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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)	
)	
CITIZENS COMMUNICATIONS COMPANY)	Docket No. 03-0051
dba THE GAS COMPANY)	
)	
and)	
)	
K-1 USA VENTURES, INC.)	
)	
and)	
)	
HAWAII GAS COMPANY, L.L.C.)	
)	
For approval of the sale of the assets of)	
<u>The Gas Company and related matters</u>)	

STIPULATED PROCEDURAL ORDER NO. 20107

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

2003 APR -3 P 4: 23

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BEFORE THE PUBLIC UTILITIES COMMISSION
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CERTIFICATE OF SERVICE

Filed April 3, 2003

At 1:30 o'clock P.m.

Karen Sigel
Chief Clerk of the Commission

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)	
CITIZENS COMMUNICATIONS COMPANY)	Docket No. 03-0051
dba THE GAS COMPANY)	
and)	
K-1 USA VENTURES, INC.)	
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For approval of the sale of the assets of)	
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STIPULATED PROCEDURAL ORDER

CITIZENS COMMUNICATIONS COMPANY ("Citizens"), a Delaware corporation, dba The Gas Company ("TGC"), K-1 USA VENTURES, INC., a Delaware corporation ("K-1 USA"), and HAWAII GAS COMPANY, L.L.C., a Hawaii limited liability company ("Buyer") (Citizens, TGC, K-1 USA and Buyer collectively referred to as "Applicants"), and the DIVISION OF CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS (the "Consumer Advocate"), by and through their respective attorneys, do hereby stipulate to the following provisions of this Stipulated Procedural Order as mutually acceptable to each.

ACCORDINGLY, IT IS ORDERED that the following Statement of Issues, Schedule of Proceedings, and procedures shall be utilized in this docket:

I.

STATEMENT OF THE ISSUES

The issues in this docket are:

1. Whether the Asset Purchase Agreement ("Agreement") dated December 19, 2002 filed in this docket between Citizens and K-1 USA, the subsequent

assignment of the Agreement from K-1 USA to Buyer, and the Buyer's assumption of the obligations of the "Buyer" under the Agreement, should be approved.

2. Whether the assignment of TGC's franchise to Buyer should be approved pursuant to Hawaii Revised Statutes ("HRS") §269-19.
3. Whether the sale of all of the "TGC Assets, " as that term is defined in the application filed in this docket (consisting of TGC's utility gas service properties and non-utility bottled gas properties in the State of Hawaii), from Citizens to Buyer should be approved pursuant to HRS §269-19.
4. Whether Buyer's guaranty of the loans proposed to be obtained by HGC Holdings, L.L.C. ("HGC Holdings"), the sole member of Buyer, and the pledge by HGC Holdings of its membership interests in Buyer as security for such loans, should be approved pursuant to HRS §269-17.
5. Whether Buyer is fit, willing and able to perform the services currently offered by the utility to be acquired.
6. Whether Buyer's acquisition of the TGC Assets is reasonable and in the public interest.
7. Whether the currently approved TGC rules, regulations, tariffs and rates (collectively, "Tariff") should continue in effect following the closing of the purchase of the TGC Assets by Buyer, with Buyer republishing the Tariff in its own name with the same rules, regulations, and rates.
8. Whether existing conditions imposed by Decision and Order No. 15899 issued by the Commission on September 10, 1997 in Docket No. 97-0035 and by Decision and Order No. 17722 issued by the Commission on May 9, 2000 in Docket

No. 99-0350 should be terminated or modified, and whether any other conditions or provisions are required to ensure that the proposed transaction is in the public interest.

9. Whether any other relief as may be just and reasonable should be granted under the circumstances.

II.

SCHEDULE OF PROCEEDINGS

The parties shall adhere to the schedule of proceedings set forth in the Stipulated Regulatory Schedule attached hereto as Exhibit "A." Notwithstanding the above, the parties may amend the Stipulated Regulatory Schedule as may be agreed in writing and approved by the Commission from time to time. However, the intent of the parties in agreeing to a schedule at this time is to promote the efficient and cost-effective allocation of resources. Therefore, any changes to the schedule should be proposed only when there is an urgency or substantial competing need that cannot be reasonably accommodated without a change. Provided, however, that the parties reserve their rights to request a change in the schedule and proceedings after Applicants' Rebuttal Statement to the Consumer Advocate's Position Statement is filed. See footnote "***" in Exhibit "A."

