

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 P0000769, Purchase of 2003)
Spare 138-46kV, 48/80MVA)
Transformer and for Waiver of)
Paragraph 2.3.g.2 of General Order)
No. 7.)
_____)

DOCKET NO. 03-0074

ORDER NO. 20114

Filed April 7, 2003
At 11:30 o'clock A.M.

Karen Higashi.
Chief Clerk of the Commission

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

2003 APR -7 P 4:15

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

K. Higashi.

(60-day notice period). By the instant order, the commission only addresses HECO's request for a waiver of the section 2.3.g.2 applicable requirement.

II.

A.

The proposed project involves the purchase of a three-phase, 138-46kV, 48/80 MVA transmission transformer, with high voltage winding to have no load tap changer with taps 141.5/138.0/134.5/131.0/127.5kV delta and low voltage winding rated 46kV wye with load tap changer with plus and minus 10 per cent tap range (plus and minus 16, 5/8 per cent steps).

HECO states that the proposed project is required because the existing spare transformer was used to replace the Iwilei transformer that failed in January 2003. The failed Iwilei transformer was 31 years old, and it was determined that it could not be repaired. As a result of the replacement of the Iwilei transformer with the existing spare, HECO does not have a spare to use in the case of another failure of a 138-46kV transformer.

HECO represents that it has 30 138-46kV transformers on its system which are in use. Eight of these transformers are over 40 years old, 10 are between 30-39 years old, three are between 20-29 years old, five are between 10-19 years old, and four are less than 10 years old. The average life expectancy of these transformers is 46 years.

HECO notes that the repair of a failed transformer can take a considerable amount of time. In the case of a transformer that failed in 1988, it took a total of 15 months before it was repaired on the mainland and back in service in Honolulu. An available spare transformer, the request of which is the subject of the instant application, would allow HECO to replace a failed transformer in about one week. HECO says that its plans are to maintain one spare transformer on hand at any given point in time.

B.

The Consumer Advocate does not object to HECO's request for waiver of the 60-day notice period.¹ It does, however, reserve the right to complete a review of the instant application and to state its position on the merits of the application based upon this review.

Upon review, the commission finds good cause to approve HECO's request for a waiver of the 60-day notice period. However, the commission emphasizes that this order does not constitute a decision on the merits of HECO's application. As HECO acknowledges in its application, "if the [c]ommission does not approve [the] application, HECO will have the burden of proof to justify the reasonableness of the capital expenditures in its next rate case."

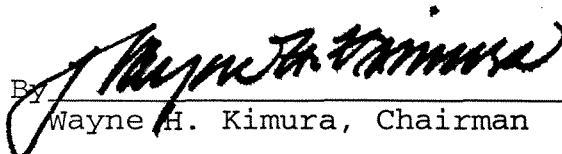
¹The Consumer Advocate confirmed this orally with commission staff in a telephone conversation on March 27, 2003.

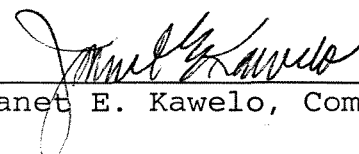
III.

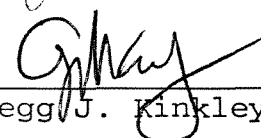
THE COMMISSION ORDERS that HECO's request for waiver of the section 2.3.g.2 requirement to file its application at least 60 days prior to the commencement of construction or commitment for the expenditure of funds, filed on March 21, 2003, is approved.

DONE at Honolulu, Hawaii this 7th day of April, 2003.

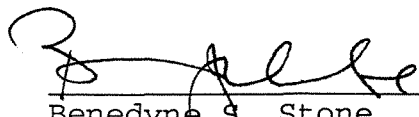
PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Wayne H. Kimura, Chairman

By 
Janet E. Kawelo, Commissioner

By 
Gregg J. Kinkley, Commissioner

APPROVED AS TO FORM:


Benedyne S. Stone
Commission Counsel

03-0074.sl

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 20114 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
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WILLIAM A. BONNET, VICE PRESIDENT
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Honolulu, HI 96840-0001



Karen Higashi

DATED: April 7, 2003