

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 for)
Item P0001534, the Barbers Point)
Fuel Oil Tank 131 Renovation.)

DOCKET NO. 2007-0409

ORDER GRANTING CLARIFICATION
OF DECISION AND ORDER NO. 24228

RECEIVED

2008 JUN 12 A 8:34

DIV. OF CONSUMER AFFAIRS
REGULATORY AND
COMPLIANCE
SECTION
1000 KALANOAUOUE AVENUE
HONOLULU, HI 96813

PUBLIC UTILITIES
COMMISSION

2008 JUN 10 A 10:59

FILED

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of))	
HAWAIIAN ELECTRIC COMPANY, INC.)	Docket No. 2007-0409
For Approval to Commit Funds in)	
Excess of \$2,500,000 for)	
Item P0001534, the Barbers Point)	
Fuel Oil Tank 131 Renovation.)	

ORDER GRANTING CLARIFICATION
OF DECISION AND ORDER NO. 24228

By this Order, the commission grants the Motion for Clarification of Decision and Order No. 24228, filed by HAWAIIAN ELECTRIC COMPANY, INC. ("HECO") on May 27, 2008.¹ As a result, the commission clarifies that if the Barbers Point Fuel Oil Tank 131 Renovation Project ("Project") is installed and used and useful for public utility purposes prior to the close of HECO's 2009 Test Year, HECO is not precluded from including the Project in its rate base as part of the electric utility's 2009 Test Year rate case.

I.

Background

On May 15, 2008, the commission issued Decision and Order No. 24228, approving HECO's request to commit approximately \$4,075,084 in funds for the Project, "provided that no part of

¹Motion for Clarification of Decision and Order No. 24228; Exhibits A - D; and Certificate of Service, filed on May 27, 2008.

the Project may be included in HECO's rate base unless and until the Project is in fact installed, and is used and useful for public utility purposes, as determined in the rate proceeding following the Project's completion date."²

On May 27, 2008, HECO filed its Motion for Clarification of Decision and Order No. 24228, seeking the partial clarification of Ordering Paragraph No. 1. The Consumer Advocate did not file a response to HECO's motion.

II.

Clarification

On May 1, 2008, HECO, in In re Hawaiian Elec. Co., Inc., Docket No. 2008-0083, filed its Notice of Intent to file an application for a general rate increase, on or after July 1, 2008, utilizing the 2009 Test Year. Thereafter, on May 15, 2008, the commission, in Docket No. 2007-0409, issued Decision and Order No. 24228, approving HECO's request to commit funds for the Project.

By its motion, HECO "requests clarification of Ordering Paragraph No. 1 to make it clear that if the Barbers Point Fuel Oil Tank 131 Renovation Project . . . is installed and is used and useful for public utility purposes prior to the close of HECO's 2009 Test Year, Ordering Paragraph No. 1 does not preclude [HECO] from including the Project in rate base as part of HECO's 2009 Test Year rate case (Docket No. 2008-0083)."³

²Decision and Order No. 24228, Ordering Paragraph No. 1, at 12, filed on May 15, 2008.

HECO contends that the proviso in Ordering Paragraph No. 1 of Decision and Order No. 24228:

. . . should not be read as precluding [HECO] from including the Project as part of HECO's 2009 Test Year rate base, as inclusion of the Project's costs in rate base for HECO's 2009 Test Year would: (1) be in line with language contained in prior decision and orders that approved capital improvement projects, and also with the treatment in previous rate cases of General Order No. 7 ("G.O. 7"), Paragraph 2.3(g)(2) capital additions projected to be placed in service prior to the close of the given test year; (2) afford the Consumer Advocate an opportunity to evaluate the estimated cost of the Project included in HECO's 2009 Test Year rate case; and (3) avert a delay of [HECO's] ability to realize a return on its investment in the Project, which cannot occur until the Project has been allowed into rate base.

Motion for Clarification of Decision and Order No. 24228, at 2 (footnote and citations therein omitted); see also id. at 3-9.

Here, the commission, consistent with HECO's motion, clarifies that if the Project is installed and used and useful for public utility purposes prior to the close of HECO's 2009 Test Year, HECO is not precluded from including the Project in its rate base as part of the electric utility's 2009 Test Year rate case.

III.

Orders

THE COMMISSION ORDERS:

1. HECO's Motion for Clarification of Decision and Order No. 24228, filed on May 27, 2008, is granted.

³Motion for Clarification of Decision and Order No. 24228, at 1 (emphasis in original); see also id. at 3 and 10.

2. Decision and Order No. 24228, Ordering Paragraph No. 1, is clarified as follows: If the Project is installed and used and useful for public utility purposes prior to the close of HECO's 2009 Test Year, HECO is not precluded from including the Project in its rate base as part of the electric utility's 2009 Test Year rate case.

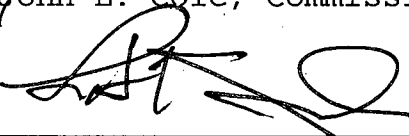
3. In all other respects, Decision and Order No. 24228 remains unchanged.

DONE at Honolulu, Hawaii JUN 10 2008.


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:


Michael Azama
Commission Counsel

2007-0409.laa

CERTIFICATE OF SERVICE

The foregoing order was served on the date of filing by mail, postage prepaid, and properly addressed to the following parties:

CATHERINE P. AWAKUNI
EXECUTIVE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
DIVISION OF CONSUMER ADVOCACY
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

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

Counsel for HECO