III.

REQUESTS FOR INFORMATION

Information requests may be submitted by the Consumer Advocate to Applicants at any time prior to ten (10) calendar days before the Consumer Advocate's Position Statement is filed with the Commission pursuant to the Stipulated Regulatory Schedule,

unless otherwise agreed to by Applicants. Information requests may be submitted by Applicants to the Consumer Advocate at any time beginning with the Consumer Advocate's filing of its Position Statement until prior to ten (10) calendar days before Applicants' Rebuttal Statement is filed with the Commission pursuant to the Stipulated Regulatory Schedule, unless otherwise agreed to by the Consumer Advocate. After the scheduled date for submitting information requests has passed, no additional information requests shall be allowed except upon stipulation by the parties. To the extent practical, within the above specified time periods, the parties will cooperate by submitting information requests as soon as they become available, and responses will be submitted no later than ten (10) calendar days after the applicable request(s) have been submitted to the responding party. If a party is unable to provide the information requested within the said ten (10) day 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 responding party may seek approval for the late submission of responses from the Commission upon a showing of good cause. It is then within the Commission's discretion to allow such filings.

Notwithstanding anything herein to the contrary, including Part V, infra, in lieu of responses to information requests that would require the reproduction of voluminous documents or materials (documents over 100 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 or other readily usable electronic medium, the party responding to the

information request may make the diskette or such electronic medium available to the other parties and the Commission. A party shall not be required, in a response to an information request, to provide data that is already on file with the Commission or otherwise part of the public record, or that may be stipulated to pursuant to Part IV, 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 the protective order governing this docket.

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

The responses of each party to information requests shall adhere to a uniform system of numbering agreed upon by the parties. For example, the first information request submitted by the Consumer Advocate in this docket shall be referred to and designated as "CA-IR-1," and a response to this information request shall be referred to and designated as "Response to CA-IR-1."

Each response shall be provided on a separate page and shall recite the entire question asked and set forth the response and/or reference the attached responsive document, indicating the name of the respondent for each response.

IV.

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 Applicants have filed with the Commission, published scientific or economic statistical data, material and textbooks, technical or industry journals relating to 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 and the parties; and further provided that any party has the right to explain, qualify or conduct examination with respect to the identified document.

V.

COPIES OF FILINGS AND INFORMATION REQUESTS

1. Filings: Copies of all filings with the Commission shall be provided to the following parties, unless a protective order issued in connection with this docket states otherwise:

Public Utilities Commission
465 South King Street
First Floor
Honolulu, HI 96813
Original plus 8 copies

Division of Consumer Advocacy
250 South King Street
Room 825
Honolulu, HI 96813
E-Mail: ckikuta@dcca.state.hi.us
Facsimile Number: (808) 586-2780
4 copies

Jim Yates
Citizens Communications Company
dba The Gas Company
841 Bishop Street
Suite 1700
Honolulu, HI 96813
E-Mail: jyates@czn.com
Facsimile Number: (808) 535-5942
1 copy

Cary Meadow
K-1 USA Ventures, Inc. and
Hawaii Gas Company, L.L.C.
1880 Century Park East
Suite 213
Los Angeles, CA 90067
E-Mail: cmeadow@k1ventures.com
Facsimile Number: (310) 201-6858
1 copy

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2601 S. Bayshore Drive
Suite 1775
Miami, FL 33133
E-Mail: sas@greenstreetpartners.com
Facsimile Number: (305) 858-2334

2. Information Requests and Responses: Copies of all information requests and information request responses shall be provided to the following parties, unless a protective order issued in connection with this docket states otherwise:

Public Utilities Commission Original plus 8 copies
465 South King Street
First Floor
Honolulu, HI 96813

Division of Consumer Advocacy 4 copies
250 South King Street
Room 825
Honolulu, HI 96813
E-Mail: ckikuta@dcca.state.hi.us
Facsimile Number: (808) 586-2780

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3 copies

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Miami, FL 33133
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Facsimile Number: (305) 858-2334

1 copy

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.

