

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

-----In the Matter of the-----)
)
 PUBLIC UTILITIES COMMISSION)
)
 Instituting a Proceeding to)
 Investigate the Proxy Method)
 And the Proxy Method Formula)
 Used to Calculate Avoided)
 Energy Costs and Schedule Q)
 Rates of the Electric)
 Utilities in the State of)
 Hawaii.)
 _____)

DOCKET NO. 7310

ORDER NO. 24160

Filed April 23, 2008
At 2 o'clock P.M.

Karen Higashi
Chief Clerk of the Commission

RECEIVED
2008 APR 24 A 8:19
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

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

-----In the Matter of the-----) PUBLIC UTILITIES COMMISSION) Instituting a Proceeding to) Investigate the Proxy Method) And the Proxy Method Formula) Used to Calculate Avoided) Energy Costs and Schedule Q) Rates of the Electric) Utilities in the State of) Hawaii.) _____)	Docket No. 7310 Order No. 24160
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ORDER

By this Order, the commission closes this docket.

I.

Closing of the Docket

By Decision and Order No. 24086, filed on March 11, 2008, the commission: (1) approved, subject to certain conditions and clarifications, the agreements, methods, and procedures stipulated to by the Parties,¹ as reflected in their

¹The Parties in this investigative proceeding are: (1) HAWAIIAN ELECTRIC COMPANY, INC.; (2) HAWAII ELECTRIC LIGHT COMPANY, INC.; (3) MAUI ELECTRIC COMPANY, LIMITED; (4) the DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, DIVISION OF CONSUMER ADVOCACY; (5) MAUNA KEA POWER COMPANY, INC. ("MKPC"); (6) the HAWAIIAN SUGER PLANTERS' ASSOCIATION, now known as the HAWAII AGRICULTURE RESEARCH CENTER ("HARC"); and the (7) DEPARTMENT OF THE NAVY, on behalf of the DEPARTMENT OF DEFENSE. CITIZENS UTILITY COMPANY, KAUAI ELECTRIC DIVISION, now known as the KAUAI ISLAND UTILITY COOPERATIVE, was excused as a party. MKPC and HARC are jointly represented by the same co-counsel.

Updated Stipulation to Resolve Proceeding, filed on December 29, 2006 ("Updated Stipulation"); and (2) resolved the issues in which the Parties were unable to reach an agreement.²

The commission, by Decision and Order No. 24086, held:

III.

Orders

THE COMMISSION ORDERS:

1. MKPC/HARC's request, filed on November 30, 2006, for leave to amend or supplement their Statement of Position, following the issuance of this Decision and Order, is denied.

2. The agreements, methods, and procedures agreed-upon by the Parties, as reflected in the Updated Stipulation, are approved; provided that the Parties' agreement to prospectively apply their agreed-upon energy cost payment rates to the [qualifying facilities] with existing [power purchase agreements], as identified on pages 13 - 14 of the Updated Stipulation: (A) is consistent with the terms and conditions of the existing [power purchase agreement] between the electric utility and independent power producer; and (B) will not detrimentally affect the project financing contingencies and terms between the independent power producer and project lender. This conditional approval does not preclude the contracting parties from mutually agreeing to amend an existing [power purchase agreement].

3. Written requests submitted to the commission to resolve disputed matters, as reflected in the procedures set forth in the Parties' Exhibit A, shall comply with the commission's procedures governing the filing of complaints, [Hawaii Administrative Rules] chapter 6-61, subchapter 5.

²See Decision and Order No. 24086, filed on March 11, 2008.

4. The request of MKPC/HARC, made on behalf of Wailuku River Hydro, seeking retroactive compensation for avoided transformer line losses (0.5% adjustment factor), with interest, from the filing date of the Initial Stipulation, is denied.

5. Consistent with Exhibit B, Paragraph No. 4, of the Parties' Updated Stipulation, the new methodology will be implemented four months following the issuance of this Decision and Order, including two months for the execution of the production simulations, one month for review by the Parties, and one month for any additional simulations. The initial updated avoided energy cost rates and Schedule Q rates will go into effect on the 1st day of the month following this four-month period.

Decision and Order No. 24086, Section III, Orders, at 73-74.

No post-decision motion seeking to clarify or reconsider, in whole or in part, Decision and Order No. 24086, was filed by any of the Parties. The commission, thus, hereby closes this docket.

II.


Order

THE COMMISSION ORDERS:

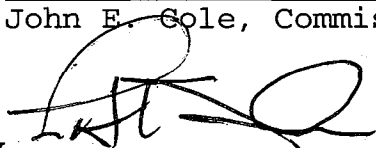
This docket is closed unless ordered otherwise by the commission.

DONE at Honolulu, Hawaii APR 23 2008.


PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Carlito P. Caliboso, Chairman

By (EXCUSED)
John E. Gole, Commissioner


Leslie H. Kondo, Commissioner

APPROVED AS TO FORM:


Michael Azama
Commission Counsel

7310.laa

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 24160 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
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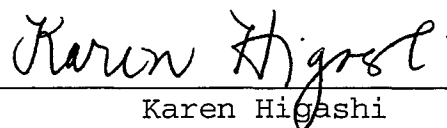
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DEPARTMENT OF DEFENSE



Karen Higashi

DATED: APR 23 2008