

# CONSUMER SPOTLIGHT

Public Utility News You Can Use

Issue 40 | December 2019



## Executive Director's Message

By Dean Nishina

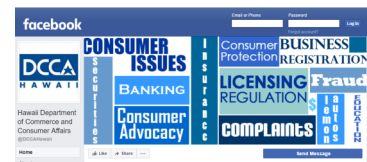


The holiday season is upon us! I hope all Hawaii consumers had a happy thanksgiving and look forward to celebrating the winter season as we segue into the new year.

Our office continues to work on important dockets and that includes rate cases that will affect ratepayers. Three updates on current proceedings are featured in this newsletter: Kona Water Company, Young Brothers and Hawaiian Electric Company. The Consumer Advocate's office is working diligently to ensure consumers, as a whole, are being considered in these requests for rate increases. You can read about each of these cases on pages 2 and 3 in this issue.

With the end of a new year and the beginning of a new one, we look ahead toward the next Legislative session and see how we can advance the interests of Hawaii consumers before lawmakers in legislative proceedings. Until then, have a happy and safe holidays!

*DCA wishes everyone a happy holidays! We look forward to a cool winter season ahead.*



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Consumer Advocate Dean Nishina speaks on a panel at the Governing Green Power Conference on November 7 at the East-West Center.

## In This Issue

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## What is your water IQ?

From the food we eat to the coffee we drink, water is essential for life, but some of life's luxuries use more water than others.

Here are a few facts to up your water IQ and help you make water-saving choices:

- Love your morning cup of coffee? It takes 34 gallons of water to produce one cup. Make sure to plan your perking wisely to prevent water waste.
- By simply running your washing machine one less time per week, you could save 1,600 gallons of water annually. Only wash clothes when you have a full load!
- Outdoor water waste is a big culprit—as much as 50 percent of the water we use outdoors is lost due to wind, evaporation, and runoff. You could be wasting up to 25,000 gallons of water annually!



Source: EPA, WaterSense



The PUC held a public hearing regarding KWSC's request for rate increase on May 30, 2019 in Kona.

## Kona Water and CA reach partial settlement in rate case

Kona Water Service Company, Inc. (KWSC) and the Consumer Advocate (CA) have reached a partial settlement in the proceeding regarding KWSC's general rate increase except for an outstanding issue relating to the impact of the federal Tax Cuts and Jobs Act of 2017 (TCJA).

While a stipulation for partial settlement has been reached between the two parties, the Public Utilities Commission (PUC) is not bound by the stipulation.

KWSC has requested a rate increase of approximately 12.8 percent for water service and 11.4 percent for sewer service which is a proposed increase of \$452,560 and \$207,656 respectively. If approved, the proposed revenue increase will provide KWSC with a 7.48 percent rate of return.

## CA submits SOP on outstanding issue

The CA submitted its Statement of Position (SOP) regarding the impact of the federal TCJA in this rate case. The CA sought action from the PUC to ensure the tax benefits associated with TCJA would be captured and passed along to customers.

The CA also contends that KWSC's position on this matter is not consistent with either the consumers' interests or the public interest and further believes the information provided by KWSC raises more issues and questions.



Docket No. 2018-0388







Cargo sits on a Young Brothers barge, as it departs the port of Honolulu.

## Young Brothers files request for rate increase approval

Young Brothers, LLC (YB) submitted an application for approval of a general rate increase and certain tariff changes to the Public Utilities Commission (PUC). YB is requesting a rate increase of approximately \$27 million, or 34 percent over revenues at present rates.

YB states its requested increase in revenues is based on four main drivers: (1) increased rate base; (2) increased operating expenses; (3) continuing decline in Intrastate cargo volume; and (4) an increase in the proposed cost of capital.

The company contends that necessary investments, increasing operating costs, including those not included in its last request for rate increase in 2017, have forced YB to seek rate relief to earn a fair return on rate base.

The Consumer Advocate (CA) intends to participate in the instant proceeding and, following the PUC's determination of the completeness of application, will provide its position on YB's requested relief upon the completion of the CA's investigation pursuant to the procedural schedule that will be established for this proceeding, which will include, but not be limited to, discovery to be submitted at a later date set forth within this proceeding.

YB is an intra-island water carrier, licensed by the PUC, to transport property by barge in the state of Hawaii.

*Docket No. 2019-0117*

**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>**

## HECO rate case update

The Public Utilities Commission (PUC) is currently investigating Hawaiian Electric Company's (HECO) application for a rate increase, changes in rate schedules and rules, and other matters.

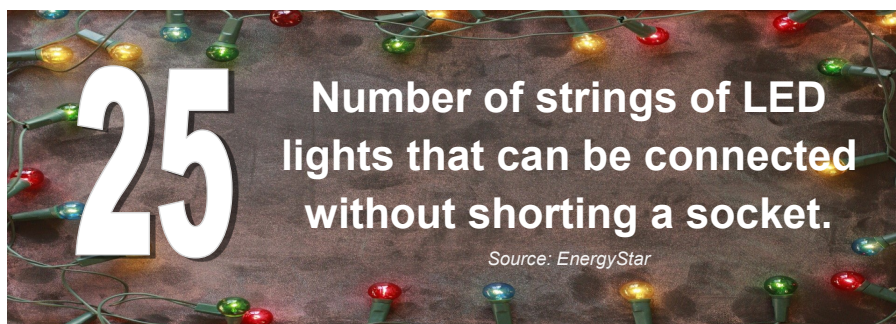
In addition, as part of the PUC's investigation, the commission is ordering a management audit of HECO; stating that similar audits are regularly conducted in other jurisdictions and that a management audit will help ensure that HECO is operating in a prudent and efficient manner for the benefit of ratepayers, as well as identify opportunities for improved performance.

A public hearing was held in Honolulu on November 14. However, the public can still submit comments. Visit <http://puc.hawaii.gov/contact/public-comments/> for more information.

*Docket No. 2019-0085*



A public hearing for HECO's rate case was held on November 14.



## Upcoming Dates of Interest

- **Nov 28, 2019: Thanksgiving** (State holiday, our office will be closed).
- **Dec 4 & 5, 2019: Evidentiary hearing re: MECO's application power purchase agreement with Paeahu Solar, LLC.**  
View details on our website. *Docket No. 2018-0433*
- **Dec 12, 2019: Public hearing for Manele Water Resources, LLC rate case.** Held at Lanai Senior Center at 4:15 p.m. *Docket No. 2019-0311*
- **Dec 12, 2019: Public hearing for Young Brothers, LLC rate case.** Held at Lanai Senior Center at 5 p.m. *Docket No. 2019-0117*
- **Week of Dec 16, 2019: Evidentiary hearing re: HELCO's rate increase.** View details on our website. *Docket No. 2018-0368*
- **Dec 25, 2019: Christmas** (State holiday, our office will be closed).
- **Jan 1, 2020: New Year's Day** (State holiday, our office will be closed).
- **Jan 20, 2020: Martin Luther King, Jr. Day** (State holiday, our office will be closed).



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