

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
)
HAWAIIAN ELECTRIC COMPANY, INC.)
)
For Approval of a Residential)
Direct Load Control Program, and)
Recovery of Program Costs.)
_____)

DOCKET NO. 03-0166

DECISION AND ORDER NO. 21725

Filed April 8, 2005
At 3:00 o'clock P.M.

Karen Higashi.
Chief Clerk of the Commission

DIV. OF CONSUMER ADVOCACY
DEPT. OF COMMERCE AND
CONSUMER AFFAIRS
STATE OF HAWAII

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ATTEST: A True Copy
KAREN HIGASHI
Chief Clerk, Public Utilities
Commission, State of Hawaii.

K. Higashi.

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DECISION AND ORDER

By this Decision and Order, the commission approves HAWAIIAN ELECTRIC COMPANY, INC.'s ("HECO") request to modify the eligibility criteria for its Residential Direct Load Control ("RDLC") Program to include residential customers that are master metered.

I.

Introduction

By Decision and Order No. 21415 ("Decision and Order No. 21415"), filed on October 14, 2004, the commission approved HECO's requests for: (1) approval of its RDLC Program; (2) recovery of its program costs for the first five years of the program, which are estimated to be approximately \$12,205,955 (and associated revenue taxes, if applicable), using HECO's Integrated Resource Plan ("IRP") Cost Recovery Provision and incorporated into rates as a result of the next rate case if Demand Side Management ("DSM") costs are not recovered through the IRP Cost Recovery

Provision after the next rate case; and (3) program flexibility as described within the application filed in this docket.

On January 11, 2005, HECO filed a letter ("HECO's Letter") requesting modification of the eligibility criteria to include not only customers who have water heaters with a capacity of at least forty (40) gallons and live in single-family homes or multi-family homes that are individually metered, but also customers who live in master metered single family homes or master metered multi-family homes. HECO states that the DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, DIVISION OF CONSUMER ADVOCACY ("Consumer Advocate"), the only other party to this docket, does not object to the proposed modification to the RDLC Program's eligibility criteria.

II.

Motion to Reopen this Docket

The commission will treat HECO's Letter as a motion to reopen this docket, pursuant to HAR § 6-61-41 ("Motion"). The commission possesses the ability to reopen this docket to consider the change in the eligibility requirements that were approved by the commission, pursuant to its investigative powers set forth in HRS § 269-7¹. Since the eligibility criteria differs

¹HRS § 269-7 provides the commission with the power to examine the condition of a public utility, the manner in which it is operated with reference to the safety or accommodation of the public, the value of its physical property, all of the utility's financial transactions, its business relations with other persons, companies or corporations, its compliance with all applicable state and federal laws and with the provisions of its franchise, charter, and articles of association, and generally any and all matters of

from that presented in this docket, the commission finds good cause to reopen this docket solely to allow the commission to review HECO's request. Accordingly, the commission concludes that HECO's Motion should be granted.

HECO advises that it makes this request in an effort to extend its RDLC Program to more of its residential customers. It further states that the proposed modification is consistent with the inclusion of master metered homes in both the Residential Efficient Water Heating Program, approved in Docket No. 94-0206, and the Residential New Construction Program, approved in Docket No. 94-0216.

While the inclusion of master metered homes in the RDLC Program may reach a greater number of residents, their inclusion may also cause confusion or irritation to residents who are unaware of the possibility that their water heaters can be disconnected. For example, this could occur when landlords of master metered properties agree to participate in the RDLC Program and fail to notify their tenants of their potential water heater disconnection. In an effort to guard against such surprise disconnections, the commission suggests that HECO require the customers who participate in its RDLC Program provide notice to all persons who may potentially have their water heaters disconnected under the Program.

every nature affecting the relations and transactions between the utility and the public, persons or corporations.

Based upon a review of the record, as supplemented by HECO's Letter, the commission finds that HECO's request to amend the RDLC Program eligibility criteria is reasonable and in the public interest. Accordingly, the commission concludes that HECO's request to amend the RDLC Program to include customers who live in master metered single family homes or master metered multi-family homes should be approved as a pilot program, subject to the conditions contained in Decision and Order No. 21415, the settlement agreement filed by HECO and the Consumer Advocate on June 30, 2004 ("Settlement Agreement"), and provided that HECO requires its master metered customers participating in the RDLC Program to notify all persons who may have their water heaters disconnected of the potential for such an event to occur.

III.

THE COMMISSION ORDERS:


1. HECO's Motion to reopen this docket solely to allow the commission to review the change in the RDLC Program eligibility requirements is granted.

2. HECO's RDLC Program, as amended to include customers who live in master metered single family homes or master metered multi-family homes, is approved as a pilot program, effective from the date of this decision and order, and subject to the terms and conditions set forth in Decision and Order No. 21415 and in the Settlement Agreement, and provided that HECO requires its master metered customers participating in the RDLC Program to notify all

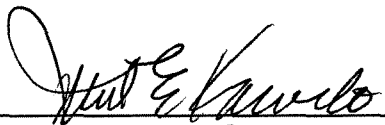
persons who may have their water heaters disconnected of the potential for such an event to occur.

DONE at Honolulu, Hawaii APR - 8 2005.

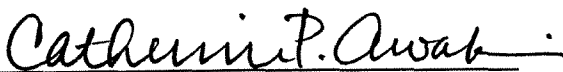
PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Carlito P. Caliboso, Chairman

By 
Wayne H. Kimura, Commissioner

By 
Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:


Catherine P. Awakuni
Commission Counsel

03-0166.eh

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Decision and Order No. 21725 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

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DATED: APR - 8 2005