

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the )  
 )  
PUBLIC UTILITIES COMMISSION ) DOCKET NO. 03-0371  
 )  
Instituting a Proceeding to )  
Investigate Distributed Generation )  
in Hawaii )  
\_\_\_\_\_ )

HESS MICROGEN, LLC'S

PREHEARING CONFERENCE STATEMENT

and

CERTIFICATE OF SERVICE

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**HESS MICROGEN LLC'S  
PREHEARING CONFERENCE STATEMENT OF POSITION**

TO THE HONORABLE PUBLIC UTILITIES COMMISSION OF THE STATE OF HAWAII:

HESS MICROGEN, LLC (“Hess”) hereby respectfully submits its Prehearing Conference Statement in the above-referenced Docket to the Hawaii Public Utilities Commission (“Commission”) pursuant to the Commission’s Letter dated November 1, 2004.<sup>1</sup>

I. Hess’ Representative to Panel Discussions:

Michael Gregg, Vice President of Sales and Marketing for Hess. Mr. Gregg has offered direct written testimony on Hess’ position in regards to the role of Distributed Generation (“DG”), specifically packaged Combined Heat and Power (“CHP”) systems, in Hawaii and how it can benefit the State of Hawaii in its efforts to reduce its dependency on fossil fuels.

The main points of Mr. Gregg’s testimony were:

- That DG should be owned and operated by both regulated utility companies and private companies to provide customers with the most options;

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<sup>1</sup> In light of the Commission’s November 16, 2004 letter to the parties informing them that it will be amending Prehearing Order No. 20922 to conform to a revised hearing format, Hess’ has drafted its Prehearing Conference Statement to conform to the new hearing format that the Commission has proposed.

- That the role of the Commission in the Deployment of DG in Hawaii is to: (i) regulate the utilities to insure that they provide ratepayers with reliable power at a fair price; (ii) insure that ratepayers have options to best meet their need for reliable power at a fair price; and insure that the utilities are dealing fairly and in a timely manner with the private companies who are offering DG to customers;
- That although there are revisions that should be made to the State administrative rules to assist in the deployment of DG in Hawaii, these same revisions should not delay the deployment of DG in Hawaii.

Hess originally offered two witnesses who sponsored direct testimony: Mr. Gregg and Mr. Michael de'Marsi.<sup>2</sup> Mr. de'Marsi offered direct written testimony on Hess' position in regards to the reliability of Distributed Generation ("DG"), specifically packaged Combined Heat and Power ("CHP") systems, in Hawaii and how it can benefit the State of Hawaii in its efforts to reduce its dependency on fossil fuels.

However, Mr. de'Marsi has family commitments that would make it difficult for him to attend the hearing.<sup>3</sup> Therefore, Hess respectfully request that the Commission allow Mr. Gregg to sponsor the direct testimony originally sponsored by Mr. de'Marsi. Counsel for Hess has discussed this request with the other parties in the Docket and she has received no objections.<sup>4</sup>

Also, Hess respectfully request that panel discussions in which the Commission would specifically like Hess to participate in be held on either Wednesday, December 8 or Thursday, December 9, 2004, and that panels discussing issues in which Hess has taken no position be held on Friday, December 10, 2004.<sup>5</sup> Mr. Gregg has prior commitments on the East Coast and, thus, would like to leave Hawaii on Friday, December 10, 2004.

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<sup>2</sup> Neither Mr. Gregg or Mr. de'Marsi sponsored rebuttal testimony.

<sup>3</sup> Mr. de'Marsi and his wife are the primary caretakers of his elderly in-laws who have recently taken a turn for the worst. Also, the de'Marsi's have a toddler and new born baby, and Mrs. de'Marsi is still recovering from a difficult birth.

<sup>4</sup> On Wednesday, November 17, 2004, Counsel for Hess sent all the parties an e-mail informing them that she would be requesting in Hess' Prehearing Conference Statement that the Commission permit Mr. Gregg to sponsor the Direct Testimony that was previously sponsored by Mr. de'Marsi. In her e-mail she requested the parties to contact her as soon as possible if they had any objections. Counsel for Hess did not receive any objections. Counsel did receive replies from The Consumer Advocate, Hawaii Renewable Energy Alliance, Kauai Island Utility Co-op, the County of Kauai, and the County of Maui informing her that they had no objections.

<sup>5</sup> Hess would respectfully suggest that it could best contribute to panels discussing Interconnection; Standby rates; Definition of DG; Viable and Feasible DG in Hawaii; Ownership of DG; and Impacts of DG.

- II. Exhibits, Schedules, and Summaries: Hess will not be offering any documents or any other items as exhibits during the Hearing. Hess, however, reserves its right to offer exhibits for impeachment and/or rebuttal.
- III. Further Motions: Hess does not plan to file any further Motions prior to the Hearing.
- IV. Stipulations: Hess is only aware of discussions relating to a Stipulated Protected Order.
- V. Settlement Discussions: During the Settlement Conference on September 29 and 30, 2004, the parties had agreed that all settlement discussions would be confidential. Hess is open to participating in further settlement discussions prior to the hearing. However, Hess would strongly oppose any delay in the hearing date. It is Hess' position that in order for any further settlement discussions to be productive, it is important to have the hearing date of December 8, 2004 as a "firm deadline".
- VI. Estimate of Hearing Time: Under the traditional hearing format, Hess estimated that it would be able to present its case within an hour. It does not anticipate to have lengthy "cross-examination" during the panel discussions.

Respectfully submitted.

DATED: Honolulu, Hawaii, November 22, 2004

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SANDRA-ANN Y.H. WONG

Attorney for Intervenor  
Hess Microgen, LLC

CERTIFICATE OF SERVICE

I hereby certify that I have this date served copies of the Prehearing Conference Statement of Hess Microgen, LLC upon the following parties, by causing copies hereof to be mailed, postage prepaid, and properly addressed to each such party as follows:

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DATED: Honolulu, Hawaii, November 22, 2004

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