

DEPARTMENT OF BUDGET AND FINANCE

Rules Establishing Rules Pertaining to the Public  
Utilities Commission, State of Hawaii,  
Department of Budget and Finance,  
Adopting Chapter 60, of Title 6,  
Administrative Rules

SUMMARY

1. Chapter 60 of Title 6, Administrative Rules, entitled "Standards for Electric and Gas Utility Service in the State of Hawaii," implementing Chapter 269, Hawaii Revised Statutes, is adopted.

EFFECTIVE: JUNE 19, 1981

1. Chapter 60 of title 6, entitled "Standards for Electric and Gas Utility Services in the State of Hawaii is adopted and shall read as follows:

TITLE 6

DEPARTMENT OF BUDGET AND FINANCE

CHAPTER 60

STANDARDS FOR ELECTRIC AND GAS SERVICES IN THE  
STATE OF HAWAII

- §6-60-1 Purpose
- §6-60-2 Applicability of standards
- §6-60-3 Definitions
- §6-60-4 Regulatory standards for electric and gas utilities
- §6-60-5 Master metering
- §6-60-6 Automatic adjustment clause
- §6-60-7 Information to customers
- §6-60-8 Procedures for termination of service
- §6-60-9 Advertising
- §6-60-10 Reports respecting standards

§6-60-1 Purpose. The purpose of these rules is to formulate uniform requirements for electric and gas utilities operating within the State of Hawaii, to follow certain standards under the Public Utility Regulatory Policies Act of 1978 (PURPA herein) Public Law 95-617 established by the Congress of the United States. The objectives of such standards are to encourage conservation of energy supplied by utilities, efficient use of facilities and resources, and equitable rates to customers. [Eff. JUN 19 1981] (Auth. HRS 269-6) (Imp: HRS 269-7)

§6-60-2 Applicability of Standards. These standards shall apply to all electric and gas supply systems used in connection with public utility service and shall be in addition to the requirements of any existing state statute, rules, or local ordinances applicable to electric and gas service. Provisions of this Chapter 60 of Title 6 shall supersede any inconsistent provisions of the Commission's General Order No. 7 and General Order No. 8, Standards for Electric and Gas Services, respectively. [Eff. 6-19-81 ] (Auth: HRS 269-6) (Imp: HRS 269-7)

§6-60-3 Definitions. As used in these rules:

"Advertising" means the commercial use, by an electric or gas utility, or any media, including newspaper, printed matter, radio, and television, in order to transmit a message, to a substantial number of members of the public or to its customers.

"Automatic adjustment clause" means a provision of a rate, charge or practice which provides for increases and decreases (or both) which adjustment clause has been previously approved by the commission.

"Commission" means the public utilities commission of the State of Hawaii.

"Consumer Advocate" means the Director of Regulatory Agencies, Department of Regulatory Agencies, State of Hawaii.

"Customer" means any person, group of persons, firm, corporation, association, institution, agency of the federal, state or local government or civic body in whose name electric or gas service is rendered by an electric or gas utility.

"Master metering" means service to multi-family accommodations, hotel, commercial, or industrial customers through one meter on a single premise where the individual tenants are not submetered.

"Meter" means, unless otherwise qualified, any device or instrument that measures or registers or records the consumption of an electrical or gas quantity with respect to time.

"Political advertising" means any advertising for the purpose of influencing public opinion with respect to legislative, administrative, or electoral matters, or with respect to any controversial issue of public importance.

"Premises" means the space occupied by a customer in a single building or a group of buildings on contiguous property of the customer.

"Promotional advertising" means any advertising for the purpose of encouraging any person to select or use the service, increase the use of the additional service of any electric or gas utility, the selection or installation of any appliance or equipment designed to use such service.

"Residential use" means electric and gas service for use at family dwelling premises.

"Service" or "electric or gas service", unless otherwise specifically designated, means electrical or gas energy generated, transmitted, distributed, or furnished by any electric or gas utility distribution system.

"Tariff" means the entire body of effective rates, charges, definitions, rules and regulations including those services contained in special contracts filed with the commission.

"Termination of service" means physical disconnection of a service to a customer from the utility system.

"Utility" means any electric or gas company or any person, firm, or corporation engaged in producing, transmitting, distributing, or furnishing electric or gas service for sale or resale for domestic, commercial, industrial or other purposes.

