

DIVISION OF CONSUMER ADVOCACY (DCA)

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OVERVIEW

The Division of Consumer Advocacy (“DCA”) represents, protects, and advances the interests of consumers of utility and transportation services before regulatory agencies, primarily the Hawaii Public Utilities Commission (“PUC”) and the Federal Communications Commission (“FCC”). The DCA reviews requests for rate and tariff changes, capital improvement projects, integrated resource plans, certificates for authority to operate, and other applications filed by public utility and transportation companies, in addition to other proceedings opened by regulatory agencies to investigate or review generic issues. In representing the consumers of utility and transportation services before the PUC, the DCA must analyze financial and statistical data, prior docketed material, industry standards, and the information provided by the utility and transportation companies to support their applications. After analyzing the information, the DCA generally submits either written statements of position or testimonies explaining its analyses, findings, and recommendations to the PUC. Oral testimonies by DCA analysts, subject to utility company cross-examination, are required when an evidentiary hearing before the PUC is scheduled to resolve differences among the parties to a proceeding.

COMPOSITION

The DCA consists of 11 employees, ranging from an administrator, a secretary, a utilities/transportation officer, a utilities/transportation specialist, researchers, engineers, attorneys, and clerical support. The DCA is located on the third floor of the King Kalakaua Building, 335 Merchant Street. Its contact information is as follows: mailing address, P.O. Box 541, Honolulu, HI 96809; phone number, 586-2800; internet address, www.hawaii.gov/dcca/dca/.

The majority of the DCA’s professional staff is comprised of the Rate Analysis Branch, the Engineering Branch, the Research Branch, and the Legal Branch.

The *Rate Analysis Branch* reviews and analyzes economic conditions, investor requirements and returns, and other aspects relating to the capital structure of regulated public utilities and transportation companies. In addition, the Branch evaluates and develops recommendations relating to rate schedules, effects of rates, sales levels, and other pertinent considerations in establishing rates.

The *Engineering Branch* analyzes and makes recommendations on technical matters such as production capacity and efficiency, depreciation allowances, maintenance cost factors, engineering safety standards, plans for capital improvements, purchased power agreements, and quality of service standards.

The *Research Branch* analyzes and advises on matters imposed by regulated public utility and transportation industries, provides services and advice relating to the current operations of and evolving changes to regulated public utilities and transportation industries, conducts special studies on the changes in various regulatory areas, including energy and telecommunications, and assists and participates with other units in developing data and conducting analyses on matters under examination.

The *Legal Branch* provides legal representation before regulatory agencies. The branch also provides general clerical support by updating and maintaining the DCA's docket, general office, and electronic data base files, formatting draft documents prepared by the technical staff and attorneys for filing with regulatory agencies and utility companies, and maintaining the office library, among other things.

Not counting the Legal Branch, the DCA is authorized to have up to nine exempt positions, under HRS § 269-52(1). Pursuant to Act 130, SLH 2010, funding was provided to restore four of the exempt positions, as well as four of the civil service positions that were abolished by the 2009 Legislature. The DCA also has a staff level position – the Public Utilities/Transportation Specialist – that assists the Public Utilities/Transportation Officer in managing the overall workload pertaining to matters filed before the regulatory agencies, such as the PUC and FCC. In addition to providing analysis on docketed filings, the Education Specialist is responsible for consumer education and outreach, which is accomplished by attending various community events throughout the State to gain public input about specific issues affecting consumers and to provide information on utility services. The Education Specialist is also responsible for updating and maintaining the DCA's web site and publishing a quarterly newsletter.

Given the DCA's historical difficulty in attracting and retaining staff, in 2008, the DCA received authorization to reorganize, tailoring the position descriptions to be better aligned with the position duties and work of the DCA. Since the restoration of the eight positions in FY2010, the DCA has worked on completing the necessary position descriptions that would allow the DCA to recruit for these positions.

