

REBUTTAL TESTIMONY OF
PETER C. YOUNG

DIRECTOR, PRICING DIVISION
ENERGY SERVICES DEPARTMENT
HAWAIIAN ELECTRIC COMPANY, INC.

SUBJECT: Residential Bill Impact

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INTRODUCTION

Q. Please state your name and business address.

A. My name is Peter C. Young and my business address is 220 South King Street, Suite 1201, Honolulu, Hawaii.

Q. By whom are you employed and in what capacity?

A. I am director of the Pricing Division of the Energy Services Department at the Hawaiian Electric Company, Inc. (“Hawaiian Electric” or the “Company”). My experience and background are listed in HECO-R-700.

Q. What is your area of responsibility in this proceeding?

A. My testimony generally discusses the estimated residential bill impact for the forecasted biodiesel consumption scenarios and the reasonableness of the inclusion of the costs of Hawaiian Electric’s biodiesel supply contract (“Biodiesel Supply Contract” or “Contract”) with Imperium Services LLC (“Imperium”).

ESTIMATED RESIDENTIAL BILL IMPACT

Q. What is an estimated residential bill impact?

A. An estimated residential bill impact is an estimate of a change in a typical residential customer’s monthly electric bill. Hawaiian Electric uses 600 kWh as the monthly consumption for a typical residential bill.

Q. What is the estimated residential bill impact related to the consumption of biodiesel in the Campbell Industrial Park Combustion Turbine 1 (“CIP Unit 1”)?

1 A. The estimated residential bill impact related to biodiesel being substituted for
2 diesel at CIP Unit 1 is approximately \$0.90 per month at 5 million gallons of
3 biodiesel consumed annually and approximately \$1.90 per month at 12 million
4 gallons of biodiesel consumed annually.

5 Q. How do these estimated residential bill impacts compare to the current typical
6 residential bill?

7 A. The estimated residential bill impact at \$0.90 per month is approximately a 0.5%
8 increase to the current typical residential bill while the \$1.90 per month estimated
9 residential bill impact is approximately a 1.0% increase.

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11 **RATE IMPACT AND INCLUSION OF COSTS IN ECAC ARE REASONABLE**

12 Q. Are the rate impacts resulting from inclusion of the costs of biodiesel in the
13 energy cost adjustment clause ("ECAC") reasonable?

14 A. Yes, the rate impacts resulting from inclusion of the costs of biodiesel in the
15 ECAC are reasonable. Hawaiian Electric is required to seek approval from the
16 Commission so that it may include changes in fuel costs in its ECAC to the extent
17 that the costs are not recovered in Hawaiian Electric's base rates. Historically,
18 this has been a regular and familiar feature of Hawaiian Electric's contracts with
19 suppliers of fuel. Fuel costs are included in base rate and to the extent not
20 recovered in base rates, they are recovered through the ECAC. The same process
21 is being followed here for biodiesel. In sum, Hawaiian Electric requests treatment
22 of the Biodiesel Supply Contract similar the treatment of the other fuel contracts

1 used for the generation of electricity by Hawaiian Electric and Commission
2 approval to include the costs for biodiesel fuel, transportation storage, and related
3 taxes incurred pursuant to the Biodiesel Supply Contract in Hawaiian Electric's
4 ECAC to the extent that the costs are not recovered in Hawaiian Electric's base
5 rates.

6 Q. Does this conclude your testimony?

7 A. Yes.

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PETER C. YOUNG

BACKGROUND AND EXPERIENCE

BUSINESS ADDRESS: Hawaiian Electric Company
P.O. Box 2750
Honolulu, Hawaii 96840

CURRENT POSITION: Director,
Pricing Division,
Energy Services Department

YEARS OF SERVICE: 20 Years

OTHER EXPERIENCE: Financial Analyst, Pacific Resources, Inc.

Corporate Analyst, Pentagram, Inc.

EDUCATION: MBA (Finance), University of Washington

BA (Economics, Political Science),
Claremont McKenna College, Claremont, CA

OTHER TESTIMONY: Docket No. 2008-0083 - Electric Sales Revenue;
Cost of Service and Rate Design (HECO)
Docket No. 2006-0387 - Electric Sales Revenue;
Cost of Service and Rate Design (MECO)
Docket No. 2006-0386 - Electric Sales Revenue;
Cost of Service and Rate Design (HECO)
Docket No. 05-0315 - Electric Sales Revenue;
Cost of Service and Rate Design (HELCO)
Docket No. 05-0146 – Residential Rate Reduction Program;
Revenue Requirements and Customer Impact
(HECO)
Docket No. 05-0145 – Revenue Requirements and Customer Impact
(HECO)
Docket No. 04-0113 - Electric Sales Revenue;
Cost of Service and Rate Design (HECO)
Docket No. 99-0207 - Electric Sales Revenue;
Cost of Service and Rate Design (HELCO)
Docket No. 97-0346 - Electric Sales Revenue;
Cost of Service and Rate Design (MECO)
Docket No. 7766 - Rate Base (HECO)
Docket No. 7764 - Rate Base (HELCO)
Docket No. 7700 - Rate Base (HECO)

HECO 2010
ECAC Calculations
CIP-1 Biodiesel Scenarios

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To Be Viewed Only By The
Public Utilities Commission
Or The Consumer Advocate

Level Two
Confidential Information Redacted

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Assumptions

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