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PUBLIC UTILITIES
COMMISSION

BEFORE THE
PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)	
)	
HAWAIIAN ELECTRIC COMPANY, INC.)	DOCKET NO. 04-0113
)	
For Approval of Rate Increases and)	
Revised Rate Schedules and Rules, and for)	
Approval and/or Modification of Demand-)	
Side and Load Management Programs and)	
Recovery of Program Costs and DSM Utility)	
Incentives.)	

DEPARTMENT OF DEFENSE'S EIGHTH
SUBMISSION OF INFORMATION REQUESTS
TO HAWAIIAN ELECTRIC COMPANY, INC.

AND

CERTIFICATE OF SERVICE

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ATTORNEY FOR
DEPARTMENT OF DEFENSE

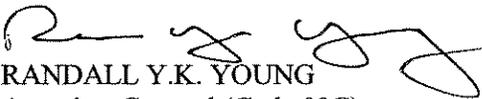
BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

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HAWAIIAN ELECTRIC COMPANY, INC.) DOCKET NO. 04-0113
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_____)

DEPARTMENT OF DEFENSE'S EIGHTH
SUBMISSION OF INFORMATION REQUESTS
TO HAWAIIAN ELECTRIC COMPANY, INC.

COMES NOW, DEPARTMENT OF DEFENSE ("Applicant") by and through its undersigned
Attorney, and hereby submits its Eighth Submission of Information Requests to Hawaiian Electric
Company, Inc. (HECO").

DATED: Honolulu, Hawaii, May 12 2005.


RANDALL Y.K. YOUNG
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DOCKET NO. 04-0113

DEPARTMENT OF DEFENSE'S EIGHTH
SUBMISSION OF INFORMATION REQUESTS
TO HAWAIIAN ELECTRIC COMPANY, INC.
INSTRUCTIONS

In order to expedite and facilitate Department of Defense's review and analysis in the above matter, the following is requested:

1. For each response, HECO 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, HECO 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 HECO 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, HECO instructions, or any other relevant authoritative source which HECO used.
4. Should HECO 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 HECO is willing to permit disclosure to Department of Defense (e.g., protective agreement, review at business offices, etc.); and
 - d. If HECO 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 HECO claims are privileged or will not be disclosed, including the title or subject matter, the date, the author(s) and the addressee(s).
5. Please provide each response in electronic format (if available) as well as paper. Please provide two copies of each response, with one copy going directly via overnight delivery to Department of Defense's consultant at the following address:

Mr. Ralph Smith
Larkin & Associates
15728 Farmington Road
Livonia, MI 48154
Telephone No.: 734-522-3420
E-mail: RsmithLA@aol.com

and the other copy going directly via overnight delivery to:

Dr. Kay Davoodi
Utilities Rates and Studies Office
NAVFAC Washington
1314 Harwood Street, S.E.
Washington Navy yard, DC 20374-5018
Telephone No.: 702-685-3319
E-mail: Khojasteh.Davoodi@navy.mil

DEPARTMENT OF DEFENSE'S EIGHTH SUBMISSION OF INFORMATION

REQUESTS TO HAWAIIAN ELECTRIC COMPANY, INC.

DOCKET NO. 04-0113

The following information requests are directed to HECO.

