

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
HAWAIIAN ELECTRIC COMPANY, INC.)
For Approval of Rate Increases)
And Revised Rate Schedules and)
Rules)
_____)

DOCKET NO. 2008-0083

ORDER GRANTING INTERVENTION TO DEPARTMENT OF DEFENSE

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

PUBLIC UTILITIES
COMMISSION

2008 AUG 20 A 11:30

FILED

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Docket No. 2008-0083

ORDER GRANTING INTERVENTION TO DEPARTMENT OF DEFENSE

By this Order, the commission grants the Motion to Intervene and Become a Party filed by the DEPARTMENT OF THE NAVY on behalf of the DEPARTMENT OF DEFENSE ("DoD") on July 29, 2008 ("Motion").

I.

Background

On July 3, 2008, HAWAIIAN ELECTRIC COMPANY, INC. ("HECO") filed an application for approval of rate increases and revised rate schedules and rules in which HECO seeks a general rate increase of approximately \$97,011,000, or 5.2%, over revenues at current effective rates.¹ Revenues at current effective rates include revenues from the interim rate increase approved by the Commission on June 20, 2008 in its Order Granting

¹See HECO's Application for Approval of Rate Increases and Revised Rate Schedules and Rules, filed on July 3, 2008 ("Application"). HECO served copies of the Application on the DIVISION OF CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, an ex officio party to this docket, pursuant to Hawaii Revised Statutes § 269-51 and Hawaii Administrative Rules ("HAR") § 6-61-62.

HECO's Motion to Adjust Interim Increase Filed on May 21, 2008 in HECO's 2007 test year rate case (Docket No. 2006-0386). If revenues from the interim rate increase are excluded, the requested relief over revenues at present rates is estimated to be \$174,348,000. The requested increase is based on estimated total revenue requirements of \$1,964,401,000 for the normalized 2009 test year, based on April 2008 fuel oil and purchased energy prices, and an 8.81% rate of return on HECO's rate base, including the full cost of HECO's Campbell Industrial Park Combustion Turbine Unit 1.

On July 29, 2008, DoD filed its Motion to Intervene and Become a Party in this docket.² No oppositions were filed in response to the Motion.

II.

DoD's Motion

HAR § 6-61-55 sets forth the requirements for intervention in commission proceedings. It states, in relevant part:

- (a) A person may make an application to intervene and become a party by filing a timely written motion in accordance with sections 6-61-15 to 6-61-24, section 6-61-41, and section 6-61-57, stating the facts and reasons for the proposed intervention and the position and interest of the applicant.

²Pursuant to HAR § 6-61-57(1), the deadline for filing motions to intervene or participate in this docket is ten days after the last public hearing held pursuant to published notice. Because the commission has not yet held the public hearing in this docket, the Motion is timely.

(b) The motion shall make reference to:

- (1) The nature of the applicant's statutory or other right to participate in the hearing;
- (2) The nature and extent of the applicant's property, financial, and other interest in the pending matter;
- (3) The effect of the pending order as to the applicant's interest;
- (4) The other means available whereby the applicant's interest may be protected;
- (5) The extent to which the applicant's interest will not be represented by existing parties;
- (6) The extent to which the applicant's participation can assist in the development of a sound record;
- (7) The extent to which the applicant's participation will broaden the issues or delay the proceeding;
- (8) The extent to which the applicant's interest in the proceeding differs from that of the general public; and
- (9) Whether the applicant's position is in support of or in opposition to the relief sought.

HAR § 6-61-55(a) and (b). HAR § 6-61-55(d) further 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."³

³See In re Application of Hawaiian Elec. Co., Inc., 56 Haw. 260, 262, 535 P.2d 1102, 1104 (1975) (intervention "is not a matter of right but a matter resting within the sound discretion of the commission").

In support of its Motion, DoD states that it maintains numerous military installations within the State that obtain and use electric services from HECO. It further asserts that it is one of the largest purchasers of electric services in the State, has participated in other dockets related to rate increases and rate design (such as the Integrated Resource Planning and Demand-Side Managements dockets), and has a "crucial and strategic interest in securing electricity at the lowest but fair cost."⁴ Moreover, DOD suggests that its intervention would serve the public interest in that it expends funds on behalf of the taxpayers of the United States in the furtherance of the goals and objectives of the federal government.

Upon review, the commission finds that DoD has a significant interest in the matters of this docket. Issues relating to the reasonableness of the rates proposed to be charged by HECO appear to be crucial to the national defense interests represented by DoD. The commission therefore finds that DoD has substantial interests that are reasonably pertinent to the matters raised in this docket, and that its intervention will not broaden the issues or unduly delay the proceedings. Accordingly, the commission concludes that DoD's Motion should be granted.

⁴Motion at 2.

III.

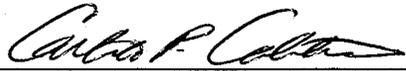
Order

THE COMMISSION ORDERS:

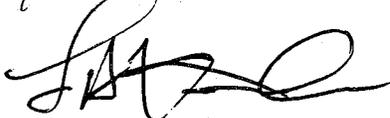
DoD's Motion to Intervene and Become a Party, filed on July 29, 2008, is granted.

DONE at Honolulu, Hawaii AUG 20 2008 .

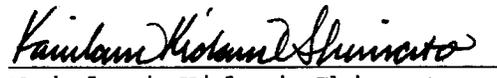
PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Carlito P. Caliboso, Chairman

By 
John E. Cole, Commissioner

By 
Leslie H. Kondo, Commissioner

APPROVED AS TO FORM:


Kaiulani Kidani Shinsato
Commission Counsel

2008-0083.laa

CERTIFICATE OF SERVICE

The foregoing order was served on the date of filing by mail, postage prepaid, and properly addressed to the following parties:

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