

2006, discovery deadlines governing rebuttal information requests; and (3) February 27, 2006, the Parties' settlement letter or agreement, if any.

The commission finds that, in this instance, KWC, by agreeing to various deadline dates beyond December 27, 2005, effectively waives the issuance of a Proposed Decision and Order.¹ Instead, KWC seeks the issuance of a Decision and Order within nine (9) months from the date of its complete Application, as amended, i.e., by March 27, 2006. Concomitantly, as a trade-off, KWC is now entitled to a contested case hearing, and the right to appeal the commission's Decision and Order under HRS § 269-15.5.²

The commission approves: (1) the Parties' Stipulated Prehearing Order; and (2) KWC's waiver of the issuance of a Proposed Decision and Order in this proceeding.³

¹Cf. Decision and Order No. 17263, filed on September 30, 1999, in Docket No. 98-0060, In re Waikoloa Water Co., Inc., dba West Hawaii Water Co. (utility's action waived the timely issuance of an interim and final Decision and Order)

²Indeed, as part of the Stipulated *Prehearing* Order, the Parties list an evidentiary hearing, if any, as part of their stipulated procedures, in the event a settlement is not reached. See Stipulated Prehearing Order, at 3.

³In approving the Parties' Stipulated Prehearing Order, the commission, on its own motion: (1) notes that the phrase "2006 test year" used in identifying the issues in Section II, Issues, refers to the July 1, 2005 to June 30, 2006 test year; and (2) for Section VI, Form of Prepared Testimony, corrects "in" to "is" and "pate" to "page."

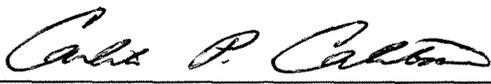
THE COMMISSION ORDERS:

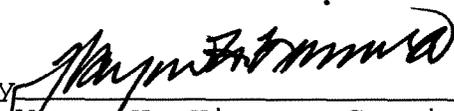
1. The Parties' Stipulated Prehearing Order, filed on July 22, 2005, is approved.

2. KWC's waiver of the issuance of a Proposed Decision and Order in this proceeding is approved. Unless ordered otherwise, the nine (9)-month deadline for the commission to issue its Decision and Order is March 27, 2006.

DONE at Honolulu, Hawaii AUG - 3 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.cs

- D. Is the projected rate base for the 2006 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 reasonable for purposes of this proceeding?
- F. Is the proposed rate for non-potable reject water just and reasonable?
- G. What electricity cost should be used in establishing the power cost adjustment charge?
- H. Are the other proposed changes to the Applicant's Rules and Regulations just and reasonable?

III.

SCHEDULE OF PROCEEDINGS

Consumer Advocate's Submission of Information Requests (IRs) to KWC	Monday, August 8, 2005
KWC's Response to Consumer Advocate's IRs	Monday, August 22, 2005
Consumer Advocate's Submission of Supplemental IRs (SIRs) to KWC	Monday, September 12, 2005
KWC's Response to Consumer Advocate's SIRs	Monday, September 26, 2005
Consumer Advocate's Direct Testimonies and Exhibits	Monday, October 31, 2005
KWC's IRs to Consumer Advocate	Monday, November 14, 2005
Consumer Advocate's Responses to KWC's IRs	Monday, December 5, 2005
KWC's Rebuttal Testimonies and Exhibits	Tuesday, January 3, 2006
Consumer Advocate's Rebuttal IRs (RIRs) to KWC	Monday, January 23, 2006
KWC's Responses to Consumer Advocate's RIRs	Monday, February 13, 2006
Settlement letter or agreement, if any	Monday, February 27, 2006

Evidentiary Hearing, if any

To be determined by the Commission

Simultaneous Briefs

3 weeks after receipt of transcripts

IV.

