

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)

HAWAIIAN ELECTRIC COMPANY, INC.)

DOCKET NO. 2007-0425

For Approval of a Solar Energy)
Purchase Agreement with Hoku)
Solar, Inc., and to Include the)
Purchased Energy Costs in)
Hawaiian Electric Company, Inc.'s)
Energy Cost Adjustment Clause.)

ORDER NO. 24037

Filed Feb. 13, 2008

At 10 o'clock A.M.

Karen Higashi

Chief Clerk of the Commission

ATTEST: A True Copy

for KAREN HIGASHI
Chief Clerk, Public Utilities
Commission, State of Hawaii.

Gleason R. Luinso

BEFORE THE PUBLIC UTILITIES COMMISSION
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Purchased Energy Costs in)
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Energy Cost Adjustment Clause.)

Docket No. 2007-0425

Order No. **24037**

ORDER

By this Order, the commission adopts, with modification, the Stipulated Procedural Order jointly submitted by HAWAIIAN ELECTRIC COMPANY, INC. ("HECO") and the DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, DIVISION OF CONSUMER ADVOCACY ("Consumer Advocate"), on February 6, 2008.¹

I.

Background

By its Application filed on December 27, 2007, HECO requests the commission's approval of: (1) its Solar Energy Purchase Agreement, dated November 16, 2007 ("Agreement"), with Hoku Solar, Inc. ("Hoku Solar"); and (2) five other matters

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

related to the Agreement.² As described by HECO, the Agreement governs the electric utility's purchase of energy from a Hoku Solar-owned photovoltaic system with generating capability of up to 300 kilowatts dc, located on HECO's Archer Substation (the "PV Facility").

By Order No. 23973, filed on January 17, 2008, the commission instructed the Parties to submit a stipulated procedural order for the commission's review and consideration within thirty days. On February 6, 2008, the Parties timely submitted their Stipulated Procedural Order, in compliance with Order No. 23973.

II.

Stipulated Procedural Order, as Modified

As noted by the commission in Order No. 23973, HECO requests the commission's approval of the Agreement by May 13, 2008, reasoning that the Hoku Solar-owned PV Facility, if approved by the commission, must be installed and placed into service by the end of 2008, in order for Hoku Solar to avail itself of the "30% Federal renewable energy investment tax credit[,]" which is scheduled to expire on December 31, 2008, unless extended beyond this date.³

The Parties, by their Stipulated Procedural Order, propose the issuance of two rounds of information requests by the

²Application; Verification; Exhibits 1 - 7; and Certificate of Service, filed on December 27, 2007 (collectively, "Application").

³Order No. 23973, at 2-3 n.3 (quoting HECO's Application, at 12).

Consumer Advocate, and HECO's responses thereto, followed by the filing of the Consumer Advocate's Statement of Position by April 25, 2008, and HECO's Reply Statement of Position, if any, by May 9, 2008. In addition, HECO does not identify a new requested date for commission action; thus, the requested date of May 13, 2008 remains unchanged.

The proposal for HECO to file its Reply Statement of Position by May 9, 2008 will leave the commission with two business days to review HECO's filing and issue its written decision. The commission rejects this portion of the proposal. Instead, the commission will set a deadline date of May 2, 2008, for HECO to file its Reply Statement of Position (if any), which provides HECO with one week to submit this filing, following its review of the Consumer Advocate's Statement of Position, due by April 25, 2008. Under the circumstances, the commission will adopt the Parties' Procedural Order, as modified herein.

III.

Orders

THE COMMISSION ORDERS:

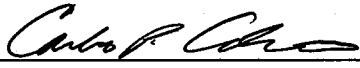
1. The Stipulated Procedural Order submitted by the Parties on February 6, 2008, attached as Exhibit 1 herein, is adopted as modified herein to govern the issues, schedule of proceedings, and procedures in this docket.

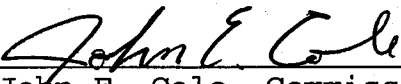
2. Section II, Schedule of Proceedings, is amended by advancing the deadline date of HECO's Reply Statement of Position (if any), from May 9, 2008 to May 2, 2008.

