

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 a Combined Heat)
and Power Agreement with)
Koa Hotel, LLC, and Approval to)
Include the Combined Heat and)
System Fuel Costs in HELCO's)
Energy Cost Adjustment Clause.)
_____)

DOCKET NO. 04-0366

ORDER NO. 23197

Filed Jan. 16, 2007
At 12 o'clock P .M.

Karen Higashi
Chief Clerk of the Commission

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

2007 JAN 17 A 8:44

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

K. Higashi

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In the Matter of the Application of)
HAWAII ELECTRIC LIGHT COMPANY, INC.)
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Koa Hotel, LLC, and Approval to)
Include the Combined Heat and)
System Fuel Costs in HELCO's)
Energy Cost Adjustment Clause.)

Docket No. 04-0366
Order No. 23197

ORDER

By this Order, the commission approves HAWAII ELECTRIC LIGHT COMPANY, INC.'s ("HELCO") request to withdraw its application, filed on December 29, 2006, without prejudice, and closes this docket.

I.

Withdrawal of Application

On December 17, 2004, HELCO filed an application requesting that the commission approve: (1) its Combined Heat and Power ("CHP") Agreement with Koa Hotel, LLC ("Koa Hotel"), dated October 6, 2004; (2) the inclusion of the CHP System fuel costs, ground transportation and related taxes in HELCO's energy cost adjustment clause ("ECAC"), to the extent that such costs are not recovered in HELCO's base rates; (3) a modification to HELCO's ECAC to facilitate the recovery of the incurred Koa Hotel CHP System fuel costs, ground transportation and related taxes;

and (4) a modification to HELCO's quarterly avoided energy cost rates related to the modification of HELCO's ECAC.¹

On January 21, 2005, the commission suspended HELCO's Application, pending the disposition of In re Public Util. Comm'n, Docket No. 03-0371, the commission's generic distributed generation proceeding.²

By Decision and Order No. 22248, filed on January 27, 2006, in Docket No. 03-0371, the commission "set forth certain policies and principles for the deployment of distributed generation in Hawaii and certain guidelines and requirements for distributed generation, some of which will be further defined by tariff as approved by the commission."³ In addition, Decision and Order No. 22248 authorized HELCO to pursue its Application in this docket, provided that HELCO amended its Application to include relevant facts governing: (1) legitimate system need; (2) least cost alternative (subsequently clarified to mean lowest reasonable cost); and (3) an open and competitive process acceptable to the commission.

¹Application; Verification; Exhibits 1 - 3; and Certificate of Service, filed on December 17, 2004 (collectively, "Application"). HELCO served copies of its Application upon the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy, an ex officio party to this proceeding, pursuant to Hawaii Revised Statutes § 269-51 and Hawaii Administrative Rules § 6-61-62(a).

²Order No. 21554, filed on January 21, 2005.

³Decision and Order No. 22248, at 1. Thereafter, on April 6, 2006, the commission: (1) granted in part and denied in part the motion for clarification filed by HELCO, Hawaiian Electric Company, Inc., and Maui Electric Company, Limited (collectively, the "HECO Utilities"); and (2) denied the HECO Utilities' motion for partial reconsideration. Order No. 22375, filed on April 6, 2006.

On November 2, 2006, HELCO was instructed to advise the commission, by December 29, 2006, "on the status of HELCO's efforts in this docket, including whether HELCO intends to amend or withdraw its application[.]"⁴ In response thereto, HELCO, on December 29, 2006, filed a withdrawal of its Application, "request[ing] that the Commission close this docket without prejudice."⁵

The commission approves HELCO's withdrawal of its Application without prejudice, and closes this docket.

II.

Orders

THE COMMISSION ORDERS:


1. The withdrawal of HELCO's Application, filed on December 29, 2006, is approved, without prejudice.
2. This docket is closed unless ordered otherwise by the commission.

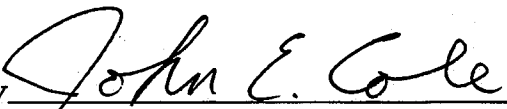
⁴Commission's Letter, dated November 2, 2006, at 1.

⁵Withdrawal of Application, filed on December 29, 2006, at 3. HELCO chose to withdraw its Application after consulting with Koa Hotel. See id. at 2.


DONE at Honolulu, Hawaii JAN 16 2007.

PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Carlito P. Caliboso, Chairman

By 
John E. Cole, Commissioner

APPROVED AS TO FORM:


Michael Azama
Commission Counsel

04-0366.en

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 23197 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

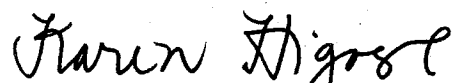
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Karen Higashi

DATED: JAN 16 2007