

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application of )  
 )  
 HAWAIIAN ELECTRIC COMPANY, INC. )  
 )  
 For Approval of an Amendment to the )  
 Dispatchable Standby Generation )  
 Agreement with the State of Hawaii )  
 Department of Transportation, and )  
 Approval of Increased Dispatchable )  
 Incentive Payments. )  
 \_\_\_\_\_ )

DOCKET NO. 2009-0317

ORDER APPROVING THE PARTIES'  
PROPOSED PROCEDURAL ORDER, AS MODIFIED

FILED  
2009 DEC 14 P 12:32  
PUBLIC UTILITIES  
COMMISSION

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OF THE STATE OF HAWAII

In the Matter of the Application of)

HAWAIIAN ELECTRIC COMPANY, INC. )

Docket No. 2009-0317

For Approval of an Amendment to the)  
Dispatchable Standby Generation )  
Agreement with the State of Hawaii )  
Department of Transportation, and )  
Approval of Increased Dispatchable )  
Incentive Payments. )

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ORDER APPROVING THE PARTIES'  
PROPOSED PROCEDURAL ORDER, AS MODIFIED

By this Order, the commission approves, with modifications, the Proposed Procedural Order jointly submitted by HAWAIIAN ELECTRIC COMPANY, INC. ("HECO" or "Hawaiian Electric") and the DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, DIVISION OF CONSUMER ADVOCACY ("Consumer Advocate"), on December 1, 2009.<sup>1</sup>

I.

Background

By its application filed on November 5, 2009, HECO requests the commission's approval of Amendment No. 1 to the Dispatchable Standby Generation Agreement between HECO and the State of Hawaii, Department of Transportation, Airports

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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). No persons moved to intervene or participate in this proceeding.

Division ("DOT Airports"), dated September 29, 2009 ("Amendment No. 1"), and of other related matters.

On December 1, 2009, the Parties timely submitted their Proposed Procedural Order, which outlines the proposed issues, schedule, and procedures to govern this docket.<sup>2</sup>

## II.

### Procedural Order, as Modified

Upon review, the commission approves the Parties' Proposed Procedural Order, subject to certain modifications.

First, the commission amends Section I, Statement of the Issues, by deleting Issue No. 2, which states: Whether Hawaiian Electric's proposed accounting and ratemaking treatment for the Overhaul Cost Reimbursements are reasonable.

Issue No. 2 was previously addressed by the commission in In re Hawaiian Elec. Co., Inc., Docket No. 2008-0329 ("Docket No. 2008-0329"), wherein the commission, by its Decision and Order, filed on June 25, 2009, denied HECO's proposed accounting and ratemaking treatments for the Overhaul Cost Reimbursement.<sup>3</sup> The commission's Decision and Order represents a final decision on this issue. Moreover, HECO, in its response to PUC-IR-101, filed on November 16, 2009, in Docket No. 2009-0317, "confirms that Items No. 1 through No. 6 of Amendment No[.] 1 do not amend

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<sup>2</sup>A copy of the Parties' Proposed Procedural Order is attached as an exhibit to this Order.

<sup>3</sup>See Docket No. 2008-0329, Decision and Order, filed on June 25, 2009, at 36-38 (denying HECO's proposed accounting and ratemaking treatments for the Overhaul Cost Reimbursement).

or otherwise change the provisions governing the Overhaul Cost Reimbursement, as set forth in the initial DSG Agreement."<sup>4</sup>

Second, the commission modifies sub-issues (a) and (b) to clarify that said sub-issues appear to relate to Amendment No. 1.

Third, for Section II, Schedule of Proceedings, the commission deletes the reference to "and the parties do not waive the right to a hearing," as there is no right to a hearing in this proceeding.<sup>5</sup>

### III.

#### Orders

##### THE COMMISSION ORDERS:

1. The Parties' Proposed Procedural Order, filed on December 1, 2009, is approved, as modified, consistent with the terms of this Order.

2. Section I, Statement of the Issues, at page 4 of the Procedural Order, is modified to read as follows:

The issues in this docket are:

Whether Amendment No. 1 between Hawaiian Electric and DOT Airports, dated September 29, 2009, should be approved.

