

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of)
)
HAWAIIAN ELECTRIC COMPANY, INC.)
)
For Approval and/or Modification of)
Demand-Side and Load Management)
Programs and Recovery of Program)
Costs and DSM Utility Incentives.)
_____)

DOCKET NO. 05-0069

PUBLIC UTILITIES
COMMISSION

2006 JUL 12 A 11: 27

FILED

COUNTY OF KAUAI'S
RESPONSES TO INFORMATION REQUESTS OF
KAUAI ISLAND UTILITY COOPERATIVE

AND

CERTIFICATE OF SERVICE

LANI D. H. NAKAZAWA 1818
CHRISTIANE L. NAKEA-TRESLER 7409
JAMES K. TAGUPA 4857
Office of the County Attorney
County of Kaua'i
4444 Rice Street, Suite 220
Lihu'e, Hawai'i 96766-1300
Telephone: (808) 241-6315

Attorneys for the County of Kaua'i

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of)
)
HAWAIIAN ELECTRIC COMPANY, INC.)
) DOCKET NO. 05-0069
For Approval and/or Modification of)
Demand-Side and Load Management)
Programs and Recovery of Program)
Costs and DSM Utility Incentives.)
_____)

COUNTY OF KAUA'I'S RESPONSES
TO INFORMATION REQUESTS OF KAUA'I ISLAND UTILITY COOPERATIVE

The County of Kaua'i (CoK) submits the following in response to the Information Requests (IRs) of Kaua'i Island Utility Cooperative (KIUC).

Dated: Līhu'e, Kaua'i, Hawai'i, July 11, 2006.



LANI D. H. NAKAZAWA
CHRISTIANE L. NAKEA-TRESLER
JAMES K. TAGUPA
Attorneys for the County of Kaua'i

Background: During the meeting, KIUC explained that this cost recovery issue seems to involve whether DSM program costs should be recovered from the utility's ratepayers or instead paid for by the utility's shareholders. KIUC explained that this is not applicable to KIUC (i.e., a not-for-profit, member-owned cooperative with the ratepayers and the shareholders essentially being one and the same). In the end, it is our understanding that all parties present agreed that KIUC should be allowed to recover its costs associated with energy efficiency programs.

As a side note, during the meeting, we also understand that the parties considered whether there should be a revenue erosion mechanism and if so, what should this mechanism be. For the same reasons as Docket Issue No. 3, it is our understanding that the parties present agreed that this issue does not apply to a not-for-profit, member-owned cooperative such as KIUC.

Docket Issue No. 5: Whether DSM incentive mechanisms are appropriate to encourage the implementation of DSM programs, and, if so, what is the appropriate mechanism(s) for such DSM incentives?

Consensus: As it pertains to KIUC, the use of financial incentives to facilitate the pursuit of DSM programs are not applicable to KIUC. KIUC's ratepayers and shareholders are essentially one and the same, and as such, any financial incentive charged to the ratepayers to benefit the shareholders is essentially a charge that will be returned to the ratepayers (aka shareholders).

In addition, with respect to Docket Issue No. 1 (Whether energy efficiency goals should be established and if so, what the goals should be for the State), it is also KIUC's understanding that, during prior discussions amongst the parties, an agreement was also reached that energy efficiency goals should not be established, as it pertains specifically to KIUC.

Please confirm whether KIUC's understanding of the above consensus is correct, as they apply to KIUC. If not, please explain why KIUC's understanding is incorrect.

Response: The COK concurs with KIUC's general understanding of the above consensus with the following clarifications:

1. This response reflects the COK's opinion and is not intended, in any way, to reflect the opinions of the other parties.
2. For Docket Issue #4, the COK clarifies that its understanding is that utility-incurred costs eligible for cost recovery are those associated with KIUC's DSM program (IRP-related), not those associated with a purely customer service-oriented program.

Sponsor: Glenn Sato

DATED: Līhu'e, Kaua'i, Hawai'i, July 11, 2006.



