

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
KAUPULEHU WASTE WATER COMPANY)
For Approval to Change its Rates.)
_____)

DOCKET NO. 01-0275

PREHEARING ORDER NO. 19432

RECEIVED
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DIV. OF CONSUMER ADVOCACY
DEPT. OF COMMERCE AND
CONSUMER AFFAIRS
STATE OF HAWAII

Filed June 25, 2002
At 8:00 o'clock A.M.

Karen Higashi
Chief Clerk of the Commission

ATTEST: A True Copy
KAREN HIGASHI
Chief Clerk, Public Utilities
Commission, State of Hawaii.

K. Higashi

In the Matter of the Application of)
KAUPULEHU WASTE WATER COMPANY)
For Approval to Change its Rates.)

¹In particular, Order No. 19202 directed the parties to submit the stipulated or proposed prehearing orders within 15 days following the public hearing, held in Kailua-Kona on May 8, 2002.

stipulated prehearing order but are unable to reach agreement on all provisions of a stipulation prior to May 23, 2002."

Subsequently, on June 14, 2002, the Consumer Advocate filed its proposed prehearing order with the commission, stating that "the parties have been unable to reach full agreement on a procedural schedule and statement of issues for the instant proceeding." In response thereto, on June 18, 2002, KWWC submitted its written comments.

On June 20, 2002, a status conference was held at the commission's office to identify the issues and set forth the procedural schedule to govern the instant docket, i.e, to establish a prehearing order. Counsel for both parties attended the conference.

As a result of the status conference, the commission hereby adopts the following prehearing order that will govern the instant docket.

II.

Issues

The underlying issue in this case is whether KWWC's proposed change in rates is reasonable? This will necessarily involve, in turn, a review of the following sub-issues:

- A. Are the proposed tariff, rates, and charges just and reasonable?
- B. Are the revenue forecasts for the 2002 test year at present rates and proposed rates reasonable?
- C. Are the projected operating expenses for the 2002 test year reasonable?

- D. Is the projected rate base for the 2002 test year reasonable, and are the properties included in the rate base used or useful for public utility purposes?
- E. Whether the requested rate of return is fair?

III.

Schedule of Proceedings

Consumer Advocate's information requests (IRs) to KWWC	April 12, 2002
Public Hearing, Kailua-Kona	May 8, 2002
KWWC's responses to the Consumer Advocate's IRs	May 31, 2002
Consumer Advocate's supplemental information requests (SIRs) to KWWC	June 21, 2002
KWWC's responses to the Consumer Advocate's SIRs	July 12, 2002
Consumer Advocate's direct testimonies and exhibits	August 9, 2002
KWWC's IRs to Consumer Advocate	August 30, 2002
Consumer Advocate's responses to KWWC's IRs	September 13, 2002
KWWC's rebuttal testimonies and exhibits	September 27, 2002
Consumer Advocate's rebuttal IRs (RIRs) to KWWC	October 4, 2002
KWWC's responses to Consumer Advocate's RIRs	October 11, 2002
Settlement letter or agreement, if any	November 8, 2002

Evidentiary hearing, if any	November 19 - 20, 2002*
Interim decision, if any	November 29, 2002
Simultaneous briefs	3 weeks after receipt of the transcripts

*The parties, through their respective attorneys, agree to hold the evidentiary hearing, if any, in Honolulu, at the commission's hearing room, 465 S. King Street, basement level, 96813. In addition, November 20th is identified as a second day only if two days are needed to complete the evidentiary hearing.

IV.

Requests for Information

A party to this proceeding may submit information requests to another party within the time schedule specified in this prehearing order. If a party is unable to provide the information requested within the prescribed time period, it should so indicate to the inquiring party as soon as possible. The parties shall then endeavor to agree upon a later date for submission of the requested information. If the parties are unable to agree, the inquiring party may seek approval from the commission and make a showing of good cause. It is then within the commission's discretion to allow additional information requests.

In lieu of responses to information requests that would require the reproduction of voluminous documents or materials (e.g., documents over 50 pages), the documents or materials may be made available for reasonable inspection and copying at a mutually agreeable designated location and time. In the event such information is available on computer diskette, the party

responding to the information request may make the diskette available to the other party and the commission. A party shall not be required, in a response to an information request, to provide data that are already on file with the commission or otherwise part of the public record, or that may be stipulated to pursuant to Part VII, infra. The responding party shall, in lieu of production of a document in the public record, include in its response to the information request an identification of the document with reasonable specificity sufficient to enable the requesting party to locate and copy the document. In addition, a party shall not be required, in a response to an information request, to make computations, compute ratios, reclassify, trend, calculate, or otherwise rework data contained in its files or records.

A party may object to responding to an information request that it deems to be irrelevant, immaterial, unduly burdensome, onerous or repetitious, or where the response contains information claimed to be privileged or subject to protection (confidential information). If a party claims that information requested is confidential, and withholds production of all or a portion of such confidential information, the party shall: (1) provide information reasonably sufficient to identify the confidential information withheld from the response, without disclosing privileged or protected information; (2) state the basis for withholding the confidential information (including, but not limited to, the specific privilege applicable or protection claimed for the confidential information and the specific harm that would befall the party if the information were

disclosed); and (3) state whether the party is willing to provide the confidential information pursuant to a protective order.

A party seeking production of documents notwithstanding a party's claim of confidentiality, may file a motion to compel production with the commission.

V.

Witnesses

Written testimonies, exhibits, and workpapers shall be submitted for all witnesses pursuant to the schedule of proceedings. All written testimonies and exhibits shall be sponsored by witnesses who will be made available for cross-examination at the hearings.

