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STATE OF HAWAII
PUBLIC UTILITIES COMMISSION
DEPARTMENT OF BUDGET AND FINANCE
465 S. KING STREET, #103
HONOLULU, HAWAII 96813

October 23, 2003

The Honorable Ron Menor
State Senator, 17th Senatorial District
Chair, Senate Committee on Commerce,
Consumer Protection and Housing
Hawaii State Capitol, Room 219
415 South Beretania Street
Honolulu, Hawaii 96813

Re: Docket No. 96-0493 (Instituting a Proceeding on Electric Competition); Docket No. 03-0371 (Instituting a Proceeding to Investigate Distributed Generation in Hawaii); and Docket No. 03-0372 (Instituting a Proceeding to Investigate Competitive Bidding for New Generating Capacity in Hawaii).

Dear Senator Menor:

For your information, please find enclosed copies of the following orders:

1. Order No. 20582, filed on October 21, 2003, in Docket No. 03-0371;
2. Order No. 20583, filed on October 21, 2003, in Docket No. 03-0372; and
3. Decision and Order No. 20584, filed on October 21, 2003, in Docket No. 96-0493

In summary, the Hawaii Public Utilities Commission ("Commission"), in Docket No. 96-0493, recently determined that no action would be taken on implementing retail electric competition in Hawaii at this juncture. The Commission will continue, however, to keep a watchful eye on the restructuring experiences in other states. In the alternative, the Commission found that it would be in the public interest to work within the current regulatory scheme to strive to improve efficiency within the electric industry.

Consequently, the Commission simultaneously opened two investigations. Order No. 20582 initiates an investigation to examine the potential benefits and impacts of distributed generation on Hawaii's electric distribution systems and market. Order No. 20583 initiates an investigation to evaluate competitive bidding as a mechanism for acquiring or building new generating capacity in Hawaii.

Should you have any questions, please do not hesitate to contact me directly at 586-2020, or Kris Nakagawa, Chief Legal Counsel, at 586-2180.

Sincerely,

Carlito P. Caliboso
Chairman

CPC:KN:ac

Enclosures

c: William A. Bonnet, HECO (w/o enc.)
Warren H.W. Lee, HELCO (w/o enc.)
Edward L. Reinhardt, MECO (w/o enc.)
Alton Miyamoto, KIUC (w/o enc.)
Cheryl Kikuta, Consumer Advocate (w/o enc.)