

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
 KAUPULEHU WATER COMPANY)
)
For a Change in Rates and Other)
Approvals.)
_____)

DOCKET NO. 05-0124

ORDER NO. 21878

Filed June 17, 2005
At 2 o'clock P.M.

Karen Higashi.
Chief Clerk of the Commission

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

K. Higashi.

factor as approved by the commission; and (5) certain changes to KWC's tariff rules.¹

KWC makes its requests pursuant to Hawaii Revised Statutes ("HRS") §§ 269-16(b), 269-17, and 269-19.5.² KWC also requests that, pursuant to HRS §§ 269-12(c) and 269-16(b), the commission conduct a public hearing on its Application.

KWC served copies of its Application upon the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy ("Consumer Advocate") (collectively, the "Parties"). On June 9, 2005, the Consumer Advocate filed its statement on the completeness of KWC's Application, concluding that the Application is not complete. HRS § 269-16(d).

KWC requests a hearing on the Consumer Advocate's objection to the completeness of KWC's Application, and an oral argument hearing on the Consumer Advocate's objection is scheduled for June 2005.³ HRS § 269-16(d).

¹KWC's Application, Exhibits A - H, Verification, and Certificate of Service, filed on May 24, 2005 (collectively, the "Application"). For the transfer, KWC seeks approval for KMW to transfer a water treatment plant, reservoir, two (2) wells, related transmission lines, and other facilities (collectively, "certain facilities").

²See also Hawaii Administrative Rules chapter 6-61, subchapter 8.

³See commission's letter, dated June 9, 2005; and KWC's response letter, dated June 28, 2005.

II.

Bifurcate

HAR § 6-61-39 authorizes the commission to "separate matters in issue for hearing in two or more separate proceedings, if it finds that consolidation or separation will be conducive to the proper dispatch of its business and to the ends of justice and will not unduly delay the proceedings."

KWC's request to transfer certain facilities: (1) is made pursuant to HRS §§ 269-17 and 269-19.5; and (2) is not subject to a public hearing (HRS §§ 269-16(b) and 269-12(c)) or an oral argument hearing (HRS § 269-16(d)). The commission, on its own motion, will bifurcate KWC's request to transfer certain facilities from its other requests involving proposed changes to its tariff in accordance with HRS § 269-16, including changes to its water rates.⁴

The bifurcation is consistent with the intent of HAR § 6-61-39 to properly and efficiently review and adjudicate KWC's requests. See also HAR § 6-61-1 (just, speedy, and inexpensive proceeding). The commission intends to address KWC's transfer request first, followed by its review of KWC's remaining requests that involve proposed changes to its tariff pursuant to HRS § 269-16, including changes to its water rates.⁵ Ultimately, KWC

⁴In Docket No. 03-0275, the commission granted Hawaii Water Service Company, Inc.'s ("HWSCI") request to bifurcate its financial transaction from its underlying request for a general rate increase. See Order No. 20914, filed on April 16, 2004, in Docket No. 03-0275, *In re Hawaii Water Serv. Co., Inc.*

⁵At this juncture, the completeness of KWC's Application with respect to its proposed rate changes is: (1) in dispute; and (2) subject to adjudication by the commission. HRS § 269-16(d).

seeks to include the transferred facilities in its rate base for the test year.

The Parties shall submit a stipulated procedural schedule setting forth the issues and agreed-upon procedural schedule for KWC's request to transfer certain facilities.

III.

Orders


THE COMMISSION ORDERS:

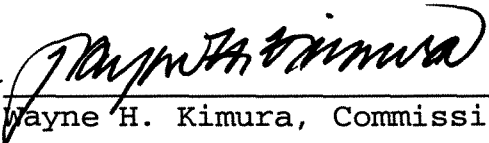
1. KWC's request to transfer certain facilities is bifurcated from its other requests involving proposed changes to its tariff, including changes to its water rates.

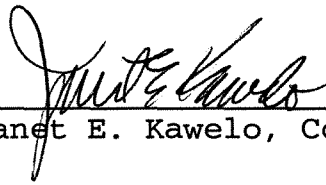
2. Unless ordered otherwise, within twenty-one (21) days from the date of this Order, the Parties shall submit to the commission a stipulated procedural schedule setting forth the issues and procedural schedule for KWC's request to transfer certain facilities. If the Parties are unable to stipulate to a procedural schedule, each Party shall submit a proposed procedural schedule for the commission's consideration by the applicable deadline date.

DONE at Honolulu, Hawaii JUN 17 2005.


PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Carlito P. Caliboso, Chairman

By 
Wayne H. Kimura, Commissioner

By 
Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:


Michael Azama
Commission Counsel

05-0124.sl

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 21878 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
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Karen Higashi

DATED: JUN 17 2005