

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application of )  
 )  
HAWAIIAN ELECTRIC COMPANY, INC. )  
 )  
Regarding Integrated Resource )  
Planning. )  
\_\_\_\_\_ )

DOCKET NO. 03-0253

PREHEARING ORDER NO. 23022

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

Filed Nov. 14, 2006

At 11 o'clock A .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. )  
Regarding Integrated Resource )  
Planning. )  
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Docket No. 03-0253  
Prehearing Order No. 23022

PREHEARING ORDER

By this Prehearing Order, the commission, on its own motion, sets the issues, procedures, and schedule for this docket.<sup>1</sup>

I.

Background

By Decision and Order No. 11523, filed on March 12, 1992, in Docket No. 6617, as amended by Decision and Order No. 11630, filed on May 22, 1992, the commission established a framework for integrated resource planning ("IRP Framework") and ordered all electric utilities, including HECO, to submit their integrated resource plans ("IRP") and program implementation schedules for commission approval in accordance with the IRP Framework.

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<sup>1</sup>The Parties are HAWAIIAN ELECTRIC COMPANY, INC. ("HECO"), LIFE OF THE LAND ("LoL"), and the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy ("Consumer Advocate"), an ex officio party to this proceeding, pursuant to Hawaii Revised Statutes § 269-51 and Hawaii Administrative Rules ("HAR") § 6-61-62(a).

Section III.C.1. of the IRP Framework provides that "[e]ach planning cycle for a utility will commence with the issuance of an order by the commission opening a docket for [IRP]." By Order No. 20430 filed on September 11, 2003, the commission opened this docket to commence HECO's IRP cycle and examine HECO's 3<sup>rd</sup> Integrated Resource Plan ("IRP-3") to be submitted no later than October 31, 2005.

On October 28, 2005, HECO filed its IRP-3. Notice of the filing of HECO's IRP-3 was published in newspapers of general circulation on October 31, 2005 (Honolulu Star-Bulletin) and November 2, 2005 (Honolulu Advertiser), respectively, pursuant to Part III.E.3 of the IRP Framework.<sup>2</sup>

By Order No. 22533 filed on June 15, 2006, the commission, among other things, instructed the Parties to submit a stipulated procedural order, which included at least one public meeting for the commission to gather public comment on the IRP-3 plan, for the commission's review and consideration within thirty days.<sup>3</sup> If the Parties were unable to stipulate, the commission directed each Party to submit its own proposed procedural order within thirty days of the date of the order.

By letter dated July 14, 2006, HECO requested an extension until July 28, 2006, to file a stipulated procedural schedule. By letter dated July 28, 2006, HECO requested another extension until August 28, 2006, to submit a stipulated procedural order. By letter dated August 1, 2006, the commission

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<sup>2</sup>See HECO's letter, dated March 7, 2006.

<sup>3</sup>Order No. 22533, filed on June 15, 2006, at 5 - 6.

granted both requests and allowed the Parties until August 28, 2006, to file the Parties' proposed stipulated procedural order.<sup>4</sup>

On August 25, 2006, HECO requested another extension of time from August 28, 2006, to September 29, 2006, to file a stipulated procedural order, which the commission granted by Order No. 22813 filed on September 1, 2006.<sup>5</sup> In its order, the commission stated that it would "issue a procedural order if the Parties are unable to submit a Stipulated Procedural Order on or before September 29, 2006."

On September 29, 2006, the Parties filed a Stipulation, stating that they would file by October 31, 2006, either: (1) a second stipulation that, subject to the commission's approval, will allow for the disposition of this proceeding without a final decision and order that approves HECO's IRP-3; or (2) if they fail to reach agreement on a second stipulation, a joint proposed prehearing order or separate proposed prehearing orders "setting the schedule and issues" for the commission's review and consideration.<sup>6</sup>

On October 31, 2006, the Parties submitted a document titled "Stipulated Procedural Order," requesting an extension of time until November 30, 2006, to file a second stipulation that

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<sup>4</sup>On August 9, 2006, the commission requested the Parties to file position statements, if any, by December 1, 2006, addressing the fuel diversity and fossil fuel generation efficiency matters set forth in Sections 111(d)(12), 111(d)(13), and 112(b)(3)(A) of the Public Utility Regulatory Policies Act of 1978 ("PURPA"), as amended by the Energy Policy Act of 2005.

