

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

----In the Matter of----)
)
PUBLIC UTILITIES COMMISSION)
)
Instituting a Proceeding to)
Investigate the Proposed Tariffs)
Filed by Hawaiian Electric)
Company, Inc., Hawaii Electric)
Light Company, Inc., and Maui)
Electric Company, Limited,)
Governing Distributed Generation)
and Other Related Matters.)
_____)

DOCKET NO. 2006-0497

ORDER NO. 23987

Filed Jan. 29, 2008
At 11 o'clock A .M.

Karen Higashi.
Chief Clerk of the Commission

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

2008 JAN 30 A 9:25

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

Karen Higashi.

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OF THE STATE OF HAWAII

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Light Company, Inc., and Maui)	
Electric Company, Limited,)	
Governing Distributed Generation)	
and Other Related Matters.)	
_____)	

ORDER

By this Order,¹ the commission grants the Parties' request, dated January 23, 2008, to modify the schedule of proceedings to govern the remainder of the standby service portion of this proceeding, as further explained below.

¹The Parties in this proceeding are: (1) Hawaiian Electric Company, Inc. ("HECO"), Hawaii Electric Light Company, Inc., and Maui Electric Company, Limited; (2) the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy, an ex officio party pursuant to Hawaii Revised Statutes § 269-51 and Hawaii Administrative Rules ("HAR") § 6-61-62(a); (3) Hawaii Renewable Energy Alliance; (4) Chapeau, Inc., dba BluePoint Energy, Starwood Hotels and Resorts Worldwide, Inc., and Hawaii Health Systems Corporation; (5) JW Marriott Ihilani Resort & Spa, Waikoloa Marriott Beach Resort & Spa, Maui Ocean Club, and Wailea Marriott; (6) Kahala Senior Living Community, Inc.; and (7) the United States Combined Heat and Power Association ("USCHPA"). The Parties, with the exception of USCHPA, are collectively referred to as the "Non-USCHPA Parties."

I.

Background

Procedural Order No. 23634, filed on September 6, 2007, as amended on December 17, 2007, sets forth the issues, schedule of proceedings, and terms to govern the standby service portion of this proceeding. The schedule of proceedings includes:

HECO Companies' Proposed Standby Service Tariff	filed August 31, 2007
.	
HECO Companies' Statement of Position	filed October 12, 2007
.	
Non-HECO Parties' Responses to the 3 rd set of Information Requests	December 31, 2007
HECO Companies' Reply Statement of Position	January 11, 2008
Status Conference	January 18, 2008, 9:30 a.m., Hearing Room
Settlement Agreement (if any)	February 1, 2008*
*Subject to change in the event of the alternative dispute resolution process.	
Prehearing Conference	Week of February 4, 2008, Hearing Room
Evidentiary Hearing	Week of February 25, 2008, Hearing Room
Parties' simultaneous Proposed Findings of Fact and Conclusions of Law ("FOFs/COLs")	Four weeks after transcripts
Parties' simultaneous Responses to Proposed FOFs/COLs	Three weeks after Proposed FOFs/COLs

See Procedural Order No. 23634, filed on September 6, 2007; and Commission's letter, dated December 17, 2007; see also Commission's letter, dated January 9, 2008.

By letter dated December 31, 2007, the Parties "request[ed] that the procedural dates pertaining to the non-HECO parties' responses to information requests and the HECO Companies' Reply Statement of Position be suspended. The parties are not requesting a change in or suspension of the Status Conference scheduled for January 18, 2008."² Moreover, as noted by the Parties, at the status conference on January 18, 2008, "the parties will report on the status of the settlement negotiations, and on whether the individual parties to the proceeding believe that a full or partial settlement can be achieved. In the alternative, if it is determined that no settlement has been or can be achieved, the parties would ask the Commission to reinstate the two . . . procedural [steps], and to schedule a hearing in this matter."³

²Letter dated December 31, 2007, at 1 (emphasis added).

³Letter dated December 31, 2007, at 2. The Parties, in support of their request to suspend certain portions of the proceeding, represent that they "have been actively engaged in productive settlement discussions over the past two weeks, and believe that there may be a basis on which a settlement may be achieved. The parties plan to continue these discussions over the next two weeks in hopes of achieving a full or partial settlement." Id.

The status conference was held as scheduled on January 18, 2008, 9:30 a.m., at the commission's hearing room.⁴ Consistent with Procedural Order No. 23634, the purpose of the status conference was to discuss the status of the Parties' settlement negotiations and other related matters, including any changes to the schedule of proceedings proposed by the Parties as a result of the status of their settlement negotiations.

At the status conference, the Non-USCHPA Parties represented that: (1) they are very close to reaching a settlement agreement in principle on the standby service tariffs, and request additional time to discuss and complete the drafting of the agreed-upon tariff language and to obtain the necessary internal approvals from their various association and corporate boards and management; and (2) the alternative dispute resolution process was not necessary to assist the Parties in reaching a settlement agreement. Accordingly, the Non-USCHPA Parties orally requested: (1) an extension of time, from February 1, 2008 to March 7, 2008, to file their settlement agreement; and

⁴Chairman Carlito P. Caliboso presided over the status conference, which was attended by Commissioner Leslie H. Kondo. Commissioner John H. Cole was absent and excused. Representatives for all of the Parties, with the exception of USCHPA, attended the status conference.

By electronic mail dated January 22, 2008, to commission counsel, USCHPA's representative: (1) apologized for not notifying the commission in advance of his inability to attend the January 18, 2008 status conference; and (2) indicated his intent to make the appropriate arrangements for any future conferences, in the event that he is unable to attend and appear in person from his California-based office.

