

NEIL ABERCROMBIE
GOVERNOR



DEPT. COMM. NO. 118

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PUBLIC UTILITIES COMMISSION
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July 9, 2013

The Honorable Donna Mercado Kim
President of the Senate
State Capitol, Room 206
415 South Beretania Street
Honolulu, Hawaii 96813

The Honorable Joseph Souki
Speaker of the House
State Capitol, Room 431
415 South Beretania Street
Honolulu, Hawaii 96813

Re: PUC Docket No. 2011-0092 – Application of Maui Electric Company, Limited for Approval of Rate Increases and Revised Rate Schedules and Rules.

Dear President Kim and Speaker Souki:

The Public Utilities Commission ("Commission") issued Decision and Order No. 31288 in the above-referenced docket on May 31, 2013, a copy of which is enclosed. In connection thereto, the Commission respectfully submits this report in accordance with Hawaii Revised Statutes ("HRS") § 269-16(d). With respect to a public utility's completed rate case application filed with the Commission, HRS § 269-16(d) states in relevant part:

(d) The commission shall make every effort to complete its deliberations and issue its decision as expeditiously as possible and before nine months from the date the public utility filed its completed application; provided that in carrying out this mandate, the commission shall require all parties to a proceeding to comply strictly with procedural time schedules that it establishes. If a decision is rendered after the nine-month period, the commission shall report in writing the reasons therefor to the legislature within thirty days after rendering the decision.

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. . . if the commission has not issued its final decision on a public utility's rate application within the nine-month period stated in this section, the commission, within one month after the expiration of the nine-month period, shall render an interim decision allowing the increase in rates, fares, and charges, if any, to which the commission, based on the evidentiary record before it, believes the public utility is probably entitled. The commission may postpone its interim rate decision for thirty days if the commission considers the evidentiary hearings incomplete....

The nine-month period in this subsection shall begin only after a completed application has been filed with the commission and a copy served on the consumer advocate The consumer advocate may, within twenty-one days after receipt, object to the sufficiency of any application, and the commission shall hear and determine any objection within twenty-one days after it is filed.

HRS §269-16(d).

On July 22, 2011, Maui Electric Company, Limited ("MECO") filed its application ("Application"), requesting approval of rate increases and revised rate schedules and rules.¹ Given the filing date of the Application, the Commission's nine-month deadline for the issuance of a final decision was April 22, 2012. However, the proposed Stipulated Prehearing Order submitted by the Parties on September 6, 2011, which the Commission approved on September 9, 2011, included various deadlines that occurred after the nine-month deadline of April 22, 2012, including the date for the evidentiary hearing.² Thus, the Parties effectively waived the requirement that the Commission issue a final order within the nine-month period under HRS § 269-16(d). In addition, the Parties requested to continue certain matters and reset certain deadline dates, such that there was no strict compliance with the procedural time schedules established by the Commission in this proceeding. For these reasons, the Commission was unable to issue its final decision within the nine-month period set forth in HRS §269-16(d).

¹The parties to this docket are MECO and the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy ("Consumer Advocate"), an ex officio party to this proceeding, pursuant to HRS § 269-51 and Hawaii Administrative Rules § 6-61-62(a) (collectively, the "Parties").

²See Stipulated Prehearing Order, filed on September 9, 2012, in Docket No. 2011-0092.

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Thank you for the opportunity to submit this report. Should you have any questions regarding this matter, please contact me at 586-2020 or Ji Sook (Lisa) Kim, Commission Counsel, at 586-2013.

Sincerely,



Hermina Morita
Chair

HM:rs

Enclosure

c: Consumer Advocate (w/o enclosure)
Dean K. Matsuura, MECO (w/o enclosure)