

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

-----In the Matter of----- )  
 )  
PUBLIC UTILITIES COMMISSION )  
 )  
Instituting a Proceeding to )  
Investigate Kauai Island Utility )  
Cooperative's Proposed Revised )  
Integrated Resource Plan and Demand )  
Side Management Framework. )  
\_\_\_\_\_ )

DOCKET NO. 05-0075

ORDER NO. 21883

Filed June 20, 2005  
At 2 o'clock P.M.

Karen Higashi  
Chief Clerk of the Commission

RECEIVED  
2005 JUN 21 A 7:59  
DIV. OF CONSUMER ADVOCACY  
DEPT. OF COMMERCE AND  
CONSUMER AFFAIRS  
STATE OF HAWAII

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

K. Higashi

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

-----In the Matter of----- )  
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PUBLIC UTILITIES COMMISSION ) Docket No. 05-0075  
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Instituting a Proceeding to ) Order No. 21883  
Investigate Kauai Island Utility )  
Cooperative's Proposed Revised )  
Integrated Resource Plan and Demand )  
Side Management Framework. )  
\_\_\_\_\_ )

PROCEDURAL ORDER

By this Order, the commission approves and adopts in part, and modifies, in part, the proposed Stipulated Procedural Order, filed on May 23, 2005, by KAUAI ISLAND UTILITY COOPERATIVE ("KIUC") and the DIVISION OF CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS ("Consumer Advocate"), Attached to this Order as Exhibit "1".

I.

Discussion

On May 23, 2005, KIUC and the Consumer Advocate (collectively referred to as "Parties") filed their proposed Stipulated Procedural Order for commission review and approval, pursuant to Order No. 21788, issued on April 29, 2005.

Upon review and consideration, we determine that the following issues and regulatory schedule, shall control the subsequent course of this proceeding. As set forth below, we approve and adopt the proposed issues and procedures, set forth

in the Parties' Proposed Stipulated Procedural Order, in their entirety. The Stipulated Regulatory Schedule (designated by the Parties as Exhibit "A" to their Stipulated Procedural Order) is approved, adopted and made part of this Order, subject to the deletion of line item no. 12.

## II.

### Orders

THE COMMISSION ORDERS that the Parties' Stipulated Procedural Order, filed on May 23, 2005, is approved and adopted in part, and modified in part, consistent with the terms of this Procedural Order. Specifically, the proposed issues and procedures, set forth in the Parties' Proposed Stipulated Procedural Order, are adopted and approved in their entirety. The Stipulated Regulatory Schedule (designated by the Parties as Exhibit "A" to their Stipulated Procedural Order) is approved, adopted and made part of this order, subject to the deletion of line item no. 12.

DONE at Honolulu, Hawaii JUN 20 2005.

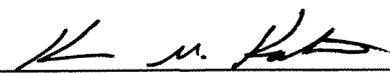
PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

By   
Carlito P. Caliboso, Chairman

By   
Wayne H. Kimura, Commissioner

By   
Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:

  
Kevin M. Katsura  
Commission Counsel

05-0075.eh

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

----In the Matter of ---- )  
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PUBLIC UTILITIES COMMISSION ) Docket No. 05-0075  
 )  
Instituting a Proceeding to Investigate )  
Kauai Island Utility Cooperative's )  
Proposed Revised Integrated Resource )  
Plan and Demand Side Management )  
Framework. )  
\_\_\_\_\_ )

STIPULATED PROCEDURAL ORDER NO. \_\_\_\_\_

EXHIBIT "A"

and

CERTIFICATE OF SERVICE

Filed \_\_\_\_\_, 2005

At \_\_\_\_\_ o'clock \_\_\_\_ .m.

\_\_\_\_\_  
Chief Clerk of the Commission

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

----In the Matter of ----	)	
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PUBLIC UTILITIES COMMISSION	)	Docket No. 05-0075
	)	
Instituting a Proceeding to Investigate	)	
Kauai Island Utility Cooperative's	)	
Proposed Revised Integrated Resource	)	
Plan and Demand Side Management	)	
Framework.	)	
_____	)	

STIPULATED PROCEDURAL ORDER

KAUAI ISLAND UTILITY COOPERATIVE ("KIUC") 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 ISSUES

The issues to be examined in this docket as it pertains to KIUC's proposed revised integrated resource plan and demand side management framework (entitled "Kaua'i Island Utility Cooperative Integrated Resource Planning Principles") ("Revised Framework") filed on December 23, 2004, are:

1. What changes, if any, are required to the Commission's Integrated Resource Planning ("IRP") Framework set forth in Decision and Order No. 11630 filed on May 22, 1992 in Docket NO. 6617 to recognize the sharing authority between the

KIUC Board on the one hand and the Commission and Consumer Advocate on the other hand?

