

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

----- In the Matter of ----- )  
 )  
 HAWAII ELECTRIC LIGHT )  
 COMPANY, INC. )  
 )  
 Regarding Integrated Resource )  
 Planning. )  
 \_\_\_\_\_ )

DOCKET NO. 04-0046

PREHEARING ORDER NO. 23485

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

2007 JUN 12 A 8:57

RECEIVED

Filed June 8, 2007  
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.

Karen Higashi



integrated resource planning." By Order No. 20821, filed on February 26, 2004, the commission opened this docket<sup>1</sup> to commence HELCO's IRP cycle and examine HELCO's 3<sup>rd</sup> Integrated Resource Plan ("IRP-3").<sup>2</sup>

On May 31, 2007, HELCO filed its IRP-3.<sup>3</sup> Notice of the filing of HELCO's IRP-3 was published in newspapers of general circulation on June 5, 2007, in the Honolulu Advertiser, Hawaii Tribune-Herald, and West Hawaii Today,<sup>4</sup> pursuant to Section III.E.3 of the IRP Framework. As such, the deadline to file a motion to intervene or participate in this docket is June 25, 2007.<sup>5</sup>

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<sup>1</sup>The parties to this docket are HELCO and the DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, DIVISION OF CONSUMER ADVOCACY ("Consumer Advocate"). The Consumer Advocate is a party to this proceeding, pursuant to Hawaii Revised Statutes ("HRS") § 269-51, Hawaii Administrative Rules ("HAR") § 6-61-62(a), and Section II.E.2 of the IRP Framework.

<sup>2</sup>The deadline for HELCO to file its IRP-3 was October 31, 2005. The commission ultimately granted HELCO additional time, until May 31, 2007, to file its IRP-3. See Order No. 22105, filed on November 4, 2005; and Order No. 23152, filed on December 21, 2006.

<sup>3</sup>HELCO's Transmittal Letter; and HELCO's Integrated Resource Plan, 2007 - 2026, Volumes 1 - 3, filed on May 31, 2007.

On August 10, 2006, the commission requested that the parties file position statements, if any, by December 29, 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. On December 29, 2006, HELCO filed its position statement.

<sup>4</sup>See HELCO's Transmittal Letter, at 1.

<sup>5</sup>Section III.E.3.c of the IRP Framework states, in relevant part: "Applications to intervene or participate without intervention in any proceeding in which a utility seeks commission approval of its integrated resource plan . . . may be filed with the commission not later than 20 days after the

## II.

### Issues, Schedule of Proceedings, Procedures

Section II.D.3 of the IRP Framework requires the commission "to the extent possible" to hear HELCO's application for approval of its IRP-3 within six months of the plan's filing and requires the parties to this docket to cooperate in expediting commission hearings on HELCO's IRP-3. It 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.

Given the language in Section II.D.3, the commission is obligated to make every effort to expedite review of HELCO's IRP-3 to allow for evidentiary hearings to be conducted by November 30, 2007, and to allow for a commission decision "shortly thereafter." As a result of the short time frame, the commission finds it necessary to set a schedule for this docket that would allow for decision-making within the time frame set forth in the IRP Framework. While the commission is cognizant of the heavy workload of the parties, the commission is also aware of the importance of integrated resource planning, the history of integrated resource planning since the adoption of the IRP Framework, and the interrelationship between integrated resource planning and most of the matters filed by HELCO with the

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publication by the utility of a notice informing the general public of the filing of the utility's application for commission approval of its integrated resource plan."

commission. Accordingly, to expedite this docket, the commission identifies the following issues, schedule of proceedings, and procedures, which shall control the course of this docket unless modified by the commission.

A.

Issues

Consistent with prehearing orders issued in other IRP dockets,<sup>6</sup> the commission identifies the following issues for resolution of this docket:

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

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

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

C. Whether HELCO's proposed integrated resource plan identifies the resources or mix of resources for meeting

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<sup>6</sup>See In re Maui Elec. Co., Ltd., Docket No. 04-0077, Prehearing Order No. 23453, filed on May 22, 2007 (MECO IRP-3) (citing to In re Maui Elec. Co., Ltd., Docket No. 7258, Prehearing Order No. 13171, filed on March 9, 1994 (MECO IRP-1); 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)).

near and long-term consumer energy needs in an efficient and reliable manner at the lowest reasonable cost.

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

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

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

J. Whether HELCO'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.

2. Whether the commission should adopt the fuel diversity and fossil fuel generation efficiency standards set forth in Sections 111(d)(12), 111(d)(13), and 112(b)(3)(A) of PURPA, as amended by the Energy Policy Act of 2005.

B.

Schedule of Proceedings

As noted above, to expedite decision-making in this docket, the commission sets the following schedule of proceedings as outlined below. The commission intends to require that any party granted intervenor or participant status comply with this schedule, unless modified by the commission. In addition, to allow for flexibility by the parties, the commission does not include specific and detailed deadlines for discovery in this schedule of proceedings. If, however, the parties desire such deadlines, they are free to seek commission approval via stipulation or motion, so long as the discovery deadlines allow the parties to comply with the schedule of proceedings set forth below.

Public Meeting<sup>7</sup>

July 30, 2007, 10:30 a.m.  
Waimea, Hawaii

HELCO's Testimonies, Exhibits,  
and Work Papers

August 6, 2007

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<sup>7</sup>Section III.E.2.b of the IRP Framework allows the commission to "conduct such informal public meetings as it deems advisable."

Consumer Advocate's  
Testimonies, Exhibits,  
and Work Papers<sup>8</sup>

September 28, 2007

HELCO's Rebuttal Testimonies,  
Exhibits, and Work Papers

October 29, 2007

Prehearing Conference

To be scheduled by the  
commission

Evidentiary Hearing

Week of November 26, 2007,  
commission's hearing room,  
Honolulu, Hawaii

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

C.

Requests for Information

A party to this proceeding may submit information requests to another party within the time schedule agreed upon by the parties or 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 such late

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<sup>8</sup>This deadline will also apply to testimonies, exhibits and work papers filed by any party, who is subsequently allowed to intervene in this docket.

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 electronically on computer disc or other readily usable electronic medium, the party responding to the information request shall make the computer 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
HELCO:	3 copies
Consumer Advocate:	3 copies
Intervenor(s), if any:	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 diskette 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 diskette or electronic mail, unless

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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.

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.

Order

THE COMMISSION ORDERS:

This Prehearing Order 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.

DONE at Honolulu, Hawaii JUN - 8 2007.

PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

By Carlito P. Caliboso  
Carlito P. Caliboso, Chairman

By John E. Cole  
John E. Cole, Commissioner

APPROVED AS TO FORM:

Michael Azama  
Michael Azama  
Commission Counsel

04-0046.ah

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Prehearing Order No. 23485 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

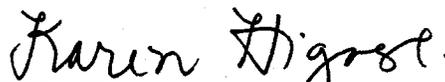
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Karen Higashi

DATED: JUN - 8 2007