



CONSUMER SPOTLIGHT

Public Utility News You Can Use

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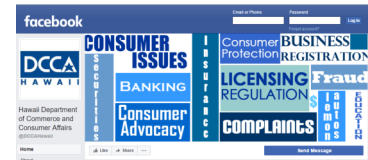
Executive Director's Message

By Dean Nishina

Two new events regarding performance-based regulation in electricity have been recently created. The first is the Ratepayer Protection Act that was passed this Legislative session. The second is a proceeding to investigate performance-based regulation. Read about both on page 3.

Hana Water Systems (HWS) has filed applications for rate increases. I recently went to Maui for the public hearings on both the HWS-North and HWS-South dockets. However, written public comments are still being accepted by the Public Utilities Commission. See the article on page 2.

The 2018 federal income guidelines for Lifeline eligibility is outlined on the back page. If you're interested in signing up for the Lifeline program, you should first find out if you're eligible. And lastly, if you're curious to learn more about electric vehicles (EV), look no further than this newsletter. A quick guide explains EVs and their different categories.



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Jennifer "Jennie" Potter was confirmed as new PUC Commissioner by the Hawaii State Senate on April 16. She was nominated by Governor David Ige to replace Lorraine Akiba, whose term expires on June 30. Photo courtesy: Hawaii State Senate

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- PUC's HECO PBR Investigation
- Lifeline 2018 Income Levels



The Consumer Advocate toured the Hana Water Systems facilities on May 21.

Hana Water Systems, LLC Files Applications for Rate Increases

Hana Water Systems, LLC (HWS) has filed with the Public Utilities Commission (PUC) applications for rate increases and various tariff changes.

HWS provides potable water services to approximately 171 residential, agricultural, and commercial customers in both the HWS-North and HWS-South service areas that include Hana Airport and the Hana town center area. There are two separate applications filed for its north and south service areas respectively.

HWS-North service

The company is seeking a net revenue increase of \$269,960 for its water operations. This amounts to an approximate 635% increase from the pro forma revenue amount of \$42,530 at present rates for the 2018 test year.

HWS-South service

HWS is seeking a net revenue increase of \$261,760. This amounts to an approximate 503% increase from the pro forma revenue amount of \$52,010 at present rates for the 2018 test year.

A public hearing for these applications was conducted on May 21. The general public can still submit written public comments to the PUC via any of the options listed on its website: <http://puc.hawaii.gov/contact/public-comments/>.

Docket Nos. 2017-0446, 2017-0447

Electric-Drive Vehicles at a Glance

Electric-drive vehicles use electricity as their primary power source or to improve the efficiency of conventional vehicle designs. The vehicles can be divided into three categories:

- **Hybrid electric vehicles (HEVs)** are powered by traditional gasoline or diesel internal combustion engine and by an electric motor that uses energy stored in a battery.
- **Plug-in hybrid electric vehicles (PHEVs)** are similar to HEVs but have a larger battery that allows it to travel on electricity alone.
- **All-electric vehicles (EVs)** run on electricity alone. They are powered by an electric motor that uses energy stored in a battery (larger than those in a HEV or PHEV).

Electric-drive vehicles cost less to operate, so the higher initial vehicle cost can be offset over the lifetime of the vehicle. Search and compare dozens of models from all major manufacturers using FuelEconomy.gov or locally at driveelectricity.com.



Source: U.S. Department of Energy, Energy Efficiency & Renewable Energy

Governor Signs Ratepayer Protection Act

Governor David Ige signed SB 2939 SD2 (Act 005) in April which requires the Public Utilities Commission (PUC) to create the framework that will tie electric utility revenues to performance metrics.

The bill, also known as the Hawaii Ratepayer Protection Act, identify performance areas that the PUC will consider while establishing performance incentives and penalty mechanisms. They include: affordability of electric rates and customer electric bills; service reliability; customer engagement and satisfaction, including customer options for managing electricity costs; access to utility system information; rapid integration of renewable energy sources; and timely execution of competitive procurement

Act 005 takes effect on July 1, 2018. The PUC is required to create the framework by January 1, 2020.



Photo courtesy of Governor David Y. Ige's Flickr photostream.



Pixabay image.

PUC to Investigate Performance-Based Regulation for HECO

The Public Utilities Commission (PUC) has instituted a proceeding to investigate the economic and policy issues associated with performance-based regulation (PBR) for the Hawaiian Electric Companies (HECO).

With the transition toward increasingly distributed and renewable generation systems, the PUC acknowledges that Hawaii's regulatory framework must also continue to evolve to enable electric utilities to meet these new challenges, maintain safety and reliability, offer new opportunities to create value for customers, and result in affordable rates.

PBR enables regulators to reform legacy regulatory structures to enable innovations within modern power systems. PBR attempts to address some of the issues and disincentives inherent in traditional cost-of-service regulation through a set of alternative regulatory mechanisms intended to focus utilities on performance and alignment with public policy goals.

With the docket, the PUC intends to set the foundation for a continued successful relationship between HECO and its customers by holistically assessing and evaluating the current regulatory framework in place today and then determining how to improve utilities' performances and align utility, customer, and state objectives.

Kauai Island Utility Cooperative (KIUC) as an "electric cooperative" has been waived from involvement in this proceeding.

Docket No. 2018-0088

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>

Lifeline Income Levels for 2018

The federal poverty guidelines for Hawaii has been updated for 2018. Lifeline is a federal program by the Federal Communications Commission (FCC) which provides a discount on monthly telecom services for eligible low-income subscribers.

To be eligible for the Lifeline program, subscribers must either have an income that is at or below the income requirement based on the number of persons in a household or participate in certain assistance programs.

To see a list of assistance programs that qualify a participant for Lifeline, visit: www.fcc.gov/consumers/guides/lifeline-support-affordable-communications.

2018 Poverty Guidelines for Hawaii	
# of person in the household	Income Requirement
1	\$18,846
2	\$25,555.60
3	\$32,265
4	\$38,974.50
5	\$45,684
6	\$52,393.50
7	\$59,103
8	\$65,812.50
Each additional person add	\$6,709.50

Upcoming Dates of Interest



- **May 28: Memorial Day** (State holiday, our office will be closed).
- **May 29 & 31: Young Brothers Rate Case Public Meetings** (5/29-Hilo, 5/31-Kona). View details at: <http://cca.hawaii.gov/dca/>
- **June 7: West Hawaii Utility Co. Rate Case Public Hearing** View details at: <http://cca.hawaii.gov/dca/>
- **June 11: King Kamehameha Day** (State holiday, our office will be closed).
- **June 12-14: VERGE: Asia Pacific Clean Energy Summit** held at the Hilton Hawaiian Village. View details at: www.greenbiz.com/events/verge/honolulu/2018
- **July 4: Independence Day** (State holiday, our office will be closed).
- **July 7: Military Consumer Fair** held at Windward Mall from 11 a.m. to 2 p.m. DCA will have a table.



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

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