GOALS AND OBJECTIVES

The DCA's goals and objectives can be categorized generally in three broad areas: consumer advocacy, policy advancement, and consumer education and outreach. These areas are not mutually exclusive and often overlap; however, for purposes of describing the DCA's goals and how the DCA will reach them, the goals will be described separately.

Consumer Advocacy

Goal

The DCA's goal may involve some balance. Ensuring that Hawaii's consumers receive fairly priced rates for safe and reliable services, while ensuring customer and environmental protections and renewable resource use, is the DCA's responsibility and primary goal.

Planned Approach/Methods

The DCA has and will continue to achieve this goal by advocating for consumers of regulated utility and transportation services wherever their interests are at stake. Typically, this occurs before the PUC, but may also be before other federal, State or local agencies and legislative bodies.

A majority of the DCA's resources will continue to be focused on PUC proceedings. These proceedings often may affect the rates and the reliability of utility and transportation systems and services. The DCA's participation in PUC proceedings will typically involve some or all of the following:

1. Review of applications to ensure compliance with regulations;

2. Participation at PUC public hearings;
3. Procurement of consultant services to manage workload and for complex cases;
4. Completion of discovery;
5. Analysis of applications and supporting documents to determine the accuracy and the reasonableness of the requests;
6. Provision of recommendations to the PUC on the merits of the applications through statements of position or direct testimonies; provision of oral testimonies, which are subject to cross-examination in proceedings where evidentiary hearings are necessary; and
7. Completion of related legal actions, such as filings of legal briefs, motions, appeals, etc., where necessary.

The DCA also will remain flexible and willing to work with parties to proceedings to negotiate and settle proceedings or particular issues when they are in the consumers' best interest.

Measures

To measure the DCA's performance in advocating consumer interests, the DCA will continue to track various categories of information. Among others, the DCA monitors consumer savings due to its participation in PUC proceedings, the percentage of PUC decisions that agree with the DCA's recommendations, the number of service quality investigations it participates in, and the number of filings before the PUC reviewed by the DCA.

Only some of the significant impacts that the DCA's participation may have upon consumers are easily measured. Some of the impacts that are not easily measured will generally be discussed below in the DCA's explanation of its policy advancement objectives.

Policy Advancement

Goal

The DCA will remain active in promoting policies to protect and advance the interests of utility and transportation consumers on the local, State, and national levels.

Planned Approach/Methods

In the PUC's generic, investigative, or policy proceedings, the DCA follows a similar approach to its review and analysis of applications. A typical investigative proceeding may involve the following steps:

- After the DCA and other parties to the proceeding state their initial positions on the issues, discovery and analyses are done to determine the reasonableness of the other parties' positions;
- Technical meetings between the parties are often held to discuss and educate each other on the issues and positions taken, and to determine where possible agreement may be reached; and
- The DCA then provides the PUC with a recommendation that it believes is in the best interest of consumers.

- Evidentiary or panel hearings are held by the PUC to take evidence provided orally by DCA witnesses or consultants hired by DCA to provide expert testimonies on specific technical issues.

Specific ongoing investigative dockets are discussed later in this report.

The DCA has monitored, and will continue to monitor, Congressional activity in the energy and telecommunications areas. The DCA will continue to maintain contact with Hawaii's Congressional delegation, particularly those members sitting on committees that deal with energy and telecommunications, and will continue to provide input where appropriate.

The DCA will also continue to be actively involved and advocate for Hawaii consumers, through its membership in the National Association of State Utility Consumer Advocates ("NASUCA"). NASUCA is active before the FCC, Congress, and the federal courts in advancing consumer interests on national issues that impact consumers locally.

The DCA will also remain actively involved with the State Legislature, which sets policy at the State level. The DCA advises legislators through testimonies that detailed consumer benefits or detriments of specific proposals the legislators were considering. The DCA has attempted to take a more proactive approach by working with legislators and policy groups on the development of proposals, while maintaining a consistent policy position as advocated by the Governor's office.

