BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF HAWAII

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In the Matter of the Application of)

HAWAIIAN ELECTRIC COMPANY, INC.

To Establish Rider EDR - Economic Development Rate.

DOCKET NO. 02-0405

<u>ORDER NO. 19780</u>

RECEIVE PI NON Filed NOV. 19 , 2002 At 8:00 o'clock υ .М. ÷ \bigcirc 0 Chief Clerk of the Commission

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

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In the Matter of the Application of) HAWAIIAN ELECTRIC COMPANY, INC.) To Establish Rider EDR - Economic) Development Rate.)

Docket No. 02-0405 Order No. 19780

ORDER

I.

By transmittal number 02-02, filed on November 4, 2002, HAWAIIAN ELECTRIC COMPANY, INC. (HECO) seeks to amend its rate schedule by establishing its proposed Economic Development Rider, known as Rider EDR. HECO filed its transmittal in accordance with Hawaii Revised Statutes (HRS) §§ 269-12, 269-16, and Hawaii Administrative Rules (HAR) § 6-61-111. HECO requests that its transmittal take effect on December 5, 2002.

Copies of the transmittal were served on the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy (Consumer Advocate).

II.

Α.

HECO states that its proposed Rider EDR:

 Provides energy rate adjustments (i.e., reductions) to customers engaged in eligible business activities, who are locating new or expanded plant facilities or businesses on the island of Oahu, and who can demonstrate that the rider's proposed energy rate adjustments are a material factor in their decision to locate or expand their facilities or businesses.

2. Will: (A) apply to customers with qualified new loads of at least 25 kilowatts; (B) be available for a five-year period, and its use will be limited to either a maximum of 50 participants, or to a combined new load for all participants of 10 megawatts, whichever comes first.

Service under the proposed rider will be provided under the existing rates for the customer's applicable rate schedule, except that the customer's monthly bill will be reduced by \$0.02 per kilowatt hours (kWh) of new load during the first 3 years, and by \$0.015 per kWh during the last 2 years of the 5-year term.

The proposed Rider EDR sets forth the rates, terms, and conditions under which the rider will apply. HECO notes that the proposed rider will not increase its rates.

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As stated by HECO, its proposed rider is designed to:

 Promote the State of Hawaii's (State) economic growth and diversification;

2. Complement the incentives provided under the State's Enterprise Zone Program, which is intended to stimulate certain types of business activity and employment in areas where they are most needed or appropriate; and

3. Benefit the: (A) participating customers; (B) nonparticipating, general ratepayers; and (C) HECO.

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Upon careful review and consideration, the commission finds it prudent to provide additional time to review HECO's proposal and the Consumer Advocate's impending comments and position statement. The commission, thus, will suspend HECO's transmittal, pursuant to HRS § 269-16(b), and place it under investigation. The deadline for interested persons to timely file motions to intervene or participate in this proceeding, is twenty days from the date of this order. <u>See</u> HAR §§ 6-61-22, 6-61-57(3)(B).

IV.

THE COMMISSION ORDERS:

1. HECO's transmittal number 02-02, filed on November 4, 2002, is suspended and placed under investigation.

2. The deadline for interested persons to timely file motions to intervene or participate, is twenty days from the date of this order. Any such motions filed with the commission shall comply with HAR chapter 61, subchapter 4, to the extent applicable.

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DONE at Honolulu, Hawaii this 19th day of November,

2002.

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PUBLIC UTILITIES COMMISSION OF THE STATE OF HAWAII

with tromma

н. Kimura, Chairman

By

Janet E. Kawelo, Commissioner

By. Commissioner ey, Gregg

APPROVED AS TO FORM:

Mi chael amo

Michael Azama Commission Counsel

HECO02.02os.sl

I hereby certify that I have this date served a copy of the foregoing Order No. 19780 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

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

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Karen Higash

DATED: November 19, 2002