

o/s
scan

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
)
 HAWAIIAN ELECTRIC COMPANY, INC.)
)
 For Approval to Commit Funds in)
 Excess of \$500,000 for Item Y00035,)
 the Honolulu 9 HP/LP Turbine)
 Blading Project.)
 _____)

DOCKET NO. 03-0006

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

2003 JAN 15 P 4: 01

RECEIVED

ORDER NO. 19967

Filed Jan. 15, 2003
At 1:00 o'clock P .M.

Karen Higashi
Chief Clerk of the Commission

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

K. Higashi

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
)
HAWAIIAN ELECTRIC COMPANY, INC.)
)
For Approval to Commit Funds in)
Excess of \$500,000 for Item Y00035,))
the Honolulu 9 HP/LP Turbine)
Blading Project.)
_____)

Docket No. 03-0006

Order No. 19967

ORDER

I.

By application filed on January 9, 2003, HAWAIIAN ELECTRIC COMPANY, INC. (HECO) requests commission approval to commit approximately \$2,199,200 to undertake and complete the Honolulu unit 9 HP/LP Turbine Blading project (project). HECO makes its request in accordance with Section 2.3.g.2 of General Order No. 7 (G.O. No. 7), *Standards for Electric Utility Service in the State of Hawaii*.

HECO, by its application and pursuant to Section 1.2.b, of G.O. No. 7, also seeks a waiver of the Section 2.3.g.2 requirement that its application "be submitted to the commission for review at least 60 days prior to the commencement of construction or commitment for expenditure, whichever is earlier." Approval of the waiver, HECO explains, will allow it to commit funds for the subject project earlier than the 60 days after the filing of the instant application.

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

The instant order addresses HECO's request for a waiver of Section 2.3.g.2's applicable requirement.

II.

A.

Commissioned in 1957, Honolulu unit 9 (aka Honolulu 9) is a nominal 54 megawatt non-reheat steam unit. It is one of two cycling units currently in operation at the Honolulu generating station. Honolulu 9 consists of a two cylinder, tandem-compound, condensing steam turbine manufactured by Westinghouse Electric Corporation.

The exhaust opening of the high pressure (HP) turbine is at the top of the cylinder. Steam passes into the low pressure (LP) turbine through a crossover pipe. The HP and LP turbine rotors are connected to the generator rotor, which provides the rotating magnetic field required to generate electrical power.

The HP turbine consists of one stationary and two rotating rows of impulse blading in the Curtis Stage and 26 pairs (rotating and stationary) of rows of reaction blading. The LP turbine consists of 12 pairs (rotating and stationary) of rows of reaction blading, six pairs of rows in each end.

Diagrams of Honolulu 9, including the HP and LP turbine blades, are set forth in Exhibits I and II of the application.

B.

On November 30, 2002, HECO commenced its scheduled overhaul of Honolulu 9, including the inspection of the steam turbine. Testing and visual inspection revealed that the HP and LP turbine blades are severely deteriorated and require replacement during Honolulu 9's current overhaul. Specifically, HECO states that 19 per cent of the rows of blades in the turbine need replacing, 16 per cent in the HP turbine and 25 per cent in the LP turbine.

According to HECO:

. . . If a blade failure occurred in the HP and/or LP turbine, the consequential damage could result in catastrophic failure of the HP and/or LP sector and could cause an extended forced outage of the unit of approximately two years. This could adversely impact system reliability and scheduled maintenance on other units. (The new blades are not anticipated to result in an increased future utilization of the unit.)

HECO intends to install the new turbine blades during Honolulu 9's overhaul, which is presently scheduled for completion by the end of February 2003. HECO anticipates that the procurement and installation of the turbine blades will take approximately 6 weeks.

C.

HECO notes that Honolulu 9 will remain out of service until the new turbine blades are installed. Assuming that the commission grants the requested waiver by January 17, 2003, "[w]hat was originally scheduled to be an 8-week outage will now be a 13-week outage[.]"

HECO states that a waiver of the 60-day requirement will allow it to: (1) order the pertinent materials that require a long lead-time; and (2) promptly install the new turbine blades, thereby returning Honolulu 9 to service as soon as practical.

The Consumer Advocate does not object to the request for waiver, but reserves the right to state its position on the merits of HECO's application upon the completion of its investigation.

III.

Upon review, the commission finds good cause to approve HECO's request for waiver. Accordingly, HECO is permitted to commit funds for the proposed project earlier than 60 days following the filing of the instant application.

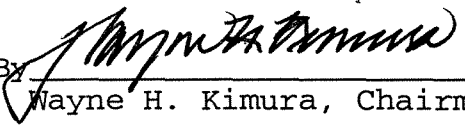
At the same time, the commission notes that the instant order does not constitute a decision on the merits of HECO's application. HECO acknowledges that if the commission does not approve the application, HECO "will have the burden of proof to justify the reasonableness of the capital expenditures in the next rate case."

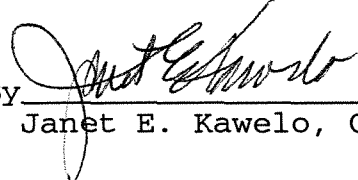
IV.

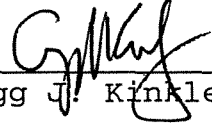
THE COMMISSION ORDERS that HECO's request for a waiver of the Section 2.3.g.2 requirement to file its application at least 60 days prior to the commencement of construction or commitment for expenditure of funds, filed on January 9, 2003, is approved.

DONE at Honolulu, Hawaii this 15th day of January, 2003.

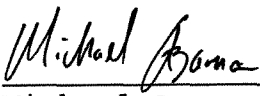
PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Wayne H. Kimura, Chairman

By 
Janet E. Kawelo, Commissioner

By 
Gregg J. Kinkley, Commissioner

APPROVED AS TO FORM:


Michael Azama
Commission Counsel

03-0006.sl

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 19967 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

WILLIAM A. BONNET
VICE PRESIDENT
GOVERNMENT AND COMMUNITY AFFAIRS
HAWAIIAN ELECTRIC COMPANY, INC.
P. O. Box 2750
Honolulu, HI 96840-0001

LORIE ANN NAGATA
TREASURER
HAWAIIAN ELECTRIC COMPANY, INC.
P. O. Box 2750
Honolulu, HI 96840-0001



Karen Higashi

DATED: January 15, 2003