<sup>5</sup>Order No. 22813, filed on September 1, 2006, at 2 n.4.

<sup>6</sup>Parties' Stipulation, filed on September 29, 2006.

would allow for disposition of the docket without a final decision and order approving HECO's IRP-3.

## II.

### Issues, Schedule of Proceedings, Procedures

Section II.D.3. of the IRP Framework states:

The parties shall cooperate in expediting commission hearings on the utility's integrated resource plan and program implementation schedule. To the extent possible, the commission will hear the utility's application for approval of its integrated resource plan within six months of the plan's filing, and the commission will render its decision shortly thereafter.

Here, given Section II.D.3. of the IRP Framework, the fact that it has been over a year since IRP-3 was filed, and the number of extensions previously granted, the commission finds it prudent and appropriate to issue this Prehearing Order on its own motion.<sup>7</sup> The following issues, schedule of proceedings, and procedures shall control the course of this proceeding.<sup>8</sup>

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<sup>7</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). The commission construes HAR § 6-61-41(e) as applying in this instance where the commission issues this Prehearing Order on its own motion.

<sup>8</sup>The schedule of proceedings will commence in January 2007. The issues, procedures, and terms established by the commission in this Prehearing Order are generally consistent with the prehearing orders issued by the commission in HECO's previous IRP proceedings. In re Hawaiian Elec. Co., Inc., Docket No. 95-0347, Stipulated Prehearing Order No. 16596, filed on October 8, 1998 (HECO IRP-2); and In re Hawaiian Elec. Co., Inc., Docket No. 7257, Prehearing Order No. 12610, filed on September 17, 1993 (HECO IRP-1).

A.

Issues

Whether HECO's proposed integrated resource plan and program implementation schedule complies with the commission's IRP Framework. Included in this underlying issue are the following sub-issues:

A. Whether HECO's proposed integrated resource plan represents a reasonable course for meeting the energy needs of its customers.

B. Whether HECO's proposed integrated resource plan is in the public interest and consistent with the goals and objectives of integrated resource planning.

C. Whether HECO's proposed integrated resource plan identifies the resources or mix of resources for meeting near and long-term consumer energy needs in an efficient and reliable manner at the lowest reasonable cost.

D. Whether HECO's proposed integrated resource plan comports with state and county environmental, health, and safety laws and formally adopted state and county plans.

E. Whether HECO's proposed integrated resource plan considers and analyzes the cost effectiveness and benefits of all appropriate, available, and feasible supply-side and demand-side options.

F. Whether HECO's proposed integrated resource plan considers the plan's impacts upon the utility's consumers, the environment, culture, community lifestyles, the State of Hawaii's economy, and society.

G. Whether HECO's proposed integrated resource plan takes into consideration the utility's financial integrity, size, and physical capability.

H. Whether HECO's proposed integrated resource planning process provided an opportunity for participation by the public and governmental agencies in the development of its integrated resource plan.

I. Whether HECO's proposed integrated resource plan provides for the recovery of all appropriate and reasonable integrated resource planning and implementation costs.

J. Whether HECO's findings and recommendations regarding the identification, quantification, and utilization of externalities are reasonable for comparisons between resource plans within the context of integrated resource planning.

B.

Schedule of Proceedings

HECO's Testimonies, Exhibits, and Work Papers	January 31, 2007
Consumer Advocate's and LoL's Information Requests ("IRs") to HECO	February 16, 2007
HECO's Responses to IRs	March 7, 2007
Consumer Advocate's and LoL's Supplemental IRs to HECO	March 27, 2007
HECO's Responses to Supplemental IRs	April 16, 2007
Consumer Advocate's and LoL's Testimonies, Exhibits, and Work Papers	May 4, 2007
IRs to the Consumer Advocate and LoL	May 23, 2007
Consumer Advocate's and LoL's Responses to IRs	June 12, 2007

HECO's Rebuttal Testimonies, Exhibits, and Work Papers	June 29, 2007
Prehearing Conference	To be scheduled by the commission
Evidentiary Hearing	Week of July 30, 2007
Post-Hearing Opening Briefs (all parties)	Three weeks after receipt of the transcripts by the commission
Post-Hearing Reply Briefs (all parties)	Two weeks after the due date of the Opening Briefs

In addition to the foregoing schedule, the commission intends to schedule a public meeting on HECO's IRP-3 at a date and time specified by the commission.