§6-60-4 Regulatory standards for electric and gas utilities. Regulatory standards are adopted on master metering, automatic adjustment clauses, information to customers, procedures for termination of service, and advertising. The term "standards" as used herein shall be construed as having the same force and effect as a rule which means "an agency statement of general or particular applicability and future effect that implements, interprets or prescribes law or policy." [Eff. 6-19-81 ]  
(Auth: HRS 269-6) (Imp: HRS 269-7)

§6-60-5 Master metering. Metering of electric or gas service for new buildings for which building permits are obtained six months after effective date of this rule shall comply with the following standards:

- (1) Service to any unit which constitutes a residence for a household shall be supplied through individually-metered service for each unit from the electric or gas utility. This requirement applies whether the unit is owner-occupied or rented, except where prohibited by local code or ordinance.
- (2) Master metering service for apartments, condominiums and multi-unit buildings containing residential units may be utilized when the individual occupant does not control a substantial portion of the energy such as for water heating or air-conditioning or if such service will tend to encourage conservation or the efficient use of energy. The determination of master metering for apartments, condominiums, and multi-unit buildings shall be made by the utility.

- (A) In the event of a dispute, a person may apply to the commission for modification or exemption by furnishing the facts and circumstances to support the petition; and
  - (B) The participating utility shall also join in the petition either in support or opposition thereto with reasons and explanations for its position.
- (3) In commercial and industrial buildings, where the individual tenant uses a significant amount of electricity or gas and controls a major portion of its use, individually metered service from the utility shall be utilized to the extent practicable.
- (A) Master metering may be utilized when the individual occupant meets the conditions of paragraph (2); and
  - (B) Determination of master metering and disputes, modification and exemptions shall be in accordance with paragraph (2). [Eff. 6-19-81 ] (Auth: HRS 269-6) (Imp: HRS 269-7)

§6-60-6 Automatic adjustment clauses. The utility's rate schedules may include automatic rate adjustment clauses, only for those clauses previously approved by the commission. Upon effective date of this Chapter, any fuel adjustment clause submitted for commission approval shall comply with the following standards:

- (1) "Fuel adjustment clause" means a provision of a rate schedule which provides for increases or decreases or both, without prior hearing, in rates reflecting increases or decreases or both in costs incurred by an electric or gas utility for fuel and purchased energy due to changes in the unit cost of fuel and purchased energy.
- (2) No changes in fuel and purchased energy costs may be included in the fuel adjustment clause unless the contracts or prices for the purchase of such fuel or energy have been previously approved or filed with the commission.

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- (3) The fuel adjustment clause shall cover only increases or decreases in the unit cost of fuel and purchased energy adjusted for the resulting changes in revenue taxes, from those found reasonable in the last rate case proceeding for the utility; where such unit cost were included in the base rate for each schedule.
  - (4) The adjustment shall be effective on the date of change and when a cost change occurs during a customer's billing period, the fuel adjustment shall be prorated for the number of days each cost was in effect.
  - (5) The utility shall notify the Commission and the Consumer Advocate within five days after notification of an increase or decrease in cost by the fuel supplier. Prior to the effective date of each change in the fuel adjustment, the utility shall make a filing with the Commission and the Consumer Advocate, Department of Regulatory Agencies, showing the calculation of such change in the fuel adjustment clause and shall submit other supporting data as the Commission or the Consumer Advocate may require. The filing shall include:
    - (A) The base rate as determined in the last rate proceeding for the subject utility, the previous fuel adjustment cost applied to all bills, and the present cost adjustment presented in a manner to indicate the difference between the base rate and the present adjustment and the difference between the previous fuel adjustment and the present change;
    - (B) Changes in the composite cost to the utility for fuel delivered to its service tanks, as measured by increases or decreases in the unit cost of fuel or purchased energy, adjusted for the resulting changes in revenue taxes;
    - (C) Differences between the forecast mix of fuel and purchased energy and the recorded mix;
- [Eff. 6-19-81 ] (Auth: HRS 269-6)  
(Imp: HRS 269-16)

§6-60-7 Information to customer. The utility shall furnish to the customer, information concerning the available rate schedules for service and shall also furnish consumption information to the customer.

- (1) The utility shall advise the customer or prospective customer of the rate options that are available and shall assist the customer in selecting the most economical rate schedule. The utility may satisfy the foregoing orally and only if rate options exist;
- (2) Within sixty days after commencement of utility service, the utility shall provide the customer with a brief explanation of the existing rate schedule and billing practice, including termination of service procedures and policy;
  - (A) The explanation may be in the form of brochure or written material sent to the customer; and
  - (B) The utility shall keep a record in the customer's file in a discernible method that such explanation was furnished.
- (3) Within sixty days after the utility has filed for an application to increase its rates and charges, the utility shall notify its customers of the filing with a brief explanation of the amount of increase sought in the application;
  - (A) Notification shall be in the form of an insert to each customer's billing within the sixty day period.

