

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
)
 HAWAIIAN ELECTRIC COMPANY, INC.)
)
 For Approval to Commit Funds in)
 Excess of \$500,000 for)
 Item P0000773, the Honolulu)
 8 HP/LP Turbine Blading; and for)
 Waiver of Paragraph 2.3.g.2 of)
 General Order No. 7.)
 _____)

DOCKET NO. 03-0083

ORDER NO. 20121

Filed April 14, 2003
At 2:00 o'clock P.M.

Karen Higashi
Chief Clerk of the Commission

DIV. OF CONSUMER ADVOCACY
DEPT. OF COMMERCE AND
CONSUMER AFFAIRS
STATE OF HAWAII

2003 APR 14 P 4:26

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ATTEST: A True Copy
KAREN HIGASHI
Chief Clerk, Public Utilities
Commission, State of Hawaii.

K. Higashi

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In the Matter of the Application of))	
HAWAIIAN ELECTRIC COMPANY, INC.)	Docket No. 03-0083
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Item P0000773, the Honolulu)	
8 HP/LP Turbine Blading; and for)	
Waiver of Paragraph 2.3.g.2 of)	
General Order No. 7.)	
_____)	

ORDER

I.

By application filed on April 3, 2003, HAWAIIAN ELECTRIC COMPANY, INC. (HECO) requests commission approval to commit approximately \$2,201,110 for Item P0000773, the Honolulu 8 HP/LP Turbine (Honolulu 8) Blading project (proposed project). HECO's request is made pursuant to paragraph 2.3.g.2 of the commission's General Order No. 7, Standards for Electric Utility Service in the State of Hawaii (G.O. No. 7).

HECO served copies of the application on the Division of Consumer Advocacy, Department of Commerce and Consumer Affairs (Consumer Advocate).

Pursuant to section 1.2.b of G.O. No. 7, HECO also seeks a waiver of the section 2.3.g.2 requirement that its application "be submitted to the commission for review at least 60 days prior to the commencement of construction or commitment for expenditure, whichever is earlier" (60-day notice period). The instant order,

thus, only addresses HECO's request for a waiver of the section 2.3.g.2 applicable requirement, and does not make a determination on HECO's request to commit funds for the proposed project.

II.

A.

The proposed project involves the repair and/or replacement of turbine blades for the Honolulu 8 turbine, a nominal 54 MW non-reheat steam unit that was commissioned in 1954.¹ The Honolulu 8 is one of two cycling units currently in operation at the Honolulu Generating Station. It is currently scheduled for a 12-week maintenance outage starting on April 12, 2003. The Honolulu 8 blades are expected to be severely deteriorated and in need of replacement. HECO anticipates that its chosen vendor² can complete the repair and/or replacement work on Honolulu 8 within the scheduled 12-week overhaul period, assuming HECO is able to place the order for new blades upon completion of the blade inspection.

Receipt of a commission waiver of the 60-day notice period by April 16, 2003 would allow HECO to complete the

¹HECO anticipates the scope of work to be done on the Honolulu 8 turbine based on the 2002 inspection of the Honolulu 9 turbine, the "sister unit" of Honolulu 8. HECO expects the Honolulu 8 turbine blades to be in a similar condition to the Honolulu 9 turbine blades. The Honolulu 9 turbine is the subject of a similar HECO request pending before the commission in Docket No. 03-0006.

²HECO states that it will award the replacement blade contract to the same vendor as that for the Honolulu 9 turbine.

installation of the new turbine blades and return Honolulu 8 to service within the 12-week overhaul outage. Receipt of a commission waiver after April 16 will extend the maintenance outage and affect the scheduled maintenance of other units.

B.

The Consumer Advocate does not object to HECO's request for waiver of the 60-day notice period. It does, however, reserve the right to complete a review of the instant application and to state its position on the merits of the application based upon this review.

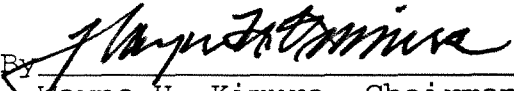
Upon review, the commission finds good cause to approve HECO's request for a waiver of the 60-day notice period. The commission emphasizes, however, that this order does not constitute a decision on the merits of HECO's application. As HECO acknowledges in its application, "if the [c]ommission does not approve [the] [a]pplication, HECO will have the burden of proof to justify the reasonableness of the capital expenditures in its next rate case."

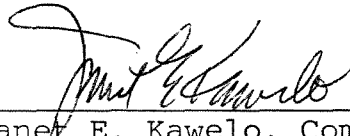
III.


THE COMMISSION ORDERS that HECO's request for waiver of the section 2.3.g.2 requirement to file its application at least 60 days prior to the commencement of construction or commitment for the expenditure of funds, filed on April 3, 2003, is approved.

DONE at Honolulu, Hawaii this 14th day of April, 2003.

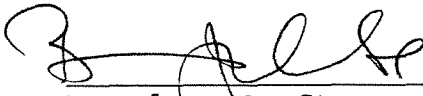
PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Wayne H. Kimura, Chairman

By 
Janet E. Kawelo, Commissioner

By 
Gregg W. Kinkley, Commissioner

APPROVED AS TO FORM:


Benedyne S. Stone
Commission Counsel

03-0083.sl

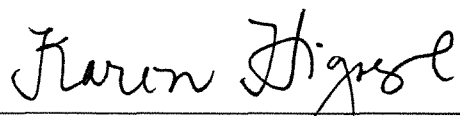
CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 20121 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
DIVISION OF CONSUMER ADVOCACY
P. O. Box 541
Honolulu, HI 96809

WILLIAM A. BONNET, VICE PRESIDENT
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LORIE ANN NAGATA, TREASURER
HAWAIIAN ELECTRIC COMPANY, INC.
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Karen Higashi

DATED: April 14, 2003