The parties shall cooperate to accommodate the schedules of out-of-state witnesses and will inform the commission in advance of any scheduling difficulties with respect to such witnesses. If a party has an objection to a timely request to schedule an out-of-state witness in advance of other witnesses, the party shall make a timely objection to the commission. The parties will make their best effort to accommodate the schedules of out-of-state witnesses by coordinating their appearance at the evidentiary hearing.

VI.

Form of Prepared Testimony

All prepared testimony, including text and exhibits, shall be prepared in written form on 8-1/2" x 11" paper with line

numbers, and shall be served on the dates designated in the schedule of proceedings.

Each party shall be permitted to follow its own numbering system for written testimony and exhibits, provided that the numbering system utilized is consistent and is clearly understandable. Each document of more than one page shall be consecutively numbered. Each party shall prepare a list of its exhibits by exhibit numbers and titles.

The parties shall be permitted to present facts occurring after the designated dates appearing in the schedule of proceedings by a revision of exhibits. Revisions shall bear appropriate revision dates. However, revisions or additions which do more than correct typographical errors, update facts, or give numerical comparisons of the positions taken by the parties, shall not be submitted except with the approval of the commission.

Generally, exhibits should include appropriate footnotes or narratives in the exhibits or the related testimony setting forth the sources of the information used and explain the methods employed in making statistical compilations or estimates.

VII.

Matters of Public Record

In order to provide a means to reduce unnecessary reproduction of documents and to facilitate these proceedings, identified matters of public record, such as reports that KWWC has filed with the commission, published decisions of this or

other commissions, published scientific or economic statistical data, material and textbooks, technical or industry journals relating to electric utility matters, and specified parts of the record in previous commission dockets shall be admissible in this proceeding without the necessity of reproducing each document; provided that the document to be admitted is clearly identified by reference to the place of publication, file or docket number, and the identified document is available for inspection by the commission, the parties, and further provided that any party has the right to explain, qualify or conduct examination with respect to the identified document. The commission can rule on whether the identified document can be admitted into evidence when a party proffers such document for admission as evidence in this case.

From time to time, the parties may enter into stipulations that such documents, or any portion of such documents, may be introduced into evidence in this case.

VIII.

Copies of Testimonies, Exhibits, and IRs

1. Testimonies and Exhibits:

Commission	Original + 8 copies
KWWC	4 copies
Consumer Advocate	4 copies

2. Information Requests and Responses:

Commission	Original + 8 copies
KWWC	4 copies
Consumer Advocate	4 copies

3. All pleadings, briefs and other documents required to be filed with the commission shall be filed at the office of the commission in Honolulu within the time limit prescribed pursuant to chapter 61, subchapter 2, section 6-61-15 of the commission's Rules of Practice and Procedure.

IX.

Order of Examination

Pursuant to chapter 61, subchapter 3, section 6-61-31, of the commission's Rules of Practice and Procedure, KWWC's witnesses shall open with its direct case. The Consumer Advocate's direct case shall be presented after KWWC's direct case. KWWC shall close with its rebuttal case.

Examination of any witness shall be limited to one attorney for a party. The parties shall avoid duplicative or repetitious cross-examination. Cross-examination shall be limited to witnesses whose testimony is adverse to the party desiring to cross-examine. Recross-examination shall be limited to the extent of material covered in redirect examination unless otherwise permitted by the commission.

X.

Communications

Chapter 61, subchapter 3, section 6-61-29 of the commission's Rules of Practice and Procedure concerning ex parte communications is applicable to any communications between a party and the commission. However, the parties may communicate

with commission counsel through their own counsel or designated official only as to matters of process and procedure.

Communications between the parties should either be through counsel or through designated representatives. All pleadings, papers, and other documents filed in this proceeding shall be served on the opposing party.

All motions, supporting memoranda, briefs, and the like shall also be served on opposing counsel. These procedures are consistent with the orderly conduct of this docket.

Pursuant to chapter 61, subchapter 3, section 6-61-37 of the commission's Rules of Practice and Procedure, this prehearing order shall control the subsequent courses of the proceedings, unless modified at or prior to the hearings to prevent manifest injustice.

XI.

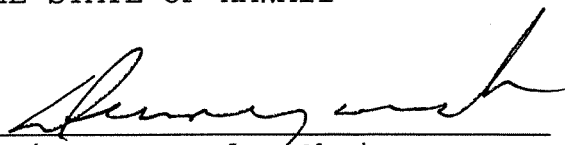
THE COMMISSION ORDERS:

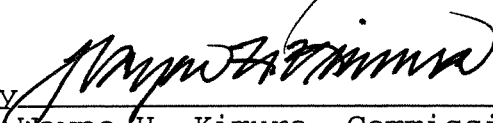
1. The parties' request for an extension of time, until June 14, 2002, to file its stipulated prehearing order (or in the alternative, separate proposed prehearing orders), is approved.

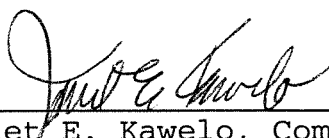
2. The prehearing order set forth above, is hereby adopted and issued. The statement of issues, procedural schedule, and other matters set forth herein, unless ordered or directed otherwise, shall govern and control the course of the instant docket.

DONE at Honolulu, Hawaii this 25th day of June, 2002.

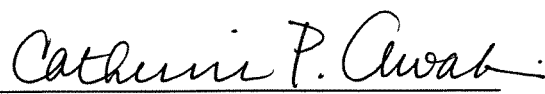
PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Dennis R. Yamada, Chairman

By 
Wayne H. Kimura, Commissioner

By 
Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:


for Michael Azama
Commission Counsel

01-0275.sl

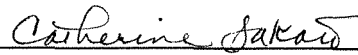
CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Prehearing Order No.19432 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

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DIVISION OF CONSUMER ADVOCACY
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Catherine Sakato

DATED: June 25, 2002