REQUESTS FOR INFORMATION

A party to this proceeding may submit information requests to another party within the time schedule specified in this Stipulated 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 the submission of the requested information. If the parties are unable to agree, the responding party may seek approval from the Commission for an extension of time to provide the requested information and make a showing of good cause. It is then within the Commission's discretion to allow the additional time to respond to the 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 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 party and the Commission. A party shall not be required, in a response to an information request, to provide data that is/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 the public 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 objection or 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 writing form on 8½" 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 numbering 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

To reduce unnecessary reproduction of documents and to facilitate these proceedings, identified matters of public record, such as reports that Applicant has 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. 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, Exhibits and IRs:

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

Division of Consumer Advocacy 335 Merchant Street, Room 326 Honolulu, HI 96813 E-Mail: cheryl.s.kikuta@dcca.hawaii.gov Facsimile Number: 586-2780	3 copies
--	----------

Robert E. Strand, Esq. Duane R. Miyashiro, Esq. ASB Tower, Suite 2200 1001 Bishop Street Honolulu, HI 96813 E-Mail: rstrand@carlsmith.com dmiyashiro@carlsmith.com Facsimile Number: 523-0842	2 copies
---	----------

Ms. Denise Hill Kaupulehu Water Company P. O. Box 5560 Kailua-Kona, HI. 96745	1 copy
--	--------

2. 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. In addition, any filings made with the Commission should also include

an electronic version of the filing that is submitted via diskette or e-mail to the Commission in a standard electronic format that is readily acceptable by the Commission.

3. Copies of all pleadings, briefs and other documents should be sent to the other parties by hand delivery or via U.S. mail. In addition, if available, all parties shall provide copies of their pleadings, briefs and other documents to the other parties on the day of the filing via diskette or e-mail in a standard electronic format that is readily available by the parties. The parties agree to use Word 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 Word format or in an electronic format, a party shall not be required to convert such workpapers, documentation, or exhibits into such format(s). Also, existing documents produced in response to requests need not be converted to Word as long as the applicable format is identified. In the event a copy of a pleadings, briefs and other documents is delivered to a party via diskette or e-mail, unless otherwise agreed to by such party, the same number of copies of such pleadings, briefs and other documents must still be delivered to such party by hand delivery or via facsimile as provided in Parts VIII.1 and VIII.2 above.

IX.

ORDER OF EXAMINATION

Pursuant to Chapter 61, Subchapter 3, Section 6-61-31, of the Commission's Rules of Practice and Procedure, KWC's witnesses shall open with its direct case. The Consumer Advocate's direct case shall be presented after KWC's direct case. KWC 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 as provided in Article VIII above.

All motions, supporting memoranda, briefs, and the like shall also be served on opposing counsel.

XI.

GENERAL

These procedures are consistent with the orderly conduct of this docket.

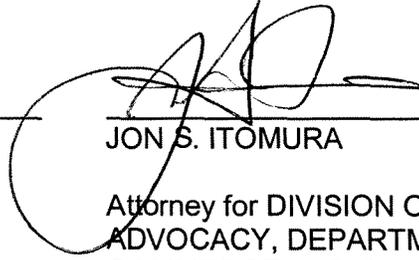
Pursuant to Chapter 61, subchapter 3, section 6-61-37 of the Commission's Rules of Practice and Procedure, the Prehearing Order shall control the subsequent courses of the proceedings, unless modified at or prior to the hearings to prevent manifest injustice.

Dated: Honolulu, Hawaii, July 22, 2005.



ROBERT E. STRAND
DUANE R. MIYASHIRO

Attorneys for Applicant
KAUPULEHU WATER COMPANY



JON S. ITOMURA

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

APPROVED AND SO ORDERED 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:

Michael Azama
Commission Counsel

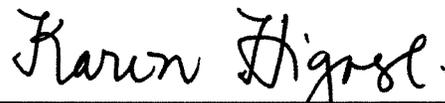
CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 21958 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

DENISE HILL
KAUPULEHU WATER COMPANY
P. O. Box 5560
Kailua-Kona, HI 96745

ROBERT E. STRAND, ESQ.
DUANE R. MIYASHIRO, ESQ.
CARLSMITH BALL LLP
ASB Tower, Suite 2200
1001 Bishop Street
Honolulu, HI 96813



Karen Higashi

DATED: AUG - 3 2005