



Division of Consumer Advocacy

CONSUMER SPOTLIGHT

Issue #4

Public Utility News You Can Use

October 2007

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www.hawaii.gov/budget/puc

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E-mail: fccinfo@fcc.gov
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www.fcc.gov/cgb/consumers.html

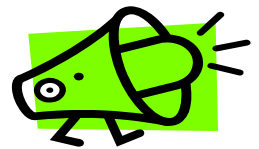
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888 First St., NE
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E-mail: customer@ferc.gov
Web Address: www.ferc.gov

EXECUTIVE DIRECTOR'S MESSAGE

BY CATHERINE AWAKUNI

Aloha and welcome to the fourth issue of the Division of Consumer Advocacy's (DCA) newsletter. We are looking forward to exciting changes and improvements to our division that was approved by the legislature and enacted by Governor Linda Lingle this past session. Our mission, which is to represent, protect, and advance the interests of consumers of utility services, however, remains the same. Carrying out that objective is difficult without your input. Although we strive to ensure fairness to all parties, all aspects of a case may not receive equal consideration without proper conveyance. As we continue to monitor sensitive subjects, such as the use of biofuels and the Superferry, the public is encouraged to get involved and help raise issues that may be otherwise overlooked.

One thing we can all agree upon is saving money. Although the work our office does can be confusing to the public at times, trust that the DCA is ensuring that you, the consumer, are not charged more for regulated utility service than necessary. Changes around the house may also save you a few dollars, and we'll do our best to include tips in each newsletter. Hopefully, you can apply some of the information included to get that extra money in your pocket.



Please continue to read through the newsletter and contact us with any questions, comments or concerns so that the DCA may better serve you. Remember to also visit our website for more links and information.

SCORE ONE FOR THE CONSUMERS



Hawaii consumers of long distance services scored a victory in late July when the Federal Communications Commission (FCC) denied a company's petition to forbear certain sections of the Telecommunications Act. Citing an increase in telecommunication options and competition, the company sought to do without the mandated rate averaging and rate integration, which could have negatively impacted Hawaii

residents and other consumers across the nation in rural and high cost areas. The Act binds carriers to keep the rates in rural and high cost areas at or below the prices of what they charge in urban areas. The Division of Consumer Advocacy swiftly moved to challenge the company's petition, arguing that even with increased competition nothing guarantees mar-

kets like Hawaii from going backwards and once again absorbing higher access rates and paying higher retail prices. In the end the FCC affirmed the DCA's position. Mahalo also to U.S. Senator Daniel Inouye and U.S. Senator Ted Stevens of Alaska for their support in this particular case.

HEAR ME OUT



Remember to voice your concerns or suggestions before the Public Utilities Commission. Not everyone may gain official party status in a docket, but nothing prevents you from attending *public* hearings and presenting your own testimony. Visit the [PUC's](#) or the [DCA's](#) website for more information and a schedule of upcoming hearings.

Electric Companies:**Hawaiian Electric Co. (HECO)**

Phone: (808) 548-7311

www.heco.com

Hawaii Electric Light Co. (HELCO)

Hilo: (808) 969-6999

Kona: (808) 329-3584

Waimea: (808) 885-4605

www.heco.com/portal/site/helco/

Maui Electric Co. (MECO)

Phone: (808) 871-9777

Molokai & Lanai: 1-877-871-8461

www.mauielectric.com

Kauai Island Utility Cooperative (KIUC)

Phone: (808) 246-4300

www.kiuc.coop

PUSHING FOR RENEWABLE ENERGY

Hawaii relies on imported petroleum for about 90% of its primary energy, making it the most oil-dependent state in the nation. Living in the Aloha State isn't cheap, as residents pay some of the highest fuel and electricity

prices in the U.S.

Tapping into renewable energy would reduce Hawaii's dependency on oil, improving the reliability and energy security, while reducing greenhouse gas emissions.

