

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
MAUI ELECTRIC COMPANY, LIMITED)
For Approval of Biodiesel Supply)
Contract and to Include Biodiesel)
Supply Contract Costs in MECO's)
Energy Cost Adjustment Clause.)

DOCKET NO. 2008-0330

ORDER DISMISSING APPLICATION

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

PUBLIC UTILITIES
COMMISSION

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FILED

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 Contract and to Include Biodiesel)
 Supply Contract Costs in MECO's)
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Docket No. 2008-0330

ORDER DISMISSING APPLICATION

By this Order, the commission dismisses, without prejudice, MAUI ELECTRIC COMPANY, LIMITED's ("MECO") application filed in this docket on December 31, 2008 ("Application").¹

I.

Background

On December 31, 2008, MECO filed its Application seeking commission approval of: (1) a biodiesel supply contract ("Contract") that will provide approximately 1,000,000 gallons of biodiesel for use in MECO's Biofuel Demonstration Project; and (2) the inclusion of the costs for biodiesel fuel, transportation, storage, and related taxes incurred pursuant to the Contract in MECO's Energy Cost Adjustment Clause to the

¹MECO served copies of the Application on the DIVISION OF CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS ("Consumer Advocate"), an ex officio party to this proceeding pursuant to Hawaii Revised Statutes § 269-51 and Hawaii Administrative Rules § 6-61-62.

extent that the costs are not recovered in its base rates. MECO states that while it previously successfully conducted limited short-term biofuel testing on diesel generators and combustion turbines at its Maalaea Power plant, extended testing is needed to determine longer term effects on emissions, materials, heat rate, and associated equipment. According to MECO, the Biofuel Demonstration Project will address operational, environmental, and safety aspects of long term biofuel operation.

MECO states that it has issued a request for proposals for the biodiesel, reviewed the proposals, and is beginning contract negotiations with the successful bidder. Due to logistical concerns to allow MECO to begin testing by October 2009, MECO is requesting expedited approval of its Application by April 15, 2009. According to MECO, it is filing this Application prior to finalizing the Contract in order to begin the procedural steps for this proceeding. MECO represents that it will submit the final Contract upon its completion.

On January 20, 2009, Life of the Land ("LOL") filed a Motion to Intervene ("Motion").

On January 21, 2009, MECO and the Consumer Advocate (collectively, the "Parties") submitted a Stipulation for Protective Order ("Stipulation") for the commission's review and approval.

II.

Discussion

At this time, the commission finds that the filing of the Application is premature. While the commission understands MECO's desire to begin the procedural steps with respect to this matter as soon as possible, an application for commission approval of the Contract without submittal of the Contract is improper. While in the past the commission has allowed submittal of supporting exhibits after the filing of an application, in this instance, the Contract is material and essential to MECO's request. Moreover, allowing MECO to proceed in this manner may be prejudicial to entities and persons interested in filing a motion to intervene or participate without intervention in this proceeding.

Based on the foregoing, the commission concludes that MECO's Application filed December 31, 2008, should be dismissed, without prejudice.²

²Given the commission's decision herein, the commission need not address LOL's Motion or the Parties' Stipulation.

III.

Orders

THE COMMISSION ORDERS:


1. MECO's Application, filed on December 31, 2008, is dismissed, without prejudice.


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

DONE at Honolulu, Hawaii JAN 23 2009.

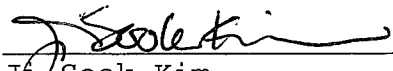
PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Carlito P. Caliboso, Chairman

By 
John E. Cole, Commissioner

By 
Leslie H. Kondo, Commissioner

APPROVED AS TO FORM:


Ji Sook Kim
Commission Counsel

2008-0330.ps

CERTIFICATE OF SERVICE

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

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