

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application of)  
HAWAIIAN ELECTRIC COMPANY, INC. )  
HAWAII ELECTRIC LIGHT COMPANY, INC.)  
MAUI ELECTRIC COMPANY, LIMITED )  
For Approval to Record a Regulatory )  
Asset for Any Pension Liability )  
Which Would Otherwise Be Charged )  
to Accumulated Other Comprehensive )  
Income. )  
\_\_\_\_\_ )

DOCKET NO. 05-0310

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2006 SEP 22 A 8:43

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

ORDER NO. 22883

Filed Sept. 21, 2006  
At 2 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

In the Matter of the Application of )  
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 Income. )  
 )

Order No. 22883

<sup>1</sup>Application, Exhibits 1-4, and Certificate of Service, filed on December 8, 2005 ("Application").

SFAS No. 87, "Employer's Accounting for Pensions" as a result of recording a minimum pension liability; (2) allow each company to continue to maintain in subsequent years, a regulatory asset, for any pension liability that would otherwise be charged to equity; and (3) allow each company to continue to recover its annual cost of providing pension benefits to its employees, as actuarially calculated under the provisions of SFAS No. 87. The HECO Utilities file their Application in accordance with Hawaii Administrative Rules ("HAR") § 6-61-74, Hawaii Revised Statutes ("HRS") § 269-6, and other applicable requirements.<sup>2</sup>

On December 27, 2005, DoD filed a motion to intervene in this proceeding.<sup>3</sup> DoD maintains numerous military installations within the State of Hawaii that obtain and use electric services from HECO and HELCO. It asserts that it is one of the largest purchasers of electric services in the State of Hawaii, has been a party in other dockets that dealt "at least in part with accounting treatment of pension plans by electric utilities[,] and has a "crucial and strategic interest in securing electricity at the lowest but fair cost."<sup>4</sup>

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<sup>2</sup>The HECO Utilities served copies of the Application on the DIVISION OF CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS ("Consumer Advocate"). Pursuant to HRS § 269-51 and HAR § 6-61-62, the Consumer Advocate is an ex officio party to this proceeding.

<sup>3</sup>[DoD's] Motion to Intervene and Become a Party and Certificate of Service, filed on December 27, 2005 ("Motion to Intervene").

<sup>4</sup>Id. at 1-2.

## II.

### Discussion

#### A.

#### Motion to Intervene

It is well established that intervention as a party in a commission proceeding "is not a matter of right but is a matter resting within the sound discretion of the commission." See In re Application of Hawaiian Elec. Co., 56 Haw. 260, 262, 535 P.2d 1102, 1104 (1975). HAR § 6-61-55, which governs intervention in our proceedings, among other things, requires the movant to state the facts and reasons for the proposed intervention, and its position and interest thereto. Furthermore, HAR § 6-61-55(d) states that "[i]ntervention shall not be granted except on allegations which are reasonably pertinent to and do not unreasonably broaden the issues already presented."

By its Motion to Intervene, DoD asserts that the "nature of the matters which are the subject of this docket could have a substantial impact on [DoD]."<sup>5</sup> While DoD concedes that it is "not unlikely that [its] positions may be different from those advocated by HECO, HELCO, MECO, the Consumer Advocate, or any other party to the proceeding,"<sup>6</sup> it notes that its participation in HECO's most recent rate case docket - Docket No. 04-0113 - is demonstrative of its

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<sup>5</sup>Motion to Intervene at 2.

<sup>6</sup>Id.

familiarity with the "accounting treatment of pension plans by electric utilities."<sup>7</sup>

The HECO Utilities oppose the Motion to Intervene on the grounds that any general interest that DoD may have about the recording of a regulatory asset for any pension liability that would be charged to Accumulated Other Comprehensive Income can be adequately represented by the Consumer Advocate, and DoD has not demonstrated that its participation as a party would contribute to the development of a sound record in this proceeding.<sup>8</sup>

The commission disagrees with the HECO Utilities' conclusions in this particular instance. To the contrary, DoD's filings relating to this issue in Docket No. 04-0113 were useful and informative. Moreover, its familiarity with the issues in HECO's rate case docket will likely provide DoD with an ability to assist in assessing the reasonableness of the HECO Utilities' requests.

Based on the foregoing, the commission finds that the DoD has substantial interests that are reasonably pertinent to the matters raised in this docket and that its participation will not broaden the issues or unduly delay the proceedings.

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<sup>7</sup>Motion to Intervene at 2.

<sup>8</sup>Memorandum in Opposition to the Motion to Intervene of the [DoD] and Certificate of Service, filed on January 6, 2006, at 1.

Accordingly, the commission concludes that the DoD's Motion to Intervene should be granted.<sup>9</sup>

Nonetheless, DOD is cautioned that the commission will preclude any effort by DOD to unreasonably broaden the issues, or unduly delay the proceeding, and will reconsider its intervention in this docket if, at any time, during the course of this proceeding, the commission determines that DOD is unreasonably broadening the pertinent issues raised in this docket or is unduly delaying the proceeding.

B.

Regulatory Schedule

To assist in the efficient disposition of the instant proceeding, the commission finds it necessary to establish issues, procedures, and a schedule. Thus, the commission concludes that the HECO Utilities, the Consumer Advocate, and DoD should submit to the commission a stipulated procedural order, incorporating their agreed-upon issues, procedures, and schedule with respect to this proceeding, for commission approval within thirty days from the filing of this Order. If the parties are unable to stipulate to such order, each party shall submit a proposed procedural order for the commission's consideration within thirty days from the date of this Order.

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<sup>9</sup>Motions that do not involve the final determination of a proceeding may be determined by the chairperson or a commissioner. See HAR § 6-61-41(e).

III.

Orders

THE COMMISSION ORDERS:

1. DoD's Motion to Intervene, filed on December 27, 2005, is granted.

2. The HECO Utilities, the Consumer Advocate, and DoD shall submit to the commission a stipulated procedural order, incorporating their agreed-upon issues, procedures, and schedule with respect to this proceeding, for commission approval within thirty days from the filing of this Order. If the parties are unable to stipulate to such order, each party shall submit a proposed procedural order for the commission's consideration within thirty days from the date of this Order.

DONE at Honolulu, Hawaii SEP 21 2006.

PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

By Carlito P. Caliboso  
Carlito P. Caliboso, Chairman

(EXCUSED)  
By \_\_\_\_\_  
John E. Cole, Commissioner

APPROVED AS TO FORM:

Michael Azama  
Michael Azama  
Commission Counsel

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 22883 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

PATSY NANBU  
CONTROLLER  
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

Counsel for Hawaiian Electric Co., Inc.

DR. KAY DAVOODI  
EFACHES  
1322 Patterson Avenue, S.E.  
Building 33, Floor 3  
Room/Cube 33-3002  
Washington, DC 20374



Certificate of Service

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RANDALL Y.K. YOUNG, ESQ.  
NAVAL FACILITIES ENGINEERING COMMAND PACIFIC  
258 Makalapa Drive, Suite 100  
Pearl Harbor, HI 96860-3134

Counsel for Department of Defense

  
\_\_\_\_\_  
Karen Higashi

DATED: SEP 21 2006