- a. Is it reasonable to replace the goal of meeting energy needs “in an efficient and reliable manner at lowest reasonable cost” with: “in a manner consistent with KIUC’s Mission and Goal Statements and the planning objectives established by the KIUC Board of Directors”? See Revised Framework, Section II, Subsection A (Goal of IRP).
- b. Is it reasonable to include new subsections describing the responsibilities of the KIUC Board of Directors and KIUC management? See Revised Framework, Section II, Subsection C (KIUC Board of Directors’ Responsibility) and Subsection D (KIUC Management’s Responsibility).
- c. Is it reasonable to reduce the level of detail regarding how the major steps will be performed? See Revised Framework, Section III, Subsection A (Major Steps).
- d. Is it reasonable for the KIUC Board to establish criteria for determining when a new plan should be prepared and should management evaluate these criteria annually and make a recommendation to KIUC’s Board whether to develop a new plan in that year? See Revised Framework, Section III, Subsection B (The Planning Cycle).
- e. Is it reasonable to reduce the level of detail concerning the content of the reports specified in the existing framework? See Revised Framework, Section III, Subsection D (Reports).
- f. Should the Advisory Group have an expanded role? See Revised Framework, Section III, Subsection E (Public Participation).

- g. Should the existing cost recovery provisions and incentive options be deleted in light of the utility being a cooperative as opposed to investor owned entity? See Revised Framework, Section III, Subsection F (Cost Recovery and Incentives).
  - h. Should KIUC's Management be required to develop and submit for the KIUC Board's approval, a Scoping document that will specify the objectives that the plan will seek to achieve, the planning horizon, and the data and analytic methods to be used? See Revised Framework, Section IV, Subsection A (Scoping Document).
  - i. Is it reasonable to reduce the level of detail regarding how the forecast will be provided? See Revised Framework, Section IV, Subsection B (Forecast).
  - j. Should there be a reduction in the focus on cost and the increase in the KIUC's ability to consider non-cost attributes? See Revised Framework, Section IV, Subsections E (Resource Options), F (Data Collection), I (Analyses), and J (Resource Optimization).
2. What is the effect, impact, and appropriateness of KIUC's proposed Scoping Document?

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 by the parties 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.

### III.

#### REQUESTS FOR INFORMATION

Information requests may be submitted by the Consumer Advocate to KIUC at any time within the period set forth in Exhibit "A" attached hereto, unless otherwise agreed to by KIUC. Information requests may be submitted by KIUC to the Consumer Advocate at the time(s) set forth in Exhibit "A" attached hereto, 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, responses will be submitted no later than the time periods set forth in Exhibit "A" attached hereto. If a party is unable to provide the information requested within that 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 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 KIUC 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 9 copies

DIVISION OF CONSUMER ADVOCACY  
335 Merchant Street  
Room 326  
Honolulu, HI 96813  
E-Mail: [Cheryl.S.Kikuta@dcca.hawaii.gov](mailto:Cheryl.S.Kikuta@dcca.hawaii.gov)  
Facsimile Number: 586-2780  
5 copies

DUTCH ACHENBACH  
President and Chief Executive Officer  
Kauai Island Utility Cooperative  
4463 Pahe'e Street  
Lihue, Hawaii 96766-2032  
E-Mail: [dachenba@kiuc.coop](mailto:dachenba@kiuc.coop)  
Facsimile Number: (808) 246-4335  
1 copy

JOSEPH M<sup>C</sup>CAWLEY  
MICHAEL YAMANE  
Kauai Island Utility Cooperative  
4463 Pahe'e Street  
Lihue, Hawaii 96766-2032  
E-Mail: [jmccawle@kiuc.coop](mailto:jmccawle@kiuc.coop)  
[myamane@kiuc.coop](mailto:myamane@kiuc.coop)  
Facsimile Number: (808) 246-8268  
2 copies

KENT D. MORIHARA, ESQ.  
MICHAEL H. LAU, ESQ.  
Ishikawa Morihara Lau & Fong LLP  
841 Bishop Street, Suite 400  
Honolulu, HI 96813  
E-Mail: [kmorihara@imlfgroup.com](mailto:kmorihara@imlfgroup.com) and  
[mlau@imlfgroup.com](mailto:mlau@imlfgroup.com)  
Facsimile Number: (808) 531-8466  
3 copies



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, if any, 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 20<sup>th</sup> day of May, 2005.



