

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
KAUAI ISLAND UTILITY COOPERATIVE)
For Approval of Changes to its)
Tariff to Reflect a 2009 Resource)
Cost Adjustment (DSM & IRP))
Surcharge.)

DOCKET NO. 2008-0324

DECISION AND ORDER

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

PUBLIC UTILITIES
COMMISSION

2009 JAN 30 P 12:08

FILED

A.

Proposed Tariff Changes

On December 30, 2008, KIUC filed an application requesting commission approval of changes to its tariff to reflect a 2009 Resource Cost Adjustment (DSM & IRP) Surcharge ("2009 Surcharge") pursuant to Hawaii Revised Statutes ("HRS") § 269-16(b) and Hawaii Administrative Rules ("HAR") § 6-61-111 ("Application").¹ The 2009 Surcharge is designed to allow KIUC to recover KIUC's estimated 2009 IRP and DSM program costs. KIUC's 2009 IRP budget and estimate for its total 2009 IRP costs is \$121,639, which includes revenue taxes less reconciliation for over-collection in 2008.² KIUC's 2009 DSM budget provides for \$0 for Residential DSM Program costs, and provides for \$183,867 for Commercial DSM Program costs, which includes related revenue taxes plus a reconciliation for 2008 over-collection.³ KIUC submits a copy of the tariff changes that incorporate the 2009 Surcharge provision, with supporting reconciliation workpapers.⁴ KIUC requests that the 2009 Surcharge be effective as of February 1, 2009.

¹KIUC served copies of the Application on the DIVISION OF CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS ("Consumer Advocate"), an ex officio party to this docket pursuant to HRS § 269-51 and HAR § 6-61-62.

²See Application at Exhibit A.

³See Application at Exhibit B.

⁴See Application at Exhibit C.

B.

Consumer Advocate's Position

On January 12, 2009, the Consumer Advocate filed its Statement of Position informing the commission that it does not object to approval of KIUC's request to implement the 2009 Surcharge, as proposed in its Application ("CA Statement of Position"). The Consumer Advocate, however, recommends certain revisions to KIUC's tariff, which KIUC does not oppose.⁵

II.

Discussion

HRS § 269-16(b) states, in relevant part:

No rate, fare, charge, classification, schedule, rule, or practice, other than one established pursuant to an automatic rate adjustment clause previously approved by the commission, shall be established, abandoned, modified, or departed from by any public utility, except after thirty days' notice to the commission as prescribed in section 269-12(b), and prior approval by the commission for any increases in rates, fares, or charges. The commission may, in its discretion and for good cause shown, allow any rate, fare, charge, classification, schedule, rule, or practice to be established, abandoned, modified, or departed from upon notice less than that provided for in section 269-12(b).

HRS § 269-16(b) (emphasis added).

HAR § 6-61-111 states:

Except for tariff filings of water carriers and motor carriers that are governed by sections 6-61-93 and 6-61-94, any public utility tariff

⁵Kauai Island Utility Cooperative' Response Statement to Consumer Advocate's Statement of Position, filed on January 20, 2009, at 2.

additions or changes, other than tariff additions or changes which result in an increase in rates, fares, or charges or changes in any classifications, practices, or rules which would result in an increase in rates, fares, or charges, may be filed with the commission to become effective not less than thirty days after filing. The tariff page or pages to be added or changed shall be filed with the commission, together with a transmittal letter. The transmittal letter shall set forth the applicable information specified in section 6-61-74 and section 6-61-86, together with the latest available balance sheet and income statement, the justification for the proposed additions or changes, and the proposed effective date thereof. The transmittal letter shall have attached to it a certificate of service showing service on the consumer advocate at the time of filing. Two copies of the tariff page or pages, together with the transmittal letter, shall be served on the consumer advocate. The additions or changes to the tariff, unless suspended by the commission, shall become effective thirty days after filing with the commission in compliance with this section or at a later date as may be specified in the transmittal letter. Tariff filings not in compliance with this section will be rejected.

HAR § 6-61-111.

Here, KIUC's proposed tariff changes appear consistent with requirements regarding the recovery of IRP and DSM costs.⁶ The mechanism employed by KIUC to recover its 2009 IRP and DSM costs in this application is similar to the mechanisms approved in Docket Nos. 00-0446, 01-0479, 03-0002, 03-0422, 04-0368, 05-0328, 2006-0495, and 2007-0426 (previous DSM and IRP cost recovery applications filed by KIUC). Moreover, the commission recognizes that the mechanism employed for determining KIUC's DSM and IRP surcharge for a given period provides for an annual

⁶See In re Public Utilities Commission, Docket No. 6617, Decision and Order No. 11523, filed on March 12, 1992; In re Kauai Electric Division of Citizens Utilities Company, Docket No.94-0337, Decision and Order No. 15733, filed on August 5, 1997.

"true-up" or reconciliation of KIUC's actual DSM and IRP expenses incurred for the given period. Accordingly, the commission finds that KIUC's tariff changes proposed in its Application are reasonable and appropriate.

Based on the foregoing, the commission concludes that KIUC's proposed tariff changes reflecting its 2009 Surcharge as set forth in its Application, filed on December 30, 2008, should be approved, as requested.

III.

Orders

THE COMMISSION ORDERS:

1. KIUC's proposed tariff changes reflecting its 2009 Resource Cost Adjustment (DSM & IRP) Surcharge are approved, effective February 1, 2009.

2. Within five (5) days of the date of this Decision and Order, KIUC shall file with the commission and serve on the Consumer Advocate, revised tariff sheets consistent with the terms of this Decision and Order, and reflecting appropriate issued and effective dates.

DONE at Honolulu, Hawaii

JAN 30 2009

PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By:



Carlito P. Caliboso, Chairman

By:



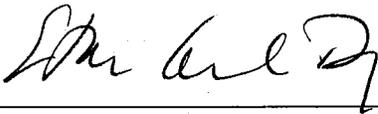
John E. Cole, Commissioner

By:



Leslie H. Kondo, Commissioner

APPROVED AS TO FORM:



Stacey Kawasaki Djou
Commission Counsel

2008-0324.cp

CERTIFICATE OF SERVICE

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

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

RANDALL J. HEE
PRESIDENT & CHIEF EXECUTIVE OFFICER
KAUAI ISLAND UTILITY COOPERATIVE
4463 Pahe`e Street, Suite 1
Lihue, HI 96766-2032

TIMOTHY BLUME
MICHAEL YAMANE
KAUAI ISLAND UTILITY COOPERATIVE
4463 Pahe`e Street, Suite 1
Lihue, HI 96766-2032

KENT D. MORIHARA, ESQ.
KRIS N. NAKAGAWA, ESQ.
SANDRA L. WILHIDE, ESQ.
MORIHARA LAU & FONG, LLP
841 Bishop Street, Suite 400
Honolulu, HI 96813

Counsel for Kauai Island Utility Cooperative