

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application of )  
HAWAIIAN ELECTRIC COMPANY, INC. )  
For Waiver of the Airport )  
Dispatchable Standby Generation )  
Project from the Competitive )  
Bidding Framework, Approval of a )  
Dispatchable Standby Generation )  
Agreement with the State of Hawaii, )  
Department of Transportation, )  
Approval of the Dispatchable )  
Standby Generation Project Cost )  
Accounting, Approval to Include )  
the Project Fuel Costs in Hawaiian )  
Electric Company, Inc.'s Energy )  
Cost Adjustment Clause, and )  
Approval to Commit Funds in Excess )  
of \$2,500,000. )

DOCKET NO. 2008-0329

ORDER INSTRUCTING THE PARTIES  
TO SUBMIT A STIPULATED PROCEDURAL SCHEDULE

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

PUBLIC UTILITIES  
COMMISSION

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Docket No. 2008-0329

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By this Order, the commission instructs HAWAIIAN ELECTRIC COMPANY, INC. ("HECO") and the DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, DIVISION OF CONSUMER ADVOCACY ("Consumer Advocate"), to submit a stipulated procedural schedule for the commission's review and consideration.<sup>1</sup>

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<sup>1</sup>The Parties are HECO and the Consumer Advocate, an ex officio party to this proceeding, pursuant to Hawaii Revised Statutes § 269-51 and Hawaii Administrative Rules ("HAR") § 6-61-62(a).

I.

Background

By its Application filed on December 31, 2008, HECO requests commission action on various matters related to the Airport Dispatchable Standby Generation ("DSG") Project ("Project"), including the commission's approval: (1) of the DSG Agreement between HECO and the State of Hawaii, Department of Transportation, Airports Division, dated September 24, 2008 (the "DSG Agreement"); and (2) to commit approximately \$3.4 million in funds for the Project.<sup>2</sup>

HECO filed its Application pursuant to: (1) the commission's Framework for Competitive Bidding, dated December 8, 2006; (2) its Tariff Rule 4; (3) HAR § 6-60-6; and (4) Section 2.3.g.2 of General Order No. 7, Standards for Electric Utility Service in the State of Hawaii ("G.O. No. 7"), as modified by Decision and Order No. 21002, filed on May 27, 2004, in In re Hawaiian Elec. Co., Inc., Hawaii Elec. Light Co., Inc., and Maui Elec. Co., Ltd., Docket No. 03-0257 ("Docket No. 03-0257").<sup>3</sup>

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<sup>2</sup>Application; Verification; Exhibits 1 to 5; and Certificate of Service, filed on December 31, 2008 (collectively, "Application").

<sup>3</sup>In Docket No. 03-0257, the 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 from July 1, 2004.

## II.

### Stipulated Procedural Schedule

The DSG Agreement is subject to several contingencies, including the commission's issuance of a written decision that approves the DSG Agreement upon terms that are acceptable to HECO within 180 days from the date of the agreement, i.e., by March 23, 2009; otherwise, either contracting party may terminate the agreement upon written notice to the other contracting party.<sup>4</sup> In addition, there is a ninety-day deadline for commission action on HECO's request to commit approximately \$3.4 million in funds for the Project (exclusive of customer contributions) of March 30, 2009, pursuant to Section 2.3.g.2 of G.O. No. 7, as modified. Furthermore, as represented by HECO, "[t]he start of [Project] construction is targeted for May 2009 and is dependent on the [Board of Land and Natural Resources'] approval of the revised Airport Substation boundaries and the Commission's approval of this Application."<sup>5</sup>

For these reasons, the commission finds it appropriate to instruct the Parties to submit a stipulated procedural schedule for the commission's review and consideration.<sup>6</sup>

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<sup>4</sup>DSG Agreement, Section 7.1. Concomitantly, the commission notes that while the DSG Agreement is dated September 24, 2008, HECO did not file its Application with the commission until more than three months later, on December 31, 2008.

<sup>5</sup>Application, at 4.

<sup>6</sup>The deadline for interested persons to timely file motions to intervene or participate is January 20, 2009, pursuant to HAR § 6-61-57(3)(A).

III.

Order

THE COMMISSION ORDERS:

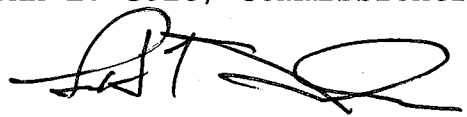
The Parties shall submit a stipulated procedural schedule, incorporating their agreed-upon schedule and procedures with respect to this proceeding, for the commission's review and consideration. If no motions to intervene or participate are filed, the stipulated procedural schedule shall be due within seven days following the deadline to file any such motions to intervene or participate. Conversely, if one or more motions to intervene or participate are filed, the Parties and any designated intervenors or participants, if any, shall file their stipulated procedural schedule within ten days from the filing of the commission's decision on the motions to intervene or participate. If no agreement is reached on a stipulated procedural schedule, each party, and if applicable, intervenor and participant, shall submit its own proposed procedural order.

DONE at Honolulu, Hawaii JAN 13 2009.

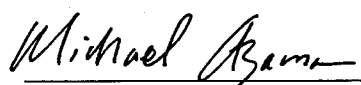
PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

By   
Carlito P. Caliboso, Chairman

By   
John E. Cole, Commissioner

By   
Leslie H. Kondo, Commissioner

APPROVED AS TO FORM:

  
Michael Azama  
Commission Counsel

2008-0329.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

DEAN K. MATSUURA  
MANAGER, 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 HAWAIIAN ELECTRIC COMPANY, INC.