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# A BILL FOR AN ACT

RELATING TO PUBLIC UTILITIES.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that the average Hawaii  
2 residence uses approximately six hundred to seven hundred  
3 kilowatt hours per month. The legislature also finds that the  
4 single rate structure for residential customers does not offer  
5 any incentives for energy conservation or efficiency. As  
6 larger, energy-intensive resort type homes are being built in  
7 Hawaii's communities, the increased demand for electricity  
8 places a disproportionate burden on Hawaii's residents who can  
9 find few ways to reduce their electricity needs. The purpose of  
10 this bill is to request the public utilities commission to  
11 investigate the concepts of progressive block, life-line or  
12 tiered rate structures for residential customers.

13           SECTION 2. In an electric utility's application for rate  
14 increase filed with the public utilities commission, the public  
15 utilities commission shall investigate implementation of a  
16 tiered rate structure. For the purposes of this section a  
17 tiered rate is a rate design which divides residential customer  
18 use into different tiers or blocks with a progressively higher



1 rate for increased usage. The investigation may consider the  
2 appropriate lowest tier usage threshold to assure that  
3 electricity to meet the basic needs of low-income customers is  
4 affordable.

5 SECTION 3. This Act shall take effect upon its approval.



**Report Title:**

Public Utilities; Electric; Progressive Block Rates

**Description:**

Requires electric utilities to apply a progressive block rate structure for residential consumers that charges a higher rate to consumers with a monthly consumption of over 500 kWh than to consumers with a monthly consumption of 500 kWh or less.

(HB1941 HD1)