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KENT D. MORIHARA  
MICHAEL H. LAU  
Attorneys for KAUAI ISLAND UTILITY  
COOPERATIVE



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JON S. ITOMURA  
Attorney for DIVISION OF CONSUMER  
ADVOCACY, DEPARTMENT OF  
COMMERCE AND CONSUMER  
AFFAIRS

APPROVED AND SO ORDERED AT HONOLULU, HAWAII THIS \_\_\_\_\_ DAY  
OF \_\_\_\_\_, 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:

\_\_\_\_\_  
Kevin M. Katsura, Esq.  
Commission Counsel

**EXHIBIT "A"**

**STIPULATED REGULATORY SCHEDULE**

**Docket No. 05-0075**

	<b>DATE</b>	<b>PROCEDURAL STEPS</b>
1.	Thursday, March 24, 2005	Order No. 21707 filed by Commission
2.	Friday, May 27, 2005	KIUC Response Statement to Issues Set Forth by Order No. 21707
3.	Thursday, June 30, 2005	Consumer Advocate Submission of Information Requests (IRs) to KIUC
4.	Thursday, July 21, 2005	KIUC's Responses to Consumer Advocate's IRs
5.	Thursday, August 18, 2005	Consumer Advocate Submission of Supplemental IRs to KIUC
6.	Thursday, September 1, 2005	KIUC's Responses to Consumer Advocate's Supplemental IRs
7.	Friday, October 14, 2005	Consumer Advocate Statement of Position
8.	Friday, October 28, 2005	Technical Meeting Between Consumer Advocate and KIUC (if necessary)
9.	Friday, November 4, 2005	KIUC Submission of IRs to Consumer Advocate
10.	Wednesday, November 16, 2005	Consumer Advocate's Responses to KIUC IRs
11.	Wednesday, November 30 , 2005	KIUC Response/Rebuttal to Consumer Advocate Statement of Position
12.	By Friday, December 16, 2005	Decision and Order

CERTIFICATE OF SERVICE

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

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
DIVISION OF CONSUMER ADVOCACY  
335 Merchant Street, Room 326  
Honolulu, Hawaii 96813

DUTCH ACHENBACH  
President and Chief Executive Officer  
Kauai Island Utility Cooperative  
4463 Pahe'e Street  
Lihue, Hawaii 96766-2032

JOSEPH M<sup>C</sup>CAWLEY  
MICHAEL YAMANE  
Kauai Island Utility Cooperative  
4463 Pahe'e Street  
Lihue, Hawaii 96766-2032

KENT D. MORIHARA, ESQ.  
MICHAEL H. LAU, ESQ.  
Ishikawa Morihara Lau & Fong LLP  
841 Bishop Street, Suite 400  
Honolulu, Hawaii 96813

Dated: \_\_\_\_\_, 2005

\_\_\_\_\_  
Karen Higashi, Chief Clerk

CERTIFICATE OF SERVICE

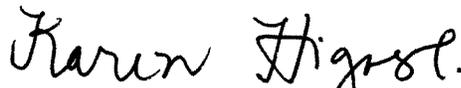
I hereby certify that I have this date served a copy of the foregoing Order No. 21883 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
DIVISION OF CONSUMER ADVOCACY  
P. O. Box 541  
Honolulu, HI 96809

DUTCH ACHENBACH  
PRESIDENT AND CHIEF EXECUTIVE OFFICER  
KAUAI ISLAND UTILITY COOPERATIVE  
4463 Pahe'e Street  
Lihue, HI 96766-2032

JOSEPH McCAWLEY  
MICHAEL YAMANE  
KAUAI ISLAND UTILITY COOPERATIVE  
4463 Pahe'e Street  
Lihue, HI 96766-2032

KENT D. MORIHARA, ESQ.  
MICHAEL H. LAU, ESQ.  
ISHIKAWA MORIHARA LAU & FONG, LLP  
841 Bishop Street, Suite 400  
Honolulu, HI 96813

  
\_\_\_\_\_  
Karen Higashi

DATED: JUN 20 2005