

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 )  
Project P0000774, Kukui Gardens )  
Corporation Conversion. )  
\_\_\_\_\_ )

DOCKET NO. 03-0107

ORDER NO. 20181

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

2003 MAY -9 P 3:58

RECEIVED

Filed May 9, 2003  
At 11:30 o'clock A .M.

Karen Higashi  
Chief Clerk of the Commission

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

K. Higashi

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HAWAIIAN ELECTRIC COMPANY, INC. )  
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Docket No. 03-0107

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ORDER

I.

By application filed on April 28, 2003, HAWAIIAN ELECTRIC COMPANY, INC. (HECO) requests commission approval to commit approximately \$745,732 for Project P0000774, the Kukui Gardens Corporation Conversion from primary metered customer to individual metered customers (proposed project). HECO's request is made pursuant to paragraph 2.3.g.2 of the commission's General Order No. 7, Standards for Electric Utility Service in the State of Hawaii (G.O. No. 7).

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

Pursuant to section 1.2.b of G.O. No. 7, HECO 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" (60-day notice period). The instant order,

thus, only addresses HECO's request for a waiver of the section 2.3.g.2 applicable requirement, and does not make a determination on HECO's request to commit funds for the proposed project.

## II.

### A.

The proposed project involves the installation of an underground distribution system at Kukui Gardens, an existing building complex that is currently master metered. Kukui Gardens consists of 857 single-family apartment units in 44 buildings. The existing distribution system is approximately 32 years old and in need of replacement. Distribution cables and transformers are deteriorating and in disrepair. Rather than maintaining the current distribution system, the developer of Kukui Gardens, Kukui Gardens Corporation, (Developer) requests that HECO construct and maintain a new distribution system that will require the conversion of the existing primary service to individual secondary metered service at each apartment unit.<sup>1</sup>

The Developer has requested that the proposed project be completed by December 2003. In order to meet this request, HECO would need to order the materials immediately due to the long lead-time required to obtain the necessary materials. HECO would need to start construction on the proposed project by September 2003.

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<sup>1</sup>The proposed project is being funded entirely by the Developer with a cash contribution-in-aid-of construction of \$516,384 and an in-kind contribution of \$250,000.

Receipt of a commission waiver of the 60-day notice period will allow HECO to order the materials in time to meet the Developer's requested service date.

B.

The Consumer Advocate does not object to HECO's request for waiver of the 60-day notice period. 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. The commission emphasizes, however, 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] [a]pplication, HECO will have the burden of proof to justify the reasonableness of the capital expenditures in its next rate case."

III.

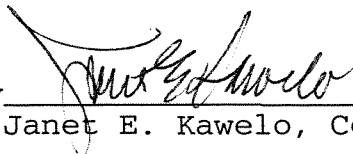
THE COMMISSION ORDERS that HECO's request for waiver of the section 2.3.g.2 requirement to file its application at least 60 days prior to the commencement of construction or commitment for the expenditure of funds, filed on April 28, 2003, is approved.

DONE at Honolulu, Hawaii this 9th day of May, 2003.

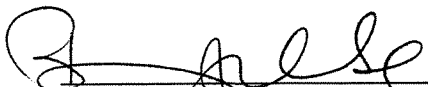
PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

By   
Carlito P. Caliboso, Chairman

By \_\_\_\_\_ (EXCUSED)  
Wayne H. Kimura, Commissioner

By   
Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:

  
Benedyne S. Stone  
Commission Counsel

03-0107.cs

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 20181 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  
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Karen Higashi

DATED: May 9, 2003