

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 )  
Agreement and Interconnection )  
Agreement with Green Energy Team )  
LLC and to Include Costs in its )  
Energy Rate Adjustment Clause. )  
\_\_\_\_\_)

DOCKET NO. 2007-0142

ORDER NO. 23538

Filed July 12, 2007  
At 2 o'clock P.M.

Karen Higashi.  
Chief Clerk of the Commission

RECEIVED

2007 JUL 17 A 9:34

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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Docket No. 2007-0142

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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"),<sup>1</sup> 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 KIUC to file their position and rebuttal statements, respectively, and notify the commission accordingly.

I.

Background

KIUC is a Hawaii not-for-profit electric cooperative engaged in the production, transmission, distribution, purchase

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<sup>1</sup>The 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."

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.<sup>2</sup>

Green Energy Team LLC ("Green Energy Team") is a Hawaii limited liability company. Presently, one hundred percent of its membership interest is owned by Green Energy Hawaii LLC, which is also a Hawaii limited liability company. It is KIUC's understanding that Green Energy Team was formed primarily to construct and operate the biomass electric generating facility ("Facility") on the island of Kauai that is the subject of the power purchase agreement at issue in this proceeding ("PPA").<sup>3</sup>

On May 24, 2007, KIUC filed an Application requesting that the commission issue a decision and order approving: (1) the PPA between KIUC and Green Energy Team, pursuant to HRS § 269-27.2; (2) the related Interconnection Agreement between KIUC and Green Energy dated May 24, 2007; (3) the proposed energy payments to be made by KIUC as set forth in the PPA; (4) the terms and conditions under the PPA pursuant to which KIUC shall purchase renewable energy from Green Energy Team; (5) the inclusion of the energy payments, and related revenue taxes, to be incurred by KIUC under the PPA in KIUC's Energy Rate Adjustment Clause; and (6) such other relief as may be just and

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

<sup>3</sup>Application at 4.

reasonable under the circumstances ("Application"). KIUC filed its Application pursuant to HRS § 269-27.2, HAR Chapter 6-61, HAR Chapter 6-74 and HAR § 6-60-6(2).

Pursuant to the PPA, Green Energy Team will develop, design, construct, own, and operate the proposed Facility with an expected total net output of approximately 6.4 megawatts. Consistent with the terms of the PPA, KIUC requests that the commission issue a decision and order within six months from the date of the Application, i.e., November 24, 2007, to allow the Parties to timely commence their respective obligations under the PPA.

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

## 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 KIUC to file their position and rebuttal statements, respectively, and notify the commission accordingly.

DONE at Honolulu, Hawaii JUL 12 2007.

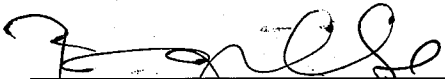
PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

By   
Carlito P. Caliboso, Chairman

By   
John E. Cole, Commissioner

By   
Leslie H. Kondo, Commissioner

APPROVED AS TO FORM:

  
Benedyne S. Stone  
Commission Counsel

2007-0142.eh

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 23538 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

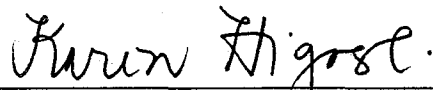
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DIVISION OF CONSUMER ADVOCACY  
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Karen Higashi

DATED: JUL 12 2007