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<sup>4</sup>HECO's response to PUC-IR-101; see also Docket No. 2009-0329, HECO's letter, dated July 17, 2009 (HECO plans to seek recovery of the Overhaul Cost Reimbursement through the applicable general rate case).

<sup>5</sup>See, e.g., In re Hawaiian Elec. Co., Inc., Docket No. 2009-0176, Order Approving the Parties' Proposed Procedural Order, as Modified, filed on October 9, 2009 (deleting the reference to "and the parties do not waive the right to a hearing," as there was no right to a hearing in that proceeding).

- a. Whether the increase to the Dispatchable Generation Incentive ("DGI") payments are reasonable, as reflected in Amendment No. 1.
- b. Whether Hawaiian Electric's proposed accounting and ratemaking treatment for the DGI payments are reasonable, as reflected in Amendment No. 1.

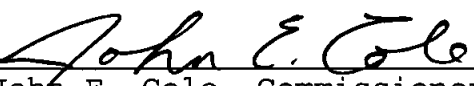
3. Page 5 of the Procedural Order is modified to read as follows, in relevant part:

If there are substantial disagreements following the filing of the SOPs, and the parties cannot resolve the differences by stipulation, the parties shall propose a hearing schedule (including the filing of simultaneous post-hearing briefs) for Commission approval.


DONE at Honolulu, Hawaii DEC 14 2009


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

  
Michael Azama  
Commission Counsel

2009-0317.laa

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In The Matter Of The Application Of

HAWAIIAN ELECTRIC COMPANY, INC.

For Approval of an Amendment to the Dispatchable  
Standby Generation Agreement with the State of Hawaii  
Department of Transportation, and Approval of Increased  
Dispatchable Generation Incentive Payments.

DOCKET NO. 2009-0317

STIPULATED PROCEDURAL ORDER

AND

CERTIFICATE OF SERVICE

PUBLIC UTILITIES  
COMMISSION

2009 DEC - 1 P 4: 04

FILED

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In The Matter Of The Application Of

HAWAIIAN ELECTRIC COMPANY, INC.

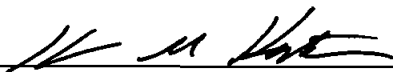
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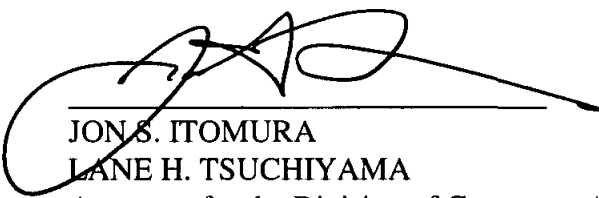
DOCKET NO. 2009-0317

STIPULATED PROCEDURAL ORDER

Applicant Hawaiian Electric Company, Inc. ("Hawaiian Electric") and the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs (the "Consumer Advocate") hereby stipulate that the attached Stipulated Procedural Order is mutually acceptable to each respective party.

DATED: Honolulu, Hawaii, December 1, 2009.

  
\_\_\_\_\_  
KEVIN M. KATSURA  
Associate General Counsel  
Hawaiian Electric Company, Inc.

  
\_\_\_\_\_  
JON S. ITOMURA  
LANE H. TSUCHIYAMA  
Attorneys for the Division of Consumer Advocacy  
Department of Commerce and Consumer Affairs

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In The Matter Of The Application Of

HAWAIIAN ELECTRIC COMPANY, INC.

DOCKET NO. 2009-0317

For Approval of an Amendment to the Dispatchable Standby Generation Agreement with the State of Hawaii Department of Transportation, and Approval of Increased Dispatchable Generation Incentive Payments.

STIPULATED PROCEDURAL ORDER

On November 5, 2009, Hawaiian Electric Company, Inc. (“Hawaiian Electric”) filed an application requesting Commission approval of Amendment No. 1 to the Dispatchable Standby Generation Agreement between Hawaiian Electric and the State of Hawaii, Department of Transportation, Airports Division (“Airports”), dated September 29, 2009 (“Amendment No. 1”) and other related matters.<sup>1</sup> Hawaiian Electric served copies of the application on the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs (the “Consumer Advocate”).

