

CONSUMER SPOTLIGHT

STATE OF HAWAII
DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS
DIVISION OF CONSUMER ADVOCACY



Executive Director's Message

By: Dean Nishina

Recognizing the critical role that regulated services play during the pandemic and catalyzing an economic recovery, the Division of Consumer Advocacy has risen to the occasion throughout the State of Hawaii's 2019-2020 fiscal year.



Our team has confronted - and continue to confront - major transitions that are affecting all Hawaii consumers and their utility services. Highlighted in this issue are continued updates on the suspension of disconnection of regulated utility services, paying bills during the shut-off moratorium, the transfer of indirect control of Hawaiian Telcom, Launiupolo Irrigation's temporary rate increase application, and Hawaii-American Water Companies request to defer study costs.

As we move into 2021, the DCA will continue its mission to represent all Hawaii consumers to ensure quality, reliable utility services at the most reasonable prices possible through dedicated advocacy, creative problem solving, and consumer education.

Happy New Year
from the DCA!



Start the New Year off by testing your Grid IQ!

Do you know your synchrophasors from your microgrids? Test your knowledge of the electric grid with the Department of Energy's grid IQ test.

If you find yourself wondering how electricity gets from the power plant to your home, view the Department of Energy's infographic: Understanding the Grid.

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Why should I pay my electric or gas bill or begin a payment plan during the shut-off moratorium?

- Residential shut-off protection does not mean free utility service.
- You are still responsible for paying for the utility services that you use, even during a moratorium on shut-offs.
- Making no payments during shut-off protection means a larger utility bill and the possibility of disconnection once that protection ends.
- The more you pay now the less you will have to make up later.

If you are struggling to pay your electric or gas utility bills, reach out to your utility to discuss available payment plans and other payment assistance programs.



Suspension of Termination/Disconnection of Regulated Utility Services

The Public Utilities Commission (PUC) has ordered the suspension of utility terminations or disconnections for non-payment. However, the suspension was set to expire on December 31, 2020. The PUC requested feedback from Utilities and the Consumer Advocate (CA) on the effects of the suspension and related customer protections.

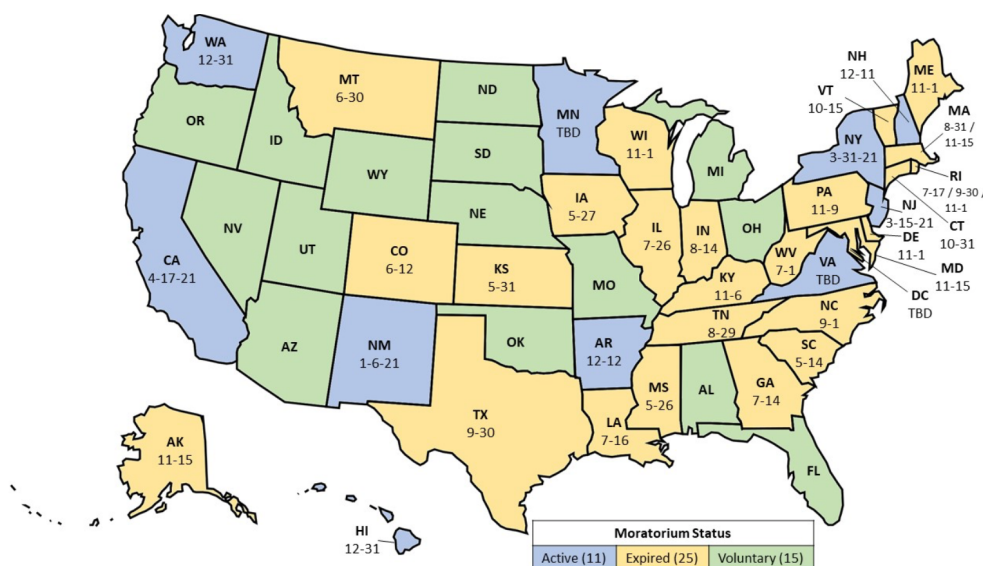
The CA responded with several key recommendations including:

- Extend the moratorium beyond December 31, 2020 until the pandemic is over or at least for another three months to allow Commission approved transition plans to be put in place.
- Require utilities to report monthly, standard data throughout the pandemic, and to develop a transition and outreach plan to be submitted for approval.