What exactly is renewable energy? It is using natural resources such as sunlight, wind, and the ocean to generate electricity. The ability to naturally replenish the sources of energy make them "renewable." The state is taking a proactive approach to promote energy efficiency. In July, Governor Linda Lingle announced the opening of an investigative docket by the Public Utilities Commission (PUC) to explore ways the government can purchase electricity from renewable energy sources from providers other than the electric utility.



New military housing developed by Actus Lend Lease LLC, including here at Schofield Barracks, feature garages topped with photovoltaic film to generate electricity. The homes also use solar water heaters.

INVESTING FOR THE FUTURE

While the natural resources are free, the renewable facilities to convert it into electricity aren't always cheap. Officials estimate a facility like H-Power, which cost \$181 million in 1985, would cost \$300-\$400 million to build today.

In the long run the savings usually add up, but start up costs discourage investors, especially without any tax credits or incentives.

HECO plans to build a power plant next year that will run on biofuels, which is considered a renewable resource un-

der state law. Consumers may be asked to help defray the cost of the \$138 million dollar facility, but that would not happen until the plant is in service and the company is granted a rate increase.

It's tough to put a price tag on preserving the

environment for future generations to enjoy. Commercial companies like Costco and Walmart are slowly attempting to take advantage of renewable energy by incorporating the use of solar power to cut back on electricity costs.



Trash processed at H-Power is incinerated, which then fuels steam turbines that generate electricity. The facility processes about 2,000 tons of waste a day and generates enough power for about 45,000 homes.

GOT SOLAR?

Solar water heating systems are now a little more affordable. If you haven't jumped on the solar bandwagon yet, here are a few things to consider.

In late February 2007 HECO increased its rebate to \$1000 from \$750. The system must be installed by a contractor approved by HECO.

You may also qualify for a state tax credit, which is the lesser of \$2250 or 35% of the cost of your solar water heating system.

In addition, you may also qualify for a federal tax credit, which is the lesser of \$2000 or 30% of the cost. The state

and federal tax credits may be combined. Be advised that the federal tax credit currently runs only until the end of 2008. An update will be published in a future newsletter should lawmakers extend the federal credit.



According to HECO a typical system costs a little more than \$5000. After the rebate and tax credits, your net cost

could total less than \$1500.

HECO says an average family of four saves \$500/yr. using a solar water heating system.

That means your investment could possibly pay for itself in three years.

Hawaii's electric companies will also run a three-year "pay as you save" pilot project, established by Act 240 in 2006, to help offset upfront costs that often discourage and price out some homeowners.

Special loan programs are also available to fund solar water heating systems.

Contact your electricity provider for more information.

REACH FOR THE



You've seen the logo on all types of electronics, appliances, and yes, CFLs!

In case you've been in the dark this whole time, ENERGY STAR is a government program offering an energy-efficient solution to save you money and help protect the environment. Products need to meet strict energy efficiency guidelines set by the U.S. Department of Energy and Environmental Protection Agency to earn the energy star label.

Appliances with energy star typically use 10 to 50% less energy than standard models. In addition to the savings on your electric bill, you may qualify for rebates on those energy star products! HECO offers rebates ranging from \$40 to \$75 for qualified ceiling fans, washers, refrigerators, and air conditioners.

For a list of applicable products, you'll have to go to www.energystar.gov Don't forget to also check "Rebate Finder" for any extra savings HECO has the rebate form you need to fill out on their website.

THE CFL

It is football season, but this section is not about the Canadian Football League. This newsletter is about saving you money, and you can do that by switching to Compact Fluorescent Lamps. CFLs can save you around \$13 per year, per bulb, based on a the average use of three hours per day.

Traditional 100 watt Incandescent bulb 100 watt equivalent ENERGY STAR CFL



100 watts
Average 750 hour life
Retail price: \$1
\$18.62/yr.*



26 watts
Average 8000 hour life
Retail price: \$5
\$4.84/yr.*

*Annual energy cost based on 3 hours use per day at 17¢ per kWh. Source: HECO

CFLs also produce 75% less heat than an incandescent bulb to keep rooms a bit cooler and decrease the burden on cooling appliances around the house.

