

DIVISION OF CONSUMER ADVOCACY  
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PUBLIC UTILITIES  
COMMISSION

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application of )  
HAWAII ELECTRIC LIGHT COMPANY, INC.)  
Approval of Rate Increase and Revised )  
Rate Schedules and Rules. )

DOCKET NO. 05-0315

**DIVISION OF CONSUMER ADVOCACY'S  
SUBMISSION OF INFORMATION REQUESTS**

Pursuant to the agreed upon Schedule of Proceeding modified in Order No. 22903, the Division of Consumer Advocacy submits its **SIXTH SUBMISSION OF INFORMATION REQUESTS** in the above docketed matter. In addition, based on an informal agreement among the parties, a portion of the Sixth Submission of Information Requests was informally filed with the Applicant on October 20, 2006. A copy is provided for the Commission's records.

DATED: Honolulu, Hawaii, November 1, 2006.

Respectfully submitted,

By Cheryl S. Kikuta  
CHERYL S. KIKUTA  
Utilities Administrator  
DIVISION OF CONSUMER ADVOCACY

**DOCKET NO. 05-0315**

**HAWAII ELECTRIC LIGHT COMPANY, INC.**

**SIXTH SUBMISSION OF 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. 05-0315**

**HAWAII ELECTRIC LIGHT COMPANY, INC.**

**SIXTH SUBMISSION OF INFORMATION REQUESTS**

**Witness T-5 Mr. Dan Giovanni.**

CA-IR-488

**Ref: HELCO Response to CA-IR-51, Attachment 2; EPM Proposal dated 6/9/2004.**

The Table of Contents for this Confidential Attachment (on page 3) indicates that the full document consisted of 32 pages and Attachments A through E. However, your response provided only the first 8 pages. Please provide the remaining pages of the original document as well as any contracts and correspondence associated with the acceptance of the proposal.

CA-IR-489

**Ref: HELCO Response to CA-IR-51, Attachment 3; EPM Asset Optimization Final Project Report dated 9/30/2005, page 9.**

The confidential Asset Optimization Final Report lists a series of prioritized recommendations for HELCO consideration. For each of the listed recommendations numbered 1 through 45, please provide the following information:

- a. Indicate whether HELCO concurs with the EPM findings and recommendation, as more fully stated at the referenced report page, and state the basis for any disagreements.

- b. Explain HELCO's planned implementation timing (start/end dates) and identify steps currently underway within HELCO to adopt and implement the recommended actions.

CA-IR-490

**Ref: HELCO Response to CA-IR-51, Attachment 2 pages 6 & 7 and Attachment 8; Asset Optimization ROI and Progress.**

- a. Please state whether HELCO agrees with the confidential EPM Return on Investment assumptions and calculations in Attachment 2 regarding Asset Optimization.
- b. Explain whether any quantified "payback," in terms of O&M savings or improved unit availability, has been recognized by HELCO in developing test year proposed expense levels.
- c. Provide references into T-5 workpapers and/or specified IR responses where/if such payback is reflected.

CA-IR-491

**Ref: HELCO Response to CA-IR-381(b), Hill Plant Demineralizer O&M Savings.**

The response provides a comparison of "Estimated Evaporator Costs" to "Estimated RO/EDI Costs." Please provide the following information:

- a. For each of the "Estimated Evaporator costs" amounts, please explain where such costs are included within the

Company's asserted O&M expenses, by NARUC Account and with workpaper references.

- b. Provide supporting workpapers, calculations and supporting documentation for each of the cost amounts shown in the data table provided in response to part (b).

CA-IR-492

**Ref: HELCO Response to CA-IR-258, Attachment 4, CT LP Turbine Replacements.**

Please describe the contacts made between HELCO personnel and GE representatives with respect to all "questions regarding the PT on the LM2500," and include with your response complete copies of all e-mails, correspondence and meeting notes associated with such contacts.

