

DIVISION OF CONSUMER ADVOCACY
Department of Commerce and
Consumer Affairs
335 Merchant Street, Room 326
Honolulu, Hawaii 96813
Telephone: (808) 586-2800

PUBLIC UTILITIES
COMMISSION

2005 APR -4 P 3:39

FILED

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
)
PUBLIC UTILITIES COMMISSION)
)
Instituting a Proceeding to Investigate)
Competitive Bidding for New Generating)
Capacity in Hawaii.)

DOCKET NO. 03-0372

DIVISION OF CONSUMER ADVOCACY'S
INFORMATION REQUESTS

Pursuant to the Regulatory Schedule approved in Order No. 21575, the Division of Consumer Advocacy ("Consumer Advocate") files its **INFORMATION REQUESTS TO HAWAIIAN ELECTRIC COMPANY, INC.** in the above docketed matter. The Consumer Advocate does not have any Information Requests for the other parties who filed Statements of Position.

DATED: Honolulu, Hawaii, April 4, 2005.

Respectfully submitted,

By John E. Cole
JOHN E. COLE
Executive Director

DIVISION OF CONSUMER ADVOCACY

DOCKET NO. 03-0372

**CONSUMER ADVOCATE'S
INFORMATION REQUESTS**

INSTRUCTIONS

In order to expedite and facilitate the Consumer Advocate's review and analysis in the above matter, the following is requested:

1. For each response, the Company should identify the person who is responsible for preparing the response as well as the witness who will be responsible for sponsoring the response should there be an evidentiary hearing;
2. Unless otherwise specifically requested, for applicable schedules or workpapers, the Company should provide hard copies of each schedule or workpaper together with one copy of each such schedule or workpaper on electronic media in a mutually agreeable format (e.g., Excel and Quattro Pro, to name two examples); and
3. When an information request makes reference to specific documentation used by the Company to support its response, it is not intended that the response be limited to just the specific document referenced in the request. The response should include any non-privileged memoranda, internal or external studies, assumptions, Company instructions, or any other relevant authoritative source which the Company used.
4. Should the Company claim that any information is not discoverable for any reason:
 - a. State all claimed privileges and objections to disclosure;

- b. State all facts and reasons supporting each claimed privilege and objection;
- c. State under what conditions the Company is willing to permit disclosure to the Consumer Advocate (e.g., protective agreement, review at business offices, etc.); and
- d. If the Company claims that a written document or electronic file is not discoverable, besides complying with subparagraphs 4(a-c), identify each document or electronic file, or portions thereof, that the Company claims are privileged or will not be disclosed, including the title or subject matter, the date, the author(s) and the addressee(s).

DOCKET NO. 03-0372

CONSUMER ADVOCATE'S

SUBMISSION OF INFORMATION REQUESTS

Regarding the HECO, HELCO, MECO Statement of Position, Filed March 14, 2005 ("HECO Companies SOP").

CA-HECO-IR-1 Ref: HECO Companies SOP at 4.

The HECO Companies state that there are a "very limited number of sites that are available to site new generation."

- a. Provide copies of all siting studies performed by or for the HECO Companies.
- b. To the extent not provided in the response to Part (a), for each of the HECO companies please:
 1. identify company-owned or controlled sites that could support new central or distributed generating facilities;
 2. provide an estimate of the maximum megawatt capability that each such site could support; and
 3. discuss all factors that might make it difficult for a non-utility generating facility to be located on each such site (i.e., taken individually).

CA-HECO-IR-2 Ref: HECO Companies SOP at 4.

- a. Please provide the basis for the claim that "extended time ... must be allocated to conduct the necessary

environmental review for, and to permit and obtain the necessary approvals for, new generation.”

- b. Provide copies of all studies of the time required for environmental review and permitting that have been performed by, or for the HECO Companies.
- c. Provide copies of all other documents that support this claim.

CA-HECO-IR-3

Ref: HECO Companies SOP at 4.

HECO states that there are “limited fuel options that are economically available in Hawaii.”

- a. Please provide copies of all studies of fuel options that have been performed by, or for the HECO Companies.
- b. Provide copies of all other documents that address the economics of utilizing fossil and renewable fuels in Hawaii.

CA-HECO-IR-4

Ref: HECO Companies SOP at 4.

The HECO Companies state that there may be “practical limits on the amount of purchased power that a utility can practically integrate into an island system.”

- a. Please identify all such “practical limits” for:
 - 1. HECO;
 - 2. HELCO; and
 - 3. MECO.

- b. Provide copies of all documents that support the identified limits for each of the HECO companies.

CA-HECO-IR-5

Ref: HECO Companies SOP, Appendix 1, at 9.

Please provide an estimate of the “cost to the host utility” for the development and implementation of HECO’s 1987 RFP (i.e., on a “present worth” and “per kWh acquired” basis).

- a. Please provide an estimate of the value of the purchased power contracts that resulted from HECO’s 1987 RFP (i.e., on a “present worth” and “per kWh” basis).
- b. Please provide an estimate of the costs to HEI for the development and implementation of each of its recent RFPs (i.e., on a “present worth” and “per kWh” basis).
- c. Provide copies of all documents that support each of the above costs estimates.

CA-HECO-IR-6

Ref: HECO Companies SOP at 12.

The SOP states “The HECO Companies prefer that the procedures be developed and adopted in a framework proceeding, like that used to develop the IRP Framework, rather than a rulemaking proceeding.”