4. Copies of all filings, information requests and information request responses should be sent to the other parties by hand delivery or via facsimile. In addition, if available, all parties shall provide copies of their filings, information requests and information request responses to the other parties via diskette or e-mail in a standard electronic format that is readily available by the parties. The parties agree to use Word 97 or Word 2000 as the standard programming format for filings in this case. However, if workpapers, documentation, or exhibits attached to any filing are not readily available in an electronic format, a party shall not be required to convert such workpapers, documentation, or exhibits into an electronic format. Also, existing documents produced in response to requests need not be converted to Word 97/Word 2000 as long as the applicable format is identified. In the event a copy of a filing, information request or information request response is delivered to a party via diskette or e-mail, unless otherwise agreed to by such party, the same number of copies of such filing, information request or information request response must still be delivered to such party by hand delivery or via facsimile as provided in Parts V.1 and V.2 above.

VI.

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.

VII.

GENERAL

The foregoing procedures shall be applied in a manner 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 Stipulated Procedural Order shall control the subsequent courses of the proceeding, unless modified at or prior to the hearings to prevent manifest injustice.

This Stipulated Procedural Order may be executed by the parties in counterparts, each of which shall be deemed an original, and all of which taken together shall

constitute one and the same instrument. The parties may execute this Stipulated Procedural Order by facsimile for initial submission to the Commission to be followed by the filing of originals of said facsimile pages.

DATED: Honolulu, Hawaii, this 25th day of March, 2003.



ALAN M. OSHIMA
KENT D. MORIHARA

Attorneys for Applicants



LAUREEN K. K. WONG

Attorney for the
DIVISION OF CONSUMER ADVOCACY
DEPARTMENT OF COMMERCE AND
CONSUMER AFFAIRS

APPROVED AND SO ORDERED AT HONOLULU, HAWAII THIS 3rd
DAY OF April, 2003.

PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Wayne H. Kimura, Chairman

By 
Janet E. Kawelo, Commissioner

By 
Gregg J. Kinkley, Commissioner

APPROVED AS TO FORM:

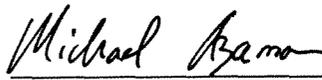

Michael Azama
Commission Counsel

EXHIBIT "A"

STIPULATED REGULATORY SCHEDULE

Docket No. 03-0051

	DATE	DURATION (days)	PROCEDURAL STEPS
1.	Friday, February 28, 2003	---	Application Filed at PUC
2.	Thursday, March 20, 2003 and Friday, March 21, 2003	---	Technical Meeting Between Applicants and Consumer Advocate
3.		---	Consumer Advocate's Submission(s) of Information Requests (IRs)
4.		10*	Applicants' Responses to Consumer Advocate's Submission(s) of IRs
5.	Thursday, June 26, 2003 and Friday, June 27, 2003 (if necessary)	---	Technical Meeting Between Applicants and Consumer Advocate
6.	Tuesday, July 15, 2003	---	Consumer Advocate's Position Statement
7.		---	Applicants' Submission(s) of IRs to Consumer Advocate
8.		10*	Consumer Advocate's Responses to Applicants' Submission(s) of IRs
9.	Wednesday, July 30, 2003	---	Applicants' Rebuttal Statement to Consumer Advocate's Position Statement**
10.		---	Decision and Order

* Applicants and the Consumer Advocate have agreed to provide a response, if possible, to the other party's information requests within ten (10) days from the date the particular request(s) were submitted.

** The parties reserve their right to propose revisions to the procedural steps and resulting procedural schedule at this point in the process. Such revisions may include, but not be limited to, a procedural schedule that requires the filing of additional information requests and responses, technical meetings, and additional filings in support of respective filed positions.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Stipulated
Procedural Order No. 20107 upon the following parties by hand delivery
or by mail, postage prepaid and properly addressed.

DIVISION OF CONSUMER ADVOCACY
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
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Dated: April 3, 2003



Chief Clerk