(2) a hearing to discuss the basis of the forthcoming settlement agreement and to respond to any questions from the commission, in lieu of the prehearing conference, evidentiary hearing, and post hearing filings.

At the conclusion of the status conference, the commission, based on the suggestion of the Non-USCHPA Parties, instructed the Parties to submit by January 23, 2008, a new stipulated procedural schedule to govern the remainder of the standby service portion of this proceeding, including new deadline dates in the event that a settlement agreement was not agreed-upon by the Parties and filed with the commission by March 7, 2008.

In compliance with the commission's directive, the Parties, by HECO letter dated January 23, 2008, formally propose to modify the schedule of proceedings to govern the remainder of the standby service portion of this proceeding, including certain dates in the event that a settlement agreement is not reached:

Schedule A, Proposed Remaining Schedule:
Stipulated Settlement Agreement Reached

Settlement Agreement	March 7, 2008
Commission Hearing on the Settlement Agreement	March 24, 2008

Schedule B, Proposed Remaining Schedule:
Stipulated Settlement Agreement Not Reached

Non-HECO Parties' Responses to the 3 rd set of Information Requests	March 24, 2008
HECO Companies' Reply Statement of Position	April 4, 2008

Prehearing Conference	Week of April 21, 2008, Hearing Room
Evidentiary Hearing	Week of April 28, 2008, Hearing Room
Parties' simultaneous Proposed Findings of Fact and Conclusions of Law ("FOFs/COLs")	Four weeks after transcripts
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The Parties, in support of their formal request, reiterate the statements made at the status conference:

. . . . The parties informed the Commission that significant process has been made by the parties in reaching settlement on the issues in this proceeding, and that the parties were still in the process of drafting standby service tariff language for further review. Pending the parties' development of the final agreed upon language, certain parties will then need additional time to obtain the necessary approval from each party's management to enter into a stipulated settlement agreement for the Commission's review and consideration.

HECO's letter, dated January 23, 2008, at 1.

II.

Discussion

HAR § 6-61-23(a)(1) authorizes the commission, for good cause shown, to order a period enlarged if a written request is made before the expiration of the period originally prescribed or as extended by a previous order.

Here, the commission notes that the Parties' written request, dated December 31, 2007, to suspend the December 31, 2007 and January 11, 2008 procedural dates was timely, consistent with HAR § 6-61-23(a)(1). Likewise, the

Non-USCHPA Parties' oral request on January 18, 2008 for an extension of time, from February 1, 2008 to March 7, 2008, to file their settlement agreement was also timely. In essence, these requests are reflected and incorporated in the Parties' written request, dated January 23, 2008, to modify the schedule of proceedings to govern the remainder of the standby service portion of this proceeding, which was timely filed by the Parties in response to the commission's directive.

Based on the unanimous, oral representations made by the Non-USCHPA Parties at the status conference, together with the representations made by the Parties in their letters dated December 17, 2007 and January 23, 2008, the commission finds good cause to grant the Parties' request to modify the schedule of proceedings to govern the remainder of the standby service portion of this proceeding. Thus, the commission amends Procedural Order No. 23634, filed on September 6, 2007, as amended on December 17, 2007, by establishing the following new dates to govern the remainder of the standby service portion of this proceeding:⁵

Schedule A, Proposed Remaining Schedule:
Stipulated Settlement Agreement Reached

Settlement Agreement	March 7, 2008
Commission Hearing on the Settlement Agreement	March 24, 2008, 9:00 a.m. , Commission's Hearing Room

⁵The March 24, 2008 hearing on the Parties' settlement agreement is scheduled for 9:00 a.m., at the commission's hearing room.

Schedule B, Proposed Remaining Schedule:
Stipulated Settlement Agreement Not Reached

Non-HECO Parties' Responses to the 3 rd set of Information Requests	March 24, 2008
HECO Companies' Reply Statement of Position	April 4, 2008
Prehearing Conference	Week of April 21, 2008, Hearing Room
Evidentiary Hearing	Week of April 28, 2008, Hearing Room
Parties' simultaneous Proposed Findings of Fact and Conclusions of Law ("FOFs/COLs")	Four weeks after transcripts
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III.

Orders

THE COMMISSION ORDERS:

1. The Parties' request, dated January 23, 2008, to modify the schedule of proceedings to govern the remainder of the standby service portion of this proceeding, is granted.

2. Procedural Order No. 23634, filed on September 6, 2007, as amended on December 17, 2007, is further amended by establishing the following new dates to govern the remainder of the standby service portion of this proceeding:

Schedule A, Proposed Remaining Schedule:
Stipulated Settlement Agreement Reached

Settlement Agreement	March 7, 2008
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Commission Hearing on the
Settlement Agreement

March 24, 2008,
9:00 a.m., Commission's
Hearing Room

Schedule B, Proposed Remaining Schedule:
Stipulated Settlement Agreement Not Reached

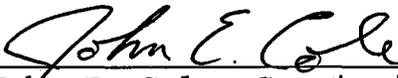
Non-HECO Parties' Responses to the 3 rd set of Information Requests	March 24, 2008
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3. In all other respects, Procedural Order No. 23634,
filed on September 6, 2007, as amended on December 17, 2007,
remains unchanged.

DONE at Honolulu, Hawaii JAN 29 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:


Michael Azama
Commission Counsel
2006-0497.laa

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 23987 upon the following persons, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such person.

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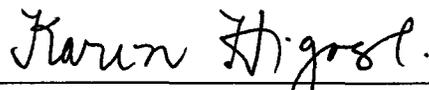
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Karen Higashi

DATED: JAN 29 2008