The map below represents an overview of the utility moratorium status for each state, with the date when the moratorium expires, prior to the Commission's recent action.

The PUC has since extended the suspension of termination or disconnection of regulated utility services due to non-payment and/or assessment of other charges through March 31, 2021. During these challenging times, the CA has stood firm in its dedication to advocating for Hawaii consumers, and the PUC has largely adopted the CA's recommendations.

Customers should still contact their utility to work out payment arrangements and continue paying their bills to the extent possible during this time.



Proposed Transfer of Indirect Control of Hawaiian Telcom

On May 15, 2020, a joint application was filed requesting that the Public Utilities Commission (PUC) approve the transfer of indirect control of Hawaiian Telcom resulting from the planned upstream acquisition of their parent company Cincinnati Bell by Red Fiber Parent. The agreement states Red Fiber Parent will acquire all of the outstanding shares of Cincinnati Bell and will thus obtain control of Hawaiian Telcom and its affiliates indirectly. The proposed transaction is not expected to affect day-to-day operations, billing systems, or operational support provided by Hawaiian Telcom to its existing customers.

Questions stem from whether the Transaction will adversely affect Hawaiian Telcom's fitness, willingness, and ability to provide intrastate telecommunications services; and whether the Transaction is reasonable and in the public interest.

The Division of Consumer Advocacy (CA) has discussed customer benefits, the impact on competition, the mitigation of risks, corporate governance, and transformation of the companies. The CA recently filed a statement of position that it does not object to the request subject to the PUC adoption of the recommended conditions that are meant to serve the consumers' interests.

Recommended conditions by the CA would require Joint Applicants to: 1) improve service quality; 2) invest \$25 million to expand the fiber network over four years; 3) expand the Internet Kokua Program; 4) satisfy certain reporting conditions.

(Docket No. 2020-0080)

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>

Hawaii-American Water Company (HAWC) requests to defer the costs incurred by performing the Zone of Mixing Dilution Analysis Study

The State of Hawaii Department of Health required the study as a condition to renew HAWC's National Pollutant Discharge Elimination System permit.

HWAC requests to account the costs as a deferred debit/ regulatory asset and to amortize the ZOM Dilution Analysis Study costs. The total study costs amounted to \$290,297.96.

The Consumer Advocate (CA) objects to HAWC's request based on the following concerns:

- HAWC'S Base Rates Already Include Cost Recovery for Study Costs.
- HAWC Has Not Satisfied the Commission's Requirements for Deferred Accounting Treatment.
- Recording the ZOM Dilution Analysis Study Costs in Account No. 183 is Questionable.
- HAWC's Last Minute Request Should Be Discouraged.

(Docket No. 2020-0188)

Launiupoko Irrigation Co., LLC, Temporary Rate Increase

Launiupoko Irrigation is seeking approval of a temporary rate increase for non-potable (irrigation) water services in the Launiupoko area. Launiupoko Irrigation has been operating at a loss under its present revenues since 2019 due to a severe limitation of the primary non-potable water source, which they have no control over. They request authorization to temporarily and immediately increase its rates on non-potable water until an application for general rate increase has been approved. The Public Utilities Commission has scheduled the public hearing for this docket for Thursday, January 7, 2021.

(Docket No. 2020-0089)



- **Jan 7, 2021: Public Hearing** for application of Launiupoko Irrigation Co., LLC for a temporary rate increase
- **Jan 18, 2021: Martin Luther King, Jr. Day** (State holiday, our office will be closed).
- **Jan 20, 2021: United States Presidential Inauguration**



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