- DOD/HECO-IR-8-1 2005 O&MN Overhaul projects. Refer to CA-IR-500 page 2 of 2.
- a. Do the amounts in the "4/08/05 Sch Projected" column, which total \$18,186,700 represent the final amount that HECO intends to request for 2005 O&MN Overhaul projects? If not, please provide in similar detail the final amount that HECO intends to request for 2005 O&MN Overhaul projects, and explain all changes from the information shown on CA-IR-500 page 2 of 2.
 - b. Do the "Direct Labor" amounts shown on CA-IR-500 page 2 of 2 in the "4/08/05 Sch 2005 Projected" column contain any amounts for projected additions of personnel that have not yet been hired as of the date of your answer to this question? If so, please identify all amounts within the "4/08/05 Sch 2005 Projected" column amounts that are for not yet hired personnel additions. Include support showing how those amounts were indentified and derived.
 - c. Explain in detail the cause for the increase from \$150,700 to \$307,200 from 2/3/05 to 4/8/05 for Waiau 10 Maj Insp Direct Labor. If multiple causes, identify and explain the amounts associated with each cause.
 - d. Explain in detail the cause for the increase from \$798,000 to \$2,756,000 to \$3,142,300 from 1/12/04 to 2/3/05 to 4/8/05 for Waiau 10 Maj Insp Direct Non-Labor. If multiple causes, identify and explain the amounts associated with each cause.
 - e. Explain in detail the cause for the increase from \$17,540 to \$108,200 to \$215,300 from 1/12/04 to 2/3/05 to 4/8/05 for Waiau 10 Maj Insp indirect labor/Non-Labor. If multiple causes, identify and explain the amounts associated with each cause.
- DOD/HECO-IR-8-2 Production Facility Repairs. Refer to CA-IR-415, page 3 of 3 and CA-IR-416 page 3 of 3 (Revised 4-28-05).
- a. Identify the plant account in which HECO recorded the "total cost capitalized" for each item listed on CA-IR-415, page 3 of 3 and CA-IR-416 page 3 of 3 (Revised 4-28-05).
 - b. Does HECO intend to remove from rate base all of the amounts that "would be expensed under betterment accounting" listed on CA-IR-415, page 3 of 3? If so, please identify the adjustment that HECO intends to make. If not, explain fully why not for each item.
 - c. In its filing for the 2005 test year, in what account did HECO record each of the amounts on CA-IR-416 page 3 of 3 (Revised 4-28-05)

identified under item c “Total forecasted cost capitalized (Direct Testimony Plant Addition)”?

- d. Does HECO intend to adjust its filing for the difference between (1) each of the amounts listed on CA-IR-416 page 3 of 3 (Revised 4-28-05) as “Total forecasted cost capitalized (Direct Testimony Plant Addition)” and (2) the corresponding amount for each item that “will be capitalized under betterment accounting”? If so, please show in detail the adjustment that HECO intends to make to reflect this. Show the amounts affecting each plant and expense account.

DOD/HECO-IR-8-3 Plant additions, HECO T-18.

- a. Provide actual 2004 plant additions comparable to the 2004 information shown on HECO-1801.
- b. Provide actual 2005 plant additions through 4/30/05 comparable to the amounts shown on HECO-1801.
- c. Provide 2004 actual and budgeted plant additions comparable to the 1999-2003 information shown on HECO-1802.
- d. On HECO-1802, please explain fully why HECO budgeted only \$55 million in plant additions for 2001, and why 2001 budgeted plant additions were substantially below each of the other years.

DOD/HECO-IR-8-4 Rate base components. HECO T-19.

- a. Provide the actual 12/31/04 amount for each rate base item listed in the 12/31/04 column of HECO-1901.
- b. Please provide the actual 2004 changes for each item on HECO-1902 that corresponds with the “Estimated Changes in 2004” section of HECO-1902, HECO-1908, and HECO-1909.
- c. Please provide the actual 2005 changes through 4/30/05 for each item on HECO-1902 that corresponds with the “Estimated Changes in 2005” section of HECO-1902.
- d. Provide the actual 12/31/04 amount for each item listed in the 12/31/04 column of HECO-1903.
- e. Provide the actual 12/31/04 amount for the pension asset and OPEB asset listed on HECO-1904 and 1905.
- f. Please identify the Accumulated Deferred Income Tax amounts associated with the pension asset and OPEB asset listed on HECO-1904 and 1905 and show exactly where and in what amount the related ADIT for these two items have been reflected in HECO’s rate base calculation.
- g. Please provide the Commission order relied upon for the deferral and rate base inclusion of system development costs on HECO-1906.
- h. Please identify the Accumulated Deferred Income Tax amounts associated with the deferred system development cost on HECO-1906 and show exactly where and in what amount the related ADIT for that item has been reflected in HECO’s rate base calculation.

- i. Provide a breakout of the \$922,000 showing the amount incurred in 2004 and separately in 2005 to date (as of 4/30/04) and projected for the remainder of 2005.

DOD/HECO-IR-8-5 OPEB asset.