Measures

Measuring performance of efforts to promote policy objectives is inexact. While the DCA tracks the percentage of its positions with which the PUC ultimately agrees, the measure does not capture the efforts throughout proceedings to educate and work with other parties to come to agreement on issues. The DCA can develop similar measures (e.g., whether its recommendations are ultimately agreed with by those setting the policy) for the State and federal agency and legislative bodies, but similar challenges with the imprecise nature of the measurement will result.

Education & Outreach

Goal

The DCA's goal is to encourage the public to be wiser consumers of public utility services by, among other things, emphasizing the possible effects that their consumption habits may have on utility rates and the environment. It is through the education and outreach process that the DCA aims to gather consumer input on utility issues and to encourage consumers to be more involved in utility proceedings. In addition, with Hawaii's Clean Energy Initiative, the consumers need to be aware that many of the benefits will not be immediately apparent in their bills. Thus, education of reasonable expectations is necessary to avoid misinformation from occurring.

Planned Approach/Methods

The DCA can accomplish its goal of positively affecting the habits of consumers on a statewide basis through the use of its web site and public outreach activities. The DCA established the following action plan to accomplish its goals and objectives:

1. Update and improve its website with consumer-friendly and useful content;
2. Establish information booths and provide presentations at community events, such as home shows and public fairs throughout the State and build positive relationships with both business and individual community members;
3. Improve communications with consumers and the public through expanded distribution and publication of its newsletter; and
4. Hold informational seminars or use public service announcements to highlight different utility issues and topics.

Measures

To measure the DCA's performance and progress of its education and outreach activities, it will track the number of people reached through education and outreach events, newsletters and other publications distributed, and consumers assisted with complaints and other issues.

ACCOMPLISHMENTS

In 2010, results of the DCA's efforts to protect and advance the interests of consumers were seen through its work on behalf of individual communities, as well as major utility issues that will have far-reaching impacts on people throughout the State. Several of these efforts are described below.

Rate Cases

The Gas Company, LLC's ("TGC") 2009 Test Year Rate Case

On April 30, 2008, TGC filed an application for approval to increase its rates (by approximately \$12,510,047 or 8.46% increase over revenue at present rates), establish a new commercial rate on the island of Kauai, restructure certain of its rates and schedules, and revise or update certain of its rules. The DCA, among other things, participated in public hearings held statewide, conducted inspections and witness interviews, developed testimonies, engaged in a negotiation process with TGC to resolve the outstanding issues of this proceeding, and answered numerous information requests of the PUC. On June 4, 2009, the PUC issued its Interim Decision and Order approving, which approved an increase in revenues over present rates of \$9,519,293 or approximately 11.03% for TGC. In so doing, the PUC approved the Parties' Joint Statement of Probable Entitlement in Support of Interim Rates, filed on May 22, 2009, as supplemented. Additional discovery and analysis was conducted in FY 2010 in order to continue to build the record in this rate case. The Commission filed its Final Decision and Order in this proceeding on April 20, 2010 and ultimately approved an increase of \$9,211,450, which reflected additional adjustments that resulted in a decrease of \$307,843 to TGC's final revenue requirements.

Hawaiian Electric Company, Inc.'s ("HECO") 2009 Test Year Rate Case

On July 3, 2008, HECO filed an application for approval to increase its rates (by approximately \$97,011,000, or 5.2%, over revenues at current effective rates) and to amend its rules. The DCA, among other things, participated in a public hearing, conducted inspections and witness interviews, developed testimonies, and engaged in a negotiation process with HECO and the Department of the Navy to resolve most of the outstanding issues of this proceeding (two outstanding issues – Informational Advertising Expense and the Overall Rate of Return – were argued at an evidentiary hearing held during the last week of October and the first week of November 2009). On August 3, 2009, the PUC rendered an interim decision, approving approximately \$61,098,000 in additional revenues, or a 4.71% increase over revenues at current effective rates for a normalized 2009 test year. Transcripts of the evidentiary hearing were filed with the PUC on November 23, 2009. The parties filed opening and reply briefs on January 5, 2010 and January 26, 2010, respectively. Subsequently, the Commission filed its second Interim Decision and Order on February 19, 2010, allowing HECO to include the costs associated with its newest generating unit that is meant to be fueled primarily with biofuel, which increased the approved revenue requirements by \$12,620,000. Additional work and analyses were done subsequent to the second Interim Decision and Order in FY 2010 addressing certain questions related to decoupling. The final decision and order in this proceeding is pending.

