

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

----- In the Matter of -----)
)
HAWAIIAN ELECTRIC COMPANY, INC.) DOCKET NO. 05-0069
)
For Approval and/or Modification of)
Demand-Side and Load Management)
Programs and Recovery of Program)
Costs and DSM Utility Incentives.)
_____)

ORDER NO. 22803

2006 AUG 28 A 10:06
RECEIVED
DIV. OF CONSUMER ADVOCACY
DEPT. OF COMMERCE AND
CONSUMER AFFAIRS
STATE OF HAWAII

Filed August 25, 2006
At 3 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 -----)		
)	
HAWAIIAN ELECTRIC COMPANY, INC.))	Docket No. 05-0069
)	
For Approval and/or Modification of)))	Order No. 22803
Demand-Side and Load Management))	
Programs and Recovery of Program))	
Costs and DSM Utility Incentives.))	
-----)	

ORDER

The commission issues this prehearing order as a result of the prehearing conference held on August 24, 2006, in preparation for the evidentiary hearing scheduled to commence on August 28, 2006.

I.

Introduction

On August 24, 2006, the commission held a prehearing conference pursuant to Hawaii Administrative Rules ("HAR") § 6-61-36, with representatives from Hawaiian Electric Company, Inc. ("HECO"), Hawaii Electric Light Company, Inc. ("HELCO"), Maui Electric Company, Ltd. ("MECO"), Kauai Island Utility Cooperative ("KIUC"), The Gas Company ("TGC"), the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy ("Consumer Advocate"), the Department of the Navy, on behalf of the Department of Defense ("DoD"), Hawaii Renewable Energy Alliance ("HREA"), Hawaii Solar Energy Association ("HSEA"), Life of the

Land ("LoL"), the Rocky Mountain Institute ("RMI"), the County of Kauai ("CoK"), and the County of Maui ("CoM"). HECO, HELCO, MECO, KIUC, TGC, the Consumer Advocate, DoD, HREA, HSEA, LoL, and RMI are collectively referred to as the "Parties." CoK and CoM are referred to as the "Participants."

The commission issues this prehearing order, in accordance with HAR § 6-61-37.

II.

Prehearing Order

Consistent with the agreements reached and actions taken at the prehearing conference, and unless modified otherwise by the commission, the following terms shall control the evidentiary hearing:

1. Mr. Scott Hempling, Esq., who was retained by the commission as its consultant for this docket, will moderate the evidentiary hearing for the commission.

2. The Parties and Participants were notified that in the event that any commissioner who will render a final decision in this docket is not present at the evidentiary hearing, pursuant to Hawaii Revised Statutes § 91-11, a proposed decision and order shall be issued before a final Decision and Order is filed.

3. Consistent with the agenda previously transmitted by the commission, the commission has allowed one hour to hear argument on HECO's Motion for Partial Reconsideration of Interim Decision and Order No. 22420.

4. The Parties and Participants agree to dispense with opening statements.

5. The commission will not limit the Parties or Participants for Panel B: Specific Programs and Parameters.

6. HECO will file revised exhibits (Exhibits 7, 10, and 12) to address points raised by RMI.

7. Discussion of HECO's actual calculations, as revised by the exhibits referenced in paragraph 6, will be permitted as part of the discussion on the specific programs proposed by HECO in Panel B: Specific Programs and Parameters.

8. The commission will increase the time allotted for Panel D: Cost Recovery and Incentive Mechanisms, and decrease the time allotted for Panel E: Monitoring, Evaluation Reporting and Transitions, as demonstrated in the Hearing Agenda and Schedule, attached hereto as Exhibit A.

9. The Parties and Participants did not object to Mr. Kyle Datta from RMI being only partially available on Tuesday, August 29, 2006, and on Friday, September 1, 2006.

10. The questioning of the panelists will be in the following order, with a rotation for each Panel in accordance with Exhibit A:

- HECO/HELCO/MECO
- KIUC
- TGC
- Consumer Advocate
- DoD

- HREA
- HSEA
- LoL
- RMI
- CoK
- CoM

11. The Panel Witness List for each Panel was confirmed, as listed in Exhibit A.

12. By the end of business on August 24, 2006, HECO will file a report from one of its consultants regarding the Regulatory Assistance Project.

13. The commission will allow closing statements at the conclusion of the questioning of approximately ten minutes for each of the Parties and Participants, with the option of requesting additional time.

