

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

-----In the Matter of the Application of -----

THE GAS COMPANY, LLC, HGC HOLDINGS,  
L.L.C., K1 VENTURES LIMITED, and  
MACQUARIE GAS HOLDINGS LLC

For Approval of the Transfer of Upstream  
Membership Interests and Related Matters.

Docket No. 05-0242

STIPULATED PROCEDURAL ORDER NO. 22198

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

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COMMERCE AND CONSUMER AFFAIRS

ATTEST: A True Copy  
BROOKE K. KANE  
Administrative Director  
Public Utilities Commission  
State of Hawaii

*Brooke K. Kane*

BEFORE THE PUBLIC UTILITIES COMMISSION  
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-----In the Matter of the Application of -----

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STIPULATED PROCEDURAL ORDER NO. 22198

and

CERTIFICATE OF SERVICE

Filed December 29, 2005

At 10 o'clock a.m.

Bonnie K. Kane

for Chief Clerk of the Commission

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

-----In the Matter of the Application of -----	)	
	)	
THE GAS COMPANY, LLC, HGC HOLDINGS,	)	Docket No. 05-0242
L.L.C., k1 VENTURES LIMITED, and	)	
MACQUARIE GAS HOLDINGS LLC	)	
	)	
For Approval of the Transfer of Upstream	)	
Membership Interests and Related Matters.	)	
_____	)	

STIPULATED PROCEDURAL ORDER

THE GAS COMPANY, LLC, a Hawaii limited liability company ("TGC-LLC"), HGC HOLDINGS, L.L.C., a Hawaii limited liability company ("HGC Holdings"), k1 VENTURES LIMITED, a Singapore company ("k1 Ventures") and MACQUARIE GAS HOLDINGS LLC, a Delaware limited liability corporation ("MGH") (collectively, 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 Purchase Agreement dated August 2, 2005, together with its amendments, assignments and joinders filed in this docket (collectively,

"Agreement") between k1 Ventures, K-1 HGC Investment, L.L.C. ("K-1 HGC Investment") and MGH should be approved.

2. Whether the transfer of HGC Managing Member, L.L.C.'s ("HGC Managing Member") 0.1% membership interest in HGC Holdings to K-1 HGC Investment or its subsidiary should be approved pursuant to HRS § 269-7 and/or HRS § 269-19.<sup>1</sup>
3. Whether the subsequent transfer of all of K-1 HGC Investment's membership interests to MGH and the resulting transfer of control of TGC-LLC to MGH, as further discussed in and contemplated by the Agreement, should be approved pursuant to HRS §§ 269-7, 269-17.5 and/or 269-19.<sup>2</sup>
4. Whether the financing arrangements and related security proposed to be obtained to consummate MGH's acquisition of the above-described membership interests should be approved pursuant to HRS §§ 269-7, 269-17 and/or 269-19.
5. Whether existing conditions imposed by Decision and Order No. 17722 issued by the Commission on May 9, 2000 in Docket No. 99-0350 and by Decision and Order No. 20354 issued by the Commission on July 25, 2003 in Docket No. 03-0051 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.

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<sup>1</sup> This includes k1 Ventures' request set forth in Section X of the Application to consummate the transfer of HGC Managing Member's 0.1% membership interest in HGC Holdings to K-1 HGC Investment or its subsidiary even if the subsequent transfer to MGH as set forth in Item 3 below is denied by the Commission or is otherwise withdrawn or not consummated for any reason.

<sup>2</sup> This includes Applicants' alternative request set forth in footnote 21 of the Application for the transfer of control to MGH to occur through the transfer of HGC Holdings' membership interests in lieu of K-1 HGC Investment's membership interests, if so elected by the parties to the Agreement.

6. 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 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 Applicants at any time prior to twenty-one (21) 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 after the Consumer Advocate's filing of its Position Statement until twenty-one (21) calendar days before Applicants' Rebuttal/Response 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 twenty-one (21) 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 twenty-one (21) 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 4 copies  
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: (808) 586-2780

Jim R. Yates, President 1 copy  
The Gas Company, LLC  
Topa Financial Center  
Fort Street Tower  
745 Fort Street, 18<sup>th</sup> Floor  
Honolulu, HI 96813  
E-Mail: [jyates@hawaiiigas.com](mailto:jyates@hawaiiigas.com)  
Facsimile Number: (808) 535-5942

Peter Stokes 1 copy  
Macquarie Gas Holdings LLC  
125 West 55<sup>th</sup> Street, 22<sup>nd</sup> Floor  
New York, NY 10019  
E-Mail: [Peter.Stokes@macquarie.com](mailto:Peter.Stokes@macquarie.com)  
Facsimile Number: (212) 231-1828

Sherry A. Stanley, Esq. 1 copy  
2601 South Bayshore Drive  
Suite 800  
Coconut Grove, FL 33133  
E-Mail: [sas@greenstreetpartners.com](mailto:sas@greenstreetpartners.com)  
Facsimile Number: (305) 858-2334

