

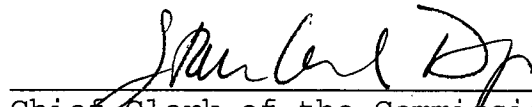
BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
HAWAIIAN ELECTRIC COMPANY, INC.)
For Approval to Commit Funds in)
Excess of \$2,500,000 for Item)
P0001550, Purchase of 2008 Spare)
138-46kV, 48/80MVA Transformer #1)
And for Deviation of)
Paragraph 2.3(g)2 of General Order)
No. 7.)
_____)

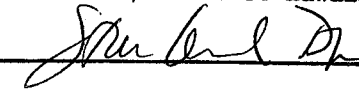
DOCKET NO. 2008-0020

ORDER NO. 24167

Filed April 30, 2008
At 10 o'clock A.M.

for 
Chief Clerk of the Commission

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

for 

RECEIVED

2008 MAY -1 A 10:43

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

BEFORE THE PUBLIC UTILITIES COMMISSION
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In the Matter of the Application of)
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No. 7.)
_____)

Docket No. 2008-0020
Order No. 24167

ORDER

By this Order, the commission approves HAWAIIAN ELECTRIC COMPANY, INC.'s ("HECO") withdrawal of its request for approval to commit approximately \$2,605,951 for Item P0001550, Purchase of 2008 Spare 138-46kV, 48/80MVA Transformer #1.

I.

Background

On February 4, 2008, HECO¹ filed an application ("Application") seeking commission approval to commit approximately \$2,605,951 for Item P0001550, Purchase of 2008

¹HECO is a Hawaii corporation and a public utility as defined by Hawaii Revised Statutes ("HRS") § 269-1. It was initially organized under the laws of the Kingdom of Hawaii on or about October 13, 1891. HECO is engaged in the production, purchase, transmission, distribution, and sale of electricity on the island of Oahu in the State of Hawaii.

Spare 138-46kV, 48/80MVA Transformer #1 ("Proposed Project").² The Application was made pursuant to Paragraph 2.3.g.2 of General Order No. 7, Standards for Electric Utility Service in the State of Hawaii ("General Order No. 7").

In its Application, HECO also sought commission approval to deviate from the Paragraph 2.3.g.2 requirement that its application "be submitted to the Commission for review at least 60 days prior to the commencement of construction or commitment for expenditures, whichever is earlier"³ ("60-day Notice"), pursuant to Paragraph 1.2.e of General Order No. 7. By Order No. 24033, filed on February 11, 2008, in this docket, the commission approved HECO's request to deviate from the 60-day Notice requirement.

According to HECO, the Proposed Project is necessary since it is planning to use its existing spare 138-46kV, 48/80MVA transmission transformer to replace the Wahiawa #2 138-46kV, 48/80MVA transformer ("Wahiawa #2 Transformer") that failed in November 2007. HECO represents that the Wahiawa #2 Transformer was 34 years old and could not be repaired. Due to its replacement plans, HECO states that it would have no spare transformer in case of another 138-46kV transformer failure.

²HECO served copies of the Application on the DIVISION OF CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, an ex officio party to this proceeding pursuant to HRS § 269-51 and Hawaii Administrative Rules § 6-61-62.

³See Application at 1.

II:

HECO's Withdrawal

On April 16, 2008, HECO filed a request to withdraw its Application ("Withdrawal Request"). In sum, HECO states that it no longer requires commission approval of the Proposed Project since its insurer agreed to replace the Wahiawa #2 Transformer (less a deductible), and HECO intends to apply the insurance reimbursement to fund the cost of the Proposed Project. As a result, HECO states that the current net capital cost of the Proposed Project is estimated to be approximately \$524,000. HECO, thus, represents that commission approval of the Proposed Project is no longer necessary.

Upon review, the commission finds good cause, under the circumstances, to approve HECO's Withdrawal Request. With the application of insurance funds, the estimated cost of the Proposed Project is not expected to exceed the \$2.5 million threshold established in Decision and Order No. 21002, filed on May 27, 2004, in Docket No. 03-0257 ("Decision and Order No. 21002").⁴ Accordingly, it appears that commission approval of the Proposed Project is no longer necessary.

Based on the foregoing, the commission concludes that the withdrawal of HECO's request for commission approval of the Proposed Project, as described in the Application filed on

⁴The commission increased the monetary threshold governing the filing of capital expenditure applications by HECO, from \$500,000 to \$2.5 million, exclusive of customer contributions, effective July 1, 2004. See Decision and Order No. 21002.

February 4, 2008, should be approved, without prejudice, and that this docket should be closed.

III.

Orders

THE COMMISSION ORDERS:

1. HECO's withdrawal of its request for commission approval of the Proposed Project, as described in its Application filed on February 4, 2008, is approved, without prejudice.

2. This docket is closed, unless otherwise ordered by the commission.

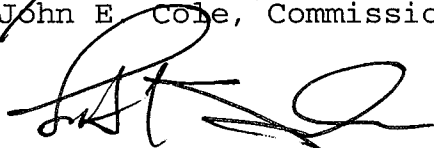
DONE at Honolulu, Hawaii APR 30 2008.

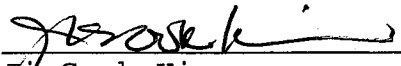
PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Carlito P. Caliboso, Chairman

By 
John E. Cole, Commissioner

APPROVED AS TO FORM:


By Leslie H. Kondo, Commissioner


J. Sook Kim
Commission Counsel

2008-0020.eh

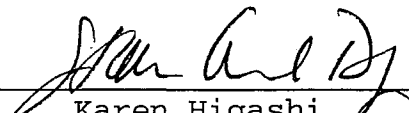
CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 24167 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

CATHERINE AWAKUNI
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REGULATORY AFFAIRS
HAWAIIAN ELECTRIC COMPANY, INC.
P.O. Box 2750
Honolulu, HI 96840-0001

for 

Karen Higashi

DATED: APR 30 2008