HECO and GE also offer coupons to bring down the costs of CFLs. You may find them at participating stores, or on [HECO's website](#).

Concerns have been raised about the tiny amount of mercury in a CFL. The EPA says a CFL is generally safe, but you can follow the State Department of Health's guidelines for proper disposal.

<http://www.hawaii.gov/health/environmental/waste/p2wastemin/index.html>

Unfortunately there is no in-state residential lamp recycling program at this time.

FREE 911



Did you know cell phones can call 911 even without an active service plan? So before you throw that old junky one in the trash because you got that spiffy new one that controls the TV and lights in your house, consider giving it to tutu in case of an emergency. Just remember to teach her how to keep the phone's battery charged, and know that the operator can't call her back.

Oh, and don't bother passing on the "brick." Analog cell phones may not work after February 2008.

Telecommunication Companies:

Hawaiian Telcom
Phone: (808) 643-3456
www.hawaiiantel.com

Time Warner Telcom
Phone: (808) 441-8500
www.twtelecom.com

Oceanic Time Warner Cable
Phone: (808) 643-2100
www.oceanic.com

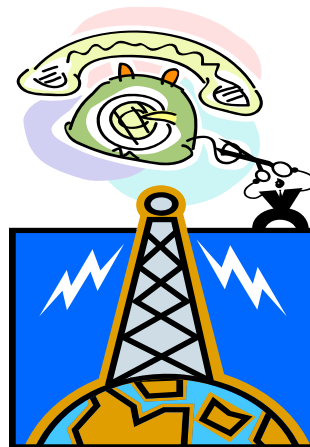
Pacific LightNet Communications
Phone: (808) 791-1000
Toll-Free: 1-888-478-1414
www.plni.net

CUTTING THE CORD

More than 1,000 customers sign up for mobile phone service every minute around the world according to a recent survey. As society converts to wireless technology more and more residents are finding they don't need a traditional landline. Voice over Internet Protocol (VoIP) has also infiltrated the traditional phone company's market.

Hawaiian Telcom acknowledges the trend in customer loss and attributes it to wireless competition. Competition is generally good for the consumer as it means companies will offer better service and

rates to earn your business. Among the new offerings from Hawaiian Telcom is their high speed DSL internet. The company boasts the fastest connection in Hawaii at 11 Mbps. Oceanic Time Warner Cable's popular Road Runner clocks in at up to 8 Mbps.



While the Cable Television Division, and not DCA, regulates cable service in Hawaii, it is interesting to note Hawaiian Telcom plans to start up their own Internet Protocol Television service in 2008.

A cable company selling telecommunications services, and a telephone company selling cable television service? Go figure. It may be tough to choose when the time comes, but having options is usually better than a monopoly.

YOU SHUA, YOU SHUA?

Before you rush to cancel your landline and eliminate an extra bill every month, consider the facts to ensure you're making the decision that's best for you and your family. Those with little ones don't mind the extra bill for that peace of mind with a simple reliable 911 service. A landline provided the most reliable means of communication on the day of last year's earthquake that caused extended power outages. Cell phone service was inconsistent and VoIP had no power to run. Hawaiian Telcom is running ads to remind customers of this fact with hopes of retaining their patronage. But how often will this problem occur? Here are some advantages and drawbacks:

Landline

- Clear Sound Quality
- 911 Service available without power, caller tracing
- Unlimited local calls
- Long distance extra
- More susceptible to telemarketers

Cellular Phone

- Inconsistent Quality
- 911 Service usually available without power, caller tracing somewhat limited (E911), but technology improving
- Call time limited to calling plan
- Nationwide long distance usually free

VoIP

- Clear Sound Quality
- E911 Service unavailable without power
- Unlimited local calls, extra features included
- Long distance plans vary
- May require broadband (high-speed) internet connection, but can be bundled for savings

*Be sure to do your research before committing to a service!