Kent D. Morihara, Esq. 2 copies  
Michael H. Lau, Esq.  
Morihara Lau & Fong LLP  
841 Bishop Street, Suite 400  
Honolulu, HI 96813  
E-Mail: [kmorihara@imlfgroup.com](mailto:kmorihara@imlfgroup.com)  
Facsimile Number: (808) 531-8466

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  
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](mailto:cheryl.s.kikuta@dcca.hawaii.gov)  
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4 copies

Jim R. Yates, President  
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Honolulu, HI 96813  
E-Mail: [jyates@hawaiigas.com](mailto:jyates@hawaiigas.com)  
Facsimile Number: (808) 535-5942

1 copy

Peter Stokes  
Macquarie Gas Holdings LLC  
125 West 55<sup>th</sup> Street, 22<sup>nd</sup> Floor  
New York, NY 10019  
E-Mail: [Peter.Stokes@macquarie.com](mailto:Peter.Stokes@macquarie.com)  
Facsimile Number: (212) 231-1828

1 copy

Sherry A. Stanley, Esq.  
2601 South Bayshore Drive  
Suite 800  
Coconut Grove, FL 33133  
E-Mail: [sas@greenstreetpartners.com](mailto:sas@greenstreetpartners.com)  
Facsimile Number: (305) 858-2334

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Honolulu, HI 96813  
E-Mail: [kmorihara@imlfgroup.com](mailto:kmorihara@imlfgroup.com)  
Facsimile Number: (808) 531-8466

2 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.

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.

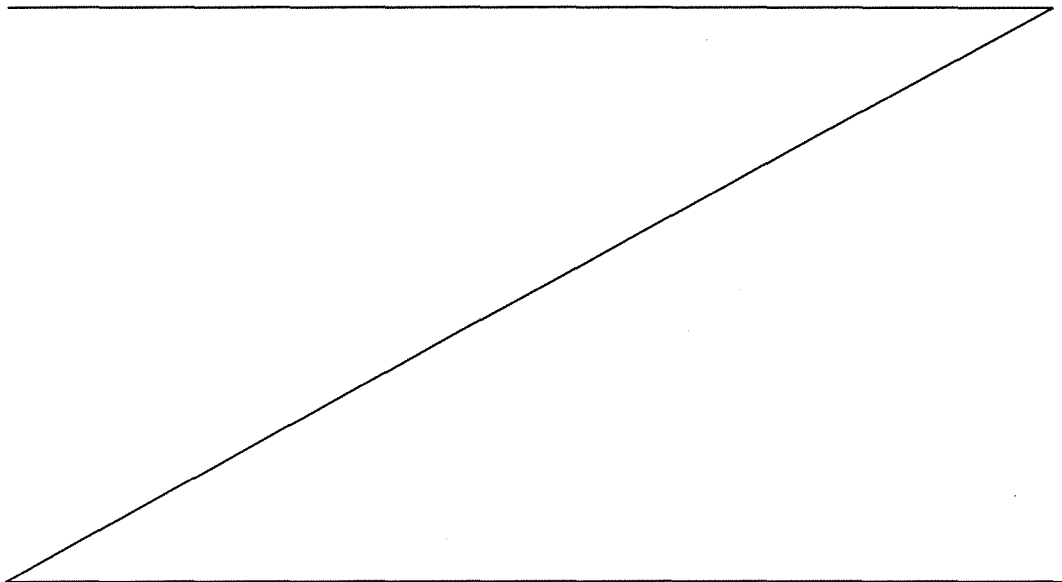
All motions, supporting memoranda, briefs, and the like shall also be served on opposing counsel.

## VII.

### GENERAL

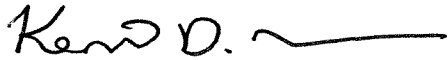
The foregoing procedures shall be applied in a manner consistent with the orderly conduct of this docket.

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.

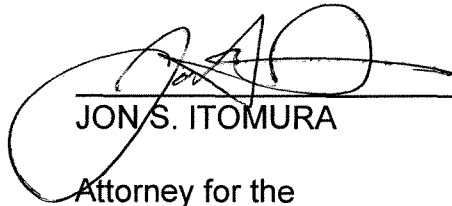
DATED: Honolulu, Hawaii, this 12th day of December, 2005.



---

KENT D. MORIHARA  
MICHAEL H. LAU

Joint Outside Regulatory Counsel for  
Applicants




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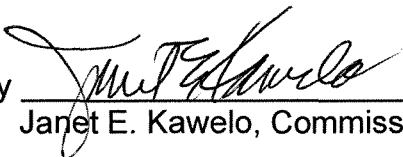
JON S. ITOMURA

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

APPROVED AND SO ORDERED AT HONOLULU, HAWAII THIS 29th  
DAY OF December, 2005.