- a. Please confirm that HECO recorded an OPEB asset for the difference between pay-as-you-go and FAS 106 accruals (including employee electric service discount) in 1993 and 1994 and has amortized that asset over a period of 18 years commencing with 1/1/95. If any of this is not completely accurate, please explain fully and in detail.
- b. Please identify the amount of OPEB asset as of 12/31/94 and as of 12/31/2004 that relates to the employee discount for electric service. Include detail showing how that amount was derived.
- c. During any year since 1994 through 2004 did HECO earn in excess of its authorized rate of return? Please show for each year HECO's earned rate of return, how it compares with its authorized rate of return, and the excess over the authorized rate of return for each year. Include supporting calculations and identify the source of the amounts used in such calculations.
- d. In its filing, has HECO attempted to include any amount in rate base for an OPEB asset that is beyond the 12/31/94 balance less amortization of that balance through 12/31/04 and 12/31/05? If so, please identify, quantify and explain fully any additional amounts.
- e. Please show in detail all OPEB assets amounts by year from 1995 through 2005 that HECO proposes to include in rate base beyond the 12/31/94 OPEB asset amount less amortization of that 12/31/94 amount.
- f. Please provide the 12/31/94 OPEB asset amount and the yearly amortization of that amount for 1995 through 2004 actual, and the resultant of OPEB asset amount that remains to be amortized as of 12/31/04.
- g. Please provide the 12/31/04 OPEB asset amount and the yearly amortization of that amount as reflected in HECO's filing for 2005 projected. Also, show how such amortization was calculated.
- h. Is there any additional amount for amortization of an OPEB asset beyond the amount for annual amortization for the 12/31/94 OPEB asset included in HECO's 2005 test year expenses? If so, identify, quantify and explain each additional amount.

DOD/HECO-IR-8-6 T-13.

- a. Provide 2004 actuals comparable to the 2004 budget on HECO T-13, Line 7.
- b. Provide 2004 actuals for each item in the Forecast 2004 column of HECO-1302, page 1.
- c. Please update HECO-1310 showing 2004 actuals in place of each item in the "2004 Estimate" column and incorporating all of HECO's known changes and corrections into the "2005 Estimate" column. For each known change that results in a change to an amount in the "2005

Estimate” column, include supporting calculations and IR references to where the change is discussed.

DOD/HECO-IR-8-7 T-14, HECO-1401, 1402, 1404, and 1405.

- a. Provide the 2004 actual amounts comparable to each 2004 budget item on HECO-1401, 1402, 1404 and 1405.
- b. Explain the “Bad Debt” item on HECO-1402.
- c. Does the “Bad Debt” item on HECO-1402 have any relationship to Customer uncollectibles? If so, show and explain in detail the relationship.
- d. Provide electronically the Excel files with calculations intact for HECO-1401, 1402, 1404 and 1405.

DOD/HECO-IR-8-8 Year 2005 open positions included in HECO’s filing as if filled by 1/1/05 that were filled after 1/1/05 or have not yet been filled.

- a. Please provide similar information to that shown in the response to CA-IR-602 (which pertained to 10 open Customer Service positions) but on a fully comprehensive basis for 2005 for all HECO departments that shows, by account, the impacts of estimated wages and estimated benefits resulting from HECO’s assumption of cost for open positions being included in HECO’s 2005 test year forecast as if those positions were filled throughout the 2005 test year.
- b. On a comprehensive basis for all HECO departments, for each open position included within HECO’s 2005 test year forecast that was based on an assumption as if those positions were filled throughout the 2005 test year, please identify the date of actual hire, and if actual hire has not yet occurred, describe fully the current status of the open position and identify the date of projected here for each remaining open position.
- c. Were any of the actual hires in 2005 after 1/1/05 hired at a different salary and benefits level than HECO assumed in its 2005 test year forecast? If so, for each such position, please identify and provide the following information: (1) the amount of salary and benefits reflected in HECO’s 2005 test year forecast, (2) the amount of salary and benefits for the actual hired position, (3) an explanation of the difference between the amounts in (1) and (2), and (4) the accounts affected by the difference.

CERTIFICATE OF SERVICE

I hereby certify that one copy of the foregoing EIGHTH SUBMISSION OF 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 sec. 6-61-21(d)

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DATED: Honolulu, Hawaii, May 12, 2005


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