

Utilities: Exclude co-op from hearings; NextEra, Hawaiian Electric ask PUC to limit scope of testimony

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As the state Public Utilities Commission prepares to weigh evidence in the proposed \$4.3 billion merger of the Hawaiian Electric Companies and NextEra Energy, the companies requested intervenors pushing alternatives to the merger be excluded from an upcoming hearing.

In a motion filed Oct. 20, NextEra and Hawaiian Electric requested the PUC limit the scope of testimony and evidence at a Nov. 30 evidentiary hearing in Honolulu.

The companies argue several intervenors in the merger docket before the PUC have been providing testimony and evidence that covers issues not identified by the PUC as pertaining to the merger, and to allow them to continue to do so at the hearing could slow the process.

“Such ... information may include, but not be limited to ... information concerning or relating to future plans or proposals for replacing one or more of the Hawaiian Electric Companies’ with an electric cooperative or municipal electric utility,” reads the motion.

Since the utility companies first announced their planned merger in December, support has been growing on the Big Island for a ratepayer-owned electric utility similar to the one that supplies customers on Kauai with electricity.

Proponents of the nonprofit cooperative model argue it will help keep costs down by reinvesting money back into the system and providing dividends to members, rather than paying dividends to stockholders outside Hawaii.

Area business and community leaders formed the Hawaii Island Electric Cooperative and proceeded to sign on as an intervenor in the merger docket, which must be approved by the PUC before NextEra can assume control of the Hawaii electric utilities, including Hawaii Electric Light Co. on Hawaii Island, Hawaiian Electric Co. on Oahu and Maui Electric.

During a Hilo public hearing on the merger in late September, a majority of testifiers heavily supported the co-op model, and in fact appeared to talk more about alternatives to the merger than about the merger itself.

On Tuesday, HIEC filed a response in opposition to the motion by NextEra and Hawaiian Electric, while arguing it had not submitted testimony and evidence outside the scope of the merger.

“HIEC has not sought to introduce any such proposal that the Commission adopt or approve a cooperative model for electric utility service,” the response reads. “... HIEC submits that it is both unnecessary and premature to insist that the Commission address the hypothetical introduction of a plan or proposal for cooperative or municipal ownership at this time.”

Maui County, which has been exploring the possibility of forming its own municipal utility, also responded Tuesday in opposition to the motion, saying it “unnecessarily limits the (PUC’s) discretion, and of all the possible issues or evidence excluded, unfairly singles out the County of Maui, the City and County of Honolulu, and the County of Hawaii’s potential for a cooperative or municipal utility.”

The “true purpose” of the NextEra/HEI motion, the Maui response reads, “appears to be to single out and exclude any proposals endorsing the creation of a cooperative or municipal utility as being outside the scope of (the issues before the PUC).”