

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 Y00030,)
New Dispatch Center (Which Includes)
A New Energy Management System).)
_____)

DOCKET NO. 03-0360

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

2004 MAY 12 P 3:51

RECEIVED

ORDER NO. 20971

Filed May 12, 2004
At 3:00 o'clock P.M.

Karen Higuel.
Chief Clerk of the Commission

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 Y00030,)
New Dispatch Center (Which Includes)
A New Energy Management System).)

Docket No. 03-0360

Order No. 20971

ORDER

I.

Background

HAWAIIAN ELECTRIC COMPANY, INC. ("HECO") requests commission approval to commit an estimated \$22,909,230 for Item Y00030, its new dispatch center project (which includes a new energy management system), through an application filed on October 2, 2003.¹ HECO makes its request under Rule 2.3.g.2 of General Order No. 7, *Standards for Electric Utility Service in the State of Hawaii* ("Rule 2.3.g.2").²

HECO served the DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, DIVISION OF CONSUMER ADVOCACY ("Consumer Advocate") with copies of its application.³

¹HECO submitted Attachments 1, 2, and 3 to its previously filed application on October 3, 2003.

²For the purposes of this order, "Rule" and "Paragraph" are synonymous.

³No persons moved to intervene in this proceeding.

The commission ordered HECO and the Consumer Advocate (the "Parties")⁴ to meet informally to formulate and file a stipulated procedural order, or in the alternative, respective proposed orders, with respect to the proceedings of this docket in Order No. 20598, filed on October 28, 2003.⁵ The Parties filed their proposed stipulated procedural order on December 3, 2003, for the commission's review and approval. The commission issued Stipulated Procedural Order No. 20715 on December 15, 2003, to govern the proceedings in this docket ("Stipulated Procedural Order").

The Consumer Advocate served HECO with information requests ("IRs") on November 13, 2003, and December 29, 2003. HECO filed responses to these IRs on December 12, 2003, and January 20, 21, and 30, 2004.

The Consumer Advocate filed a letter on February 9, 2004, requesting an amendment to the procedural schedule of this proceeding ("Revised Schedule") and informed us that HECO had no objections to this request. The commission issued Order No. 20807 on February 19, 2004, approving the Revised Schedule proposed by the Consumer Advocate.

⁴The Parties filed their proposed protective order for the commission's review and approval on October 16, 2003. The commission issued Protective Order No. 20610 on October 29, 2003.

⁵The commission required the Parties to make their filings in compliance with Order No. 20598 within twenty (20) days of the date of the order, or on or about November 17, 2003. HECO, on behalf of the Parties, requested that the deadline to file the stipulated procedural order, or proposed orders, be extended until December 3, 2003, in a letter filed on November 14, 2003. The commission approved HECO's extension request in Order No. 20658, filed on November 20, 2003.

In compliance with the Revised Schedule, the Consumer Advocate filed its statement of position ("SOP") on March 12, 2004, while HECO filed its reply SOP on April 30, 2004 ("Reply SOP").⁶

II.

Discussion

Rule 2.3.g.2 provides that if the commission does not act on an electric utility's application and render a decision and order within ninety (90) days of its filing, the utility will be allowed "to include the project in its rate base without the determination by the [c]ommission required by this rule." The deadline for the commission to take action on HECO's application in this docket would have expired on or about December 31, 2003. The Parties recognized this deadline in its proposed stipulated procedural order and agreed to extend the commission's deadline to act until twenty (20) days after HECO files its notice requesting the commission to proceed with decision-making or twenty (20) days after HECO files its Reply SOP.⁷ The Parties' agreement to extend the commission's deadline to act was approved in the Stipulated Procedural Order. Based on the Stipulated Procedural Order, as amended by the

⁶HECO filed additional information in this docket on December 9, 2003, and March 30, 2004. In the March 30, 2004 filing, HECO informs us that the project proposed in this docket is consistent with its Integrated Resource Plan.

⁷See, Stipulated Procedural Order at 3.

Revised Schedule, the commission's deadline to act is on or about May 20, 2004.

This docket concerns the proposed commitment of funds of approximately \$22,909,230 for the construction and installation of HECO's new dispatch center and new energy management system. While the commission has begun its review of the record of this docket, additional time will be needed for the commission to finish its review and make its determinations. We note that the record of this docket is voluminous, which is understandable given the amount of funds involved. Additionally, HECO advised the commission of its plan to "discuss the possibility of submitting a joint letter" with the Consumer Advocate to address the Consumer Advocate's reporting requests and clarify its recommendation in a effort to expedite the disposition of the matters in this docket without addressing all of the points raised by the Consumer Advocate in its SOP and responded to by HECO in its Reply SOP.⁸

Since the commission's deadline to act is approaching, we find good cause to suspend the triggering of the automatic approval provision of Rule 2.3.g.2, at this time. The suspension of this application will provide the Parties with additional time to file their joint letter, if any, as HECO mentions in its Reply SOP, and the commission with the necessary time to finish its review of the matters of this docket.

⁸See, HECO's Reply SOP at 2.


III.


Orders


THE COMMISSION ORDERS that HECO's application, filed on October 2, 2003, in this docket, is suspended until further order of the commission.

DONE at Honolulu, Hawaii this 12th day of May, 2004.

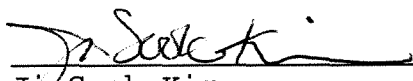
PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Carlito P. Caliboso, Chairman

By 
Wayne H. Kimura, Commissioner

By 
Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:


Ji Sook Kim
Commission Counsel

03-0360.eh

CERTIFICATE OF SERVICE

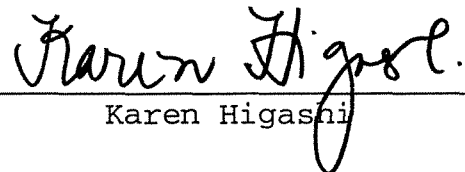
I hereby certify that I have this date served a copy of the foregoing Order No. 20971 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

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

WILLIAM A. BONNET
VICE PRESIDENT
GOVERNMENT AND COMMUNITY AFFAIRS
HAWAIIAN ELECTRIC COMPANY, INC.
P. O. Box 2750
Honolulu, HI 96840-0001

LORIE ANN NAGATA
TREASURER
HAWAIIAN ELECTRIC COMPANY, INC.
P. O. Box 2750
Honolulu, HI 96840-0001

THOMAS W. WILLIAMS, JR., ESQ.
PETER Y. KIKUTA, ESQ.
GOODSILL ANDERSON QUINN & STIFEL
Alii Place, Suite 1800
1099 Alakea Street
Honolulu, HI 96813



Karen Higashi

DATED: May 12, 2004