

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
HAWAII ELECTRIC LIGHT COMPANY, INC.)
For Approval of a Residential
Efficient Water Heating Program,
Recovery of Program Costs and
Lost Revenues, and Consideration
of Shareholder Incentives.

DOCKET NO. 95-0173

In the Matter of the Application of)
HAWAII ELECTRIC LIGHT COMPANY, INC.)
For Approval of a Commercial and
Industrial Energy Efficiency
Program, Recovery of Program Costs
and Lost Revenues, and
Consideration of Shareholder
Incentives.

DOCKET NO. 95-0174

In the Matter of the Application of)
HAWAII ELECTRIC LIGHT COMPANY, INC.)
For Approval of a Commercial and
Industrial New Construction Program)
Recovery of Program Costs and Lost
Revenues, and Consideration of
Shareholder Incentives.

DOCKET NO. 95-0175

RECEIVED

2008 JAN -2 A 8:13

DIV. OF CONSUMER ADVOCACY
DEPT. OF PUBLIC UTILITIES
COMMUNICATIONS SECTION
STATE OF HAWAII

ATTEST: A True Copy

for KAREN HIGASHI
Chief Clerk, Public Utilities
Commission, State of Hawaii.

Eleanor R. Luinassapo

In the Matter of the Application of)
)
HAWAII ELECTRIC LIGHT COMPANY, INC.)
)
For Approval of a Commercial and)
Industrial Customized Rebate)
Program, Recovery of Program Costs)
and Lost Revenues, and)
Consideration of Shareholder)
Incentives.)
_____)

DOCKET NO. 95-0176

(CONSOLIDATED)

DECISION AND ORDER NO. 23948

Filed December 31, 2007

At 10 o'clock A.M.

for Stan A. D.
Chief Clerk of the Commission

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
HAWAII ELECTRIC LIGHT COMPANY, INC.)
For Approval of a Residential)
Efficient Water Heating Program,)
Recovery of Program Costs and)
Lost Revenues, and Consideration)
of Shareholder Incentives.)

Docket No. 95-0173

In the Matter of the Application of)
HAWAII ELECTRIC LIGHT COMPANY, INC.)
For Approval of a Commercial and)
Industrial Energy Efficiency)
Program, Recovery of Program Costs)
and Lost Revenues, and)
Consideration of Shareholder)
Incentives.)

Docket No. 95-0174

In the Matter of the Application of)
HAWAII ELECTRIC LIGHT COMPANY, INC.)
For Approval of a Commercial and)
Industrial New Construction Program)
Recovery of Program Costs and Lost)
Revenues, and Consideration of)
Shareholder Incentives.)

Docket No. 95-0175

In the Matter of the Application of)
HAWAII ELECTRIC LIGHT COMPANY, INC.)
For Approval of a Commercial and)
Industrial Customized Rebate)
Program, Recovery of Program Costs)
and Lost Revenues, and)
Consideration of Shareholder)
Incentives.)
_____)

Docket No. 95-0176

(Consolidated)

Decision and Order No. 23948

DECISION AND ORDER

By this Decision and Order, the commission approves HAWAII ELECTRIC LIGHT COMPANY, INC.'s ("HELCO") request to reduce the customer incentive levels for compact fluorescent lamps ("CFLs") for its Commercial and Industrial New Construction ("CINC") and Commercial and Industrial Customized Rebate ("CICR") Programs, as described below.

I.

Request to Reduce Customer Incentive Levels

By letter dated and filed on September 19, 2007,¹ HELCO requests commission approval to reduce the customer incentive levels for CFLs for its CINC and CICR Programs, as follows:

¹HELCO filed its request in this docket and in Docket No. 05-0069. To ensure the completeness of the commission's records, the commission will also file a copy of this Decision and Order in Docket No. 05-0069.

CINC Program

	Current Incentive	Proposed Incentive
CFL - Screw In	\$5.00	\$2.50
CFL - Pin Mount	\$5.00	\$2.50

CICR Program

	Current Incentive	Proposed Incentive
CFL - Screw In	\$5.00	\$2.50
CFL - Pin Mount	\$5.00	\$2.50

According to HELCO, the current customer incentives for CFLs were based on an estimated installed cost of \$20 per CFL in commercial applications. HELCO asserts that the installed cost of CFLs has decreased to \$10 - \$15 per CFL.² As such, "HELCO maintains that a reduction in the customer incentive level is warranted, and that the reduced customer incentive level should be sufficient to drive the continued adoption by commercial customers of this energy efficiency measure."³

By letter dated November 30, 2007, in response to PUC-IR-1, HELCO requests further modifications to its customer incentive levels for CFLs to make them consistent with the

²HELCO's Response to PUC-IR-1.