Molokai Public Utilities, Inc.'s ("MPUI") and Waiola O Molokai, Inc.'s ("WOMI") Rate Cases

On June 16, 2008, the PUC issued an order opening a proceeding to provide temporary rate relief to MPUI and WOMI, responding to the announcement in late March 2008 by Molokai Properties, Limited, pursuant to its announcement to cease all current business operations on Molokai, that it would no longer be able to subsidize its utility companies, and it was planning for their disposal within six months. During the fiscal year, the DCA participated in public hearings and meetings, interviewed customers, conducted analysis of the limited financial information available from the companies, and provided the PUC with a statement of position reluctantly stating non-opposition of the rate increases. On August 14, 2008, the PUC approved rate increases for the companies, effective on September 1, 2008. The PUC's Decision and Order required MPUI and WOMI to file rate increase applications within six months of the date of the Decision and Order if a third party was not found to take over the utilities.

On March 2, 2009, MPUI and WOMI filed rate increase applications with the PUC, requesting revenue increases of \$562,550 and \$308,781 over revenues at present rates for MPUI and WOMI, respectively. The DCA objected via statements regarding completeness of applications to MPUI's and WOMI's requests to waive the requirement to file audited financial statements in compliance with the PUC's rules. On April 2, 2009, the PUC denied MPUI's and WOMI's requests to file unaudited financial statements, requiring the companies to obtain independently audited financial statements and to file amended applications reflecting such audited financials.

On June 29, 2009, MPUI and WOMI filed amended applications for rate increase with the PUC, seeking net revenue increases of \$886,259 and \$473,431 for MPUI and WOMI, respectively, using the pro forma revenue amounts at present rates for the 2009-2010 test year. Based on the temporary rates authorized in the Temporary Rate Order, MPUI's proposed net revenue increase amounts to \$565,939, which is an approximate 74.6% increase from the pro forma revenue amount of \$758,958 at the temporary rate for the 2009-2010 test year. Based on the temporary rates authorized in the Temporary Rate Order, WOMI's proposed net revenue increase amounts to \$308,431, which is an approximate 106.96% increase from the pro forma revenue amount of \$288,360 at the temporary rate for the 2009-2010 test year.

During FY 2010, the DCA participated in the public hearings, and due to the presence of intervenors, the proceeding was rather contentious. DCA participated in the discovery process and submitted written testimonies. Due to ongoing litigation between the County of Maui and the Applicants, there was a mediation process that was ongoing and the parties to the proceedings before the Commission were asked to participate in this mediation process, which the DCA did. While an agreement was reached between the utility companies and the DCA, the County of Maui and West Molokai Association did not enter into that agreement. As there was not agreement among all of the parties, there were evidentiary hearings and briefs. The Commission filed its Interim Decision and Orders in the MPUI and WOMI cases on May 28, 2010, which adopted most of the settlement. This authorized MPUI to increase its rates on an interim basis by \$542,724, or an approximate increase of 125.2%. WOMI's authorized increase was \$241,478, or an approximate increase of 222.8%. The Commission filed its Final Decision and Order in the MPUI case on September 23, 2010, which allowed the \$548,682 increase that was agreed to in settlement. The final decision in the WOMI case is still pending. It is possible that additional work may be required as the County of Maui has appealed the MPUI final decision and order and is also likely to appeal the WOMI final decision and order when it is filed.

