BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Request of
HAWAIIAN ELECTRIC COMPANY, INC.

DOCKET NO. 05-0163


DECISION AND ORDER NO. 21907

Filed July 5, 2005
At 2:45 o'clock P.M.

Karen Higashi
Chief Clerk of the Commission

ATTEST: A True Copy
KAREN HIGASHI
By this Decision and Order, the commission approves the July 5, 2005 request of HAWAIIAN ELECTRIC COMPANY ("HECO") for expedited approval to temporarily waive certain provisions (i.e., curtailment hours) of its Rider M contract with Hawaii Metal Recycling ("HMR").

I. Expedited Request for Approval

HECO seeks expedited approval to temporarily waive certain provisions of its Rider M contract with HMR because HMR needs to operate during the hours of 5:00 p.m. to 9:00 p.m., Tuesday, July 5, 2005 through Friday, July 8, 2005, to shred scrap metal accumulated during HMR’s voluntary curtailment during the week of June 27, 2005 through July 1, 2005.¹ In support of its expedited request, HECO represents:

¹See HECO’s letter, dated and filed on July 5, 2005 ("HECO Letter").
1. "HMR is a Schedule P customer with Rider I and Rider M, Option B, Curtailable Service. (This requires HMR to curtail its electric service during fixed on-peak hours, otherwise, it would [be] subject to loss of the Rider M, Option B [kilowatt] demand reduction benefit, and would revert back to the 'normal' Schedule P rates.)" HECO Letter at 1.

2. On June 16, 2005, during an inspection of the HMR Substation, HECO discovered that a CEIP #1 50 Megavolt Ampere 138/46 kilovolt transformer was leaking oil at several joints and needed to be taken off-line for several days to be repaired. Id.

3. HMR agreed to an outage during the week of June 27, 2005 through July 1, 2005 ("Outage Period") to allow the repair to be completed, and to receive and stockpile the scrap metal that would continue to arrive at its facility during that period. Id.

4. HECO arranged for HNR to be served by an alternate circuit during the Outage Period. While the alternate circuit had enough additional capacity to allow HMR to operate at low loads, it did not have enough capacity to allow HMR to operate its metal shredder. Id.

5. When HECO and HMR were discussing the repairs, HMR advised HECO that based on the amount of material it expected to be received during the Outage Period, it did not believe that it

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2The HMR Substation is a dedicated substation that only serves HMR. HECO Letter at 1.

3HECO states that HMR's voluntary reduction in operations resulted in a negative financial impact for HMR. HECO's Letter at 1.
would need to operate during the 5:00 p.m. to 9:00 p.m. period following the completion of the transformer repair. \textit{Id.} at 2.

6. On July 1, 2005, after reassessing the situation, HMR contacted HECO and requested that it be allowed to operate during the 5:00 p.m. to 9:00 p.m. period from July 5, 2005 through July 8, 2005 in order to catch up with shredding operations it curtailed during the Outage Period. HECO Letter at 2.

HECO filed a copy of its Letter with the DIVISION OF CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS ("Consumer Advocate").

II.

\textbf{Discussion}

HECO's tariff on file with the commission states that "[t]he rules and rate schedules set forth [therein] have been fixed by order of the [commission] and may not be abandoned, changed, modified, or departed from without the prior approval of the [c]ommission."

In light of HECO's representations, we find HECO's request for expedited approval to temporarily waive certain provisions of its Rider M contract with HMR to be reasonable and in the public interest. Thus, we conclude that HECO's July 5, 2005

\textsuperscript{4}After a review of HECO's Letter, the Consumer Advocate stated verbally to the commission that it does not object to HECO’s request in this instance. The Consumer Advocate further stated that its position is limited to the facts set forth in HECO’s Letter and should not be construed by any utilit, as a basis for not filing an application involving similar circumstances.
request for expedited approval to temporarily waive certain provisions of its Rider M contract with HMR should be approved.°

III.

Order

THE COMMISSION ORDERS that HECO's July 5, 2005 request for expedited approval to temporarily waive certain provisions of its Rider M contract with HMR is approved.

DONE at Honolulu, Hawaii JUL - 5 2005

PUBLIC UTILITIES COMMISSION OF THE STATE OF HAWAII

By (EXCUSED)
Wayne H. Kimura, Commissioner

By
Carlito P. Caliboso, Chairman

APPROVED AS TO FORM: By

Janet E. Kawelo, Commissioner

Catherine P. Awakuni
Commission Counsel

°The commission will continue to examine a utility's application on a case-by-case basis to determine whether the commission's laws, rules, or orders or any other related provision governing utility transactions requires review. The commission's decision in this instance shall not be construed by any utility as a basis for not filing an application involving similar circumstances.
CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Decision and Order No. 21907 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

ROBBIE A. ALM
SENIOR VICE PRESIDENT - PUBLIC AFFAIRS
HAWAIIAN ELECTRIC COMPANY, INC.
P. O. Box 2750
Honolulu, HI  96840-0001

DEAN MATSUURA
DIRECTOR - REGULATORY AFFAIRS
HAWAIIAN ELECTRIC COMPANY, INC.
P. O. Box 2750
Honolulu, HI  96840-0001

DATED:  JUL - 5 2005

Karen Higashi