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BEFORE THE

PUBLIC UTILITIES COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Application of	)	
	)	
HAWAIIAN ELECTRIC COMPANY, INC.	)	DOCKET NO. 2006-0386
	)	
For Approval of Rate Increases and Revised Rate Schedules and Rules	)	
	)	

FILED

2007 JUL -9 P 3: 28

PUBLIC UTILITIES COMMISSION

DEPARTMENT OF DEFENSE'S FIFTH

SET 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

In the Matter of the Application of HAWAIIAN ELECTRIC COMPANY, INC. For Approval of Rate Increases and Revised Rate Schedules and Rules	)))))))	DOCKET NO. 2006-0386

DEPARTMENT OF DEFENSE'S FIFTH
SET OF INFORMATION REQUESTS
TO HAWAIIAN ELECTRIC COMPANY, INC.

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

DATED: Honolulu, Hawaii, July 9 2007.

RANDALL Y.K. YOUNG
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ATTORNEY FOR
DEPARTMENT OF DEFENSE

DOCKET NO. 2006-0386

DEPARTMENT OF DEFENSE'S FIFTH

SET 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 DOD at the following address:

Dr. Khojasteh Davoodi, P.E.
EFACHES
Utility Rates and Studies Office
1322 Patterson Avenue, S.E.
Building 33, Floor 3, Room/Cube 33-3002
Washington, D.C. 20374
E-mail: Khojasteh.Davoodi@navy.mil
Ph. (202) 685-3319
Fax: (202) 433-7159

and one copy going directly via overnight delivery to DOD's consultant at the following address:

Ralph Smith
Larkin & Associates
15728 Farmington Road
Livonia, MI 48154
Fax: 734-522-1410
Email: RSmithLA@aol.com
Ph. (734) 522-3420

DEPARTMENT OF DEFENSE'S FIFTH SET OF INFORMATION REQUESTS

TO HAWAIIAN ELECTRIC COMPANY, INC.

DOCKET NO. 2006-0386

The following information requests are directed to HECO.

DOD-93 As a result of HECO's June 2007 updates, please show the net operating income, rate base and revenue requirement that HECO proposes.

a. Please identify and describe in detail all information not yet provided in the HECO June 2007 update and in the responses to previous CA and DOD IRs that HECO believes would be necessary in order to accurately determine the net operating income, rate base and revenue requirement that results after HECO's June 2007 updates.

b. Please provide all information identified in response to part a.

DOD-94 Impact of HECO updates. Please confirm that HECO does not know and cannot quantify what its updated net operating income, rate base or revenue requirement is. If this is not the case, please show what HECO's updated net operating income, rate base or revenue requirement is in similar format to HECO's filing at the HECO-2301 and 2302 workpapers.

DOD-95 HECO test year revenue and expense updates. Please confirm that HECO is proposing or has conceded to each of the updates shown in the following table and that the quantification of each is accurate. For any items listed where HECO has not conceded the adjustment, or for which HECO believes the adjustment is not accurately calculated, please explain fully, provide information that HECO believes is

accurate, and reference each amount used in HECO's explanations to a source document and/or previously provided response to a CA or DOD information request:

Hawaiian Electric Company, Inc.
Adjusted Net Operating Income
(Thousands of Dollars)
Test Year Ending December 31, 2007

