

CONSUMER SPOTLIGHT

Public Utility News You Can Use Issue 32 | August 2018



Executive Director's Message

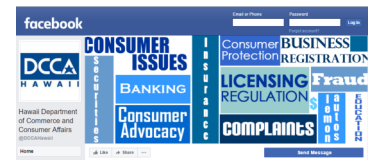
By Dean Nishina

The state's transition to clean energy goal by 2045 is seeing movement forward and unfortunately backwards in different parts of the state. The Kauai Island Utility Cooperative power purchase agreement with AES Kekaha, LLC approval will help Kauai move closer to its clean energy goals. However, with the Puna Geothermal Venture plant on Hawaii Island affected by the continuing Kilauea lava flow, this has potentially set back progress toward the island's clean energy goals. Read more about these stories on pages 2 and 3.

The Hawaiian Electric Companies have received decisions from the Public Utilities Commission on recent rate increase requests. Hawaiian Electric Company, Inc. rates will decrease. Yes, you read that correctly—a decrease in rates due to the Division's hard work pursuing a reduction. Hawaii Electric Light Company, Inc., however, has been approved for a rate increase on Hawaii Island but smaller than requested. You can read more about both applications on pages 3 and 4.

Stay Informed

DCA created a webpage about the Kilauea lava flow on Hawaii Island in regards to utilities and other resource links. <http://cca.hawaii.gov/dca/kilauea-eruption-news-information/>



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DCA participated in the Military Consumer Fair at Windward Mall on July 7. The event was hosted by the Department of Commerce and Consumer Affairs.

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Test Your WaterSense

- How many gallons of water does a family of four use everyday?
 - 50
 - 100
 - 250
 - 400
- Which of these wastes the MOST water per day in most homes?
 - Running the tap while washing dishes.
 - Using a garbage disposal.
 - Ignoring a leaky toilet.
 - Taking long showers.
- What should you do if you find a leaky faucet?
 - Ignore it.
 - Stick your finger in it.
 - Get it fixed as soon as possible.
- Most household leaks can add up to 200 gallons of water wasted per week. How much is this per year? Hint: It's enough to fill a backyard swimming pool.
 - 10,400 gallons per year.
 - 1,000 gallons per year.
 - 5,000 gallons per year.



Answers on page 4.

Source: Environmental Protection Agency, WaterSense, Fix a Leak Week



AES Lawai: Community members, along with KIUC and AES personnel, participate in a groundbreaking ceremony for the AES Lawai project in February 2018. Photo courtesy of KIUC.

KIUC-AES Kekaha, LLC Power Purchase Agreement gets Approval

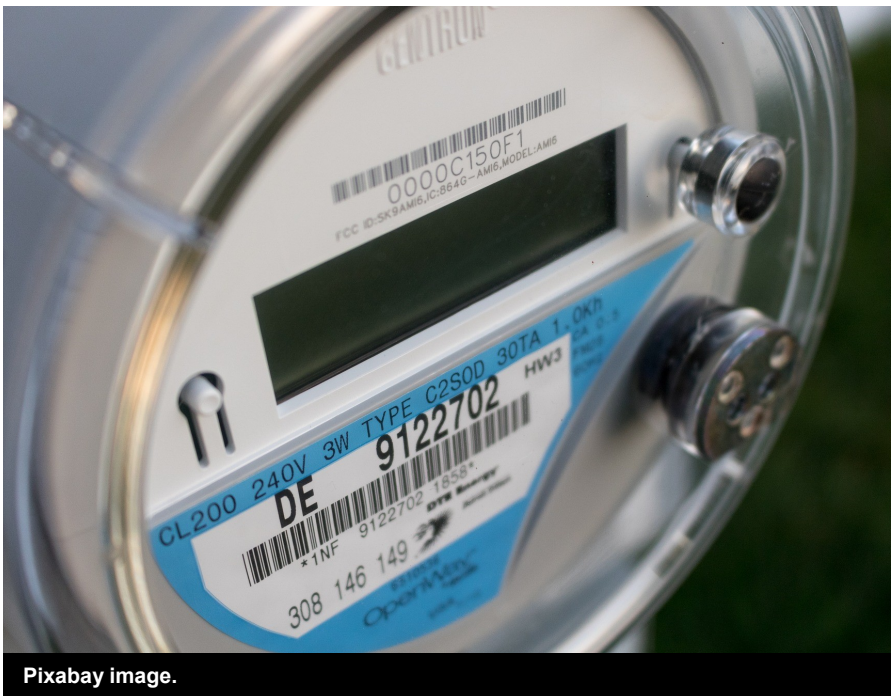
The Public Utilities Commission approved Kauai Island Utility Cooperative's (KIUC) application for approval of its Power Purchase Agreement (PPA) with AES Kekaha Solar, LLC (AES) for development of a 19.3-megawatt solar facility in conjunction with a 70 megawatt hours battery energy storage system (BESS) to be housed on-base at Pacific Missile Range Facility Barking Sands (PMRF). Expected to be completed in September 2019, this facility will be priced at \$108.50/month.

KIUC plans to dispatch the stored energy from the BESS to help with ramping toward KIUC's afternoon/evening peak (rather than ramping up conventional oil-fired units), shave the evening peak (by not dispatching its most inefficient conventional units), offset nighttime oil-fired generation, and assist in grid stabilization, subject to discharge limits.

