BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF HAWAII

| In the Matter of the Application of) | |
|---|----------------------|
| MAUI ELECTRIC COMPANY, LIMITED) | DOCKET NO. 2009-0286 |
| For Approval of Changes in its) Depreciation Rates, its CIAC) Amortization Period and Approval) of Vintage Amortization Accounting.) | |

ORDER INSTRUCTING THE PARTIES TO SUBMIT A STIPULATED PROCEDURAL ORDER

PUBLIC UTILITIES COMMISSION

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In the Matter of the Application of)

MAUI ELECTRIC COMPANY, LIMITED) Docket No. 2009-0286

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of Vintage Amortization Accounting.)

ORDER INSTRUCTING THE PARTIES TO SUBMIT A STIPULATED PROCEDURAL ORDER

By this Order, the commission instructs MAUI ELECTRIC COMPANY, LIMITED ("MECO") and the DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, DIVISION OF CONSUMER ADVOCACY ("Consumer Advocate"), to submit a stipulated procedural order for the commission's review and consideration.

I.

Background

On September 10, 2009, MECO filed its application requesting that the commission approve: (1) the proposed changes in MECO's depreciation rates, contributions-in-aid-of-construction ("CIAC") amortization period, and vintage amortization accounting set forth in its 2008 Book Depreciation

The Parties are MECO and the Consumer Advocate, an ex officio party to this proceeding, pursuant to Hawaii Revised Statutes ("HRS") § 269-51 and Hawaii Administrative Rules § 6-61-62(a). No persons moved to intervene or participate in this proceeding.

Study; (2) the proposed vintage amortization accounting procedure; and (3) the use of the appropriate functional composite deprecation rate for new asset categories that arise in the future for which no depreciation rate is currently approved.

On September 30, 2009, the Consumer Advocate filed its preliminary position statement, stating its intent to participate in this proceeding. On October 2, 2009, MECO responded to the commission's clarifying information request, PUC-IR-101.

II.

Stipulated Procedural Order

On September 30, 2009, in <u>In re Maui Elec. Co., Ltd.</u>, Docket No. 2009-0163 ("Docket No. 2009-0163"), MECO filed its application for a general rate increase based on the 2010 calendar test year. The deadline dates for the commission's timely issuance of its written decisions in Docket No. 2009-0163, including an interim decision based on probable entitlement, are governed by HRS § 269-16(d).

Based on MECO's response to PUC-IR-101, it is clear that the electric utility's application for a general rate increase in Docket No. 2009-0163 is predicated in part on the depreciation rates and CIAC amortization periods proposed by MECO in Docket No. 2009-0286. Hence, "[i]f the Commission renders a decision and order in Docket No. 2009-0286 prior to the conclusion of [the] MECO 2010 rate case, MECO proposes to use the newly approved depreciation rates to calculate the 2010 test year

revenue requirement."² Under the circumstances, the commission finds it appropriate to instruct the Parties to submit a stipulated procedural order for the commission's review and consideration.

II.

Order

THE COMMISSION ORDERS:

By November 6, 2009, the Parties shall submit a stipulated procedural order, incorporating their agreed-upon schedule and procedures with respect to this proceeding, for the commission's review and consideration. If no agreement is reached on a stipulated procedural schedule, each party shall submit its own procedural order.

²MECO's response to PUC-IR-101(A).

PUBLIC UTILITIES COMMISSION OF THE STATE OF HAWAII

Carlito P. Caliboso,

Leslie H. Kondo, Commissioner

APPROVED AS TO FORM:

Michael Azama

Commission Counsel

2009-0286.cp

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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