

**TESTIMONY OF CARLITO P. CALIBOSO  
CHAIRMAN, PUBLIC UTILITIES COMMISSION  
DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE  
SENATE COMMITTEE ON HUMAN SERVICES  
FEBRUARY 12, 2009**

**MEASURE:** S.B. No. 133  
**TITLE:** Relating to Utilities.

Chair Chun-Oakland and Members of the Committee:

**DESCRIPTION:**

This bill proposes to add a new section to chapter 269, Hawaii Revised Statutes ("HRS"), to direct the Public Utilities Commission ("Commission") to implement a program to establish lifeline electricity rates for residential electricity users.

**POSITION:**

The Commission supports the intent of this bill, but defers to the Legislature on the substance and merits of this bill, and offers the following comments.

**COMMENTS:**

- As this committee is already probably aware, if this bill is passed, all other electricity ratepayers will have to pay higher rates as a result of this policy to subsidize the ratepayers who utilize lifeline electricity rates.
- The qualification for a lifeline rate should be tied to an income level, such as those used for state human services programs, regardless of age, physical handicap, or dependence on the use of an electricity using medical device. In other words, we should not have ratepayers subsidize lower electricity rates for those that can afford regular rates.
- The Commission does acknowledge that the Division of Consumer Advocacy is working on developing a program with HECO Companies and believes, in light of that, that this measure is unnecessary.
- The Commission will defer to the Legislature's determination in this regard.

Thank you for the opportunity to testify and provide comments on this bill.



LINDA LINGLE  
GOVERNOR  
JAMES R. AIONA, JR.  
LT. GOVERNOR

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LAWRENCE M. REIFURTH  
DIRECTOR  
RONALD BOYER  
DEPUTY DIRECTOR

TO THE SENATE COMMITTEE ON HUMAN SERVICES

THE TWENTY-FIFTH LEGISLATURE  
REGULAR SESSION OF 2009

THURSDAY, FEBRUARY 12, 2009  
1:45 P.M.

TESTIMONY OF CATHERINE P. AWAKUNI, EXECUTIVE DIRECTOR, DIVISION OF  
CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER  
AFFAIRS TO THE HONORABLE SENATOR SUZANNE CHUN OAKLAND, CHAIR,  
AND MEMBERS OF THE COMMITTEE

**SENATE BILL NO. 0133 – RELATING TO UTILITIES.**

**DESCRIPTION:**

This measure requires the Hawaii Public Utilities Commission ("Commission") to implement a program to achieve lifeline electricity rates for residential electricity users who are elders with limited income, the handicapped with limited income, and any person with a medical condition who is dependent on a medical device requiring electricity to operate.

**POSITION:**

The Division of Consumer Advocacy ("Consumer Advocate") supports the intent of the measure, and offers the following comments for the Committee's consideration.

**COMMENTS:**

The Consumer Advocate believes that minimizing the financial impacts on low income and disadvantaged customers who have limited options through use of lifeline rates is vital. The measure, however, is unnecessary as the Consumer Advocate and the HECO Companies are already developing a lifeline electricity rate program for the Commission's consideration. Pursuant to the Hawaii Clean Energy Initiative agreement with the HECO Companies, we will file such program for the Commission's review by

S.B. No. 0133  
Senate Committee on Human Services  
Thursday, February 12, 2009, 1:45 P.M.  
Page 2

the end of April 2009. The Consumer Advocate will also work with Kauai Island Utility Cooperative to determine whether such a program can and should be implemented for Kauai customers.

Thank you for this opportunity to testify.