C.

Requests for Information

A party to this proceeding may submit information requests to another party within the time schedule specified within this Prehearing Order. If a party is unable to provide the information requested within the prescribed time period, it should so indicate to the inquiring party as soon as possible. The Parties shall then endeavor to agree upon a later date for submission of the requested information. If the Parties are unable to agree, the responding party may seek approval for the late submission from the commission upon a showing of good cause. It is then within the commission's discretion to approve or disapprove any agreed upon or requested approvals for late

filings and take any additional action that may be appropriate, such as extending the date for the party to respond.

In lieu of responses to information requests that would require the reproduction of voluminous documents or materials (e.g., documents over 50 pages), the documents or materials may be made available for reasonable inspection and copying at a mutually agreeable designated location and time. In the event such information is available on computer compact disc or other readily usable electronic medium, the party responding to the information request shall make the compact disc or such electronic medium available to the other parties, and the commission. Subject to objections that may be raised and to the extent practicable, the electronic files for spreadsheets will contain all cell references and formulae intact, and will not be converted to values prior to submission. A party shall not be required, in a response to an information request, to provide data that is or are already on file with the commission, or otherwise part of the public record, or that may be stipulated to pursuant to Section D, "Matters of Public Record," below. The responding party shall, in lieu of production of a document in the public record, include in its response to the information request an identification of the document with reasonable specificity sufficient to enable the requesting party to locate and copy the document. In addition, a party shall not be required, in a response to an information request, to make computations, compute ratios, reclassify, trend, calculate, or otherwise rework data contained in its files or records.

For each response to an information request, the responding party should identify the person who is responsible for preparing the response as well as the witnesses who will be responsible for sponsoring the response at the evidentiary hearing.

A party may object to responding to an information request that it deems to be irrelevant, immaterial, unduly burdensome, onerous or repetitious, or where the response contains information claimed to be privileged or subject to protection (confidential information). If a party claims that information requested is confidential, and withholds production of all or a portion of such confidential information, the party shall: (1) provide information reasonably sufficient to identify the confidential information withheld from the response, without disclosing privileged or protected information; (2) state the basis for withholding the confidential information (including, but not limited to, the specific privilege applicable or protection claimed for the confidential information and the specific harm that would befall the party if the information was disclosed); and (3) state whether the party is willing to provide the confidential information to some or all representatives of the party pursuant to a protective order.

A party seeking production of documents notwithstanding a party's claim of confidentiality may file a motion to compel production with the commission.

The responses of each party to information requests shall adhere to a uniform system of numbering agreed upon by the

Parties. Each response shall be provided on a separate page and shall recite the entire question asked and set forth the response and reference the attached responsive document.

D.

Matters of Public Record

To reduce unnecessary reproduction of documents and to facilitate these proceedings, identified matters of public record shall be admissible in this proceeding without the necessity of reproducing each document; provided that: (1) the document to be admitted is clearly identified by reference to the place of publication, file or docket number, and the identified document is available for inspection by the commission and the parties; and (2) any party has the right to explain, qualify, or conduct an examination with respect to the identified document. The commission can rule on whether the identified document can be admitted into evidence when a party proffers such document for admission as evidence in this case.

From time to time, the parties may enter into stipulations that such documents, or any portion of such documents, may be introduced into evidence in this case.

E.

Form of Prepared Testimony

All prepared testimony, including text and exhibits, shall be prepared in written form on 8-1/2" paper with line

numbers, and shall be served on the dates designated in Section B, "Schedule of Proceedings," above.

Each party shall be permitted to follow its own numbering system for written testimony and exhibits; provided that the numbering system utilized is consistent and clearly understandable. Each document of more than one page shall be consecutively numbered. Each party shall prepare a list of its exhibits by exhibit numbers and titles.

The parties shall be permitted to make revisions to exhibits after the designated dates appearing in Section B, "Schedule of Proceedings." Revisions shall bear appropriate revision dates. However, revisions or additions that do more than correct typographical errors, update facts, or give numerical comparisons of the positions taken by the parties, shall not be submitted.

Generally, exhibits should include appropriate footnotes or narratives in the exhibits or the related testimony setting forth the sources of the information used and explaining the methods employed in making statistical compilations or estimates.