Kauai Island Utility Cooperative ("KIUC") 2010 Test Year Rate Case

On June 30, 2009, KIUC filed an application for general rate increase (by \$12,991,558 or 10.45% over revenues at present rates) and revised rate schedules and rules. During fiscal year 2009-2010, the DCA participated in the public hearing process, conducted extensive discovery, and submitted testimonies and supporting exhibits recommending various downward adjustments to KIUC's requested increase. After KIUC conducted its discovery and filed rebuttal testimonies, the parties in the proceeding (KIUC, Department of Defense, Marriott, and DCA) reached an agreement on all issues and no evidentiary hearing was required. The Commission filed its Interim Decision and Order on April 29, 2010. In its interim decision and order, the Commission authorized an increase of \$3,063,023, or an increase of 2.0%, which reflected certain downward adjustments to the settled upon revenues. Since there were no evidentiary hearings, there was no need to file briefs, opening or closing. After the parties conducted additional analyses to address Commission inquiries, the Commission filed its final Decision and Order on September 29, 2010, which confirmed the interim increase.

Maui Electric Company, Ltd.'s ("MECO") 2010 Test Year Rate Case

On September 30, 2009, MECO filed an application for approval to increase its rates (by approximately \$28,190,300, or 9.7%, over revenues at current effective rates) and to amend its rules. In fiscal year 2009-2010, the DCA, among other things, participated in the public hearing, conducted inspections and witness interviews, and filed testimonies and exhibits recommending various recommendations to HELCO's request. As the only two parties to the docket, MECO and DCA were able to reach a stipulated settlement that was submitted to the Commission in lieu of proceeding to an evidentiary hearing. The PUC filed its Interim Decision and Order on July 27, 2010, approving approximately \$10,296,200 in additional revenues, or a 3.28% increase over revenues at current effective rates for a normalized 2010 test year. The PUC's Interim Decision and Order adopted most of the provisions submitted by the parties, but included additional downward adjustments for certain items. The parties await the final decision and order.

Hawaii Electric Light Company, Co.'s ("HELCO") 2010 Test Year Rate Case

On December 9, 2009, HELCO filed an application for approval to increase its rates (by approximately \$20,934,500, or 6.0%, over revenues at current effective rates) and to amend its rules. The DCA, among other things, participated in the public hearing, conducted discovery, inspections and witness interviews, and filed its testimonies and exhibits that recommended various adjustments to HELCO's requested increases. As the only two parties to the docket, HELCO and DCA were able to reach a stipulated settlement that was submitted to the PUC in lieu of proceeding to an evidentiary hearing. The PUC filed its Interim Decision and Order on November 3, 2010, which adopted most of the provisions submitted by the parties, but included additional downward adjustments for certain items and required HELCO to file revised schedules that illustrate the resulting revenue requirements that reflect the PUC's additional adjustments. The re-calculated increase approximates \$5,157,000, or about a 1.46% increase. The PUC has created the opportunity for HELCO to file additional testimonies and support in December 2010 to reclaim some of the monies associated with the downward adjustments made by the PUC. The DCA will need to file a response to those additional testimonies and then the parties will await the PUC's final decision and order.

Small water and wastewater rate cases

In addition to the rate cases listed above, the DCA provided analysis and recommendations to the PUC for other public utility rate cases during the fiscal year 2009-2010, each of which involves analysis and preparation that spans six to eleven months:

Kapalua Water Company, Ltd.; and
Hawaii Water Service Company.

