

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
HAWAIIAN ELECTRIC COMPANY, INC.)
For Approval of a Commercial and)
Industrial Direct Load Control)
Program, and Recovery of Program)
Costs.)
_____)

DOCKET NO. 03-0415

DECISION AND ORDER NO. 21726

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

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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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DECISION AND ORDER

By this Decision and Order, the commission approves the request of HAWAIIAN ELECTRIC COMPANY, INC. ("HECO") to amend its Commercial and Industrial Direct Load Control ("CIDLC") Program Contract to include two (2) inadvertently omitted provisions.

I.

Introduction

By Decision and Order No. 21421 ("Decision and Order No. 21421"), filed on October 19, 2004, the commission approved HECO's requests for: (1) approval of CIDLC Program; (2) recovery of its program costs for the first five years of the program, which are estimated to be approximately \$5,481,460 (and associated revenue taxes, if applicable), using HECO's Integrated Resource Plan ("IRP") Cost Recovery Provision and incorporated into rates as a result of the next rate case if Demand Side Management ("DSM") costs are not recovered through the IRP Cost Recovery Provision after the next rate case; (3) its standard CIDLC Program

Contract for use with participating customers; and (4) program flexibility as described within the application filed in this docket.

On February 14, 2005, HECO filed a letter ("HECO's Letter") requesting approval of two (2) amendments to the CIDLC Program Contract, which relate to provisions that were discussed in the CIDLC Program application, but were inadvertently omitted from the Contract. HECO states that the DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, DIVISION OF CONSUMER ADVOCACY ("Consumer Advocate"), the only other party to this docket, does not object to the proposed modification of the CIDLC Program Contract.

II.

Motion to Reopen this Docket

The commission will treat HECO's Letter as a motion to reopen this docket, pursuant to HAR § 6-61-41 ("Motion"). The commission possesses the ability to reopen this docket to consider the amended Contract, pursuant to its investigative powers set forth in HRS § 269-7¹. Since the Contract differs from that presented in this docket, the commission finds good cause to reopen

¹HRS § 269-7 provides the commission with the power to examine the condition of a public utility, the manner in which it is operated with reference to the safety or accommodation of the public, the value of its physical property, all of the utility's financial transactions, its business relations with other persons, companies or corporations, its compliance with all applicable state and federal laws and with the provisions of its franchise, charter, and articles of association, and generally any and all matters of every nature affecting the relations and transactions between the utility and the public, persons or corporations.

this docket solely to allow the commission to review HECO's request. Accordingly, the commission concludes that HECO's Motion should be granted.

HECO advises that although the application in this docket discussed its intended methodology for determining "Demand," it failed to include this provision in the proposed Contract approved by the commission in Decision and Order No. 21421.² Similarly, while HECO included in its application a description of when it could terminate a customer's participation in the CIDLC Program, it inadvertently omitted the provision from the Contract.³ The amended Contract provided with HECO's Letter also complies with Decision and Order No. 21421 by omitting the provision that required customers to maintain HECO as the sole source of energy and demand supply for the duration of the contract term.

Based upon a review of the record, as supplemented by HECO's Letter, the commission finds that HECO's request to amend the CIDLC Program Contract is reasonable and in the public interest. Accordingly, the commission concludes that HECO's request to amend the CIDLC Program Contract to include the two

²In its application at Section V, Part D, HECO states that "If the customer's recorded [kilowatt ("kW")] load during a load control period is higher than the customer's contract Firm Service Level, the higher load shall be used in the determination of the Controlled billing kW for the subsequent [eleven (11)] billing periods, unless the customer can demonstrate to Applicant that the customer can consistently stay within the contract Firm Service Level during periods of load control."

³HECO's CIDLC Program application, Section V, Part F, states that "Participation may be terminated immediately by Applicant if actions by the customer, in violation of the terms of its CIDLC Program Contract, adversely affect service to any of Applicant's other customers or to Applicant's system."

(2) provisions discussed in the application but inadvertently omitted should be approved.

III.

THE COMMISSION ORDERS:

1. HECO's Motion to reopen this docket solely to allow the commission to review the amended Contract is granted.

2. HECO's CIDLC Program Contract, as amended to include the two (2) provisions inadvertently omitted and discussed above, is approved.

DONE at Honolulu, Hawaii APR - 8 2005.

PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By *Carlito P. Caliboso*
Carlito P. Caliboso, Chairman

By *Wayne H. Kimura*
Wayne H. Kimura, Commissioner

APPROVED AS TO FORM:

By *Janet E. Kawelo*
Janet E. Kawelo, Commissioner

Catherine P. Awakuni
Catherine P. Awakuni
Commission Counsel

03-0415.ah

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Decision and Order No. 21726 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

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Karen Higashi

DATED: APR - 8 2005