



December 28, 2007

The Honorable Chairman and Members of
The Hawaii Public Utilities Commission
465 South King Street
Kekuanaoa Building, 1st Floor
Honolulu, Hawaii 96813

PUBLIC UTILITIES
COMMISSION

2007 DEC 28 P 3:23

FILED

Dear Commissioners:

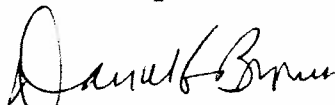
Subject: Avoided Energy Cost Data and 1st Quarter 2008
Schedule "Q" Rates

We are submitting the avoided energy cost data effective January 1, 2008 through March 31, 2008. Also, pursuant to the Commission's Decision and Order No. 8298, we are submitting the First quarter 2008 Schedule Q rate.

The First quarter 2008 on-peak avoided energy cost rate is 17.80 cents per kWh and the off-peak avoided energy cost rate is 13.42 cents per kWh.

If you have any questions regarding this filing, please feel free to call me at 543-4622.

Sincerely,


for Dean Matsuura

Director, Regulatory Affairs

Attachments

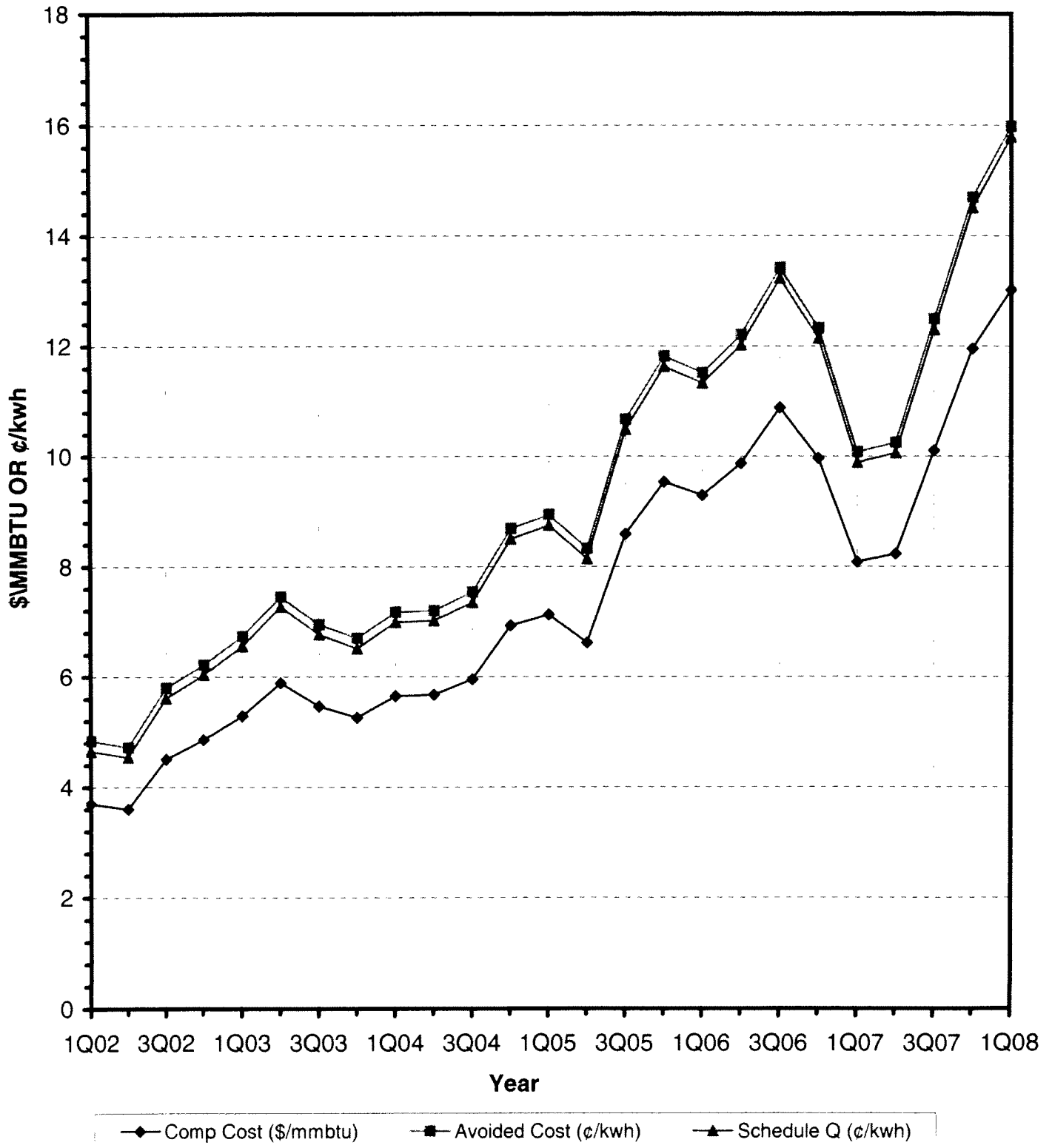
cc: Division of Consumer Advocacy
xc: D. Waller
R. Pytlarz
NP File
SP File (original)