- (4) Within sixty days after the utility has received approval from the commission for a change in rates, classification, or service; the utility shall notify the affected customers of such authorization for change with a brief explanation of the change. Notification shall be in the form of an insert to each customer's billing within the sixty day period;
- (5) The utility shall provide customers with a brief explanation of the existing rate schedules available to their respective class of service. The brief explanation shall be given at least once every twenty-four month period;
- (6) Upon request of a customer, but not more frequently than once each calendar year, the utility shall provide a statement of the customer's actual consumption for each billing period during the prior year, unless such information is not readily available; and
- (7) The utility shall furnish such additional information as the customer may reasonably request. [Eff. 6-19-81 ] (Auth: HRS 269-6) (Imp: HRS 269-7)

§6-60-8 Procedures for termination of service.

(a) A customer shall be given reasonable written notice prior to termination of service and shall also be given an opportunity to dispute the charges in his bill in accordance with the following:

- (1) The customer shall be given at least fifteen days to pay the bill for electric or gas service after the bill is issued;
- (2) The customer may file a complaint or dispute with the utility on the charges appearing on the bill but must do so within the fifteen days allowed to pay the bill;
- (3) The utility shall furnish a written response to the customer on its investigation of the complaint and the utility's determination as to the correctness or adjustments, if any, on the bill;



- (4) The customer shall be notified by the utility of the exact amount due and payable on the bill and the bill shall be paid within seven days of the notice; and
  - (5) The customer may pay the disputed bill under protest to avoid termination of service and the protest shall be submitted to the commission for final determination.
- (b) The written notice for termination of service shall state the following:
- (1) The reason or reasons for termination;
  - (2) The date on or after which termination will occur;
    - (A) Termination shall not occur on Saturdays, Sundays or holidays observed by the utility and shall be planned during normal utility working hours.
  - (3) The action that the customer must take to avoid termination; and
  - (4) The telephone number or numbers of utility representatives available to handle the subject of termination.
- (c) The utility shall provide special consideration in the handling of termination of service in the case of the elderly and handicapped customers.
- (1) Elderly customers must show proof of age that they are sixty-two years or older by either appearing in person at the utility office or by verifying the date of birth in writing by a personal statement;
  - (2) Handicapped customers can be qualified by certification of their physical condition by a registered physician or by an appropriate state agency; and
  - (3) In no event shall termination of service to an elderly or handicapped customer commence without a written report and investigation by the utility to the commission. The report and investigation must be submitted by the utility not less than five days prior to the planned date for termination of service.
- (d) The requirements of this section shall be effective three months after the effective date of this rule. [Eff. 6-19-81 ] (Auth: HRS 269-5) (Imp: HRS 269-7)

§6-60-9 Advertising. (a) No utility may recover from any person other than the shareholders of such utility, any expenditures for promotional or political advertising as defined in these rules.

(b) A utility may conduct advertising which informs customers on conservation of energy, notification of hearings as required by law or regulation, advertising notices on service interruptions, safety measures or emergency conditions and employment opportunities with such utility. Such reasonable expenditures shall be permitted as operating expenses for ratemaking purposes.

(c) All other advertising programs or expenses shall be subject to review during the request for rate revisions and such expenses may be disallowed and may not be recovered from any person other than the shareholders of such utility. [Eff. 6-19-81 ] (Auth: HRS 269-6) (Imp: HRS 269-7)

§6-60-10 Reports respecting standards. (a) Each year the utility shall file a written report in summary form to the Commission the number of master meters installed, a comparison of the revenues collected from the automatic adjustment clause and the additional costs of energy above the base energy cost incurred by the utility during the year based on the same period the cost incurred and the energy consumed by the customers, the number of terminations of service and the advertising expense for the past calendar year.

(b) The report may be submitted in conjunction with the utility's submission of its capital expenditure program for the forthcoming calendar year or in the alternative, no later than March 15 of each calendar year.

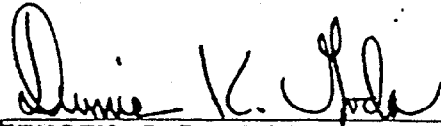
(c) The Commission may require additional or special reports of the utilities of matters contained in this chapter and prescribe the manner, form and frequency in which the reports shall be filed with the Commission.

[Eff. 6-19-81 ] (Auth: HRS 269-6) (Imp: HRS 269-8)

DEPARTMENT OF BUDGET AND FINANCE

The Public Utilities Commission authorized the establishment and adoption of Chapter 60, Title 6, Administrative Rules entitled "Standards for Electric and Gas Utility Service in the State of Hawaii" on April 24, 1981 following public hearings held on December 1, 2, 3, 4, 8 and 10, 1980 after public notice was given in the Honolulu Advertiser, Hawaii Tribune Herald, Maui News and the Garden Island News on November 10, 1980.

These rules shall take effect ten days after filing with the Office of the Lieutenant Governor.




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JENSEN S.L. HEE  
Director of Finance  
Department of Budget and  
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APPROVED AS TO FORM:



Deputy Attorney General



GEORGE K. ARIYOSHI  
Governor  
State of Hawaii

Date: June 6, 1981

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REC'D. BY

GOVERNOR'S OFFICE