CA-IR-493

**Ref: HELCO Response to CA-IR-258, Attachment 5, CT Run Hours.**

Please provide comparable information for CT 3 actual and projected run hours for each of the same periods such information was provided in this Attachment for CT4 and CT5.

**Witness T-9, Mr. Paul Fujioka.**

CA-IR-494

**Ref: HELCO-923 & Response to CA-IR-272 (Abandoned Capital Projects).**

In response to CA-IR-272, the Company provided additional documentation associated with certain abandoned projects

originally identified in the response to CA-IR-138. Please provide the following:

- a. The fifteen abandoned projects spanned calendar years 2001-2005. Were any of these projects subsequently restarted such that the preliminary engineering and analysis work done prior to the original abandonment could be reused?
- b. If the response to part (a) above is affirmative, please provide the following:
  1. Please identify the original project that was subsequently restarted.
  2. Please identify the new project number, indicating the start date and actual or planned completion date.
  3. Were any of the original abandonment costs subsequently reversed and charged to the new project? If not, please explain.

CA-IR-495

**Ref: HELCO-923 & Response to CA-IR-272 (Abandoned Capital Projects).**

In response to CA-IR-272, the Company provided additional documentation associated with certain abandoned projects originally identified in the response to CA-IR-138. However, the Company's response also states that the 2003 projects (i.e., Projects EE003226 for \$81,086 and WH688100 for \$9,311)

were "HELCO internal projects" and that the requested documentation no longer exists. Further, the abandoned project amount of \$81,086 is said to be comprised of four different projects.

Please provide the following:

- a. Although specific documentation related to these internal HELCO projects has not been retained, does the Company or any existing personnel have any recollection as to the general nature, purpose and scope of the internal projects?
- b. If the response to part (a) is affirmative, please explain the general nature, purpose and scope of each of the following projects as well as a general explanation of the reason each project was abandoned, if known:
  1. KMC Conv HVNP – Design (\$2,578),
  2. KMC Conv HVNP – Prelim Design (\$3,435),
  3. Pahala Conv 1 – Prelim Design (\$32,513),
  4. Work Order No. WH689710 (no other information is available - \$42,560), and
  5. Work Order No. WH688100 – Coll Eng RPR Ahualoa Conv\*.
- c. If the response to part (a) is negative, please explain why HELCO has no information regarding the nature and scope of these "internal" projects that were abandoned.

**Ref: HELCO-923 & Response to CA-IR-273 (Abandoned Capital Projects).**

In response to CA-IR-273(b), the Company indicated that abandoned project costs typically do not include material costs.

Please provide the following:

- a. Please confirm that the abandoned project costs are primarily comprised of direct labor and overhead (or benefit) costs. If this cannot be confirmed, please explain.
- b. Other than labor and overhead costs, are there any other costs incurred by HELCO that typically represent a material component of the cost of an abandoned project? Please explain.
- c. During any historical period, if HELCO personnel had not been working on potential construction projects that were subsequently abandoned, is it reasonable to anticipate that their time would have been redeployed to other capital projects or in support of O&M activities? Please explain.
- d. In preparing the 2006 test year forecast, did any HELCO departments or work groups assign or forecast labor costs to construction projects that were expected to be abandoned or did the Company's forecast anticipate that all planned capital projects would be ultimately completed? Please explain and provide copies of any supporting documents.

**Witness T-14, Mr. Clyde Nagata.**

CA-IR-497

**Ref: HELCO-WP-1401, Responses to CA-IR-182 & CA-IR-381 (Plant Additions).**

In response to CA-IR-381, HELCO estimated annual O&M cost savings of \$298,740 that were expected to result from Project H0000520, Hill Plant Demineralizer. The response also stated that, because the project is not scheduled to be completed until late 2006, the reduction in O&M expenses is not expected to be realized until 2007. As a result, the O&M expense reduction was not included in the 2006 test year forecast. Please provide the following:

- a. Please confirm that HELCO included a \$700,000 plant addition for this project in the 2006 test year forecast. If this cannot be confirmed, please explain.
- b. Does HELCO believe that that a test year mismatch arises by including the \$700,000 plant addition in the determination of average test year rate base while excluding 100% of the related O&M savings expected to result from this construction project? If not, please provide a detailed explanation of the basis for HELCO's response and provide copies of any supporting documentation.

