BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of

HAWAIIAN ELECTRIC COMPANY, INC.

DOCKET NO. 05-0145

For Approval to Commit Funds in Excess of $2,500,000 (excluding customer contributions) for Purchase and Installation of Item Y-49000, Campbell Industrial Park Generating Station and Transmission Additions Project.

ORDER NO. 22030

Filed Sept. 14, 2005
At 10 o'clock A.M.

Karen Higashi
Chief Clerk of the Commission

ATTEST: A True Copy
KAREN HIGASHI
BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)

HAWAIIAN ELECTRIC COMPANY, INC.)
Docket No. 05-0145

For Approval to Commit Funds in
Excess of $2,500,000 (excluding customer contributions) for
Purchase and Installation of Item Y-49000, Campbell Industrial Park Generating Station and Transmission Additions Project.

ORDER

By this Order, the commission suspends the instant docket, including the 90-day Review Period established by Paragraph 2.3.g.2 of General Order No. 7, until further order of the commission.

I.

Background

By an application filed on June 17, 2005,1 HAWAIIAN ELECTRIC COMPANY, INC. ("HECO") requests, among other things, commission approval to commit approximately $134,310,260 for Item Y-49000, Campbell Industrial Park Generating Station and Transmission Additions Project ("Proposed Project"), in accordance with Paragraph 2.3.g.2 of the commission's

1Application, Exhibits I - XXI, Verification, and Certificate of Service, filed on June 17, 2005 ("Application").
General Order No. 7, Standards for Electric Utility Service in the State of Hawaii ("General Order No. 7"). HECO served copies of the Application on the Division of Consumer Advocacy, Department of Commerce and Consumer Affairs ("Consumer Advocate").

II.

A.

90-day Review Period

Paragraph 2.3.g.2 of General Order No. 7 provides that if the commission does not act on an electric utility's capital expenditure application and render a decision and order within ninety (90) days of filing ("90-day Review Period"), the utility will be allowed "to include the project in its rate base without the determination by the [commission required by this rule."]

In this docket, the 90-day Review Period for the commission to take action on HECO's Application will expire on September 15, 2005.

B.

Suspension of this Docket

On July 7, 2005, the Consumer Advocate filed its preliminary statement of position: (1) stating that it has questions relating to the Proposed Project; and (2) requesting that the Application be suspended to allow the commission adequate time to: (A) decide certain investigative and
application dockets; and (B) review HECO's third Integrated
Resource Plan ("IRP-3"). ²

The Consumer Advocate contends that the following
pending matters before the commission may have an impact on
the size of and type of generation needed and the timing of
when the generation is needed: (1) Docket No. 03-0371,
the Distributed Generation Proceeding; (2) Docket No. 03-0366,
the Combined Heat and Power Program Proceeding;
(3) Docket No. 05-0069, the Energy Efficiency Docket;
(4) Docket No. 03-0372, the Competitive Bidding Proceeding;
and (5) Docket No. 03-0253 ("HECO's IRP-3 Docket").³

The Consumer Advocate asserts that approval of HECO's IRP-3
Docket is most critical to evaluating HECO's proposed capital
expenditures because the IRP Framework⁴ requires that the IRP and
program implementation schedule govern all utility expenditures
for capital projects, purchase power, and demand-side management
programs. The Consumer Advocate suggests that "given the many
significant changes, pending proceedings, as well as the timing
of the filing of HECO's IRP-3, the public interest would be
better served if this matter is reviewed carefully in a

²Consumer Advocate's Preliminary Statement of Position,
filed on July 7, 2005.

³Presently, the due date for the filing of HECO's IRP-3 is
early October 2005.

⁴The commission approved the IRP Framework in Decision and
Order No. 11630, filed on May 22, 1997, in Docket No. 6617.
procedural schedule that is coordinated with the review conducted in other relevant docketed matters.”

HECO, in response, recommends the commission: (1) deny the Consumer Advocate’s request to suspend this docket; (2) deny the Consumer Advocate’s request to establish a procedural schedule that starts after HECO’s IRP-3 filing; and (3) deny any request to consolidate this docket with Docket No. 05-0146.

HECO further notes that while it does not object to the suspension of the 90-day Review Period, provided that said suspension does not unduly delay this proceeding, HECO objects to the Consumer Advocate’s suggestion that the commission indefinitely suspend Docket No. 05-0145. HECO: (1) emphasizes that the need for this additional generation was demonstrated in its 2004 and 2005 Adequacy of Supply reports to the commission and its IRP-2 filing; and (2) suggests that the draft IRP-3 supports the need for additional generation and the Proposed Project, in particular.

Upon our review, we find good cause to suspend the instant Application in order to thoroughly review the Proposed

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5Consumer Advocate’s Preliminary Statement of Position at 4.

6HECO’s Memorandum in Response, filed on July 26, 2005, to the Consumer Advocate’s Preliminary Position Statement ("HECO's Response"). HECO’s capital expenditure application in Docket No. 05-0146, filed on the same day as its Application in Docket No. 05-0145, requests the commission approval: (1) to commit funds for the Reverse Osmosis Water Pipeline Project, from Campbell Industrial Park to HECO’s Kahe Power Plant, and the Environmental Monitoring Project; and (2) of other related matters.

7HECO recognizes “that it would be impractical to complete the docket within the 90-day [R]eview [P]eriod.” HECO’s Response at 13.
Project in the context of HECO's forthcoming IRP-3 filing. Accordingly, the commission suspends HECO's Application, including the 90-day Review Period, until further order of the commission.

III.

Orders

THE COMMISSION ORDERS that HECO's Application, filed on June 17, 2005, including the 90-day Review Period established pursuant to Paragraph 2.3.g.2 of General Order No. 7, is suspended until further order of the commission.

DONE at Honolulu, Hawaii SEP 14 2005

PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By Carlito P. Caliboso, Chairman

APPROVED AS TO FORM:

Catherine P. Awakuni
Commission Counsel

The commission intends to rule on the pending intervention requests in a later Order. The suspension of this docket does not toll the deadline to timely file a motion to intervene or participate, which expired on July 7, 2005.
CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 22030 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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DATED: SEP 14 2005

Karen Higa