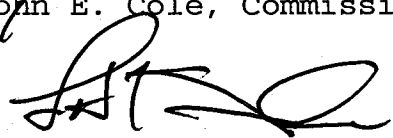
DONE at Honolulu, Hawaii

FEB 13 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

2007-0425.eh

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In The Matter Of The Application Of

HAWAIIAN ELECTRIC COMPANY, INC.

For Approval of a Solar Energy Purchase Agreement
with Hoku Solar, Inc., and to Include the Purchased
Energy Costs in Hawaiian Electric Company, Inc.'s
Energy Cost Adjustment Clause.

DOCKET NO. 2007-0425

PUBLIC UTILITIES
COMMISSION

2008 FEB - 6 P 3: 01

FILED

STIPULATED PROCEDURAL ORDER NO. _____

Filed _____, 2008

At _____ o'clock _____ .M.

Chief Clerk of the Commission

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In The Matter Of The Application Of

HAWAIIAN ELECTRIC COMPANY, INC.

DOCKET NO. 2007-0425

For Approval of a Solar Energy Purchase Agreement
with Hoku Solar, Inc., and to Include the Purchased
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Energy Cost Adjustment Clause.

STIPULATED PROCEDURAL ORDER

Applicant Hawaiian Electric Company, Inc. ("HECO") and the Division of
Consumer Advocacy of the Department of Commerce and Consumer Affairs (the
"Consumer Advocate") hereby stipulate that the attached Stipulated Procedural Order is
mutually acceptable to each respective party.

DATED: Honolulu, Hawaii, February 6, 2008.



WILLIAM A. BONNET
Vice President
Government and Community Affairs
Hawaiian Electric Company, Inc.



CATHERINE P. AWAKUNI
Executive Director
Division of Consumer Advocacy
Department of Commerce and Consumer Affairs

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with Hoku Solar, Inc., and to Include the Purchased
Energy Costs in Hawaiian Electric Company, Inc.'s
Energy Cost Adjustment Clause.

STIPULATED PROCEDURAL ORDER

On December 27, 2007, Hawaiian Electric Company, Inc. ("HECO") filed an application requesting Commission approval of: (1) its Solar Energy Purchase Agreement, dated November 16, 2007 ("Agreement"), with Hoku Solar, Inc. ("Hoku Solar"), by May 13, 2008; and (2) other matters related to the Agreement¹ which governs HECO's purchase of energy from a Hoku Solar – owned photovoltaic system with a generating capability of up to 300 kilowatts dc, located on HECO's Archer Substation. HECO served copies of the application on the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs (the "Consumer Advocate").

¹ Application; Verification; Exhibits 1-7; and Certificate of Service, filed on December 27, 2007 (collectively, "Application").

By Order No. 23973, filed January 17, 2008, the Commission ordered HECO and the Consumer Advocate to submit a stipulated procedural schedule for the Commission's review and consideration by February 18, 2008.

HECO and the Consumer Advocate have reached agreement on procedural matters and submit this Stipulated Procedural Order to the Commission, which is acceptable to the parties.

ACCORDINGLY, IT IS ORDERED that the following Statement of the Issues, Schedule of Proceedings and procedures shall be utilized in this docket.

I.

STATEMENT OF THE ISSUES

The issues in this docket are:

1. Whether the Solar Energy Purchase Agreement between HECO and Hoku Solar dated November 16, 2007 should be approved.
 - a. Whether HECO should be allowed to include the purchase energy charges (and related revenue taxes) that HECO incurs under the Agreement in HECO's Energy Cost Adjustment Clause.
 - b. Whether the energy costs to be paid by HECO pursuant to the Agreement are just and reasonable.
 - c. Whether HECO's purchase of energy, under the terms and conditions of the Agreement, are prudent and in the public interest?
 - d. Whether HECO's proposed commitment of funds pursuant to the

Agreement should be included in HECO's revenue requirements for ratemaking purposes and for the purposes of determining the reasonableness of HECO's rates.

- e. Whether, pursuant to Hawaii Revised Statutes Section 269-19, the Commission should approve the Site License Terms and Conditions (Agreement, Appendix G) governing Hoku Solar's use of selected areas within the Archer Substation building to locate its photovoltaic system.