By Order Instructing the Parties to Submit a Stipulated Procedural Order, filed November 13, 2009, the Commission directed the Parties<sup>2</sup> to submit a stipulated procedural order for the commission’s review and consideration by December 1, 2009.

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<sup>1</sup> Application; Exhibits 1-4; Verification; and Certificate of Service, filed on November 5, 2009 (collectively, “Application”).

<sup>2</sup> The Parties are Hawaiian Electric 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).



Hawaiian Electric and the Consumer Advocate have reached agreement on procedural matters and submit this Stipulated Procedural Order to the Commission, which is acceptable to the parties.

ACCORDINGLY, IT IS ORDERED that the following Statement of the Issues, Schedule of Proceedings and procedures shall be utilized in this docket.

I.

STATEMENT OF THE ISSUES

The issues in this docket are:

1. Whether Amendment No. 1 between Hawaiian Electric and the Airports, dated September 29, 2009, should be approved.
  - a. Whether the increase to the Dispatchable Generation Incentive (“DGI”) payments are reasonable.
  - b. Whether Hawaiian Electric’s proposed accounting and ratemaking treatment for the DGI payments are reasonable.
2. Whether Hawaiian Electric’s proposed accounting and ratemaking treatment for the Overhaul Cost Reimbursements are reasonable.

II.

SCHEDULE OF PROCEEDINGS

Consumer Advocate Information  
Requests (“IRs”) to Hawaiian Electric

December 15, 2009

Hawaiian Electric IR Responses to  
Consumer Advocate

December 29, 2009

Consumer Advocate Statement of Position (“SOP”)

January 20, 2010

Hawaiian Electric Reply SOP, if necessary\*

February 3, 2010

\* If the Consumer Advocate objects to approval of the application, or requests that approval be subject to conditions.

If there are substantial disagreements following the filing of the SOPs, and the parties cannot resolve the differences by stipulation and the parties do not waive the right to a hearing, the parties shall propose a hearing schedule (including the filing of simultaneous post-hearing briefs) for Commission approval.

If Hawaiian Electric determines that a Reply SOP is unnecessary, Hawaiian Electric and the Consumer Advocate will notify the Commission that the proceeding is ready for decision making.

### III.

#### MISCELLANEOUS MATTERS TO FACILITATE AND EXPEDITE THE ORDERLY CONDUCT OF THESE PROCEEDINGS

##### A. Requests for Information

To the extent practical, Hawaiian Electric and the Consumer Advocate will cooperate (1) by exchanging information requests and responses as they become available, and (2) by resolving questions regarding information requests and responses informally to attempt to work out problems with respect to understanding the scope or meaning of information requests, or with respect to the availability of information. If a party is unable to provide the information

requested within the prescribed time period, it should so indicate to the inquiring party as soon as possible. The parties shall then endeavor to agree upon a later date for submission of the requested information.

In lieu of responses to information requests that would require the reproduction of voluminous documents or materials (e.g., documents over 50 pages), the documents or materials may be made available for reasonable inspection and copying at a mutually agreeable designated location and time. In the event such information is available on computer diskette or other readily usable electronic medium, the party responding to the information request may make the diskette or such electronic medium available to the other party and the Commission.

A party shall not be required, in a response to an information request, to provide data that is/are already on file with the Commission or otherwise part of the public record, or that may be stipulated to pursuant to Part B, infra. The responding party shall, in lieu of production of a document in the public record, include in its response to the information request an identification of the document with reasonable specificity sufficient to enable the requesting party to locate and copy the document. In addition, a party shall not be required, in a response to an information request, to make computations, compute ratios, reclassify, trend, calculate, or otherwise rework data contained in its files or records.

