

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 \$2,500,000 (excluding )  
customer contributions) for )  
Purchase and Installation of Item )  
Y-49000, Campbell Industrial Park )  
Generating Station and Transmission) )  
Additions Project. )  
\_\_\_\_\_)

DOCKET NO. 05-0145

ORDER NO. 22030

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

2005 SEP 15 A 8:06

RECEIVED

Filed Sept. 14, 2005  
At 1 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)	
HAWAIIAN ELECTRIC COMPANY, INC. )	Docket No. 05-0145
For Approval to Commit Funds in )	
Excess of \$2,500,000 (excluding )	Order No. 22030
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,<sup>1</sup> 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

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<sup>1</sup>Application, 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 [c]ommission 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").<sup>2</sup>

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").<sup>3</sup> 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 Framework<sup>4</sup> 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

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

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

<sup>4</sup>The 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."<sup>5</sup>

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.<sup>6</sup> 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,<sup>7</sup> 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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<sup>5</sup>Consumer Advocate's Preliminary Statement of Position at 4.

<sup>6</sup>HECO'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.

<sup>7</sup>HECO 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.<sup>8</sup>

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

By (EXCUSED)  
Wayne H. Kimura, Commissioner

APPROVED AS TO FORM:

By   
Janet E. Kawelo, Commissioner

  
Catherine P. Awakuni  
Commission Counsel

05-0145.eh

<sup>8</sup>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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Karen Higashi

DATED: SEP 14 2005