Generic and Other Proceedings

Feed-in Tariff Investigative Proceeding

On October 24, 2008, the PUC initiated an investigation of the implementation of feed-in tariffs for the HECO Companies. Included in the Energy Agreement signed by the Governor, the Department of Business, Economic Development, and Tourism, the HECO Companies, and the DCA on October 20, 2008, is a commitment by the HECO Companies to implement feed-in tariffs "to dramatically accelerate the addition of renewable energy from new sources" and to "encourage increased development of alternative energy projects." (Energy Agreement, summary, at 3.) To expedite the process, the PUC directed the HECO Companies and the DCA to submit to the PUC a joint proposal on feed-in tariffs that addresses all of the factors identified in the Energy Agreement within sixty days of the date of this Order. During the fiscal year 2008-2009, the DCA filed a Joint Proposal on Feed-in Tariffs, issued and responded to numerous information requests, prepared and filed a statement of position, participated in technical meetings and an evidentiary hearing, and prepared and filed post-hearing briefs. On September 25, 2009, the PUC issued a Decision and Order in the proceeding, establishing several policy principles to further guide the development of a set of feed-in tariffs. The DCA participated in various technical meetings to further clarify the parties' positions and also participated in the development of the actual initial FIT rates for 2 of the 3 defined tiers. The PUC approved the tier 1 and 2 rates and the web site serving as the intake source for FIT applications were opened in November 2010. Additional work will be required to develop the Tier 3 rates and to evaluate the effectiveness of the FIT program and rates.

Decoupling Investigative Proceeding

On October 24, 2008, the PUC initiated a proceeding to investigate the implementation of a decoupling mechanism for the HECO Companies, pursuant to the recommendation of the signatories to the Energy Agreement. Generally, decoupling is a regulatory tool designed to separate a utility's revenue from changes in energy sales. During the fiscal year 2008-2009, the DCA developed an initial decoupling proposal, filed a joint proposal with the HECO Companies, issued and responded to numerous information requests, and participated in technical meetings and an evidentiary hearing. The DCA also prepared and filed post-hearing briefs and responded to the PUC's information requests. The PUC filed an Order on February 19, 2010 that approved the joint proposal submitted by the DCA and the HECO Companies and required the production of a proposed decision and order for the PUC to approve. This proposed decision and order was filed on March 23, 2010, and the PUC filed its final decision and order on August 31, 2010. The actual implementation of decoupling has been made contingent on the PUC being able to approve electric rates that reflect a return on equity that has been adjusted for decoupling. The PUC has not yet filed a decision and order in any of the HECO Companies' rate cases with a return of equity adjusted for decoupling.

HECO's Outage Proceeding

On Friday, December 26, 2008, an island-wide power outage occurred on Oahu. By Order filed on January 12, 2009, the PUC initiated an investigative proceeding to, among other things, examine the performance of HECO before, during, and after the power outage. The DCA and its engineering experts participated in technical meetings with HECO and its expert consultants and reviewed the reports and data supplied by HECO and its consultants. The DCA also attended additional technical meetings with HECO and its experts and issued information requests to further understand the technical details of the generating units and the procedures used to operate the system before, during, and after the power outage. The DCA filed its Statement of Position on January 14, 2010, observing that HECO could not have reasonably avoided the outage and reduced the restoration time, but made various recommendations to improve HECO's system and procedures to possibly minimize the likelihood of future outages and the time required to restore service. There was additional discovery between the parties and discussion. HECO filed its reply statement of position on April 5, 2010. The parties await the final decision and order.

Depreciation rates for the HECO Companies

MECO, HELCO, and HECO have filed applications seeking to modify the depreciation rates used for financial and ratemaking purposes on September 9, 2009, November 9, 2009, and March 29, 2010, respectively. All of the companies are proposing depreciation rates that will lower the recorded expenses. As a result of contracting issues, the DCA was not able to process the applications requesting decreases in MECO and HELCO's depreciation rates before the completion of the DCA's analysis in the MECO and HELCO rate cases. However, the DCA was able to reach an agreement with MECO and HELCO to allow the lower depreciation rates proposed by MECO and HELCO to be used in the rate cases to allow the benefits to be experienced by ratepayers sooner rather than later. The DCA conducted discovery in each of the cases and submitted testimonies and exhibits in each of the proceedings in November and December 2010. The Companies are seeking to file rebuttal testimonies and have expressed an interest to discuss settlement to avoid having an evidentiary hearing.

