

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
)
 HAWAIIAN ELECTRIC COMPANY, INC.)
)
 For Approval of a Second Amendment)
 to Low Sulfur Fuel Oil Supply Contract)
 between Hawaiian Electric Company, Inc.)
 and Chevron Products Company and to)
 include the Second Amendment to Low)
 Sulfur Fuel Oil Supply Contract Costs)
 in Hawaiian Electric's Energy Cost)
 Adjustment Clause.)
 _____)

DOCKET NO. 2009-0346

ORDER DIRECTING THE PARTIES TO FILE A PROCEDURAL ORDER

FILED

2009 DEC 22 P 12:52

PUBLIC UTILITIES
COMMISSION

operative price of low sulfur fuel oil ("LSFO") delivered under the contract by Chevron to HECO.²

The original LSFO contract between HECO and Chevron, dated November 14, 1997, was initially approved by Decision and Order No. 16141, filed on December 30, 1997 in Docket No. 97-0397 ("Original Contract"). By Decision and Order No. 21522, filed on December 30, 2004 in Docket No. 04-0128, the commission approved two LSFO contract amendments, including the First Amendment to Low Sulfur Fuel Oil Supply Contract By and Between Chevron Products Company, a Division of Chevron U.S.A. and Hawaiian Electric Company, Inc., dated April 12, 2004 ("First Amendment"). The Application seeks approval of the Second Amendment to the Existing LSFO Contract.³

HECO also requests approval to include the costs of the Second Amendment, including without limitation, the costs of the LSFO, the costs associated with the fuel, transportation, freight, mooring, pipeline, marine throughput fees, and related taxes ("related costs"), in HECO's Energy Cost Adjustment Clause ("ECAC") to the extent that such costs are not recovered" in HECO's base rates.

Furthermore, because the pricing structure set forth in the Second Amendment will become effective as of

²See Application; Exhibits A-E; Verification; and Certificate of Service, filed on December 8, 2009 ("Application"), at 1 and Exhibit A. HECO served copies of its Application on the Consumer Advocate.

³The "Existing LSFO Contract" is defined as the Original Contract, as amended by the First Amendment.

February 15, 2010, HECO is requesting a final decision and order on or before January 28, 2010.⁴

II.

Discussion

Given HECO's request to issue a decision by January 28, 2009, the parties shall: (1) initiate the discovery process forthwith; and (2) submit a stipulated procedural order setting forth the issues, procedures, and schedule to govern this proceeding within three (3) days of the date of this Order for the commission's review and approval. If the parties are unable to stipulate, they shall submit separate proposed procedural orders for the commission's consideration within the same time period.

III.

Order

THE COMMISSION ORDERS:

The parties shall submit a stipulated procedural order for the commission's review and approval, consistent with the parameters set forth in Section II of this Order, within three (3) days of the date of this Order. If the parties are unable to agree, they shall submit separate proposed procedural orders for the commission's consideration within the same time period.

⁴See Application at 4.

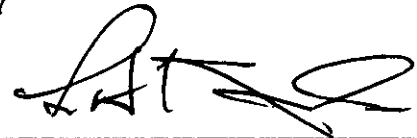
DONE at Honolulu, Hawaii

DEC 22 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:


Bonita Y.M. Chang
Commission Counsel

2009-0346.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:

DEAN NISHINA
EXECUTIVE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
DIVISION OF CONSUMER ADVOCACY
P. O. Box 541
Honolulu, HI 96809

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MANAGER, REGULATORY AFFAIRS
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