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.

ORDER NO. 23987

Filed ________, 2008
At _______ o'clock _______.M.

Chief Clerk of the Commission

ATTEST: A True Copy
KAREN HIGASHI
Chief Clerk, Public Utilities
Commission, State of Hawaii.
BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

----In the Matter of----
PUBLIC UTILITIES COMMISSION

Docket No. 2006-0497
Order No. 23987

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.

ORDER

By this Order, 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:

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

---

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. 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

Chairman 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

<table>
<thead>
<tr>
<th>Settlement Agreement</th>
<th>March 7, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commission Hearing on the Settlement Agreement</td>
<td>March 24, 2008</td>
</tr>
</tbody>
</table>

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

| Non-HECO Parties' Responses to the 3rd 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

Parties' simultaneous Proposed FOFs/COLs: Three weeks after Proposed FOFs/COLs

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.


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:

Schedule A, Proposed Remaining Schedule:

<table>
<thead>
<tr>
<th>Stipulated Settlement Agreement Reached</th>
</tr>
</thead>
<tbody>
<tr>
<td>Settlement Agreement</td>
</tr>
<tr>
<td>Commission Hearing on the Settlement Agreement</td>
</tr>
</tbody>
</table>

The 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

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-HECO Parties' Responses to the 3rd set of Information Requests</td>
<td>March 24, 2008</td>
</tr>
<tr>
<td>HECO Companies' Reply Statement of Position</td>
<td>April 4, 2008</td>
</tr>
<tr>
<td>Prehearing Conference</td>
<td>Week of April 21, 2008, Hearing Room</td>
</tr>
<tr>
<td>Evidentiary Hearing</td>
<td>Week of April 28, 2008, Hearing Room</td>
</tr>
<tr>
<td>Parties' simultaneous Proposed Findings of Fact and Conclusions of Law (&quot;FOFs/COLs&quot;)</td>
<td>Four weeks after transcripts</td>
</tr>
<tr>
<td>Parties' simultaneous Responses to Proposed FOFs/COLs</td>
<td>Three weeks after Proposed FOFs/COLs</td>
</tr>
</tbody>
</table>

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
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 3rd 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

Parties' simultaneous
Responses to Proposed FOFs/COLs
Three weeks after Proposed FOFs/COLs

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

2007-0497.1aa
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.

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

WILLIAM A. BONNET
VICE PRESIDENT
HAWAIIAN ELECTRIC COMPANY, INC.
HAWAII ELECTRIC LIGHT COMPANY, INC.
MAUI ELECTRIC COMPANY, LTD.
P. O. Box 2750
Honolulu, HI 96840-0001

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

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

Counsel for HECO, HELCO, MECO

WARREN S. BOLLMEIER II
PRESIDENT
HAWAII RENEWABLE ENERGY ALLIANCE
46-040 Konane Place, #3816
Kaneohe, HI 96744
RENE McWADE
HAWAII HEALTH SYSTEMS CORPORATION
3675 Kilauea Avenue
Honolulu, HI 96816

WILLIAM W. MILKS, ESQ.
LAW OFFICE OF WILLIAM W. MILKS
American Savings Bank Tower
Suite 977, 1001 Bishop Street
Honolulu, HI 96813

Counsel for CHAPEAU, INC., dba BLUEPOINT ENERGY; STARWOOD HOTELS AND RESORTS WORLDWIDE, INC.; and HAWAII HEALTH SYSTEMS CORPORATION

BEN DAVIDIAN, ESQ.
LAW OFFICES OF BEN DAVIDIAN
P. O. Box 2642
Fair Oaks, CA 95628

Counsel for CHAPEAU, INC., dba BLUEPOINT ENERGY; STARWOOD HOTELS AND RESORTS WORLDWIDE, INC.; and HAWAII HEALTH SYSTEMS CORPORATION

TYRONE CROCKWELL
AREA DIRECTOR OF ENGINEERING
HAWAII & PACIFIC ISLANDS
JW MARRIOTT IHILANI RESORT & SPA
2552 Kalakaua Avenue
Honolulu, HI 96815

GREGG W. ROBERTSON
TREASURER
KAHALA SENIOR LIVING COMMUNITY, INC.
c/o ROBERTSON & COMPANY
Suite 2290, Pauahi Tower
1001 Bishop Street
Honolulu, HI 96813
Certificate of Service
Page 3

THOMAS C. GORAK, ESQ.
GORAK & BAY, L.L.C.
1161 Ikena Circle
Honolulu, HI 96821

Counsel for JW MARRIOTT IHILANI RESORT & SPA; WAIKOLOA MARRIOTT BEACH RESORT & SPA; MAUI OCEAN CLUB; and WAILEA MARRIOTT; and for KAHALA SENIOR LIVING COMMUNITY, INC.

ERIC WONG, ENERGY POLICY CHAIR
UNITED STATES COMBINED HEAT AND POWER ASSOCIATION
980 Ninth Street, Suite 2200
Sacramento, CA 95814

DATED: JAN 29 2008

Karen Higoshi