Hawaiian Telecom Reorganization

On January 4, 2010, Hawaiian Telcom, Inc. and Hawaiian Telcom Services Company, Inc. (collectively referred to as "HT") filed an application seeking Commission approval of its bankruptcy and reorganization plan. This application was made necessary due to HT's inability to make its debt interest payments. After getting approval of a reorganization plan and refinancing from the U.S. Bankruptcy Court, HT filed its application with the PUC and also filed an application with the Federal Communications Commission. After conducting discovery and analysis, the DCA filed its statement of position on May 26, 2010. In its statement, the DCA found that the transaction was in the public interest but made several recommendations to better protect the consumers of HT's regulated services. HT filed its reply and the PUC filed its Decision and Order on September 22, 2010 and generally adopted all of the DCA's recommendations with the additional of certain other conditions. Due to the nature of the Bankruptcy Court's ruling, as well as the presence of various creditors, HT needed to confirm that the conditions would not cause a rejection of its reorganization plan. HT made its compliance filing in November 2010 and has emerged from bankruptcy.

Clean Energy Scenario Planning

On May 14, 2009, the PUC filed an order opening an investigation into amendments into integrated resources planning. This order is consistent with one of the commitments agreed to by the State and the HECO Companies as part of the clean energy initiative. There is a perceived need to improve upon the processes related to long-term energy planning to include, at a minimum, more transparency yet ensure that the proceedings move along expeditiously to allow the plans developed as a result of the procedures not becoming stale. The DCA participated in workshops, discovery, and filed its preliminary statement of position along with the other various entities in this proceeding, such as the HECO Companies, KIUC, Life of the Land, DBEDT, and Blue Planet, to name a few. Subsequently, there was additional discovery and workshops, and final statements of position were filed on or about December 21, 2009. There were panel hearings held on various days in February 2010. After the transcripts of the panel hearing were received, the parties filed their opening and reply briefs during the months of August and September 2010. Due to the complex nature of this proceeding, the PUC may ask additional discovery or require additional procedural steps, but as of the end of 2010, there are no more procedural steps, other than the PUC's final decision and order.

Energy Efficiency Portfolio Standards

On March 8, 2010, the PUC filed an order initiating an investigation to establish energy efficiency portfolio standards, consistent with Act 155, Session Laws of Hawaii 2009. One of the main objectives of this investigation is to determine how to comply with Act 155, which requires that Hawaii be able to demonstrate that, by 2030, 4,300 gigawatt hours of electricity have been saved as a result of energy efficiency measures. In 2010, the DCA participated in various workshops before participating in an informal discovery process and exchanged its informal statement of position with other entities in the proceeding that include, but is not limited to, DBEDT, the HECO Companies, KIUC, Blue Planet, and R.W. Beck (the public benefits fund administrator). A number of other procedural steps remain before the PUC is expected to file its final decision and order in this proceeding.

Advocacy through Participation on Committees and Boards

Enhanced Wireless 911 Services

The DCA has been an active participant in the State's implementation of an order issued by the FCC mandating that enhanced 911 ("E-911") services be provided by wireless telecommunication carriers. The passage of Act 159 (SLH 2004) provided the framework to implement the State's wireless E-911 system to route emergency calls to emergency responders along with the wireless callers' identification and location. Act 159 (SLH 2004) also established a Wireless Enhanced 911 Board that oversees the collection and distribution of money collected by the E-911 special fund. As a member of the board, the Executive Director of the DCA has continued to be an active participant in the implementation of this system which is critical to the public safety of both Hawaii residents and visitors.