II.

SCHEDULE OF PROCEEDINGS

HECO Application for Approval of a Solar Energy Purchas Agreement with Hoku Solar, Inc.	December 27, 2007
Consumer Advocate Information Requests ("IRs") to HECO ²	February 15, 2008
HECO IR Responses to Consumer Advocate ²	February 29, 2008
Consumer Advocate Supplemental Information Requests ("SIRs") to HECO ²	March 12, 2008
HECO SIR Responses to Consumer Advocate ²	March 19, 2008
Consumer Advocate Statement of Position ("SOP")	April 25, 2008
HECO Reply SOP, if necessary*	May 9, 2008

- * If the Consumer Advocate objects to approval of the application, or requests that approval be subject to conditions.

² Whenever possible, parties will provide copy of documents on diskette upon request.

If there are substantial disagreements following the filing of the SOPs, and the parties cannot resolve the differences by stipulation and the parties do not waive the right to a hearing, the parties shall propose a hearing schedule (including the filing of simultaneous post-hearing briefs) for Commission approval.

If HECO determines that a Reply SOP is unnecessary, HECO and the Consumer Advocate will notify the Commission that the proceeding is ready for decision making.

III.

MISCELLANEOUS MATTERS TO FACILITATE AND EXPEDITE THE ORDERLY CONDUCT OF THESE PROCEEDINGS

A. Requests for Information

To the extent practical, HECO and the Consumer Advocate will cooperate (1) by exchanging information requests and responses as they become available, and (2) by resolving questions regarding information requests and responses informally to attempt to work out problems with respect to understanding the scope or meaning of information requests, or with respect to the availability of information. If a party is unable to provide the information requested within the prescribed time period, it should so indicate to the inquiring party as soon as possible. The parties shall then endeavor to agree upon a later date for submission of the requested information.

In lieu of responses to information requests that would require the reproduction of voluminous documents or materials, the documents or materials may be made available

for reasonable inspection and copying at a mutually agreeable designated location and time. In the event such information is available on computer diskette or other readily usable electronic medium, the party responding to the information request may make the diskette or such electronic medium available to the other party and the Commission.

A party shall not be required, in a response to an information request, to provide data that is/are already on file with the Commission or otherwise part of the public record, or that may be stipulated to pursuant to Part B, infra. The responding party shall, in lieu of production of a document in the public record, include in its response to the information request an identification of the document with reasonable specificity sufficient to enable the requesting party to locate and copy the document. In addition, a party shall not be required, in a response to an information request, to make computations, compute ratios, reclassify, trend, calculate, or otherwise rework data contained in its files or records.

A party may object to responding to an information request that it deems to be irrelevant, immaterial, unduly burdensome, onerous or repetitious, or where the response contains information claimed to be privileged or subject to protection (confidential information). If a party claims that information requested is confidential, and withholds production of all or a portion of such confidential information, the party shall: (1) provide information reasonably sufficient to identify the confidential information withheld from the response, without disclosing privileged or protected information; (2) state the basis for withholding the confidential information (including, but not limited to, the specific

privilege applicable or protection claimed for the confidential information and the specific harm that would befall the party if the information were disclosed); and (3) state whether the party is willing to provide the confidential information pursuant to a protective order governing this docket.

A party seeking production of documents notwithstanding a party's claim of confidentiality, may file a motion to compel production with the Commission.

B. Matters of Public Record

In order to provide a means to reduce unnecessary reproduction of documents and to facilitate these proceedings, identified matters of public record, such as reports that HECO has filed with the Commission, published decisions of this or other Commissions, published scientific or economic statistical data, material and textbooks, technical or industry journals relating to electric utility matters, and specified parts of the record in previous Commission dockets shall be admissible in this proceeding without the necessity of reproducing each document; provided that the document to be admitted is clearly identified by reference to the place of publication, file or docket number, and the identified document is available for inspection by the Commission and the parties; and further provided that any party has the right to explain, qualify or conduct examination with respect to the identified document. The Commission can rule on whether the identified document can be admitted into evidence when a party proffers such document for admission as evidence in this case.