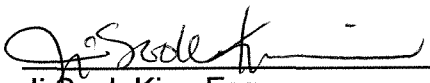
PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

By   
Carlito Caliboso, Chairman

By   
Janet E. Kawelo, Commissioner

By (EXCUSED)  
Wayne Kimura, Commissioner

APPROVED AS TO FORM:

  
Ji Sook Kim, Esq.  
Commission Counsel

**EXHIBIT "A"**

**STIPULATED REGULATORY SCHEDULE**

**Docket No. 05-0242**

	<b>DATE</b>	<b>DURATION (days)</b>	<b>PROCEDURAL STEPS</b>
1.	Monday, October 17, 2005	---	Application Filed at PUC
2.	Monday, October 24, 2005 through Wednesday, October 26, 2005	---	Meeting Between Applicants and Consumer Advocate to respond to Consumer Advocate's preliminary questions regarding Application
3.	Monday, October 24, 2005 through Friday, February 3, 2006	---	Consumer Advocate's Submission(s) of Information Requests (IRs) (Submitted to Applicant Only)*
4.		21*	Applicant's Responses to Consumer Advocate's Submission(s) of IRs (Submitted to Consumer Advocate Only)*
5.	Friday, December 16, 2005	---	Filing of Consumer Advocate's IRs with Commission*
6.	Tuesday, December 20, 2005	2*	Filing of Applicants' Responses to Consumer Advocate's IRs with Commission*
7.	Friday, January 20, 2006	---	Filing of Consumer Advocate's IRs with Commission*
8.	Tuesday, January 24, 2006	2*	Filing of Applicants' Responses to Consumer Advocate's IRs with Commission*
9.	Wednesday, February 15, 2006 and Thursday, February 16, 2006 (if necessary)	---	Technical Meeting Between Applicant and Consumer Advocate
10.	Friday, March 3, 2006	---	Consumer Advocate's Position Statement filed with Commission
11.	Friday, March 3, 2006	---	Filing of Consumer Advocate's IRs with Commission*
12.	Tuesday, March 7, 2006	2*	Filing of Applicants' Responses to Consumer Advocate's IRs with

	DATE	DURATION (days)	PROCEDURAL STEPS
			Commission*
13.	Monday, March 6, 2006 through Friday, March 10, 2006	---	Applicant's Submission(s) of IRs to Consumer Advocate
14.		21*	Consumer Advocate's Responses to Applicant's Submission(s) of IRs
15.	Friday, April 7, 2006		Applicant's Rebuttal/Response Statement to Consumer Advocate's Position Statement**
16.	Friday, April 7, 2006	---	Filing of Applicants' IRs with Commission*
17.	Tuesday, April 11, 2006	2*	Filing of Consumer Advocate's Responses to Applicants' IRs with Commission*
18.			Decision and Order

\* During the period from October 24, 2005 through Friday, February 3, 2006, the Consumer Advocate has the right to issue information requests (IRs) on Applicants at any time, in which Applicants shall endeavor to provide a response to the Consumer Advocate within 21 days as provided in the Stipulated Procedural Order. Similarly, during the period from March 6, 2006 through March 10, 2006, Applicants have the right to issue IRs on the Consumer Advocate at any time.

Because it is anticipated that the Consumer Advocate will be submitting numerous sets of information requests to Applicants within the above time period and that Applicants will or may be providing responses to these requests on a piecemeal basis, and vice versa, Applicants and the Consumer Advocate do not intend to file their respective information requests and responses with the Commission until the dates set forth in the schedule above. The purpose of this is to give sufficient time for all responses to be compiled and submitted as an entire set in order to avoid overburdening the Commission with various multiple filings and partial filings. Under this arrangement, on December 16, 2005, January 20, 2006 and March 3, 2006, the Consumer Advocate will file with the Commission all of the information requests it has provided to Applicants up to that time for which Applicants have provided a response. Within two (2) business days after the filing, Applicant will compile and file with the Commission all of its responses to those information requests. Similarly, on April 7, 2006, Applicants will file with the Commission all of the information requests they have provided to the Consumer Advocate. Within two (2) business days after said filing, the Consumer Advocate will compile and file with the Commission all of its responses to those information requests.

\*\* 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. 22198 upon the following parties by hand delivery  
or by mail, postage prepaid and properly addressed.

DIVISION OF CONSUMER ADVOCACY  
335 Merchant Street  
Room 326  
Honolulu, HI 96813

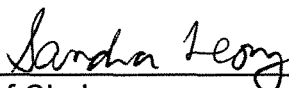
JIM R. YATES, PRESIDENT  
THE GAS COMPANY, LLC  
Topa Financial Center  
Fort Street Tower  
745 Fort Street, 18<sup>th</sup> Floor  
Honolulu, HI 96813

PETER STOKES  
MACQUARIE GAS HOLDINGS LLC  
125 West 55<sup>th</sup> Street, 22<sup>nd</sup> Floor  
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MICHAEL H. LAU, ESQ.  
MORIHARA LAU & FONG LLP  
841 Bishop Street, Suite 400  
Honolulu, HI 96813

Dated: December 29, 2005

  
for Chief Clerk