14. Opening and reply briefs are to be submitted to the commission within four weeks after the transcripts and within three weeks after the opening briefs, respectively.

15. The commission will take the evidentiary hearing testimony under advisement.

IV.

Order

THE COMMISSION ORDERS:

The terms set forth in this Order shall govern the remainder of this proceeding, unless modified or ordered otherwise by the commission.

DONE at Honolulu, Hawaii AUG 25 2006 .

PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

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

By (EXCUSED)
John E. Cole, Commissioner

APPROVED AS TO FORM:

 Nichole K. Shimamoto
Nichole K. Shimamoto
Commission Counsel

05-0069.oc

Public Utilities Commission
State of Hawaii
Docket No. 05-0069 (Energy Efficiency)
Hearing Agenda and Schedule
August 28 - September 1, 2006

Monday, August 28, 2006		Approximate Schedule		Hearing Time
Convene Hearing & Procedural Matters		8:30 AM	- 8:45 AM	0:15
I. ORAL ARGUMENTS ON HECO'S MOTION FOR PARTIAL RECONSIDERATION OF INTERIM DECISION AND ORDER NO. 22420 (1.0)		8:45 AM	- 9:45 AM	1:00
Break		9:45 AM	- 10:00 AM	0:15
II. INTRODUCTION TO PANEL HEARINGS (.5)		10:00 AM	- 10:30 AM	0:30
III. PANEL A: GOALS (3.0)				
Issue Overview: Moderator		10:30 AM	- 10:45 AM	0:15
Commission Questions		10:45 AM	- 12:15 PM	1:30
Break (Lunch)		12:15 PM	- 1:45 PM	1:30
Party Questions		1:45 PM	- 3:15 PM	1:30
Total Panel Time				3:15
Adjourn		3:15 PM		
<u>Party</u>	<u>Panelist(s)</u>			
HECO/MECO/HELCO	Alan Hee, Greg Wikler, Gary Hashiro, Dave Waller			
KIUC	Joseph McCawley, Tim Blume, Kris Nakagawa, Esq.			
TGC	George Aoki, Steve Golden, Keith Yoshida			
CA	Brian Abbanat			
DoD	Maurice Brubaker			
HREA	Warren Bollmeier, David Rezachek			
HSEA	Rick Reed			
LoL	Henry Curtis			
RMI	Kyle Datta, Carl Freedman			
CoK	Glenn Sato			
CoM	Kal Kobayashi			
Total Hearing Time				5:00

Public Utilities Commission
State of Hawaii
Docket No. 05-0069 (Energy Efficiency)
Hearing Agenda and Schedule
August 28 - September 1, 2006

Monday, August 28, 2006		Approximate Schedule		Hearing Time	
Convene Hearing & Procedural Matters		8:30 AM	-	8:45 AM	0:15
I. ORAL ARGUMENTS ON HECO'S MOTION FOR PARTIAL RECONSIDERATION OF INTERIM DECISION AND ORDER NO. 22420 (1.0)		8:45 AM	-	9:45 AM	1:00
Break		9:45 AM	-	10:00 AM	0:15
II. INTRODUCTION TO PANEL HEARINGS (.5)		10:00 AM	-	10:30 AM	0:30
III. PANEL A: GOALS (3.0)					
Issue Overview: Moderator		10:30 AM	-	10:45 AM	0:15
Commission Questions		10:45 AM	-	12:15 PM	1:30
Break (Lunch)		12:15 PM	-	1:45 PM	1:30
Party Questions		1:45 PM	-	3:15 PM	1:30
Total Panel Time					3:15
Adjourn		3:15 PM			
Party	Panelist(s)				
HECO/MECO/HELCO	Alan Hee, Greg Wikler, Gary Hashiro, Dave Waller				
KIUC	Joseph McCawley, Tim Blume, Kris Nakagawa, Esq.				
TGC	George Aoki, Steve Golden, Keith Yoshida				
CA	Brian Abbanat				
DoD	Maurice Brubaker				
HREA	Warren Bollmeier, David Rezachek				
HSEA	Rick Reed				
LoL	Henry Curtis				
RMI	Kyle Datta, Carl Freedman				
CoK	Glenn Sato				
CoM	Kal Kobayashi				
Total Hearing Time					5:00

Public Utilities Commission
State of Hawaii
Docket No. 05-0069 (Energy Efficiency)
Hearing Agenda
August 28 - September 1, 2006

