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October 21, 2011

DEPT. COMM. NO. 3

The Honorable Shan S. Tsutsui
President of the Senate
State Capitol, Room 409
415 South Beretania Street
Honolulu, Hawaii 96813

The Honorable Calvin K.Y. Say
Speaker of the House
State Capitol, Room 431
415 South Beretania Street
Honolulu, Hawaii 96813

Re: PUC Docket No. 2008-0083 -- Application of Hawaiian Electric Company, Inc. for Approval of Rate Increases and Revised Rate Schedules and Rules

Dear President Tsutsui and Speaker Say:

The Public Utilities Commission ("Commission") issued its Final Decision and Order in the above-referenced docket on December 29, 2010, a copy of which is enclosed. In connection thereto, the Commission respectfully submits this report in accordance with Hawaii Revised Statutes ("HRS") § 269-16(d). Please excuse the delay in submitting this report as the oversight was just recently noted.

With respect to a public utility's completed rate case application filed with the Commission, HRS § 269-16(d) states in relevant part:

(d) The commission shall make every effort to complete its deliberations and issue its decision as expeditiously as possible and before nine months from the date the public utility filed its completed application; provided that in carrying out this mandate, the commission shall require all parties to a proceeding to comply strictly with procedural time schedules that it establishes. If a decision is rendered after the nine-month period, the commission shall report in writing the reasons therefor to the legislature within thirty days after rendering the decision.

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. . . if the commission has not issued its final decision on a public utility's rate application within the nine-month period stated in this section, the commission, within one month after the expiration of the nine-month period, shall render an interim decision allowing the increase in rates, fares, and charges, if any, to which the commission, based on the evidentiary record before it, believes the public utility is probably entitled. The commission may postpone its interim rate decision for thirty days if the commission considers the evidentiary hearings incomplete.

. . . .

The nine-month period in this subsection shall begin only after a completed application has been filed with the commission and a copy served on the consumer advocate. . . . The consumer advocate may, within twenty-one days after receipt, object to the sufficiency of any application, and the commission shall hear and determine any objection within twenty-one days after it is filed.

HRS § 269-16(d).

On July 3, 2008, Hawaiian Electric Company, Inc. ("HECO") filed its application ("Application"), requesting approval of rate increases and revised rate schedules and rules.¹ The Consumer Advocate did not object to the completeness of the Application, pursuant to the requirements set forth in HRS § 269-16(d). Thus, the Commission deemed the Application to be complete as of July 3, 2008, and the Commission's nine-month deadline for the issuance of a final decision was April 3, 2009.

On January 12, 2009, the commission issued, sua sponte, an order that extended the filing date of HECO's Application from July 3, 2008 to December 26, 2008. The January 12, 2009 Order explained that HECO submitted voluminous updates to its Direct Testimonies in support of the Application that contained significant substantive changes to HECO's Direct Testimonies. To give the other Parties and the Commission sufficient time to review the updated Application, the commission extended the filing date of HECO's completed Application to December 26, 2008, the date the last update was filed by HECO. Accordingly, the Commission's nine-month deadline for issuance of a final decision was extended to September 26, 2009.

However, in the Commission's Interim Decision and Order, issued on July 2, 2009, the Commission identified certain issues that the Commission determined were not fully

¹The parties to this docket are HECO, the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy ("Consumer Advocate"), an ex officio party to this proceeding, pursuant to HRS § 269-51 and Hawaii Administrative Rules § 6-61-62(a), and the Department of the Navy, on behalf of the Department of Defense ("DoD") (collectively, "Parties").

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supported in the record, and for which additional testimony by the Parties was needed. The Commission also identified a number of additional issues that the Commission found to merit further examination at the evidentiary hearing. The Commission allowed the Parties to file Supplemental Testimonies on the additional issues by July 20, 2009.

To allow the Commission time to review the additional issues and supplemented record, the Commission re-scheduled the evidentiary hearing in the docket from August 10, 2009 to October 26, 2009. In addition, the Parties requested to continue certain matters and reset certain deadline dates, such that there was no strict compliance with the procedural time schedules established by the Commission in this proceeding. For these reasons, the Commission was unable to issue its final decision within the nine-month period set forth in HRS § 269-16(d).

Thank you for the opportunity to submit this report. Should you have any questions regarding this matter, please contact me at 586-2020 or Kaiulani Shinsato, Commission Counsel, at 586-2019.

Sincerely,



Hermina Morita
Chair

HM:KKS:ps

Enclosure

c: Consumer Advocate (w/o enclosure)
Dean Matsuura, HECO (w/o enclosure)
Dr. Kay Davoodi, DoD (w/o enclosure)