**Testimony Before the Senate Committee**

**On**

**Human Services**

**February 12, 2009 (1:45 PM)**

**S.B. 133 RELATING TO UTILITIES**

**By: Peter Young  
Energy Services Department  
Hawaiian Electric Company, Inc.**

Chair Oakland, Vice Chair Ihara and Members of the Committees:

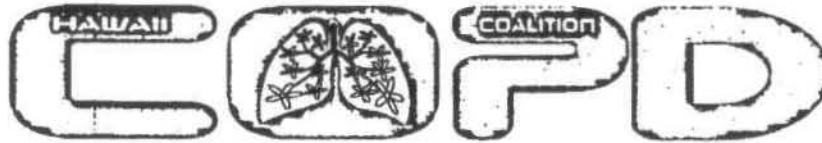
My name is Peter Young, and I represent Hawaiian Electric Company (HECO) and its subsidiary utilities, Hawaii Electric Light Company (HELCO) and Maui Electric Company (MECO). I appreciate the opportunity to present testimony on S.B. 133.

The HECO Companies support the development of lifeline electricity rates for residential electric customers. The HECO utilities are currently studying lifeline rates and related rate issues in order to develop a proposal for lifeline rates in conjunction with the Consumer Advocate, as agreed in the Hawaii Clean Energy Initiative document.

However, the proposed bill limits the residential electric customers eligible for the lifeline rates to 1) elders with limited income; 2) the handicapped with limited income; and 3) any person with a medical condition who is dependent on any medical device requiring electricity to operate. Rather than limit the range of residential customers eligible for lifeline rates at this time, the HECO Companies would prefer the opportunity to present its recommendations and findings in a lifeline rate proposal that can be reviewed by the Commission and others, including a discussion of which customers would be served, how they would qualify, and how would such benefits be paid for.

Thus, HECO requests that the Committee amend this bill to allow the HECO Companies to present their recommendations to the Commission as agreed upon in the HCEI Agreement.

Thank you for this opportunity to testify.




Dear Honorable Human Services Chair Senator Suzanne Chun Oakland, Vice Chair Senator Les Ihara, Committee Members Senators Josh Green, MD and Fred Hemmings,

RE: Strong Support for SB 133, regarding PUC Lifeline Utility Rates

My name is Valerie Chang. I am Executive Director of the Hawaii COPD Coalition. Our organization provides services and support to Hawaii's people affected by Chronic Obstructive Pulmonary Disease, more commonly known as emphysema, chronic bronchitis and similar conditions. COPD is the fourth leading cause of death in the US and expected to be the third leading cause of death in the US and world by 2020. The American Lung Association has estimated that over 50,000 people in Hawaii have COPD. Many, many more people in Hawaii suffer from asthma, tuberculosis, pneumonia and other respiratory conditions.

I strongly SUPPORT the prompt passage of legislation to have the PUC establish lifeline electricity rates for residential electricity users, particularly those with medical conditions, dependent on medical devices which require electricity to operate. There are several medical devices that patients with COPD may require, since it is a progressive condition. These may include regular nebulizer treatments, ventilators, and oxygen concentrators. Some patients may also require CPAP or BiPAP machines to help them breathe while they sleep as well. These medical devices are medically required for the health and safety of these patients and add to the electrical bills of their households.

I greatly appreciate the Chair's sensitivity to this issue which is especially important to those with limited financial resources and those with chronic medical conditions. Thank you for carefully considering this matter. Please do not hesitate to contact me if I can provide any additional information.

Aloha,  
Valerie Chang, JD   
Executive Director  
Hawaii COPD Coalition  
Website: <http://hawaiicopd.org>, e-mail: [copd.hawaii@yahoo.com](mailto:copd.hawaii@yahoo.com)  
(808)699-9839  
733 Bishop Street, Suite 1550  
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Senator Suzanne Chun Oakland  
Chair  
Committee on Human Services  
Conference Room 016  
Hawaii State Capitol  
Honolulu, Hawaii

February 5, 2009

In Support of Senate Bill 133

Aloha Senator Chun Oakland:

What a great ideall! Lifeline for the utilities!!! Just like lifeline for the telephone. I rise in support of this bill. Thank you.

His name was Marvin Schur, he lived in Bay City Michigan. His electric was cut back and he froze to death this year on January 17, 2009!!! This case is still under investigation as many questions remain. He owed the electric company over \$1,000. This is not in question. What is in question is why so much? Who, if anyone, was looking after this 93 year old man. This could be my grandfather. How sad.

