



CONSUMER SPOTLIGHT

Public Utility News You Can Use Issue 29 | February 2018



Executive Director's Message

By Dean Nishina

Happy new year! While not the ideal way to start, 2018 brings us many rate increase applications. Three of them are highlighted in this issue of *Consumer Spotlight*. Rate cases involve public hearings and I encourage you to voice your questions and concerns with the Public Utilities Commission whether in person or in writing.

The new year also marks the beginning of our state's legislative session. The Consumer Advocate's (CA) office will be tracking and testifying on a number of bills through the Legislature in the coming months that are related to energy, transportation, and other utilities.

One last note: The CA's office is evaluating the best way to seek customer benefits regarding the new federal tax law that lowers tax rates for companies from 35 percent to 21 percent. How utility ratepayers will benefit from this tax break is yet to be seen. We will be sure to pursue customer benefits with this change.



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Did you know...

In December 2017, there were 6,687 passenger electric vehicles in Hawaii. That's up 30.5% from the same month last year.



Source: Hawaii DBEDT, Research & Economic Analysis Division, Monthly Energy Trend



Gov. David Ige speaks at a celebration commemorating the 10-year anniversary of the Hawaii Clean Energy Initiative (HCEI).

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Hana Water Systems, LLC Files Rate Increase

Hana Water Systems, LLC (HWS) has filed an application for approval of rate increases, revised rate schedules, and changes to its tariff.

HWS seeks a net revenue increase of \$269,960 for its water operations for a test year between January 1 to December 31, 2018. This amounts to an approximate 635 percent increase from \$42,530 at present rates for the 2018 test year, asserting that its current rates will not produce sufficient revenues to allow it to recover its prudently incurred operating costs.

HWS provides potable water services to approximately 97 residential, agricultural, and commercial customers in the HWS-North service area, the majority of whom are residents situated within Hana Agricultural Park and Hana Airport.

Docket No. 2017-0446



Pixabay image.



PUC Approves, in Part, HECO Rate Increase

The Public Utilities Commission (PUC) approved in part and denied in part the request by Hawaiian Electric Company, Inc. (HECO) to increase its rates on an interim basis. The PUC adopted many of the matters agreed upon by HECO and the Consumer Advocate (CA) in the “Parties’ Stipulated Settlement Letter” with some additional adjustments.

Some of those adjustments include ordering HECO to make a downward adjustment to its 2017 Test Year Contributions in Excess amortization amount to reflect amortization of the balance beginning on July 22, 2011. HECO is also ordered to make a downward adjustment of \$5 million to its interim revenue increase, representing a “hold-back” of interim revenues pending further examination of the prudence of HECO’s baseline plant additions.

In addition, HECO is ordered to make downward adjustments to its 2017 Test Year Pension and OPEB Tracking Regulatory Asset/Liability balances.

HECO Files Motion for Reconsideration

HECO is asking the PUC to reconsider parts of their Dec. 15 interim rate order. Specifically, HECO is requesting the PUC to reconsider part of the Interim D&O and grant HECO an interim rate increase consistent with the amount in the stipulated settlement between HECO and the CA as adjusted by only two of the three reductions imposed in the Interim D&O.

Docket No. 2016-0328



Pixabay image.

KIUC Seeks Approval of PPA with AES Kekaha Solar, LLC

Kauai Island Utility Cooperative (KIUC) has submitted an application before the Public Utilities Commission (PUC) to approve a Power Purchase Agreement (PPA) between KIUC and AES Kekaha Solar, LLC (AES).

KIUC was awarded a lease contract from the Department of the Navy Naval Facilities Engineering Command (Navy) for vacant land at the Pacific Missile Range Facility (PMRF) site. Pursuant to the PPA, AES will construct a photovoltaic (PV)/Battery Energy Storage System (BESS) Facility which will consist of a 19.3 MW direct current solar PV system and 70 MWh BESS.

Of the approximately 140 acres within the PMRF that KIUC will be leasing from the Navy, approximately 138 acres is intended to be used for the PV/BESS Facility (which will be subleased by KIUC to AES) and the remaining approximately 2 acres are intended to be used for the PMRF Substation.

The bulk of the project costs will be paid up-front by AES, who will then sell energy to KIUC via a 25-year PPA priced at 10.85 cents per kilowatt hour. In exchange for the use of Navy land, KIUC is providing in-kind consideration for the value of the land in the form of a dedicated feeder to connect PMRF to the power facility, which will allow PMRF to access a secure source of electricity at all times.

Docket No. 2017-0443

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>

Utilize Windows to Keep Heat Out

Windows can be one of your home's most attractive features. Windows provide views, daylighting, ventilation, and heat from the sun in the winter.

During the summer, your air conditioner must work harder to cool hot air from sunny windows. Install ENERGY STAR®-qualified windows and use curtains and shade to give your air conditioner and energy bill a break.

Consider replacing your single-pane windows with double-pane windows with spectrally selective coatings to reduce heat gain.

Warm Weather Window Tips

- Install white window shades, drapes, or blinds to reflect heat away from the house.
- Close curtains on south- and west-facing windows during the day.
- Install awnings on south- and west-facing windows.
- Apply sun-control or other reflective films on south-facing windows to reduce solar heat gain.

Source: U.S. Department of Energy, Office of the Efficiency and Renewable Energy. "EnergySavers".

Young Brothers Submits Application for Rate Increase

Young Brothers, Limited (YB) seeks approval of a general rate increase and certain revised tariff changes with the Public Utilities Commission (PUC). YB requests a rate increase of \$9.455 million over revenues at present rates for an adjusted 2018 Test Year intrastate revenue requirement of \$80,443,233.

The rate increase represents an overall rate increase of 12.32 percent and would result in a rate of return of 11.09 percent on YB's proposed adjusted Test Year 2018 intrastate average depreciated rate base of \$43,820,131.

Last year, the PUC granted YB a modest rate hike of 0.12 percent in relation to its original request of a 4.36 percent general rate increase.

Docket No. 2017-0363

Upcoming Dates of Interest

- **Jan 26-28: BIA Hawaii Home Building & Remodeling Show** The department will have a booth all weekend long. Booth #821
- **Jan 30-31, Feb 6: MECO Rate Case Public Hearings** The PUC is holding public hearings in Maui County. See cca.hawaii.gov/dca/ for more details.
- **Feb 19: President's Day** (State holiday, our office will be closed).
- **Mar 7: National Consumer Protection Week Fair**, DCA will have a table at this fair held at the King Kalakaua Courtyard (downtown Post Office) from 10 a.m. to 1 p.m.
- **Mar 14-15: Maui Energy Conference** at the Maui Arts & Cultural Center. See mauienergyconference.com for details.
- **Mar 26: Prince Kuhio Day** (State holiday, our office will be closed).
- **Mar 30: Good Friday** (State holiday, our office will be closed).



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We also welcome feedback and story ideas. Email us at dca@dcca.hawaii.gov.

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