Hawaiian Electric Company, Inc.
AVOIDED COST AND SCHEDULE Q PAYMENT RATES

Year	Quarter	Composite Cost of Fuel		Avoided Cost Payment Rate *		Schedule Q Payment Rate	
		¢/mmbtu	% change	¢/kwh	% change	¢/kwh	% change
2002	1	369.88	-26.5	4.84	-24.7	4.65	-25.5
	2	360.01	-2.7	4.72	-2.5	4.54	-2.4
	3	450.38	25.1	5.80	22.9	5.61	23.6
	4	485.94	7.9	6.22	7.2	6.04	7.7
2003	1	528.78	8.8	6.74	8.4	6.56	8.6
	2	589.00	11.4	7.45	10.5	7.27	10.8
	3	546.75	-7.2	6.95	-6.7	6.77	-6.9
	4	525.89	-3.8	6.70	-3.6	6.51	-3.8
2004	1	565.03	7.4	7.17	7.0	6.99	7.4
	2	567.65	0.5	7.20	0.4	7.02	0.4
	3	595.98	5.0	7.54	4.7	7.35	4.7
	4	693.04	16.3	8.69	15.3	8.50	15.6
2005	1	713.04	2.9	8.94	2.8	8.75	2.9
	2	661.75	-7.2	8.33	-6.8	8.14	-7.0
	3	858.53	29.7	10.67	28.2	10.49	28.9
	4	954.07	11.1	11.82	10.7	11.63	10.9
2006	1	929.25	-2.6	11.52	-2.5	11.33	-2.6
	2	987.13	6.2	12.21	6.0	12.02	6.1
	3	1,088.23	10.2	13.42	9.9	13.23	10.1
	4	996.75	-8.4	12.33	-8.1	12.14	-8.2
2007	1	808.50	-18.9	10.08	-18.2	9.89	-18.5
	2	823.25	1.8	10.25	1.7	10.06	1.7
	3	1,010.51	22.7	12.49	21.9	12.30	22.3
	4	1,195.74	18.3	14.70	17.7	14.51	18.0
2008	1	1,302.26	8.9	15.98	8.7	15.79	8.8
	2						
	3						
	4						

* Weighted average: 14hr/24hr on peak, 10hr/24hr off peak

Hawaiian Electric Company, Inc. AVOIDED COST AND SCHEDULE Q PAYMENT RATES AND COMPOSITE COST OF FUEL



Hawaiian Electric Company, Inc.

DERIVATION OF FIRST QUARTER 2008
AVOIDED ENERGY COST PAYMENT RATES

Avoided Energy Rate - over 100 KW

<u>Line</u>	<u>ON-PEAK</u>	<u>OFF-PEAK</u>	<u>SOURCE</u>
1 Heat Rate	13,382 BTU / NET KWH	9,929 BTU / NET KWH	Docket #4569, HECO-101
2 January 2008 Composite Fuel Price	1,302.26 ¢ / MMBTU	1,302.26 ¢ / MMBTU	January 1, 2008 Composite Fuel Cost
3 1 MMBTU / 1,000,000 BTU	1,000,000 BTU / MMBTU	1,000,000 BTU / MMBTU	
4 Unadjusted Payment Rate (line 1 x 2) / line 3	17.43 ¢ / NET KWH	12.93 ¢ / NET KWH	
5 O&M Adjustment	<u>0.37</u> ¢ / NET KWH	<u>0.49</u> ¢ / NET KWH	Appendix A, D&O 8298
6 BASE Avoided Energy Payment Rate	<u>17.80</u> ¢ / NET KWH	<u>13.42</u> ¢ / NET KWH	

Hawaiian Electric Company, Inc.

DERIVATION OF FIRST QUARTER 2008
SCHEDULE "Q" PAYMENT RATES

Schedule "Q" Rate - Under 100 KW

Line	ON-PEAK	OFF-PEAK	SOURCE
1 Heat Rate	13.382 BTU / NET KWH	9,929 BTU / NET KWH	Docket #4569
2 January 2008 Composite Fuel Price	1,302.26 ¢ / MMBTU	1,302.26 ¢ / MMBTU	January 1, 2008 Composite Fuel Cost
3 1 MMBTU / 1,000,000 BTU	1,000,000 BTU / MMBTU	1,000,000 BTU / MMBTU	
4 Unadjusted Payment Rate (line 1 x 2) / line 3	17.43 ¢ / NET KWH	12.93 ¢ / NET KWH	
5 Power Factor Adjustment	-0.12 ¢ / NET KWH	-0.28 ¢ / NET KWH	Appendix A, D&O 8298
6 O&M Adjustment	0.37 ¢ / NET KWH	0.49 ¢ / NET KWH	Appendix A, D&O 8298
7 Pre Time-Weighted "Q" Payment Rate (line 4 + 5 + 6)	17.68 ¢ / NET KWH	13.14 ¢ / NET KWH	
8 Hour Weighting	x 14/24 HOURS / HOURS	x 10/24 HOURS / HOURS	
9 Time-weighted Peak Time-Related Schedule "Q" Energy Payment Rate (line 7 x 8)	10.31 ¢ / NET KWH	5.48 ¢ / NET KWH	
10 Time-Weighted "Q" ON PEAK Payment Rate	10.31 ¢ / NET KWH		
11 Time-Weighted "Q" OFF PEAK Payment Rate		5.48 ¢ / NET KWH	
12 Schedule "Q" Energy Payment Rate (line 10 + 11)	15.79 ¢ / NET KWH		
13 Base 1996 Schedule "Q" Energy Payment Rate	3.67 ¢ / NET KWH		Filed January 1, 1996
14 Difference Between January 2008 and Base "Q" Rates (line 12 - 13)	12.12 ¢ / NET KWH		

HAWAIIAN ELECTRIC COMPANY, INC.**NOTE:**

January's composite fuel price is based on the following prices in effect on January 1, 2008:

Honolulu	1,301.37	¢/mmbtu
Kahe	1,301.37	¢/mmbtu
Waiiau	1,301.37	¢/mmbtu
Diesel	1,797.02	¢/mmbtu

Hawaiian Electric Company, Inc.

Avoided Costs Applicable to HPOWER Purchased Power Contract

	<u>cents/kwh</u>
Avoided Fuel Inventory	0.08
Avoided Working Cash	0.05

Reference: HECO letter to the Commission, dated March 27, 1986,
Docket No. 5514.