**Ref: HELCO-WP-1401 & Response to CA-IR-379 (Plant Additions).**

Regarding Project H0000442, Palani Substation, the response to CA-IR-379(b)(1) indicates, in part, that HELCO did not estimate kWhs and annual revenues for the project because Rule 13, Section C of HELCO's tariff required the developer to advance the entire estimated cost of the project. In response to CA-IR-379(d)(1), HELCO provides a revised cost estimate for this project (and two related projects) of \$1,937,787 and shows the developer's share at \$1,259,562 (or 65% of the total). Please provide the following:

- a. Since Rule 13, Section C requires the developer to advance the entire estimated cost of the project, why does HELCO's response to CA-IR-379(d)(1) limit the developer's share to 65%, rather than a full 100%? Please explain.
- b. In response to CA-IR-379(d)(1), the Company states: "The cash advance amount paid by the developer so far is \$198,756." Since the response to CA-IR-180 (Attachment 1) indicates that this project is on schedule for completion in December 2006, when does HELCO expect the developer to pay the remainder of the required cash advance? Please explain.

**Ref: HELCO-WP-1401, Responses to CA-IR-180 & CA-IR-379 (Plant Additions).**

Regarding Project H0000442, Palani Substation, the response to CA-IR-180 (Attachment 2) does not show any change to HELCO-WP-1401 for the amount to be closed to plant in 2006 (i.e., \$1,332,262). However, the response to CA-IR-379(d)(1) provides a new revised project cost estimate of \$1,676,162. Please provide the following:

- a. Please confirm that the estimated cost of this project, which is expected to be closed to plant in service in December 2006, has been increased by about \$343,900. If this cannot be confirmed, please explain.
- b. This increase is almost 26% of the earlier cost estimate. Please identify and describe the primary factors contributing to this project cost increase.



**DOCKET NO. 05-0315**

**HAWAII ELECTRIC LIGHT COMPANY, INC.**

**SIXTH SUBMISSION OF INFORMATION REQUESTS**

CA-IR-500

**Site Selection.**

- a. In Appendix C in HELCO – 1501, HELCO states that it was unsuccessful in its efforts to acquire a site at Kawaihae from the DHHL. It is our understanding that the Kawaihae Cogeneration Partners (“KCP”) was successful in acquiring the Kawaihae site from the DHHL and offered to sublease the site to HELCO for its power plant.
  1. Please confirm whether the understanding is correct.
  2. If so, please explain why HELCO did not take advantage of this offer to locate its power plan at this “preferred site” as identified by its site-study advisory body?
- b. Did HELCO pursue or discuss with the DHHL or KCP the possibility of obtaining a sublease or similar site-control arrangement for the Kawaihae Site that had been awarded to KCP? Explain.
- c. Did HELCO discuss with the DHHL how it could qualify as a lessee or sublessee for the Kawaihae Site? Explain.
- d. Why did HELCO not pursue the reclassification of the Keahole Generator Station site from the State Conservation

District to the State Urban District and from the County Open Zoning District to the County Industrial Zoning District as part of its original proposal to install CT-4/5 at the Keahole Generator Station?