#### F.

##### Witnesses

Witnesses submitting written testimony and exhibits shall be made available for cross-examination at the hearing. Witnesses should file the work papers used in preparing the evidence they sponsor at the time they submit their testimony and

exhibits and have such work papers available for the hearing. Witnesses will not be permitted to read pre-filed testimony at the hearing.

In the presentation of the testimony, each witness may give a brief oral summary of the written testimony and exhibits and shall summarize the issues raised by such testimony. Each witness shall be subject to cross-examination for both direct and rebuttal testimonies and exhibits.

The Parties should cooperate to accommodate the schedules of any mainland witnesses and should inform the commission in advance of any scheduling difficulties of mainland witnesses. If any party has any objection to scheduling a witness in advance of other witnesses, the party shall make a timely objection to the commission.

G.

Order of Examination

The order of presentation of witnesses and whether the witness will present both written and rebuttal testimony at the same time shall be determined at the Prehearing Conference to be held pursuant to Section B, "Schedule of Proceedings," above.

The examination of any witness shall be limited to one attorney or party representative for each party. The parties shall avoid duplicative or repetitive cross-examination. Cross-examination shall be limited to witnesses whose testimony is adverse to the party desiring to cross-examine. Recross-examination shall be limited to the extent of material

covered in redirect examination, unless permitted otherwise by the commission.

H.

Copies of Documents

1. Copies:

Commission:	Original + 8 copies
HECO:	3 copies
Consumer Advocate:	3 copies
LoL:	1 copy

2. All documents required to be filed with the commission shall comply with the formatting requirements prescribed in HAR § 6-61-16, and shall be filed at the office of the commission in Honolulu within the time limit prescribed in HAR § 6-61-15.

3. Copies of all document filings shall be served on the other parties by hand delivery or United States mail (first class, postage prepaid). In addition, if available, all parties shall provide copies of their filings to the other parties via compact disc or electronic mail in a standard electronic format that is readily available by the parties.<sup>9</sup> However, if work papers, documentation, or exhibits attached to any filing are not readily available in electronic format, a party shall not be required to convert such work papers, documentation, or exhibits into electronic format. In the event a copy of a filing is delivered to a party via compact disc or

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<sup>9</sup>Subject to objections that may be raised and to the extent practicable, the electronic files for spreadsheets will contain all cell references and formulae intact, and will not be converted to values prior to submission.

electronic mail, unless otherwise agreed to by such party, the same number of copies of such filing must still be delivered to such party by hand delivery or United States mail (first class, postage prepaid).

I.

Communications

HAR § 6-61-29 concerning ex parte communications is applicable to any communications between a party and the commission. However, the parties may communicate with commission counsel through their own counsel or designated party representative only as to matters of process and procedure.

Communications between the parties should either be through counsel or through designated party representatives. All documents filed in this proceeding shall be served on the opposing party and counsel, as provided in Section H, "Copies of Documents," above.

J.

General

This Prehearing Order shall control the course of this proceeding, unless modified by the parties in writing and approved by the commission consistent with HAR § 6-61-23, to the extent applicable, or upon the commission's own motion.

III.

Orders

THE COMMISSION ORDERS:

1. This Prehearing Order is adopted herein, and shall control the course of this proceeding, unless modified by the parties in writing and approved by the commission, or upon the commission's own motion.

2. The Parties' position statements, if any, on the PURPA matters governing fuel diversity and fossil fuel generation efficiency, shall be filed by December 1, 2006.

3. The Parties' second stipulation, if any, shall be filed by December 29, 2006.

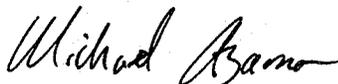
DONE at Honolulu, Hawaii NOV 14 2006.

PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

By:   
Carlito P. Caliboso, Chairman

By: (EXCUSED)  
John E. Cole, Commissioner

APPROVED AS TO FORM:

  
Michael Azama  
Commission Counsel

03-2053.eh

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Prehearing Order No. 23022 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

CATHERINE P. AWAKUNI  
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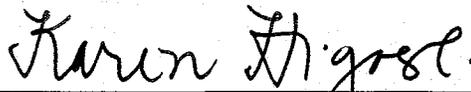
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\_\_\_\_\_  
Karen Higashi

DATED: NOV 14 2006