
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 Act is to direct 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. When an electric utility files an application
14 for rate increase with the public utilities commission, the
15 public utilities commission shall investigate the implementation
16 of a tiered rate structure. For the purposes of this section, a
17 tiered rate is a rate design that divides residential customer
18 use into different tiers or blocks with a progressively higher



H.B. NO. 034

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. The public utilities commission shall submit
 6 its findings and recommendations to the legislature no later
 7 than twenty days prior to the convening of the regular session
 8 of 2008.

9 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY:

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JAN 19 2007



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.