A party may object to responding to an information request that it deems to be irrelevant, immaterial, unduly burdensome, onerous or repetitious, or where the response contains information claimed to be privileged or subject to protection (confidential information). If a party claims that information requested is confidential, and withholds production of all or a portion of such confidential information, the party shall: (1) provide information reasonably sufficient to identify the confidential information withheld from the response, without disclosing

privileged or protected information; (2) state the basis for withholding the confidential information (including, but not limited to, the specific privilege applicable or protection claimed for the confidential information and the specific harm that would befall the party if the information were disclosed); and (3) state whether the party is willing to provide the confidential information pursuant to a protective order governing this docket.

A party seeking production of documents notwithstanding a party's claim of confidentiality, may file a motion to compel production with the Commission.

B. Matters of Public Record

In order to provide a means to reduce unnecessary reproduction of documents and to facilitate these proceedings, identified matters of public record, such as reports that Hawaiian Electric has filed with the Commission, published decisions of this or other Commissions, published scientific or economic statistical data, material and textbooks, technical or industry journals relating to electric utility matters, and specified parts of the record in previous Commission dockets shall be admissible in this proceeding without the necessity of reproducing each document; provided that the document to be admitted is clearly identified by reference to the place of publication, file or docket number, and the identified document is available for inspection by the Commission and the parties; and further provided that any party has the right to explain, qualify or conduct examination with respect to the identified document. The Commission can rule on whether the identified document can be admitted into evidence when a party proffers such document for admission as evidence in this case.

From time to time, the parties may enter into stipulations that such documents, or any portion of such documents, may be introduced into evidence in this case.

C. Copies of Filings, Information Requests, Responses to Information Requests, Statement of Position:

1. Filings:

Commission	Original + 8 copies
Consumer Advocate	2 copies
Hawaiian Electric	2 copies

2. All pleadings, and other documents required to be filed with the Commission shall comply with the formatting requirements prescribed pursuant to Chapter 61, subchapter 2, section 6-61-16 of the Commission's Rules of Practice and Procedure and shall be filed at the office of the Commission in Honolulu within the time limit prescribed pursuant to Chapter 61, subchapter 2, section 6-61-15 of the Commission's Rules of Practice and Procedure.

3. Copies of all filings, information requests and information request responses should be sent to the other parties by hand delivery or United States mail (first class, postage prepaid). In addition, if available, all parties shall provide copies of their filings, information requests and information request responses to the other parties via CD or e-mail in a standard electronic format that is readily available by the parties. The parties agree to use Word 97, Word 2000, or Word 2003 as the standard programming format for filings in this case. However, if workpapers, documentation, or exhibits attached to any filing are not readily available in an electronic format, a party shall not be required to convert such workpapers, documentation, or exhibits into an electronic format. Also, existing documents produced in response to requests need not be converted to Word 97/Word 2000/Word 2003 as long as the applicable format is identified. In the event a copy of a filing, information request or information request response is delivered to a party via CD or e-mail, unless otherwise agreed to by such party, the same number

of copies of such filing, information request or information request response must still be delivered to such party by hand delivery or United States mail (first class, postage prepaid) as provided above.

D. Communications

Chapter 61, subchapter 3, section 6-61-29 of the Commission's Rules of Practice and Procedure concerning ex parte communications is applicable to any communications between a party and the Commission. However, the parties may communicate with Commission counsel on matters of practice and procedure through their own counsel or designated official.

Communications between the parties should either be through counsel or through designated representatives. All pleadings, papers, and other documents filed in this proceeding shall be served on the opposing party. All motions, supporting memoranda, and the like shall also be served on opposing counsel, if any.

E. General

These procedures are consistent with the orderly conduct of this docket. This Stipulated Procedural Order shall control the subsequent course of these proceedings, unless modified by the Parties in writing and approved by the Commission, or upon the Commission's own motion.

APPROVED AND SO ORDERED THIS \_\_\_\_\_,

at Honolulu, Hawaii.

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

CERTIFICATE OF SERVICE

The foregoing Stipulated Procedural 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



CERTIFICATE OF SERVICE

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

DEAN K. NISHINA  
EXECUTIVE DIRECTOR  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
DIVISION OF CONSUMER ADVOCACY  
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DEAN K. MATSUURA  
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