One Call Center Advisory Committee

The Executive Director of the DCA is also a member of the One Call Center Advisory Committee, which makes recommendations to the PUC regarding the implementation of Chapter 269E, Hawaii Revised Statutes (Act 141, SLH 2004). This advisory committee was integral in developing the request for proposals for a vendor to operate this "call-before-you-dig" system. The system, which was operational on January 1, 2006, will reduce the risk of critical services being disrupted because utility systems were inadvertently damaged due to excavation work conducted in areas where the systems are placed in underground facilities. This will ensure greater public health and safety, and ultimately save excavators time and money.

Hawaii Energy Policy Forum

The University of Hawaii convened the Hawaii Energy Policy Forum in 2002 to help develop and promote a vision for Hawaii's energy future. It is a collaborative effort that brings together interested stakeholders including representatives of electric utilities; oil and synthetic natural gas suppliers; environmental groups; the renewable energy industry; State legislature; federal, State, and county government agencies; the business community; and other major energy consumers. The Forum's efforts focus on many different energy related issues, including social and cultural issues, energy conservation and efficiency, and regulatory reform. The DCA believes that as a participant in the forum it has and will continue to effectively represent consumers' views as major policy issues are discussed and as proposals are developed and implemented.

Hawaii Clean Energy Initiative

On January 31, 2008, the State of Hawaii and the United States Department of Energy ("U.S. DOE") launched the Hawaii Clean Energy Initiative ("HCEI"), an agreement, which among other things, established for the State a goal of 70% clean energy resource use by 2030. The State and the U.S. DOE formed various committees designed to examine differing aspects of the State's energy use – transportation, electricity, energy efficiency, etc. The DCA is participating in the HCEI's Integration Committee, which, with the aid of U.S. DOE experts, seeks to consolidate the themes and suggestions put forth by the remaining committees.

As part of HCEI, the Executive Director of DCA also participates in the Steering Committee, which deals with the high level planning associated with various aspects of the technical committees that are

analyzing various areas (electricity, end-use efficiency, transportation, fuels, outreach) that are expected to be integral to the success of HCEI.

The DCA also participates in the Technical Advisory Group (“TAG”) that is responsible for evaluating the energy efficiency process that has been transitioned from the HECO Companies to a third-party administrator. As part of this process, the TAG currently meets on a quarterly basis and evaluates various aspects of the measures being implemented to help plan, evaluate, and implement energy efficient programs in the service territories of the HECO Companies. Using the monies collected through the Public Benefits Fund surcharge, the TAG evaluates the use of the monies to help Hawaii’s efforts to reduce its over-reliance on imported fossil fuels.

Education and Outreach

During the past year the DCA has continued to focus on expanding its education and outreach activities. This has allowed the DCA to increase its ability to educate consumers and extend its reach into communities throughout the State.

The DCA continued distributing its newsletter at public fairs and festivals throughout the State, and has vastly increased its electronic distribution list during the 2009–2010 fiscal year. DCA targets those events most likely to produce consumers interested in utility and conservation matters, increasing the overall number of consumers reached. The DCA also used other communications tools such as press releases, its web site, and other in-house produced publications to reach the public. These tools were used to highlight various utility issues and to encourage greater participation in PUC public hearings, energy conservation and efficiency efforts, and to help consumers make wise choices when purchasing telecommunications services.

Document Management System

The DCA, in partnership with the PUC, developed a new docket and document management system to improve internal efficiencies and to make documents filed with the PUC available to the public in electronic format. This new system may be found at: <http://dms.puc.hawaii.gov/dms/>.

Financial Summary

The CRF financial summary relating to DCA for fiscal year 2009-2010 is as follows:

Personnel Expenses	Operating Expenses	Total Expenses	Revenues Received
\$905,326	\$825,554	\$1,730,880	\$2,229,529

CONCLUSION

The DCA will continue to prioritize its caseload to target projects and consumer issues that have the greatest impact on the ratepayers of utility and transportation services in Hawaii. In addition, the DCA is expanding its education and outreach efforts. Together, this places the program in a better position to take a more proactive approach to address specific consumer issues and to gain greater public participation in decisions that affect their public utility and transportation services.