government benefit program supported by the federal Universal Service Fund (USF) that provides discounts on monthly telephone service for eligible low-income consumers.

To participate in the program, consumers must either have an income that is at or below 135% of the federal poverty guidelines (see table) or participate in certain assistance programs.

Federal rules prohibit eligible customers from receiving more than one Lifeline discount per household. To see if you are eligible and to enroll in the Lifeline program, visit [lifelinesupport.org](http://lifelinesupport.org).

For more information and an updated list of Lifeline program providers in Hawaii, visit our website at [cca.hawaii.gov/dca/telecommunications/lifeline/](http://cca.hawaii.gov/dca/telecommunications/lifeline/).

2017 Poverty Guidelines for Hawaii	
# of persons in family/household	Income Requirement
1	\$13,860
2	\$18,670
3	\$23,480
4	\$28,290
5	\$33,100
6	\$37,910
7	\$42,720
8	\$47,530
Each additional person add	\$4,810

## Upcoming Dates of Interest

- **May 29: Memorial Day** (State holiday, our office will be closed).
- **June 12: Kamehameha Day** (State holiday, our office will be closed).
- **June 20-22: VERGE: Asia Pacific Clean Energy Summit** held at the Hilton Hawaiian Village. Details: [www.greenbiz.com/events/verge/honolulu/2017](http://www.greenbiz.com/events/verge/honolulu/2017)
- **July 1: Military Consumer Fair** held at Windward Mall from 10am - 2pm. DCA will have a table.
- **July 4: Independence Day** (State holiday, our office will be closed).



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### Federal Energy Regulatory Commission (FERC)

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