Marvin Schur died "a slow, painful death," said Kanu Virani, Oakland County's deputy chief medical examiner, who performed the autopsy. I will leave it here. Please pass this bill from your committee.



Carlton N. Middleton

**FOR SB 133, RELATING TO UTILITIES, SCHEDULED FOR 1:30 FEBRUARY 12 (Lifeline Electricity Rates)**

In October 2008, I became part of a growing number of citizens of Hawaii suffering from COPD (Chronic Obstructive Pulmonary Disease) because I contracted pneumonia and was hospitalized. It required me to use O2 to assist in breathing.

After using my Kaiser medical plan for about five months, I switched to the Veterans Administration assistance program because I am a disabled veteran and am entitled to medical benefits. The VA provided the O2 tanks and related fixed and portable equipment, and required inhalants and supportive medication at no cost to me.

While there was no cost under the VA, there was a major problem because it does not include assistance for lifeline electricity cost for using an oxygen concentrator. ***The use of the concentrator can result in prohibitive expense for electricity. I did experience the first month cost of over \$400.00, perhaps due to my carelessness.*** Regardless, using electricity to operate the concentrator comes at a high cost.

I inquired with HECO about rate relief and learned there was no provision for assistance with lifeline electricity cost in the State of Hawaii. I wrote Senator Chun Oakland for assistance to resolve this matter and the result is Senate Bill No. 133.

It should be noted that not every concerned citizen in Hawaii can easily afford the prohibitive electricity cost to use the O2 concentrator. I was hard pressed after that first month of usage that I reverted to the portable tanks.

I am fortunate the VA provides the necessary supply and resupply of two sizes of portable O2 tanks precluding my having to use the concentrator on a daily basis.

My reason for offering testimony is because I have empathy for my fellow citizens who fit the descriptions set forth in parts (b) (1), (2), and (3), in Senate Bill No. 133, and must cope with the hardship with high costs of living that are compounded by the lack of lifeline electricity support.

I would be remiss if I fail to acknowledge Senator Chun Oakland's outstanding effort and support for those of us who need relief.

In conclusion, I sincerely ask the members of this body for your wholehearted *kokua* on behalf of our concerned fellow citizens and your constituents.

Mahalo nui loa,

Thomas K. Clarke

I reside at 2752-G Pali Highway, Honolulu, HI 96817. I can be contacted at e mail [clarket001@hawaii.rr.com](mailto:clarket001@hawaii.rr.com) and telephone 595-2664..

FAX-1-800-587-6657 OR (808) 588-0001

TESTIMONY - THE SENATE - 25<sup>TH</sup> LEGISLATURE

REGULAR SESSION OF 2009 2/12/09 1:45 PM  
CONF. RM. 016 STATE CAPITOL 415 BERETANIA ST  
HONOLULU, HI TRUCE END

NAME: MARGARET LEVY-DORANDOS, CNA

POSITION: BOARD MEMBER

ORGANIZATION: STATEWIDE INDEPENDENT LIVING COUNCIL

DATE: 2/12/09

TIME: 1:45 PM

COMMITTEE DIRECTION: COMMITTEE ON HUMAN SERVICES  
SEN. CHUN OAKLAND, SEN. IHARA

- 1. MEASURE # SB 1210 - I AM AGAIN THIS MEASURE
- 2 " " SB 1189 - "
- 3 " " SB 915 - "
- 4 " " SB 918 - "
- 5 " " SB 1330 - "
- 6 " " SB 924 - "
- 7 " " SB 1177 - "
- 8 " " SB 913 - "
- 9 " " SB 916 - "

I AM FOR THE FOLLOWING MEASURES

- 10. MEASURE # SB 1016 - I AM FOR THIS MEASURE
- 11. " " SB 133 - "
- 12. " " SB 801 - "
- 13 " " SB 1006 - "
- 14 " " SB 1014 - "

THANK YOU

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