

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
)
 MAUI ELECTRIC COMPANY, LIMITED)
)
 For Approval of a Fuel Supply)
 Contract with Maui Oil Company,)
 Inc. and to Include Contract Costs)
 In Maui Electric Company, Limited's)
 Energy Cost Adjustment Clause.)
 _____)

DOCKET NO. 02-0365

ORDER NO. 20373

RECEIVED
2003 AUG 11 P 4: 20
DIV. OF CONSUMER ADVOCACY
DEPT. OF COMMERCE AND
CONSUMER AFFAIRS
STATE OF HAWAII

Filed August 8, 2003
At 2:00 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))	
MAUI ELECTRIC COMPANY, LIMITED))	Docket No. 02-0365
)	
For Approval of a Fuel Supply))	Order No. 20373
Contract with Maui Oil Company,))	
Inc. and to Include Contract Costs))	
In Maui Electric Company, Limited's))	
Energy Cost Adjustment Clause.))	
_____))	

ORDER

I.

By an application filed on October 4, 2002, MAUI ELECTRIC COMPANY, LIMITED ("MECO") requests commission approval of the Hana Substation 41 Supply Contract for Off-Highway No. 2 Diesel Fuel ("Fuel Supply Contract"), dated August 9, 2002, with Maui Oil Company, Inc. ("Maui Oil"). Pursuant to the Fuel Supply Contract, MECO purchases and receives from Maui Oil its entire No. 2 Diesel Fuel ("Fuel") requirements for its two standby generating units located at its Hana Substation No. 41. MECO also requests commission approval to include the cost of Fuel and related taxes in MECO's Energy Cost Adjustment Clause ("ECAC") to the extent that the costs are not recovered in MECO's base rates.

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

On October 17, 2002, the Consumer Advocate filed its Preliminary Statement of Position indicating that MECO did not

provide sufficient information to support the requested approval and that it would participate in this proceeding and issue information requests. On October 17, 2002, the Consumer Advocate served MECO with its First Submission of Information Requests upon MECO. On November 4, 2002, MECO filed its responses to the Consumer Advocate's First Submission of Information Requests. On March 6, 2003, the Consumer Advocate filed its Statement of Position indicating that it does not object to the commission approving the Fuel Supply Contract. However, it does object to the inclusion of such costs in MECO's ECAC. On May 27, 2003, MECO filed a letter requesting an evidentiary hearing on the matter.¹

In light of MECO's May 27, 2003 request for an evidentiary hearing and since the Consumer Advocate has not withdrawn its objection, the commission finds that establishing a procedural schedule at this juncture would aid in the efficient and timely disposition of the instant proceeding. Thus, the commission concludes that MECO and the Consumer Advocate should meet to formulate the issues, procedures and schedule with respect to this proceeding, to be set forth in a stipulated prehearing order that shall be submitted for commission approval by September 5, 2003.² In the alternative, if the parties are unable to stipulate to such order, we conclude that each party

¹MECO indicated that it was willing to waive its right to a hearing if it is allowed to argue the matter orally before the commission.

²The hearing date(s), if necessary, will be set by the commission.

shall submit a proposed prehearing order for the commission's consideration by September 5, 2003.

II.

THE COMMISSION ORDERS that MECO and the Consumer Advocate shall meet informally to formulate the issues, procedures, and schedule with respect to this proceeding, to be set forth in a stipulated prehearing order. This stipulated prehearing order shall be submitted for commission approval by September 5, 2003. If unable to stipulate to such an order, each party shall submit its own proposed prehearing order for the commission's consideration by September 5, 2003.

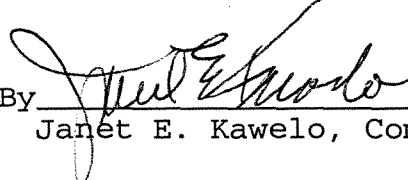
DONE at Honolulu, Hawaii this 8th day of August 2003.

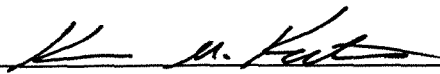
PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Carlito P. Caliboso, Chairman

By (EXCUSED)
Wayne H. Kimura, Commissioner

APPROVED AS TO FORM:

By 
Janet E. Kawelo, Commissioner


Kevin M. Katsura
Commission Counsel

02-0365.eh

CERTIFICATE OF SERVICE

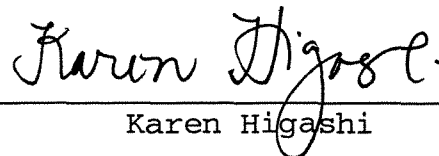
I hereby certify that I have this date served a copy of the foregoing Order No. 20373 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

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

EDWARD L. REINHARDT
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Karen Higashi

DATED: August 8, 2003