

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
KAUAI ISLAND UTILITY COOPERATIVE)
For Approval of Power Purchase)
Contract for As-Available Energy)
And Interconnection Agreement with)
Green Energy Hydro, LLC and to)
Include costs in its Energy Rate)
Adjustment Clause.)

DOCKET NO. 2007-0059

ORDER NO. 23494

Filed June 14, 2007
At 9 o'clock A.M.

Karen Higashi.
Chief Clerk of the Commission

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2007 JUN 18 A 9:57

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

ATTEST: A True Copy
KAREN HIGASHI
Chief Clerk, Public Utilities
Commission, State of Hawaii.

Karen Higashi.

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Include costs in its Energy Rate)
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_____)

Docket No. 2007-0059

Order No. 23494

ORDER

By this Order, the commission instructs KAUAI ISLAND UTILITY COOPERATIVE ("KIUC") and the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy ("Consumer Advocate"),¹ to submit a stipulated procedural schedule for the commission's review and consideration. Alternatively, in the absence of a formal procedural schedule, the Parties shall, at a minimum, identify their agreed-upon deadlines for the Consumer Advocate and HECO to file their position and rebuttal statements, respectively, and notify the commission accordingly.

¹The Consumer Advocate is an *ex officio* party to this proceeding, pursuant to Hawaii Revised Statutes ("HRS") § 269-51 and Hawaii Administrative Rules ("HAR") § 6-61-62(a). KIUC and the Consumer Advocate are collectively referred to as the "Parties."

I.

Background

KIUC is a Hawaii not-for-profit electric cooperative engaged in the production, transmission, distribution, purchase and sale of electric energy on the island of Kauai, State of Hawaii. It has been an operating public utility since November 1, 2002, when it purchased substantially all of the assets and assumed the operations of the Kauai Electric division of Citizens Communications Company.²

Green Energy is a Hawaii limited liability company.³ Fifty percent (50%) of its membership interest is owned by Green Energy Kauai, LLC, a Hawaii limited liability company, with the other fifty percent (50%) owned by Hawaiian Mahogany Inc., a Hawaii corporation.⁴

On March 6, 2007, KIUC filed an Application seeking certain approvals in connection with (1) a Power Purchase Contract for As-Available Energy, dated January 12, 2007 ("PPC"), by and between KIUC and GREEN ENERGY HYDRO, LLC ("Green Energy"); (2) the related Interconnection Agreement between KIUC and Green Energy dated December 18, 2006; (3) finding that the purchased energy charges to be paid by KIUC are reasonable; (4) finding that the purchased power arrangements are prudent and in the public interest; (5) authorizing the inclusion of the

²See Decision and Order No. 19658, filed on September 17, 2002, as amended by Decision and Order No. 19755, filed on October 30, 2002, both in Docket No. 02-0060.

³See Application at 4.

⁴Id.

purchased energy charges to be incurred by KIUC in KIUC's Energy Rate Adjustment Clause; (6) waive paragraph III.D.5 of the IRP Framework, to the extent necessary and applicable; and (7) approval of other matters related to the PPC. KIUC filed its Application pursuant to Hawaii Revised Statutes § 269-27.2, Hawaii Administrative Rules Chapter 6-61, HAR Chapter 6-74 and HAR § 6-60-6(2).

The PPC provides that Green Energy will construct, own, operate and maintain an approximately 150 kilowatt hydroelectric generation plant.⁵

KIUC explains:

[a]dditional rights to terminate the PPC are contained in Paragraph 6 and Appendix C of the PPC, which includes, among other things, the right for KIUC, assuming it has timely sought the appropriate approvals, to terminate the PPC at any time prior to January 12, 2008 in the event it is unable to obtain these approvals (including from the Commission) by that time despite its commercially reasonable efforts.⁶

Under the circumstances, the commission finds it prudent and feasible to instruct the Parties to submit a stipulated procedural schedule for the commission's review and consideration.

⁵Id.

⁶See Application at 8.

II.

Orders

THE COMMISSION ORDERS:

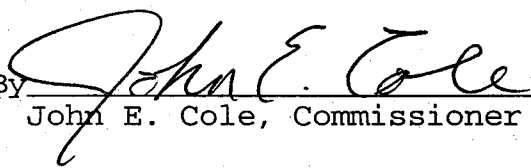
1. Within twenty (20) days from the date of this Order, the Parties shall submit to the commission a stipulated procedural schedule, incorporating their agreed-upon schedule with respect to this proceeding.

2. If the Parties are unable to stipulate to such a schedule, each Party shall submit a proposed procedural schedule for the commission's consideration by the same date. Alternatively, in the absence of a formal procedural schedule, the Parties shall, at a minimum, identify their agreed-upon deadlines for the Consumer Advocate and HECO to file their position and rebuttal statements, respectively, and notify the commission accordingly.

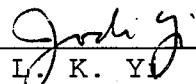
DONE at Honolulu, Hawaii JUN 14 2007.

PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Carlito P. Caliboso, Chairman

By 
John E. Cole, Commissioner

APPROVED AS TO FORM:


Jodi L. K. Yi
Commission Counsel

2007-0059.eh

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 23494 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

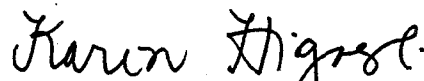
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DIVISION OF CONSUMER ADVOCACY
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DATED: JUN 14 2007