

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
)
 MAUI ELECTRIC COMPANY, LIMITED)
)
 For Approval of Rate Increases and)
 Revised Rate Schedules.)
 _____)

Docket No. 2006-0387

Order No. 23370

ORDER

By this Order, the commission finds that MAUI ELECTRIC COMPANY, LIMITED's ("MECO") application¹ is complete and properly filed under Hawaii Revised Statutes ("HRS") § 269-16(d) and Hawaii Administrative Rules ("HAR") § 6-61-87. Hence, the filing date of MECO's complete Application is February 23, 2007. Additionally, the commission instructs MECO and the DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, DIVISION OF CONSUMER ADVOCACY ("Consumer Advocate")² (collectively, the "Parties") to submit a stipulated procedural order for the commission's review and consideration, within thirty (30) days from the date of this Order. If the parties are unable to stipulate to a procedural order, the commission will

¹MECO's Application for Approval of Rate Increases and Revised Rate Schedules and accompanying testimonies, exhibits, and workpapers; Verification, and Certificate of Service, filed on February 23, 2007 (collectively, "Application").

²The Consumer Advocate is an ex officio party to this proceeding pursuant to HRS § 269-51 and HAR § 6-61-62. MECO served copies of the Application on the Consumer Advocate and served a copy of the same on the Mayor of the County of Maui, pursuant to HAR § 6-61-91(a).

issue its own procedural order that complies with the time requirements of HRS § 269-16(d).

I.

Background

MECO is a Hawaii company and a public utility as defined by HRS § 269-1.³ It is engaged in the production, purchase, transmission, distribution, and sale of electricity on the islands of Maui, Molokai, and Lanai in the State of Hawaii.

On February 23, 2007, MECO filed its Application, requesting approval of rate increases and revised rate schedules and rules. Specifically, MECO requests commission approval of a general rate increase under HRS § 269-16 of approximately \$18,977,000, or about 5.3%, over revenues at present rates. The requested increase is based on estimated total revenue requirements of approximately \$376,285,000 for the normalized 2007 calendar test year (based on September 1, 2006 fuel oil prices and an 8.98% rate of return on MECO's average rate base, including a return on common equity of 11.25%).⁴ MECO is also requesting to establish an inclining rate block structure for residential customers, discontinue its Rider EV-R and Rider EV-C, add certain new schedules (TOU-R, TOU-G, TOU-J and TOU-P) and amend MECO's Rules 7 and 8.

³MECO was initially organized under the laws of the Territory of Hawaii on or about April 28, 1921.

⁴By Order No. 23188, issued on January 11, 2007, the commission approved MECO's request, filed on December 19, 2006, to utilize a 2007 calendar test year in this proceeding.

On March 16, 2007, the Consumer Advocate filed its Statement of Position Regarding Completeness of Application, stating that it does not object to the completeness of MECO's Application.

II.

Discussion

A.

Completed Application

Upon review, the commission finds that MECO's Application is complete and properly filed under HRS § 269-16(d) and HAR § 6-61-87; and, thus, concurs with the Consumer Advocate's assessment regarding the completeness of the Application. Accordingly, the filing date of MECO's complete Application is February 23, 2007.⁵

B.

Stipulated Procedural Order

HRS § 269-16(d) requires the commission to "make every effort to complete its deliberations and issue its decision as expeditiously as possible and before nine months from the date the public utility filed its completed application[.]" For this reason, the commission finds it appropriate and prudent to

⁵The public hearings on MECO's completed Application are scheduled for April 24, 25, and 26, 2007, on the islands of Molokai, Maui, and Lanai, respectively. Therefore, the deadline for interested individuals to file a motion to intervene or participate without intervention in this proceeding is May 7, 2007.

require the Parties to: (1) initiate the discovery process without delay; and (2) submit a stipulated procedural order setting forth the issues and procedures to govern this proceeding, within thirty (30) days from the date of this Order.⁶

Based on the commission's finding above that the filing date of MECO's complete Application is February 23, 2007, the commission's nine-month deadline to issue its decision in this docket is November 23, 2007. Accordingly, the stipulated procedural order that the Parties submit to the commission should include a stipulated regulatory schedule that, to the extent possible, allows the commission to complete its deliberations and issue a decision in this proceeding by November 23, 2007. If the Parties are unable to stipulate to such an order, each Party shall submit proposed procedural orders for the commission's consideration by the same date.

III.

Orders

THE COMMISSION ORDERS:

1. The filing date of MECO's complete Application is February 23, 2007.


2. The Parties shall: (a) initiate the discovery process without delay; and (b) submit to the commission a stipulated procedural order, within thirty (30) days from the date of this Order. The stipulated procedural order that the

⁶If intervenor or participant status is later granted to any interested person, the commission, in its discretion, may amend any regulatory schedule approved by the commission, if necessary.

Parties submit to the commission should include a stipulated regulatory schedule that, to the extent possible, allows the commission to complete its deliberations and issue a decision in this proceeding by November 23, 2007. If the Parties are unable to stipulate to such an order, each Party shall submit proposed procedural orders for the commission's consideration by the same date.

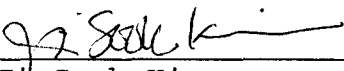
DONE at Honolulu, Hawaii APR 16 2007.

PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Carlito P. Caliboso, Chairman

By 
John E. Cole, Commissioner

APPROVED AS TO FORM:


Jj Sook Kim
Commission Counsel

2006-0387.eh

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 23370 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

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

EDWARD L. REINHARDT
PRESIDENT
MAUI ELECTRIC COMPANY, LIMITED
P.O. Box 398
Kahului, HI 96733-6898

DEAN K. MATSUURA
DIRECTOR
REGULATORY AFFAIRS
HAWAIIAN ELECTRIC COMPANY, INC.
P.O. Box 2750
Honolulu, HI 96840-0001

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



Karen Higashi

DATED: APR 16 2007