

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

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

In the Matter of the Application of)
HAWAIIAN ELECTRIC COMPANY, INC.)
For Approval of Amendment No. 2 to)
PPA with AES Hawaii, Inc. and to)
Establish Rate Adjustment on Short)
Notice.)
_____)

DOCKET NO. 03-0126

ORDER NO. 20310

Filed July 9, 2003
At 3:30 o'clock P.M.

Karen Higashi
Chief Clerk of the Commission

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

K. Higashi

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
HAWAIIAN ELECTRIC COMPANY, INC.) Docket No. 03-0126
For Approval of Amendment No. 2 to) Order No. 20310
PPA with AES Hawaii, Inc. and to)
Establish Rate Adjustment on Short)
Notice.)
_____)

ORDER CLARIFYING DECISION AND ORDER NO. 20292

I.

By Decision and Order No. 20292 ("Decision and Order No. 20292"), filed on July 1, 2003, the commission, among other things, approved Amendment No. 2 to the Power Purchase Agreement ("PPA") between HAWAIIAN ELECTRIC COMPANY, INC. ("HECO") and AES Hawaii, Inc. ("AES Hawaii"), dated May 8, 2003 and found that HECO's consent to the AES Hawaii Refinancing (as such term is defined in Decision and Order No. 20292) is reasonable, to the extent the amount financed does not exceed the principal balance (approximately \$200 million as of May 1, 2003) and unpaid interest due and owing as of the closing of the AES Hawaii Refinancing.

By a Motion for Clarification of Decision and Order No. 20292 ("Motion for Clarification"), HECO requests that the commission clarify its finding in ordering paragraph number two and the related statements on pages 8 and 9 of Decision and Order No. 20292 (hereinafter collectively referred to as the

"Commission's Finding"), to make it clear that the commission did not find, or intend to imply (1) that HECO should not consent to the AES Hawaii Refinancing, or (2) that it would be unreasonable for HECO to consent to the AES Hawaii Refinancing. HECO files its Motion pursuant to Hawaii Administrative Rules §§ 6-61-41 and 6-61-137, and is based upon the record in this docket.

HECO served copies of the Motion for Clarification on the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy ("Consumer Advocate"). On July 8, 2003, the Consumer Advocate filed a Statement in Support for the Motion for Clarification ("Statement in Support"), in which it stated that it supports HECO's Motion for Clarification. In addition, the Consumer Advocate reiterated its recommendation that HECO be allowed to provide its consent to the proposed AES Hawaii Refinancing in exchange for the \$2.9 million reduction in the capacity payments over the remaining term of the PPA, that Amendment No. 2 of the PPA should be approved, and that HECO's proposed refunding mechanism is reasonable.

Upon review of the Motion for Clarification, the commission finds good cause to grant in part and deny in part, HECO's Motion for Clarification to clarify Decision and Order No. 20292.

II.

THE COMMISSION ORDERS:

1. HECO's Motion for Clarification, filed on July 3, 2003, is granted in part and denied in part, and Decision and Order No. 20292 is clarified, as provided herein.

2. The commission did not find, or intend to imply by the Commission's Finding that HECO should or should not consent to the proposed AES Hawaii Refinancing.

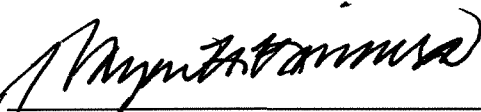
3. The commission did not find, or intend to imply by the Commission's Finding that it would or would not be unreasonable for HECO to consent to the proposed AES Hawaii Refinancing.

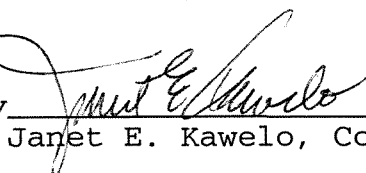
4. In all other respects, the Motion for Clarification is denied.

DONE at Honolulu, Hawaii this 9th day of July, 2003.


PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Carlito P. Caliboso, Chairman

By 
Wayne H. Kimura, Commissioner

By 
Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:


Catherine P. Awakuni
Commission Counsel

03-0126.eh

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 20310 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
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WILLIAM A. BONNET
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Karen Higashi

DATED: July 9, 2003