The Consumer Advocate filed its Statement of Position, recommending that the commission: (1) approve the PPA; (2) allow KIUC to include costs incurred under the PPA in its ERAC, to the extent such costs are not included in KIUC's base rates; (3) approve the commitment and expenditure of funds for the PMRF Substation project; and (4) determine that the Transmission Line should be placed, constructed, erected, and built above the surface of the ground.

Separately, in February 2018, AES broke ground in Lawai on KIUC's second solar plus battery project. Scheduled to be operational by the end of this year, the Lawai facility consists of 28 MW solar photovoltaic and a 100 MWH duration energy storage system.

Docket No. 2017-0443



Pixabay image.

PUC Approves Rate Decrease for HECO in 3-0 Decision

The Public Utilities Commission (PUC) approved a settlement between the Consumer Advocate (CA) and Hawaiian Electric Company, Inc. (HECO). The rate decrease reflects the impacts several adjustments advanced by the CA including the effects of the recently enacted federal “Tax Cuts and Jobs Act.”

As a result, what HECO had initially proposed as an approximately \$106,383,000 increase in revenues has been reduced to a revenue decrease of approximately \$603,000. That includes a return on common equity of 9.5% and a corresponding rate of return on average rate base of 7.57%.

In reaching its decision, the PUC noted that HECO and the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy had reached two settlement agreements that addressed most of the outstanding issues in this proceeding.

In addition, the PUC approved a modification to HECO’s automatic fuel cost surcharge to include a risk sharing element, to share the risk of fuel price increases and decreases between HECO and its customers. The fuel cost risk sharing includes a cap of \$2.5 million per year, so HECO is protected from significant unanticipated increases in fuel prices, while customers will still enjoy most of the benefits of fuel price decreases.

Docket No. 2016-0328

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>

PUC Acts on Kilauea Lava Flow Effects

In an order, the Public Utilities Commission (PUC) approved Hawaii Electric Light Company, Inc.’s (HELCO) request for authorization to read meters for certain customers affected by the Kilauea lava flows on an other-than-monthly basis, and instead provide estimated bills for those customers based on historical readings.

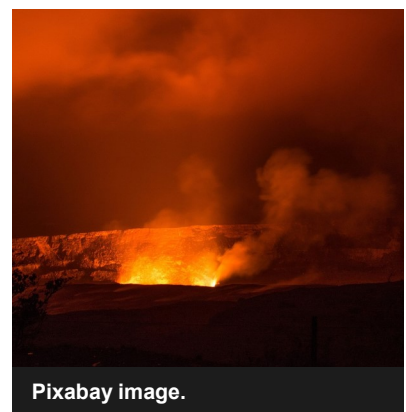
Order No. 35518

Response to PGV shutdown

At the request of Governor David Ige, the PUC initiated a response plan to address the shutdown of Puna Geothermal Power (PGV) plant due to the ongoing lava flow.

Info for customers affected by the lava

The Consumer Advocate has a webpage with information and links related to customer assistance and billing in regards to the Kilauea lava flow. <http://cca.hawaii.gov/dca/kilauea-eruption-news-information/>



Pixabay image.

PUC Issues Final Decision for HELCO Rate Increase Application

In Order No. 35559, the Public Utilities Commission (PUC) approved a rate increase and revised rate schedules and rules for Hawaii Electric Light Company, Inc. (HELCO). PUC found that the resulting test year figures, rates and adjustments adequately addresses HELCO's need for rate relief while protecting ratepayers' interests.

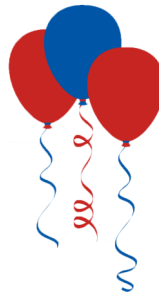
HELCO originally requested approval of a revenue requirement of \$314,791,000. The final revenue requirement of \$290,659,000 for HELCO incorporates downward adjustments recommended by the Consumer Advocate and approved by the PUC, including rate reductions due to the recent federal tax cut.

In addition, the PUC has accepted the Consumer Advocate's recommendations regarding rate of return on common equity of 9.5% and rate of return on average rate base of 7.8%. Public hearings were held on December 13-14, 2016, in Hilo and Kona to receive in-person testimony on HELCO's application. The public testimony was generally opposed to HELCO's proposed rate increase.

Docket No. 2015-0170

Upcoming Dates of Interest

- **Aug 17: Statehood Day** (State holiday, our office will be closed).
- **Sep 3: Labor Day** (State holiday, our office will be closed).
- **Sep 21-23: Senior Fair: The Good Life Expo** held at Neal Blaisdell Exhibition Hall from 8:30 a.m. to 4:30 p.m. DCA will be at the DCCA booth. Admission is free. View more information at <http://www.productionhawaii.com/hawaii-seniors-fair/>
- **Oct 6: Hawaiian Electric Company's Clean Energy Fair** held at Kahala Mall from 10 a.m. to 3 p.m. DCA will have a booth.



Test Your WaterSense Answers: 1)D 2)C 3)C 4)A

A banner for 'Consumer Spotlight' featuring a studio lighting setup with a softbox and a spotlight. The text reads 'Consumer Spotlight' in large, stylized letters, with 'Subscribe to DCA's newsletter' below it. At the bottom, a black bar contains the text: 'Subscribe on our website at cca.hawaii.gov/dca/subscribe. We also welcome feedback and story ideas. Email us at dca@dcca.hawaii.gov.'

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