- a. What is meant by “a framework proceeding?”

b. Would the result be enforceable rules or something different? Please explain.

CA-HECO-IR-7

- a. Do the HECO Companies have a view of what is lacking (i.e., by way or rules or changes needed to implement competitive bidding) in the Commission's current regulatory framework?
- b. If so, please state what specific rule changes or other changes the HECO Companies would propose to implement?
- c. Please state whether and how each of the changes identified in response to Part (b) would have improved for customers the results of HECO's 1987 RFP for power supplies.

CA-HECO-IR-8

Ref: HECO Companies SOP at 11.

Please identify the key elements of the process that "has yet to be developed."

CA-HECO-IR-9

Ref: HECO Companies SOP at 6-7; Competitive Bidding Objectives.

Is it the HECO Companies' position that "a specific competitive bidding process" should be established (a) before, or (b) after, definition of "a product that meets the buyer's needs?" Please explain.

CA-HECO-IR-10 **Ref: HECO Companies SOP, Exhibit A at 2.**

- a. Have the HECO Companies performed, or otherwise acquired, any assessment of the markets that might be tapped through competitive bidding processes?
- b. If the response to Part (a) is answered in the affirmative, please provide copies of all related documents.

CA-HECO-IR-11 **Ref: HECO Companies SOP, Exhibit A at 15.**

- a. Which of the “several approaches for instituting competitive bidding” do the HECO Companies favor? Please explain.
- b. Does HECO currently have a need (i.e., as that term is used on page 16) that would justify implementation of this approach? Please explain.

CA-HECO-IR-12 **Ref: HECO Companies SOP, Exhibit A at 8.**

HECO states that “a three to four year time horizon from the development of the competitive bidding procedures to development and issuance of the RFP ... is not unusual.”

- a. Please state whether HECO has records of the process and implementation documentation from its 1987 RFP, or access to RFP process and implementation documentation through its consultants.

- b. Please identify each RFP that HECO (or its consultants) is aware of that resulted in a signed PPA, where the approach used was consistent with that described under item (3) on page 16 of Exhibit A.
- c. Please identify each RFP that HECO (or its consultants) is aware of that resulted in a signed PPA and in which the time to develop (perhaps using already-available documentation) and implement the RFP was less than three to four years.
- d. For each RFP described in Part (c), please identify the duration of the RFP, stating in each instance the event that signified the beginning and end of the process.

CA-HECO-IR-13 **Ref: HECO Companies SOP, Exhibit A at 9.**

- a. Please provide a status report addressing the development (including milestones achieved) for each of the following facilities:
 - 1. the “simple cycle peaking unit at Campbell Industrial Park;”
 - 2. the Maalaea Unit M18;
 - 3. the Waena Unit 1; and
 - 4. the Keahole Unit ST-7.
- b. For each of the facilities identified above, please indicate whether the relevant electric utility considered meeting its

need through a competitive bidding process (i.e., instead of building the identified facility).

- c. For each facility regarding which the response to Part (b) is answered in the affirmative, please provide copies of all documents that pertain to the electric utility's decision regarding whether or not to proceed with competitive bidding.

CA-HECO-IR-14 **Ref: HECO Companies SOP, Exhibit A at 5.**

Please identify (i.e., by soliciting utility, bidder, and RFP date) each instance in which a "bidder was selected as the preferred project, or actually signed a contract and failed to complete the project.

CA-HECO-IR-15 **Re: HECO Companies SOP, Exhibit A at 5.**

Please identify (i.e., by soliciting utility, bidder, and RFP date) each instance in which a developer walked away from a partially or nearly completed project.

CA-HECO-IR-16 **Re: HECO Companies SOP, Exhibit A at 6.**

- a. Please state the HECO Companies' view regarding whether the "obligation to serve:"
 1. can be imputed by an electric utility to some other entity; or

2. should be imputed, perhaps by the Commission, to another entity.
- b. Are the HECO Companies aware of any circumstances under which the obligation to serve (i.e., for an electric utility to provide reliable service) can reside within an entity other than an electric utility under Hawaii Law or Commission practice?
- c. If yes, please identify such circumstances and explain the basis for the Company's assertion.

CA-HECO-IR-17 **Ref: Exhibit E.**

For each state "bidding status" provided, please provide:

- a. a citation to the source document for all information included; and
- b. a copy of each cited document where such document is not readily available (e.g., on a publicly accessible internet webpage).

CA-HECO-IR-18 **Ref: HECO Companies SOP, Exhibit A at 9.**

The HECO Companies include the "long lead time for environmental review, permitting and approvals" as among the constraints in using competitive bidding to respond to near-term needs for incremental capacity resources. Please state all

instances (i.e., as known to HECO or its consultants) in which state environmental review processes were accelerated to address an immediate or near-term need for incremental capacity resources.

CA-HECO-IR-19

Ref: HECO Companies SOP, Exhibit A at 24.

The text states that “the HECO Companies have already been required by the credit rating agencies to rebalance their capital structures as a result of their purchased power commitments.” Please provide a copy of all documents received from “credit rating agencies” that imposed this requirement on the HECO Companies.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **DIVISION OF CONSUMER ADVOCACY'S INFORMATION REQUESTS** was duly served upon the following parties, by personal service, hand delivery, and/or U.S. mail, postage prepaid, and properly addressed pursuant to HAR § 6-61-21(d).

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DATED: Honolulu, Hawaii, April 4, 2005.