From time to time, the parties may enter into stipulations that such documents, or any portion of such documents, may be introduced into evidence in this case.

C. Copies of Filings, Information Requests, Responses to Information Requests, Statement of Position:

1. Filings:

Commission	Original + 8 copies
Consumer Advocate	2 copies
HECO	2 copies

2. All pleadings, and other documents required to be filed with the Commission shall comply with the formatting requirements prescribed pursuant to Chapter 61, Subchapter 2, Section 6-61-16 of the Commission's Rules of Practice and Procedure and shall be filed at the office of the Commission in Honolulu within the time limit prescribed pursuant to Chapter 61, subchapter 2, section 6-61-15 of the Commission's Rules of Practice and Procedure.

3. Copies of all filings, information requests and information request responses should be sent to the other parties by hand delivery or United States mail (first class, postage prepaid). In addition, if available, all parties shall provide copies of their filings, information requests and information request responses to the other parties via CD or e-mail in a standard electronic format that is readily available by the parties. The parties agree to use Word 97, Word 2000, or Word 2003 as the standard programming format for filings in this case. However, if workpapers, documentation, or exhibits attached to any filing are not readily available in an electronic format, a party shall not be required to convert such workpapers, documentation, or exhibits into an electronic

format. Also, existing documents produced in response to requests need not be converted to Word 97/Word 2000/Word 2003 as long as the applicable format is identified. In the event a copy of a filing, information request or information request response is delivered to a party via CD or e-mail, unless otherwise agreed to by such party, the same number of copies of such filing, information request or information request response must still be delivered to such party by hand delivery or United States mail (first class, postage prepaid) as provided above.

D. Communications

Chapter 61, subchapter 3, section 6-61-29 of the Commission's Rules of Practice and Procedure concerning ex parte communications is applicable to any communications between a party and the Commission. However, the parties may communicate with Commission counsel on matters of practice and procedure through their own counsel or designated official.

Communications between the parties should either be through counsel or through designated representatives. All pleadings, papers, and other documents filed in this proceeding shall be served on the opposing party. All motions, supporting memoranda, and the like shall also be served on opposing counsel, if any.

E. General

These procedures are consistent with the orderly conduct of this docket. This Stipulated Procedural Order shall control the subsequent course of these proceedings, unless modified by the Parties in writing and approved by the Commission, or upon the

Commission's own motion.

This Stipulated Procedural Order may be executed by the Parties in counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same instrument. The parties may execute this Stipulated Procedural Order by facsimile for initial submission to the Commission to be followed by the filing of originals of said facsimile pages.

DONE at Honolulu, Hawaii, this ____ day of _____, 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

CERTIFICATE OF SERVICE

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

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
DIVISION OF CONSUMER ADVOCACY
335 Merchant Street, Room 326
Honolulu, Hawaii 96813

WILLIAM A. BONNET
VICE PRESIDENT, GOVERNMENT AND COMMUNITY AFFAIRS
HAWAIIAN ELECTRIC COMPANY, INC.
P. O. Box 2750
Honolulu, HI 96840-0001

DEAN MATSUURA
MANAGER, REGULATORY AFFAIRS
HAWAIIAN ELECTRIC COMPANY, INC.
P. O. Box 2750
Honolulu, HI 96840-0001

Karen Higashi

DATED: _____

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 24037 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

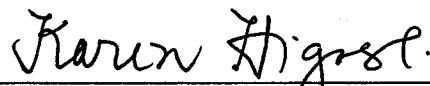
CATHERINE P. AWAKUNI
EXECUTIVE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
DIVISION OF CONSUMER ADVOCACY
P. O. Box 541
Honolulu, HI 96809

WILLIAM A. BONNET
VICE PRESIDENT
HAWAIIAN ELECTRIC COMPANY, INC.
P. O. Box 2750
Honolulu, HI 96840

DEAN MATSUURA
MANAGER, REGULATORY AFFAIRS
HAWAIIAN ELECTRIC COMPANY, INC.
P. O. Box 2750
Honolulu, HI 96840

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



Karen Higashi

DATED: FEB 13 2008