

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
MAUI ELECTRIC COMPANY, LIMITED)
For Approval of a Commercial and)
Industrial New Construction)
Program, Recovery of Program Costs)
and Lost Revenues, and)
Consideration for Shareholder)
Incentives.)
_____)

DOCKET NO. 95-0141

DECISION AND ORDER NO. 23945

Filed December 31, 2007
At 10 o'clock A .M.

[Signature]
Chief Clerk of the Commission

RECEIVED

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DIV. OF CONSUMER ADVOCACY
DEPT. OF BUREAU AND
CONSUMER AFFAIRS
HONOLULU, HAWAII

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

[Signature]

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Consideration for Shareholder)
Incentives.)
_____)

Docket No. 95-0141
Decision and Order No. 23945

DECISION AND ORDER

By this Decision and Order, the commission approves MAUI ELECTRIC COMPANY, LIMITED's ("MECO") request to reduce the customer incentive levels for compact fluorescent lamps ("CFLs") for its Commercial and Industrial New Construction ("CINC") Program, as described below.

I.

Request to Reduce Customer Incentive Levels

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

¹MECO 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.

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

According to MECO, the current customer incentives for CFLs were based on an estimated installed cost of \$20 per CFL in commercial applications. MECO asserts that the installed cost of CFLs has decreased to \$10 - \$15 per CFL.² As such, "MECO 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, MECO requests further modifications to its customer incentive levels for CFLs to make them consistent with the incentives offered by Hawaiian Electric Company, Inc. ("HECO"). According to MECO, 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. MECO 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

²MECO's Response to PUC-IR-1.

³Letter dated and filed September 19, 2007, from Edward L. Reinhardt, President of MECO, to the commission, at 2.

installation scenarios.”⁴ Accordingly, MECO now requests approval of the following customer incentive levels for CFLs:

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

The DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, DIVISION OF CONSUMER ADVOCACY (“Consumer Advocate”)⁵ does not object to MECO’s request.

Here, given the reduction in the installed costs of CFLs, it is appropriate to reduce the customer incentive levels. As noted by MECO, “[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

⁴MECO’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).

⁵By letter dated and filed on December 3, 2007, the Consumer Advocate informed the commission that it does not object to commission approval of MECO’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.

without a utility DSM program."⁶ Accordingly, the commission approves MECO's request to reduce the customer incentive levels for CFLs for its CINC Program, as described herein.

II.

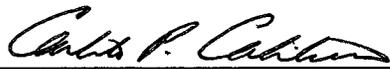
Order

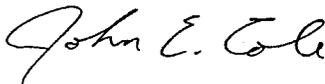
THE COMMISSION ORDERS:

MECO's request to reduce the customer incentive levels for CFLs for its CINC Program, as described herein, is approved.

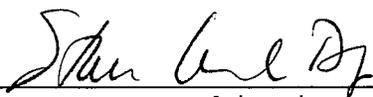
DONE at Honolulu, Hawaii DEC 31 2007.

PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Carlito P. Caliboso, Chairman

By: 
John E. Cole, Commissioner

APPROVED AS TO FORM:


Stacey Kawasaki Djou
Commission Counsel

By: 
Leslie H. Kondo, Commissioner

95-0141.sl

⁶MECO's Response to PUC-IR-1.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Decision and Order No. 23945 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
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EDWARD L. REINHARDT
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Counsel for MECO

for 
Karen Higashi

DATED: DEC 31 2007