LANI D. H. NAKAZAWA
CHRISTIANE L. NAKEA-TRESLER
JAMES K. TAGUPA

Attorneys for the County of Kaua'i

CERTIFICATE OF SERVICE

I hereby certify that I have this date served copies of the foregoing **COUNTY OF KAUAI'S RESPONSES TO INFORMATION REQUESTS OF KAUAI ISLAND UTILITY COOPERATIVE** in Docket No. 05-0069 upon the following parties, by causing copies hereof to be mailed, postage prepaid, and properly addressed to each such party, as noted below:

John E. Cole, Executive Director
Division of Consumer Advocacy
Department of Commerce and Consumer Affairs
P. O. Box 541
Honolulu, HI 96809

William A. Bonnet
Vice President – Government and Community Affairs
Hawaiian Electric Company, Inc.
P. O. Box 2750
Honolulu, HI 96840-0001

Dean Matsuura
Director – Regulatory Affairs
Hawaiian Electric Company, Inc.
P. O. Box 2750
Honolulu, HI 96840-0001

Edward Reinhardt, President
Maui Electric Company, Ltd.
P.O. Box 398
Kahului, HI 96733-6898

Warren Lee, President
Hawai'i 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
Ali'i Place, Suite 1800
1099 Alakea Street
Honolulu, HI 96813

Counsel for HECO, HELCO, and MECO

H.A. Dutch Achenbach
President and CEO
Kaua'i Island Utility Cooperative
4463 Pahe'e Street
Lihu'e, HI 96766-2032

Joseph McCawley
Regulatory Manager
Kaua'i Island Utility Cooperative
4463 Pahe'e Street
Lihu'e, HI 96766-2032

Kent D. Morihara, Esq.
Morihara Lau & Fong LLP
841 Bishop Street, Suite 400
Honolulu, HI 96813

Counsel for KIUC

Jim R. Yates
President
The Gas Company
P.O. Box 3000
Honolulu, HI 96802

Steven P. Golden
Director External Affairs & Planning
The Gas Company
P.O. Box 3000
Honolulu, Hawai'i 96802

Dr. Kay Davoodi
EFACHES
1322 Patterson Avenue, S.E.
Building 33, Floor 3
Room/Cube 33-3002
Washington, DC 20374

E. Kyle Datta
Rocky Mountain Institute
P. O. Box 390303
Keauhou, HI 96739

Carl Freedman
Ha'ikū Design & Analysis
4234 Hana Highway
Ha'ikū, HI 96708

Consultant to Rocky Mountain Institute

Henry Q. Curtis
Vice President for Consumer Issues
Life of the land
75 North King Street, Suite 203
Honolulu, HI 96817

Richard R. Reed, President
Hawai'i Solar Energy Association
c/o Inter-Island Solar Supply
761 Ahua Street
Honolulu, HI 96819

Warren S. Bollmeier, II
President
Hawai'i Renewable Energy Alliance
46-040 Konane Place, #3816
Kaneohe, HI 96744

Randall Y. K. Young, Esq.
Naval Facilities Engineering Command Pacific
258 Makalapa Drive, Suite 100
Pearl Harbor, HI 96860-3134

Counsel for Department of the Navy

Cindy Y. Young, Esq.
Department of the Corporation Counsel
County of Maui
200 South High Street
Wailuku, HI 96793

Counsel for the County of Maui

Kal Kobayashi
Energy Coordinator
Department of Management
County of Maui
200 South High Street
Wailuku, HI 96793

Glenn Sato, Energy Coordinator
c/o Office of the County Attorney
County of Kaua'i
4444 Rice Street, Suite 220
Līhu'e, HI 96766

DATED: Līhu'e, Kaua'i, Hawai'i, July 11, 2006.



LANI D. H. NAKAZAWA
CHRISTIANE L. NAKEA-TRESLER
JAMES K. TAGUPA

Attorneys for the County of Kaua'i