Line No.	Description	Per HECO Original Filing (A)	HECO June 2007 Updates (B)	HECO June 2007 Update References	HECO June 2007 Update Adjustment (C)
1	Electric Sales Revenue	$1,346,379	$ 1,348,635	T-3	$ 2,256
2	Other Operating Revenue	$ 3,391	$ 3,327	T-13, p.4	$ (64)
3	Gain on Sale of Land	$ 507	$ 500	T-13, p.4	$ (7)
4	TOTAL OPERATING REVENUES	$1,350,277	$ 1,352,462		$ 2,185
5	Fuel	$ 542,961	$ 543,874	T-4/CA-IR-214,p.7	$ 913
6	Purchased Power	$ 386,108	$ 386,872	T-5	$ 764
7	Production	$ 68,222	$ 68,925	T-6	$ 703
8	Transmission	$ 10,491	$ 10,378	T-7	$ (113)
9	Distribution	$ 24,722	$ 24,948	T-7	$ 226
10	Customer Accounts	$ 12,020	$ 11,929	T-8	$ (91)
11	Allowance for Uncollectibles	$ 1,358	$ 1,361	T-8	$ 3
12	Customer Service	$ 7,176	$ 7,270	T-9	$ 94
13	Administration and General	$ 72,007	$ 75,976	T-10	$ 3,969
14	Gen Excise Tax Rate Incr Adj	$ 320	$ 320	Note A	$ -
15	Operation and Maintenance	$1,125,385	$ 1,131,853		$ 6,468
16	Depreciation and Amortization	$ 79,736	$ 78,763	T-13	$ (973)
17	Amortization of State ITC	$ (1,321)	$ (1,304)	T-15	$ 17
18	Taxes Other Than Income	$ 126,151	$ 126,151	Note B	$ -
19	Interest on Customer Deposits	$ 375	$ 377	T-8	$ 2
20	Income Taxes	$ (4,107)	$ (4,107)	Note C	$ -
21	TOTAL OPERATING EXPENSES	$1,326,219	$ 1,331,733		$ 5,514
22	**NET OPERATING INCOME**	**$ 24,058**	**$ 20,729**		**$ (3,329)**
23	AVERAGE RATE BASE	$1,216,188	$ 1,176,461	T-17	$ 39,727
24	RATE OF RETURN ON RATE BASE	1.98%	1.76%		-0.22%

Notes and Source

Col.A: HECO-2302 "Present Rates" column
Col.B: DOD-114
Col.C: Col.B - Col.A

Notes:
[A] HECO-1508 not updated
[B] HECO-1501 not updated
[C] HECO-1502 not updated

DOD-96 Rate Base updated. Please confirm that HECO is proposing or has conceded to each of the updates summarized in the following table and that the quantification of each update shown below is accurate. For any items listed below where HECO has not

conceded the adjustment, or for which HECO believes the adjustment is not accurately calculated, please explain fully, provide information that HECO believes is accurate, and reference each amount used in HECO's explanations to a source document and/or previously provided response to a CA or DOD information request.

Line No.	Description	HECO As Filed (A)	HECO June 2007 Update Adjusted (B)	HECO June 2007 Updates Adjustment (C)
	INVESTMENT IN ASSETS SERVING CUSTOMERS			
1	Net Plant In Service	$ 1,367,090	$ 1,350,521	$ (16,569)
2	Property Held for Future Use	$ 3,380	$ 2,042	$ (1,338)
3	Fuel Inventory	$ 52,706	$ 53,084	$ 378
4	Materials & Supplies	$ 12,838	$ 12,838	$ -
5	Unamortized Net SFAS 109 Regulatory Asset	$ 54,628	$ 50,414	$ (4,214)
6	Prepaid Pension Asset	$ 161,188	$ 59,405	$ (101,783)
7	Unamortized OPEB Regulatory Asset	$ 7,160	$ -	$ (7,160)
8	OPEB Regulatory Asset	$ 30,275	$ -	$ (30,275)
9	Unamortized System Development Costs	$ 3,009	$ 2,321	$ (688)
10	Unamortized DSG Regulatory Asset	$ 323	$ -	$ (323)
11	ARO Regulatory Assett	$ -	$ 27	$ 27
	FUNDS FROM NON-INVESTORS			
12	Unamortized CIAC	$ (167,549)	$ (169,133)	$ (1,584)
13	Customer Advances	$ (822)	$ (879)	$ (57)
14	Customer Deposits	$ (6,377)	$ (6,598)	$ (221)
15	Accumulated Deferred Income Taxes	$ (155,081)	$ (146,910)	$ 8,171
16	Unamortized ITC	$ (29,930)	$ (29,273)	$ 657
17	Unamortized Gain on Sales	$ (1,395)	$ (1,398)	$ (3)
16	Pension Liability	$ (101,942)	$ -	$ 101,942
17	OPEB Liability	$ (37,435)	$ -	$ 37,435
18	Working Cash (at present rates)	$ 24,122	not provided	
19	Rate Base at Present Rates	$ 1,216,188	$ 1,176,461	$ (15,605)
20	Working Cash (at proposed rates)	$ (1,876)	not provided	
21	**Rate Base at Proposed Rates**	$ 1,214,312	$ 1,176,461	$ (15,605)