Tuesday, August 29, 2006		Approximate Schedule		Hearing Time
Convene Hearing & Procedural Matters		8:30 AM	- 8:35 AM	0:05
IV. PANEL B: SPECIFIC PROGRAMS AND PARAMETERS (5.0)				
Issue Overview: Moderator		8:35 AM	- 8:50 AM	0:15
Commission Questions		8:50 AM	- 10:05 AM	1:15
Break		10:05 AM	- 10:15 AM	0:10
Commission Questions (cont'd)		10:15 AM	- 11:30 AM	1:15
Break (Lunch)		11:30 AM	- 1:00 PM	1:30
Party Questions		1:00 PM	- 2:15 PM	1:15
Break		2:15 PM	- 2:25 PM	0:10
Party Questions (cont'd)		2:25 PM	- 3:40 PM	1:15
Total Panel Time				5:15
Adjourn		3:40 PM		
<u>Party</u>	<u>Panelist(s)</u>			
KIUC	Tim Blume			
TGC	George Aoki, Steve Golden, Keith Yoshida			
CA	Brian Abbanat, Richard Hahn			
DoD	Maurice Brubaker			
HREA	Warren Bollmeier, David Rezachek			
HSEA	Rick Reed			
LoL	Henry Curtis			
RMI	Kyle Datta, Carl Freedman			
CoK	Glenn Sato			
CoM	Kal Kobayashi			
HECO/MECO/HELCO	Alan Hee, Greg Wikler, Dave Waller, Keith Block, Alvin Goto			
Total Hearing Time				5:20

Public Utilities Commission
 State of Hawaii
 Docket No. 05-0069 (Energy Efficiency)
Hearing Agenda
 August 28 - September 1, 2006

Wednesday, August 30, 2006		Approximate Schedule		Hearing Time
Convene Hearing & Procedural Matters		8:30 AM	- 8:35 AM	0:05
V. PANEL C: MARKET STRUCTURE (4.0)				
Issue Overview: Moderator		8:35 AM	- 8:50 AM	0:15
Commission Questions		8:50 AM	- 9:50 AM	1:00
Break		9:50 AM	- 10:00 AM	0:10
Commission Questions (cont'd)		10:00 AM	- 11:00 AM	1:00
Break		11:00 AM	- 11:15 AM	0:15
Party Questions		11:15 AM	- 12:15 PM	1:00
Break (Lunch)		12:15 PM	- 1:45 PM	1:30
Party Questions (cont'd)		1:45 PM	- 2:45 PM	1:00
Total Panel Time				4:15
Adjourn		2:45 PM		
<u>Party</u>	<u>Panelist(s)</u>			
TGC	George Aoki, Steve Golden, Keith Yoshida			
CA	Brian Abbanat, Richard Hahn			
DoD	Maurice Brubaker			
HREA	Warren Bollmeier, David Rezachek			
HSEA	Rick Reed			
LoL	Henry Curtis			
RMI	Kyle Datta, Carl Freedman			
CoK	Glenn Sato			
CoM	Kal Kobayashi			
HECO/MECO/HELCO	Alan Hee, Greg Wikler, Dave Waller, Wayne Oliver, Gary Hashiro, Dan Violette			
KIUC	Tim Blume, Kris Nakagawa, Esq.			
Total Hearing Time				4:20

Public Utilities Commission
State of Hawaii
Docket No. 05-0069 (Energy Efficiency)
Hearing Agenda
August 28 - September 1, 2006