CA-IR-501

**Noise.**

- a. When HELCO placed orders for CT-4/5 in 1993 with Steward & Stevenson Services, Inc., was the option of buying the equipment with noise suppression equipment offered to HELCO?
- b. If so, please provide the price quoted for such equipment.
- c. Please provide the specifications that HELCO submitted to the manufacturer of the turbine units CT-4/5 in terms of noise.
- d. Did HELCO request from the manufacturer of the turbine units CT-4/5 in terms of noise? Explain.
- e. Did HELCO contact the Department of Agriculture or the lessees of the Keahole Agriculture Park to determine if HELCO could obtain noise easements on lands lying within the zone described by HELCO's noise consultant (Y. Ebisu)? Explain.
- f. Since its noise consultant (Y. Ebisu) described the need for a one-half (1/2) mile no-build zone around the Keahole

Station in HELCO's EIS document, what specific measures did HELCO take to address noise impacts?

- g. Did HELCO participate in public hearings relating to the adoption of new noise regulations by the Department of Health?
- h. Please state the specific recommendations that HELCO made to the Department of Health in terms of noise standards under any proposed noise regulations.
- i. Please explain whether HELCO considered the effect that the reclassification of the Keahole Generator Station site from the State Conservation District and County Industrial Zoning District would have on noise standards and noise emission issues.
- j. Please explain why HELCO did not consider such reclassification and rezoning from the inception of its proposal to install CT-4/5 at the Keahole Generator Station.

CA-IR-502

**Groundwater.**

- a. Was HELCO aware that its patent contains a provision for the reservation of all groundwater in favor of the State at the Keahole Station?
- b. If yes, explain why HELCO assumed that it could use the groundwater without first obtaining a license therefor and

meeting all requirements of State law for the use of the groundwater.

CA-IR-503

**Potable Water.**

- a. Please provide the amount HELCO paid for water commitments from the County of Hawaii Department of Water Supply for the project.
- b. Please provide the cost HELCO incurred to construct transmission lines to the Keahole Station for such water commitments.

CA-IR-504

**Air Permit (pre-PSD Construction).**

- a. Please explain why HELCO believed that construction activity identified as pre-PSD construction was permitted before obtaining an air permit for CT-4/5.
- b. Please explain why HELCO deemed it necessary to pursue pre-PSD construction prior to receiving all permits and approvals for the construction of CT-4 and CT-5.

CA-IR-505

**Air Permit.**

- a. When the EPA determined that the emission control system at the Keahole Generator Station for Nox was Selective Catalytic Reduction (SCR), HELCO/HECO sent a delegation

to meet with the EPA (San Francisco regional office) to seek a way to avoid using SCR. Several Department of Health employees accompanied the delegation.

1. What are the names of the Department of Health personnel who made the trip?
  2. How much did this trip cost the project?
- b. How much did HELCO spend to defend itself from project opponents' appeals to the EPA about the use of "emissions netting" to avoid the use of SCR?
  - c. What was the cost that HELCO incurred for obtaining its air permit, broken down into categories for (1) initial permit application, (2) appeals, (3) additional permit applications, including ambient air study review?
  - d. Please explain why HELCO chose to use "emissions netting" a part of its air permit applications.

CA-IR-506

**Landscaping.**

- a. What was the original amount proposed for landscaping?
- b. Was that landscaping plan ever implemented; was anything planted at the Keahole Station?
- c. During settlement negotiations, did project opponents request in their original list of demands, better landscaping?

d. Who proposed the installation of the landscaping that HELCO ultimately installed at the Keahole Station today?

CA-IR-507 State the incidents (and dates) when construction and/or installation of CT-4/5 and related facilities and equipment had to be stopped (whether by court order, agency order or other reason) and then later restarted.

CA-IR-508 State the reasons for stopping construction and, if pursuant to court order or agency order, identify the order by case number and date.

CA-IR-509 State the actions that HELCO took to resolve each stop work order and the length of time it took to restart construction.

CA-IR-510 State the increase in costs that HELCO incurred as a result of each stop work order and restart.

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing **DIVISION OF CONSUMER ADVOCACY'S SIXTH 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 § 6-61-21(d).

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DATED: Honolulu, Hawaii, November 1, 2006.

Dee Dee Jacobs