Notes and Source

Col.A: HECO-2302 WP RateBase
Col.B: HECO T-17 June 2007 Update - page 7 of 18
Col C: Col B - Col A

DOD-97 Refer to the June 2007 update for T-17, page 12 of 18.

a. Note A states: "The working cash estimate will be updated upon the finalization of all the updates and the recalculation of the revenue requirement." When does HECO intend to provide such information?

b. What information does HECO not yet have that prevents the Company from updating the working cash calculation? For each item of information that prevents HECO from updating the working cash calculation, please explain in detail (1) why HECO does not have such information, (2) when HECO anticipates having such information, and (3) what HECO has not yet done but must still do in order to obtain such information.

c. What is the annual amount of fuel purchases after reflecting HECO's June 2007 update? List the amount and provide the source.

d. What is the annual amount of O&M labor after reflecting HECO's June 2007 update? List the amount and provide the source.

e. What is the annual amount of O&M nonlabor after reflecting HECO's June 2007 update? List the amount and provide the source.

f. What is the annual amount of purchased power after reflecting HECO's June 2007 update? List the amount and provide the source.

g. What is the annual amount of revenue taxes at present rates after reflecting HECO's June 2007 update? List the amount and provide the source.

h. What is the annual amount of income taxes at present rates after reflecting HECO's June 2007 update? List the amount and provide the source.

DOD-98 Refer to the June 2007 update for T-17, page 16 of 18, and to HECO T-10 June 2007 update.

a. Is the $5.055 million proposed amortization in addition to the pension expense determined under SFAS 87? If not, explain fully.

b. Is the $5.055 million proposed amortization in addition to the pension expense determined under SFAS 158? If not, explain fully.

c. Identify the generally accepted accounting principles that HECO relies upon for the pension amortization of $5.055 million. Within each GAAP relied upon by HECO, please identify the specific provisions which address pension amortization.

d. Has HECO ever included a pension asset amortization in any prior rate case? If so, please identify the case and provide the related testimony and exhibits. If not, explain fully why not.

DOD-99 Refer to HECO-1901. Was this schedule impacted in any way by HECO's June 2007 updates?

a. If so, please show in detail the revised composite embedded cost of capital for the test year 2007 average, in similar format to HECO-1901, reflecting all impacts from HECO's June 2007 updates.

b. If not, explain fully why not.

DOD-100 Refer to HECO-1706 and HECO-1706(a)

a. Please identify all depreciation and amortization expenses included by HECO in its working cash calculation.

b. Has HECO excluded depreciation expense in its working cash calculation? If so, explain fully why depreciation expense was excluded.

c. Has HECO excluded amortization expense in its working cash calculation? If so, explain fully why amortization expense was excluded.

d. Is HECO aware of any prior Commission decisions which address how non-cash items such as depreciation and amortization expense are to be treated in the calculation of working cash? If so, please identify each such order.

e. In any of its most recent three rate cases, has HECO been allowed to include non-cash items such as depreciation and amortization expense in the calculation of working cash? If so, please provide the calculation of working cash in each such case, and specifically identify the amounts of depreciation and amortization expense that HECO included in its calculation of working cash in each case.

DOD-101 Please show in detail how HECO's June 2007 updates affect the amounts shown on HECO original exhibits HECO-1501 and HECO-1502.

a. At minimum, please provide the "at present rates" amounts for the impact of HECO's updates on HECO-1501 and HECO-1502.

b. What is the amount of FICA taxes after HECO's June 2007 updates?

c. What is the amount of federal unemployment taxes after HECO's June 2007 updates?

d. What is the amount of state unemployment taxes after HECO's June 2007 updates?

e. What is the amount of public service company taxes after HECO's June 2007 updates?

f. What is the amount of public utility fees after HECO's June 2007 updates?

g. What is the amount of franchise royalty taxes after HECO's June 2007 updates?

h. Please show in detail how the amounts identified in parts b through g are calculated.

DOD-102 Is the estimated increase in General Excise Tax (GET) on HECO-1508 impacted in any way by HECO's June 2007 updates? If so, please show the impact in similar format to HECO-1508. If not, explain fully why not.

CERTIFICATE OF SERVICE

I hereby certify that one copy of the foregoing DEPARTMENT OF DEFENSE'S FIFTH SET OF INFORMATION REQUESTS TO HAWAIIAN ELECTRIC COMPANY, INC. 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, July 9 2007

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