

8.

NOTICE OF PUBLIC HEARING

**APPLICATION OF HAWAII ELECTRIC LIGHT COMPANY, INC.
FOR APPROVAL OF RATE INCREASES AND
REVISED RATE SCHEDULES AND RULES**

DOCKET NO. 05-0315

NOTICE IS HEREBY GIVEN that pursuant to chapters 91 and 269, Hawaii Revised Statutes ("HRS"), the STATE OF HAWAII, PUBLIC UTILITIES COMMISSION ("Commission"), will hold a public hearing relating to the application of HAWAII ELECTRIC LIGHT COMPANY, INC. ("HELCO"), filed on May 5, 2006, for approval of a general rate increase and revised rate schedules and rules. The public hearing will be held as follows:

Date: Monday, June 26, 2006
Time: 6:00 p.m.
Location: Hilo High School Cafeteria
556 Waiuanuenue Avenue
Hilo, HI 96720

Date: Tuesday, June 27, 2006
Time: 6:00 p.m.
Location: Kealahkehe Intermediate School Cafeteria
74-5062 Onipa'a Street
Kona, HI 96740

HELCO is an operating public utility engaged in the production, purchase, transmission, distribution, and sale of electricity on the island of Hawaii. HELCO seeks Commission approval of a general rate increase of approximately \$29,931,100, or 9.24 percent, over revenues at present base rates. The requested increase is based on estimated total revenue requirements of \$354,019,700 for the normalized 2006 calendar test year (based on actual fuel prices effective on February 1, 2006 and an 8.65 percent rate of return on HELCO's average rate base).

HELCO's present rates are the result of a Commission decision issued in February of 2001 for the HELCO 2000 test year rate case. HELCO states that it has filed this request for a general rate increase due primarily to the addition of plant and equipment in HELCO's system, and increasing costs of labor, materials, contract services, depreciation and other operating expenses. HELCO states that without further rate relief, its rate of return on average rate base will be approximately 4.1 percent for the normalized 2006 test year, as compared to the 9.14 percent authorized by the Commission in 2001.

HELCO requests that its general rate increase and the revisions to its rate schedules and rules take effect in two (2) steps:

1. Interim Increase: An interim increase in rates equal to which the Commission finds HELCO is "probably entitled," based on the evidentiary record, pursuant to HRS § 269-16(d); and

2. Final Increase: A general rate increase upon the Commission's issuance of its final Decision and Order that provides for the amount of the total requested revenue increase that was not included in the interim rate increase.

The projected revenue to be generated by sales at present and proposed rates, the total increase requested in terms of dollars and by percentage, and the allocation of the increase among the various classes of service in terms of dollars and by percentage are as follows:

<u>Rate Class</u>	<u>Sales Revenues at Present Rates</u>	<u>Sales Revenues at Proposed Rates</u>	<u>Proposed Increase</u>	<u>Proposed Increase</u>
	(\$000s)	(\$000s)	(\$000s)	% Increase
Schedule R Residential	\$129,577.5	\$141,557.6	\$11,980.1	9.25 %
Schedule G General Service, Non-Demand	\$33,909.0	\$37,044.1	\$3,135.1	9.25 %
Schedule J General Service, Demand	\$95,527.2	\$105,672.6	\$10,145.4	10.62 %
Schedule H Commercial Cooking, Heating, Air Conditioning & Refrigeration Service	\$4,805.7	\$5,250.0	\$444.3	9.25 %
Schedule P Large Power Service	\$58,114.9	\$62,146.6	\$4,031.7	6.94%
Schedule F Street Light Service	\$1,249.9	\$1,393.6	\$143.7	11.50 %
Total Sales Revenues	\$323,184.2	\$353,064.5	\$29,880.3	9.25%
Other Operating Revenues	\$904.4	\$955.2	\$50.8	5.62%
Total Revenues	\$324,088.6	\$354,019.7	\$29,931.1	9.24%

The actual amount of increase for each rate schedule may be different from the proposed amounts, as a result of the Commission's decision in this proceeding.

HELCO is also proposing to modify its Rule No. 8, section E, "Returned Check Charge" by changing its title to "Returned Payment Charge." HELCO is proposing to make this change in title to reflect the different payment options (e.g., automatic bill payment, credit card, and debit card in addition to check payments) that are now available to customers, and to allow HELCO to apply the same service charge on "returned" payments (due to insufficient funds) made through any of these options.

The Commission will determine whether the proposed revenue increase, changes in rate schedules and rules, and other matters requested or proposed by HELCO, are just and reasonable. The Commission will hold an evidentiary hearing sometime after the conclusion of the public hearing unless HELCO and the applicable parties in this docket, at their option and upon the Commission's approval, waive the evidentiary hearing. The total revenue increase for the 2006 test year will not exceed the \$29,931,100 over revenues at present base rates (based on February 1, 2006 fuel prices) that HELCO requests. However, the increase in rates and charges to be finally approved by the Commission, if any, may be higher or lower than the proposed rates and charges for the various rate schedules of service noted above.

All interested persons are invited to attend the public hearing to state their views orally, in writing, or both. Written statements may be submitted prior to or at the public hearing. Statements may be mailed to the Public Utilities Commission, 465 South King Street, #103, Honolulu, Hawaii, 96813. Statements may also be sent by electronic mail to the Commission's e-mail address at Hawaii.PUC@hawaii.gov.

Motions to Intervene or Participate in this proceeding shall comply with Subchapter 4, Rules of Practice and Procedure Before the Commission, Hawaii Administrative Rules, Title 6, Chapter 61. A motion to intervene or participate in this proceeding shall be filed with the Commission's Honolulu office by July 7, 2006.

Copies of HELCO's application and supporting documents are available for public inspection during regular business hours at the following locations:

PUBLIC UTILITIES COMMISSION

465 S. King Street, #103
Honolulu, HI 96813
Phone: (808) 586-2020

HAWAII ELECTRIC LIGHT COMPANY, INC.

1200 Kilauea Avenue
Hilo, Hawaii 96720

Kona Baseyard

74-5519 Kaiwi Street
Kailua-Kona, Hawaii 96740

Waimea Baseyard

66-1591 Kawaihae Road
Kamuela, Hawaii 96743

HAWAIIAN ELECTRIC CO., INC.

900 Richards Street
Honolulu, HI 96813
Phone: (808) 543-5670

**DEPARTMENT OF COMMERCE
AND CONSUMER AFFAIRS**

DIVISION OF CONSUMER ADVOCACY
335 Merchant Street, #326
Honolulu, HI 96813
Phone: (808) 586-2800

Special needs to accommodate persons with disabilities can be made if requested reasonably in advance by contacting the Commission's Honolulu office.



Carlito P. Calliboso
Chairman

Honolulu Star-Bulletin
Hawaii-Tribune Herald
West Hawaii Today
The Maui News
The Garden Island
June 4, 11, 18, and 25, 2006