

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
)
HAWAII ELECTRIC LIGHT COMPANY, INC.)
)
For Approval of: (1) a Contract)
Between HELCO and the Army for the)
Acquisition and Upgrade of the)
Army's Pohakuloa Training Area and)
Kilauea Military Camp (Island of)
Hawaii) Electrical Distribution)
Systems; (2) a Pole Attachment and)
Duct Use Agreement; (3) an Interim)
Billing Arrangement with the Army;)
(4) a Waiver of HELCO Rule 14; and)
(5) an Interim Order For Waiver of)
HELCO Rule 14.)
_____)

DOCKET NO. 05-0321

INTERIM ORDER NO. 22229

Filed Jan. 17, 2006
At 11 o'clock A .M.

Karen Higashi
Chief Clerk of the Commission

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

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

K. Higashi

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Docket No. 05-0321

Interim Order No. 22229

INTERIM ORDER

By this Interim Order, the commission approves HAWAII ELECTRIC LIGHT COMPANY, INC.'s ("HELCO") request for a waiver of its Tariff Rule 14(A)(2)(a), thereby allowing HELCO to pay for a portion of the service connection costs, and to start the service connection work as soon as possible, as requested by the United States Army ("Army"), as part of HELCO's overall plan to acquire and upgrade the Army's Pohakuloa Training Area ("PTA") and Kilauea Military Camp ("KMC") electrical distribution systems.

I.

Background

By Application filed on December 20, 2005, HELCO requests commission approval of: (1) Contract No. W912CN-04-0008,

effective June 16, 2004, as amended, between HELCO and the Army for the acquisition and upgrade of the Army's PTA and KMC electrical distribution systems; (2) a Pole Attachment and Duct Use Agreement, dated September 29, 2004, between HELCO and the Army; (3) an interim billing arrangement between HELCO and the Army for the PTA and KMC; (4) a waiver of HELCO's Tariff Rule 14(A)(2)(a) to allow HELCO to pay for a portion of the service connection costs, which are generally paid for by the customer;¹ and (5) an Interim Order, pursuant to HELCO's Tariff Rule 1, for the waiver of HELCO's Tariff Rule 14(A)(2)(a), thereby allowing HELCO to pay for a portion of the service connection costs in order to start the service connection work as soon as possible, as requested by the Army.²

In general, the Army seeks to transfer the ownership, operation, and maintenance of the PTA and KMC electrical distribution systems to HELCO. In lieu of paying the Army for the PTA and KMC electrical distribution systems, HELCO will upgrade, operate, and maintain the PTA and KMC electrical distribution systems, at either no cost to the Army or with the Army being responsible for a portion of the estimated cost of such work.

¹HELCO's portion is approximately \$236,700.

²HELCO's Application, Exhibits A through C and E through V, and Certificate of Service, filed on December 20, 2005, as supplemented by HELCO's letter dated December 20, 2005, with Exhibits D and X through Z attached (collectively, "HELCO's Application"). HELCO served copies of its Application upon the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy ("Consumer Advocate").

This Order addresses HELCO's request for interim relief (Request No. 5, above).

II.

Discussion

HELCO states that: (1) a project-specific waiver of its Tariff Rule 14(A)(2)(a) is required for HELCO to pay for a portion of the costs to make each service site at the PTA and KMC meter ready; (2) such costs are normally paid for by the customer, pursuant to Tariff Rule 14(A)(2)(a); (3) HELCO's share of the costs is approximately \$236,700; and (4) its request for a waiver is made pursuant to its Revised Tariff Sheet No. 1.

HELCO's Tariff Rule 14(A)(2)(a) states:

Equipment Furnished by the Company. The applicant or customer shall furnish, install and maintain in accordance with the Company's requirements all conductors, service switches, fuses, meter sockets, meter and instrument transformer housing and mountings, switchboard meter test buses, meter panels and similar devices, irrespective of voltage, required for service connection and meter installations on the customer's premises. Detailed information will be furnished by the Company upon request. The customer or applicant should also comply with all applicable National, State and County electrical codes.

HELCO's Revised Tariff Sheet 1 states in pertinent part:

The rules and rate schedules set forth herein have been fixed by order of the Public Utilities Commission of the State of Hawaii and may not be abandoned, changed, modified or departed from without the prior approval of the Commission.

In support of its request for interim relief, HELCO represents:

1. The Army has requested that HELCO begin the service connection work as soon as possible in order to expedite HELCO's acquisition of the PTA and KMC distribution systems.

2. "An 'early' start on the service connection (meter ready) work will shorten the time period that the Interim Billing Agreement is in effect."³

3. In the course of its negotiations with the Army for the acquisition of the PTA and KMC distribution systems, HELCO offered to pay for fifty percent (50%) of the estimated service connection costs in an effort to improve the economies of the sale for the Army. The Army accepted HELCO's offer, and "[t]he potential adverse impacts to HELCO's ratepayers were reasonably minimized."⁴

4. HELCO plans to begin the service connection work at the PTA, up to an agreed-upon amount of \$195,250 (which minimizes the risk to HELCO), following the issuance of the commission's Interim Order. The balance of the service connection work at the PTA, as well as all of the service connection work at the KMC, will be completed following the commission's approval of Contract No. W912CN-04-0008, as amended.

5. If the commission ultimately does not approve HELCO's request to waive Tariff Rule 14(A)(2)(a) on the merits,

³HELCO's Application at 38.

⁴HELCO's Application at 45.

"HELCO will have to pursue recovery of its 'share' of the service connection costs from the customer, or expense its 'share' of the cost below-the-line."⁵

Moreover, the Consumer Advocate does not object to HELCO's request for interim relief.⁶

In light of HELCO's representations in support of its request for interim relief, in particular, its representation that it will not seek to recover its share of the costs from ratepayers if its request to waive Tariff Rule 14(A)(2)(a) is ultimately not approved by the commission on the merits, the commission hereby approves HELCO's request for interim relief.⁷

III.

Orders

THE COMMISSION ORDERS:

1. HELCO's request, dated December 20, 2005, for the issuance of an Interim Order to waive HELCO's Tariff Rule 14(A)(2)(a), thereby allowing HELCO to pay for a portion of the service connection costs normally paid for by the customer, is approved.

⁵Id.

⁶See Consumer Advocate's Preliminary Statement of Position, filed on January 11, 2006, at 3.

⁷Cf. In re Hawaiian Elec. Co., Inc., Docket No. 05-0163, Decision and Order No. 21907, filed on July 5, 2005 (expedited approval for the utility to temporarily waive certain provisions of its Rider M contract with Hawaii Metal Recycling, pursuant to the utility's Tariff Sheet No. 1).

2. In the event the commission ultimately does not approve HELCO's request to waive Tariff Rule 14(A)(2)(a) on the merits, HELCO shall not seek to recover its share of the costs from its ratepayers.

DONE at Honolulu, Hawaii JAN 17 2006.

PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Carlito P. Caliboso, Chairman

By (EXCUSED)
Wayne H. Kimura, Commissioner

By 
Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:


Michael Azama
Commission Counsel

05-0321.cs

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Interim Order No. 22229 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
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Karen Higashi

DATED: JAN 17 2006