April 30, 2015

Dean K. Matsuura
Manager, Regulatory Rate Proceedings
Hawaiian Electric Company, Inc.
P. O. Box 2750
Honolulu, Hawaii 96840

Dear Mr. Matsuura:


In the interest of expediting our review in the above matter, the Division of Consumer Advocacy hereby submits its Second Submission of Information Requests. In order to facilitate our review, we would appreciate receiving your responses by Thursday, May 7, 2015. Timely receipt of your responses by this date would allow for additional discovery, if needed, to clarify any information rendered in response to our requests.

If you are unable to respond by this date or if there are any questions or concerns regarding the information requests, please call Dean Nishina at (808) 586-2765. Your prompt attention to this matter will be greatly appreciated.

Sincerely yours,

Jeffrey T. Ono
Executive Director

cc: Public Utilities Commission
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).
General Questions – Please respond for all three utilities:

CA-IR-13 In the conference call discussion with Commission personnel on April 27, Company representatives identified certain formula errors that were corrected within the amended decoupling tariff transmittals dated April 15. Please respond to the following:

a. Identify which Schedules and Workpapers within the Companies’ calculations contained the errors, indicating whether changes had been made to the template from prior years’ filings that contributed to the errors.

b. Other than Schedules A1, J and K and the associated workpapers that were added in compliance with Order No. 32735, did the Companies make any other modifications to template Schedules in preparing their initial filings or their amended filings for RBA rate adjustments this year?

c. If your response to part (b) is affirmative, please list and describe each template schedule modification that was performed and explain the reason for the change.
Ref: Schedule B, Note 1; HECO-WP-B-007; Informal RBA IR #15 (Billing Adjustments).

In the conference call discussion with Commission personnel on April 27, Company representatives explained the general nature of the recurring billing adjustments listed within footnote 1 on Schedule B. Additional information on this topic was provided by the Company informally in response to RBA IR #15. Please provide the following additional information:

a. Provide a detailed description of each of the most common types of billing adjustments that are encountered, including meter reading errors and each type of rate schedule change.

b. Explain whether the Companies got behind on their normal schedules for performance of billing adjustments, explaining any manual reviews that are required, how these reviews are performed, and whether procedures have been adopted to automate or otherwise expedite billing adjustment review procedures.

c. Explain what is being done differently to accomplish "reviewing accounts on a monthly basis" as referenced in informal IR #15 and why this should result in fewer large, multi-customer, multi-month adjustments.
d. Are the Companies responsible, under Rule 11(C)(1), to calculate the impact of any "incorrect application of the rate schedule" for a specified historical period and provide bill credit refunds to affected customers?

e. If your response to part (c) is affirmative, please explain how this requirement is interpreted and administered, indicating procedures employed to periodically review and determine the applicable rate schedule, the responsibility (if any) the customer has to review and approve rate schedule changes, and the authority relied upon to determine the period of any refunds that are credited to customers.

f. If your response to part (d) is negative, please identify and provide copies of any other authority relied upon for recurring forms of billing adjustments or refunds to customers.

g. Do the Companies add any accrued interest to amounts refunded to customers? Why or why not?

h. If your response to part (g) is negative, for what reasons should interest ever be added to customer billing adjustments on Schedule B?

i. Given the period of time decoupling has now been in effect for each utility, please explain whether it would be appropriate to simply allow billing adjustments to flow through the reported billed revenue accounting, without analysis of prior periods impacted and without the calculation of interest.
j. Provide copies of any supporting analyses, workpapers, projections and other documents associated with your response to part (i).

CA-IR-15

Ref: Schedule A, line 8; WP A-001 (GWH Forecast Reasonableness).

In the conference call discussions with Commission personnel on April 27, the Companies indicated that sales forecasts being used for RBA rate determination may not be the most current available updates and, at least for HECO, may be forecasting excessive load growth, relative to recent actual downward sales trends. Please explain the basis of the forecasts that are utilized in the amended decoupling transmittals and provide any updates with supporting documentation where more current forecasted GWH values are now available.

CA-IR-16

Ref: Schedule F-1, Note 1 (2015 Bonus Depreciation).

The Companies’ projected ADIT balances calculated on Schedule F-1, prior to consideration of RAM Cap impacts, have assumed no bonus tax depreciation will be available for vintage 2015 property additions.

Please respond to the following:

a. Confirm that no bonus depreciation has been assumed available for vintage 2015 additions, or explain any inability to provide such confirmation.

b. Provide revised Schedule F-1 and Schedule F-2 calculations for each utility, assuming 50% bonus depreciation is ultimately extended for tax year 2015.
c. If the tax laws associated with bonus depreciation for 2015 are again revised retroactively (as occurred in 2014 under the Tax Increase Prevention Act), will the Company commit to recalculation and consideration of any needed adjustments to the RBA balance to account for the availability of bonus depreciation?

d. Please explain your response to part (b), with supporting documentation associated with your explanation.

Ref: Companies’ response to PUC-IR-1, page 8 (Rate Base Impacts of ED/PS Clearing Changes).

The table containing the "summary of 2014 impacts of the change in ED and PS on-cost allocations for elements which impact the 2015 RAM calculations" references a footnote 2 that indicates estimated impacts for CIAC are provided, but not estimated impacts to accumulated deferred income taxes. Please provide the following additional information:

a. The most detailed available estimate of overall impacts of the ED/PS clearing change upon each recorded element of RAM rate base, as of December 31, 2014, including net plant in service, CIAC and ADIT for each utility, after ultimate distribution of all changes to EC and PS clearings during 2014.

b. State assumptions and provide workpapers supporting your response to part (a).
c. Explain each reason whether and why the HECO Companies believe that the impacts of the ED/PS clearing changes should not be reversed in determining RAM Cap rate base, given that all expense savings resulting from the changes are ignored because the O&M RAM does not rely upon recorded input data.

Hawaiian Electric Filing Questions:

CA-IR-18 Ref: HECO Schedule D3 (Major Project in Service Dates).

The "Estimated In Service Dates" for several of the listed major projects has changed significantly, comparing the 4/15/15 Schedule D3 to the prior year Schedule D3. Please respond to the following:

a. Please explain the in-service status of the Airport DSG project, indicating criteria used to determine actual in-service status and whether/when each criteria was satisfied.

b. Please explain the in-service status of the BPT Tank 133 project, indicating criteria used to determine actual in-service status and whether/when each criteria was satisfied.

c. Provide monthly to date accumulations of actual and forecasted construction costs for Airport DSG and for BPT Tank 133 projects.

d. Provide any needed information to reconcile your response to part (c) to the estimated major project plant additions included in Schedule D3 of the current filing, at lines 1 and 9, respectively.
Ref: HECO Schedule H, line 1 (Recorded Operating Income).

In 2014, HECO was allowed to record accrued RAM revenues in advance of collection of such revenues, pursuant to the Stipulated Settlement Agreement in Docket No. 2008-0083. Please respond to the following:

a. Provide a summary of the monthly entries, by NARUC account, that were recorded in connection with RAM accruals, adjustments and amortizations in calendar 2014.

b. Using the information in your response to part (a), please explain and quantify the impact of net RAM accruals upon reported Operating Income for HECO, as included in line 1 of Schedule H.

c. What was the impact upon Return on Equity for Decoupling Earnings Sharing, at line 20 of Schedule H, caused by the net accruals of RAM revenues during calendar 2014?