

# Community clashes over KIUC rate proposal - The Garden Island

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HANAMA'ULU — When electric bills increase, sparks are sure to fly.

The Kaua'i Island Utility Cooperative held a public hearing at Hanama'ulu's King Kaumuali'i Elementary School on Tuesday evening, allowing Kaua'i residents the opportunity to provide testimony on the cooperative's planned rate increase.

KIUC filed a request for a revenue increase with the state Public Utilities Commission on Dec. 28, 2022. If approved, the cooperative says the average rate will increase by about 9.42 percent.

David Bissell, KIUC president and CEO, told those at the hearing that while the cooperative has avoided a base rate increase since 2010 — the only such increase in its history — several financial factors have now forced the cooperative to do so once more.

Bissell noted while rates have increased by 4.9 percent since 2010, inflation has increased by 37 percent in that same time frame.

Additionally, Bissell said operation and maintenance costs have increased by \$10.8 million.

Bissell also added that the cooperative had deferred \$12.8 million in revenue during the COVID-19 pandemic in order to avoid a rate increase in the midst of a crisis — revenue that now must be recovered.

Finally, Bissell told members that KIUC anticipates a net margin of negative \$7.1 million if the rate increase is not approved.

Following Bissell's presentation, members of the public were given an opportunity to testify on the proposal.

Bridget Hammerquist, president of local activist group Friends of Maha'uilepu, spoke in opposition of the rate increase, arguing that residential consumers would take on excess financial burden compared to corporate consumers.

“I think there are people in the community that are commercial users and corporate developers, and they would not mind this particular rate increase as much, because they’re not actually bearing the brunt of it,” she said.

Hammerquist added that Friends of Maha‘ulepu is working with a consumer advocate firm on the mainland to review the cooperative’s proposal.

Diane Fukuyama, a lifelong Kaua‘i resident, also opposed the rate increase, arguing that even a 9.4 percent increase would be too much for many Kaua‘i residents to bear.

“We’re already severely impacted with living here,” she said. “A 9.4 increase in having electric — not just for my family, but for many other families — will be really grave. There’s so many problems with homelessness, and I’d hate to see more people on the street because they can’t pay for surviving in a household and keeping electricity.”

Not all testimony came in opposition of the proposal, however. Dan Giovanni, former senior vice president of operations at Hawaiian Electric Company, noted such a rate increase is likely necessary despite the increased financial burden for consumers.

“I find that rate cases are never comfortable, always complicated, and the real benefits can be seen in the details,” he said.

Citing his 45 years of experience in the electric power industry, Giovanni expressed significant concern over the threat of dilapidated grid infrastructure if the cooperative is unable to increase profits.

“Based on the practices of electric utilities around the world ... it might invite deferred maintenance, which would be catastrophic on the island grid,” he said.

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