Thursday, August 31, 2006		Approximate Schedule		Hearing Time
Convene Hearing & Procedural Matters		8:30 AM	- 8:35 AM	0:05
VI. PANEL D: COST RECOVERY AND INCENTIVE MECHANISMS (4.0)				
Issue Overview: Moderator		8:35 AM	- 8:50 AM	0:15
Commission Questions		8:50 AM	- 9:50 AM	1:00
Break		9:50 AM	- 10:00 AM	0:10
Commission Questions (cont'd)		10:00 AM	- 11:00 AM	1:00
Break		11:00 AM	- 11:15 AM	0:15
Party Questions		11:15 AM	- 12:15 PM	1:00
Break (Lunch)		12:15 PM	- 1:45 PM	1:30
Party Questions (cont'd)		1:45 PM	- 2:45 PM	1:00
Total Panel Time				4:15
Break		2:45 PM	- 3:00 PM	0:15
<u>Party</u>	<u>Panelist(s)</u>			
CA	Brian Abbanat, Richard Hahn			
DoD	Maurice Brubaker			
HREA	Warren Bollmeier, David Rezachek			
HSEA	Rick Reed			
LoL	Henry Curtis			
RMI	Kyle Datta, Carl Freedman			
CoK	Glenn Sato			
CoM	Kal Kobayashi			
HECO/MECO/HELCO	Alan Hee, Dan Violette, Dave Waller, Peter Young, Robbie Alm (2001 stip)			
KIUC	Tim Blume			
TGC	George Aoki, Steve Golden, Keith Yoshida			
VII. PANEL E: MONITORING, EVALUATION REPORTING & TRANSITIONS (2.0)				
Issue Overview: Moderator		3:00 PM	- 3:15 PM	0:15
Commission Questions		3:15 PM	- 4:15 PM	1:00
Total Panel Time (Thursday)				1:15
Adjourn		4:15 PM		
<u>Party</u>	<u>Panelist(s)</u>			
DoD	Maurice Brubaker			
HREA	Warren Bollmeier, David Rezachek			
HSEA	Rick Reed			
LoL	Henry Curtis			
RMI	Kyle Datta, Carl Freedman			
CoK	Glenn Sato			
CoM	Kal Kobayashi			
HECO/MECO/HELCO	Alan Hee, Greg Wikler, Gary Hashiro, Keith Block, Dave Waller			
KIUC	Tim Blume			
TGC	George Aoki, Steve Golden, Keith Yoshida			
CA	Brian Abbanat, Richard Hahn			
Total Hearing Time				5:35

Public Utilities Commission
State of Hawaii
Docket No. 05-0069 (Energy Efficiency)
Hearing Agenda
August 28 - September 1, 2006

Friday, September 01, 2006		Approximate Schedule		Hearing Time
Convene Hearing & Procedural Matters		8:30 AM	- 8:35 AM	0:05
VII. CONTINUATION OF PANEL E: MONITORING, EVALUATION REPORTING AND TRANSITIONS (IF NECESSARY)				
Party Questions		8:35 AM	- 9:35 AM	1:00
Total Panel Time (Friday)				1:00
Break		9:35 AM	- 9:50 AM	0:15
VIII. PANEL F: ISSUE INTERACTIONS (2.0)				
Issue Overview: Moderator		9:50 AM	- 10:05 AM	0:15
Commission Questions		10:05 AM	- 11:05 AM	1:00
Break		11:05 AM	- 11:20 AM	0:15
Party Questions		11:20 AM	- 12:20 PM	1:00
Total Panel Time				2:15
Break (Lunch)		12:20 PM	- 1:50 PM	1:30
<u>Party</u>	<u>Panelist(s)</u>			
HREA	Warren Bollmeier, David Rezachek			
HSEA	Rick Reed			
LoL	Henry Curtis			
RMI	Kyle Datta, Carl Freedman			
CoK	Glenn Sato			
CoM	Kal Kobayashi			
HECO/MECO/HELCO	--			
KIUC	Joseph McCawley or Tim Blume			
TGC	George Aoki, Steve Golden, Keith Yoshida			
CA	Brian Abbanat, Richard Hahn			
DoD	Maurice Brubaker			
VIII. CLOSING STATEMENTS (2.0)				
Closing Statements Overview: Moderator		1:50 PM	- 2:00 PM	0:10
<u>Party</u>				
HSEA		2:00 PM	- 2:10 PM	0:10
LoL		2:10 PM	- 2:20 PM	0:10
RMI		2:20 PM	- 2:30 PM	0:10
CoK		2:30 PM	- 2:40 PM	0:10
CoM		2:40 PM	- 2:50 PM	0:10
Break		2:50 PM	- 3:05 PM	0:15
HECO/MECO/HELCO		3:05 PM	- 3:15 PM	0:10
KIUC		3:15 PM	- 3:25 PM	0:10
TGC		3:25 PM	- 3:35 PM	0:10
CA		3:35 PM	- 3:45 PM	0:10
DoD		3:45 PM	- 3:55 PM	0:10
HREA		3:55 PM	- 4:05 PM	0:10
Total Closing Statements Time				2:00
Adjourn		4:05 PM		
Total Hearing Time				5:20

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 22803 upon the following parties and participants, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party and participant.