³Letter dated and filed September 19, 2007, from Warren H. W. Lee, President of HELCO, to the commission, at 2.

incentives offered by Hawaiian Electric Company, Inc. ("HECO"). According to HELCO, HECO set 25% of the incremental cost of the energy efficiency measure as a benchmark for customer incentive levels in its Commercial and Industrial Energy Efficiency Program. HELCO states that "[t]hese incentive levels, based on HECO's experience, have proven to provide appropriate incentives that encourage adoption of the measure under varying product and installation scenarios."⁴ Accordingly, HELCO now requests approval of the following customer incentive levels for CFLs:

CINC Program

	Current Incentive	Proposed Incentive
CFL - Screw In	\$5.00	\$1.25
CFL - Pin Mount	\$5.00	\$2.50
CFL - Specialty	\$5.00	\$2.50

CICR Program

	Current Incentive	Proposed Incentive
CFL - Screw In	\$5.00	\$2.50
CFL - Pin Mount	\$5.00	\$5.00
CFL - Specialty	\$5.00	\$5.00

⁴HELCO's Response to PUC-IR-1; see also HECO's Response to PUC-IR-2 and PUC-IR-3, filed on November 30, 2007, in Docket Nos. 94-0010, 94-0011, 94-0012 (consolidated).

The DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, DIVISION OF CONSUMER ADVOCACY ("Consumer Advocate")⁵ does not object to HELCO's request.

Here, given the reduction in the installed costs of CFLs, it is appropriate to reduce the customer incentive levels. As noted by HELCO, "[r]atepayer funded [demand-side management ("DSM")] programs need to strike a balance between offering customer incentives to motivate customers to install energy efficient measures and/or adopt new technologies versus overpaying incentives and/or providing incentives to customers who would have installed the energy efficiency measure even without a utility DSM program."⁶ Accordingly, the commission approves HELCO's request to reduce the customer incentive levels for CFLs for its CINC and CICR Programs, as described herein.

II.

Order

THE COMMISSION ORDERS:

HELCO's request to reduce the customer incentive levels for CFLs for its CINC and CICR Programs, as described herein, is approved.

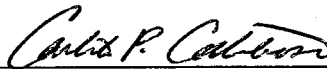
⁵By letter dated and filed on December 3, 2007, the Consumer Advocate informed the commission that it does not object to commission approval of HELCO's request to reduce the CFL customer incentive levels. The Consumer Advocate is an ex officio party to this docket, pursuant to Hawaii Revised Statutes § 269-51 and Hawaii Administrative Rules § 6-61-62.


⁶HELCO's Response to PUC-IR-1.

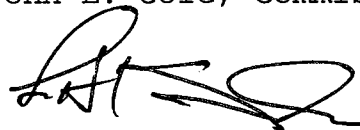
DONE at Honolulu, Hawaii

DEC 31 2007

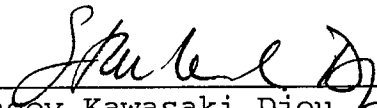
PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By: 
Carlito P. Caliboso, Chairman

By: 
John E. Cole, Commissioner

By: 
Leslie H. Kondo, Commissioner

APPROVED AS TO FORM:


Stacey Kawasaki Djou
Commission Counsel

95-0173, et al. sl

CERTIFICATE OF SERVICE

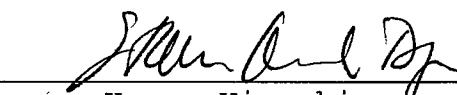
I hereby certify that I have this date served a copy of the foregoing Decision and Order No. 23948 upon the following parties and participants, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party and participant.

CATHERINE P. AWAKUNI
EXECUTIVE DIRECTOR, DIVISION OF CONSUMER ADVOCACY
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
P. O. Box 541
Honolulu, HI 96809

WARREN H. W. LEE
PRESIDENT
HAWAII ELECTRIC LIGHT COMPANY, INC.
P. O. Box 1027
Hilo, HI 96721-1027

THOMAS W. WILLIAMS, JR., ESQ.
PETER Y. KIKUTA, ESQ.
GOODSILL ANDERSON QUINN & STIFEL
Alii Place, Suite 1800
1099 Alakea Street
Honolulu, HI 96813

Counsel for HELCO



ja Karen Higashi

DATED: DEC 31 2007