CHERYL S. KIKUTA
ACTING EXECUTIVE DIRECTOR
EXECUTIVE DIRECTOR, DIVISION OF CONSUMER ADVOCACY
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
P. O. Box 541
Honolulu, HI 96809

WILLIAM A. BONNET
VICE PRESIDENT - GOVERNMENT AND COMMUNITY 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

EDWARD REINHARDT
PRESIDENT
MAUI ELECTRIC COMPANY, LTD.
P. O. Box 398
Kahului, HI 96733-6898

WARREN LEE
PRESIDENT
HAWAII ELECTRIC LIGHT COMPANY, INC.
P. O. Box 1027
Hilo, HI 96721-1027

Certificate of Service

Page 2

THOMAS W. WILLIAMS, JR., ESQ.
PETER Y. KIKUTA, ESQ.
GOODSILL ANDERSON QUINN & STIFEL
Alii Place, Suite 1800
1099 Alakea Street
Honolulu, HI 96813

Counsel for HECO, HELCO, and MECO

H. A. "DUTCH" ACHENBACH
PRESIDENT AND CEO
KAUAI ISLAND UTILITY COOPERATIVE
4463 Pahee Street
Lihue, HI 96766-2032

JOSEPH McCAWLEY
KAUAI ISLAND UTILITY COOPERATIVE
4463 Pahee Street
Lihue, HI 96766-2032

KENT D. MORIHARA, ESQ.
MORIHARA LAU & FONG LLP
841 Bishop Street, Suite 400
Honolulu, HI 96813

Counsel for KIUC

JIM R. YATES
PRESIDENT
THE GAS COMPANY
P. O. Box 3000
Honolulu, HI 96802

STEVEN P. GOLDEN
DIRECTOR EXTERNAL AFFAIRS & PLANNING
THE GAS COMPANY
P. O. Box 3000
Honolulu, HI 96802

Certificate of Service
Page 3

DR. KAY DAVOODI
EFACHES
1322 Patterson Avenue, S.E.
Building 33, Floor 3
Room/Cube 33-3002
Washington, DC 20374

RANDALL Y.K. YOUNG, ESQ.
NAVAL FACILITIES ENGINEERING COMMAND PACIFIC
258 Makalapa Drive, Suite 100
Pearl Harbor, HI 96860-3134

Counsel for Department of the Navy

E. KYLE DATTA
ROCKY MOUNTAIN INSTITUTE
P. O. Box 390303
Keauhou, HI 96739

CARL FREEDMAN
HAIKU DESIGN & ANALYSIS
4234 Hana Highway
Haiku, HI 96708

Consultant for Rocky Mountain Institute

HENRY Q CURTIS
VICE PRESIDENT FOR CONSUMER ISSUES
LIFE OF THE LAND
76 North King Street, Suite 203
Honolulu, HI 96817

RICHARD R. REED
PRESIDENT
HAWAII SOLAR ENERGY ASSOCIATION
c/o INTER-ISLAND SOLAR SUPPLY
761 Ahua Street
Honolulu, HI 96819

Certificate of Service
Page 4

WARREN S. BOLLMEIER, II
PRESIDENT
HAWAII RENEWABLE ENERGY ALLIANCE
46-040 Konane Place, #3816
Kaneohe, HI 96744

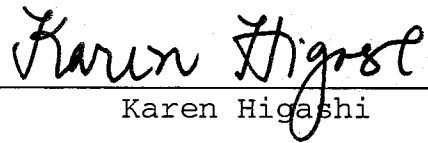
CINDY Y. YOUNG, ESQ.
DEPUTY CORPORATION COUNSEL
DEPARTMENT OF THE CORPORATION COUNSEL
COUNTY OF MAUI
200 South High Street
Wailuku, HI 96793

Counsel for the County of Maui

KAL KOBAYASHI
ENERGY COORDINATOR
DEPARTMENT OF MANAGEMENT
COUNTY OF MAUI
200 South High Street
Wailuku, HI 96793

LANI D. H. NAKAZAWA, ESQ.
LAUREL LOO, ESQ.
JAMES K. TAGUPA, ESQ.
OFFICE OF THE COUNTY ATTORNEY
COUNTY OF KAUAI
4444 Rice Street, Suite 220
Lihue, HI 96766-1300

Counsel for the County of Kauai



Karen Higashi

DATED: AUG 25 2006