

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

----- In the Matter of -----)
)
 PUBLIC UTILITIES COMMISSION)
)
 Instituting a Proceeding to Investigate Whether)
 Act 59, Session Laws of Hawaii 1974,)
 Invalidates, Voids, or Renders Unenforceable)
 the 1961 Agreement Between the Trustees)
 Under the Will and of the Estate of Bernice P.)
 Bishop, Deceased; Kaiser Hawaii Kai)
 Development Co.; and The City and County of)
 Honolulu.)

Docket No. 2006-0021

4818-5526-5024

DIV. OF ENVIRONMENTAL CONTROL
DEPT. OF LAND AND NATURAL RESOURCES
STATE OF HAWAII

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RECEIVED

STIPULATED PROCEDURAL ORDER NO. 22359

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WATER COMPANY

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WATER COMPANY

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EXHIBIT "A"

and

CERTIFICATE OF SERVICE

Filed March 29, 2006

At 10:30 o'clock A.m.

Karen Higdon
Chief Clerk of the Commission

I.

STATEMENT OF THE ISSUES

The issues in this case are:

1. Whether the rates established by the 1961 Agreement are enforceable to the extent they conflict with HAWC's tariff?
 - a. Whether the 1974 Amendment invalidates, voids, or renders unenforceable the 1961 Agreement?²
 - b. What are the public interest considerations related to the resolution of whether the 1974 Amendment invalidates, voids, or renders unenforceable the 1961 Agreement?

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 shall have the right to 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.

² As stated in the HAWC's Supplemental Status Report, filed on February 28, 2006, the following two (2) subsequent agreements relate to or rely upon the 1961 Agreement: (1) Agreement Dated October 4, 1965 Between the Trustees Under the Will and of the Estate of Bernice P. Bishop, Deceased; Kaiser Hawaii Kai Development Co.; and The City and County of Honolulu ("City") ("1965 Agreement"); and (2) Agreement Dated December 4, 1969 Between the Trustees Under the Will of the Estate of William Charles Lunalilo, Deceased; and Hawaii-Kai Community Services Co. ("1969 Agreement"). For purposes of this proceeding, the 1961 Agreement, the 1965 Agreement and the 1969 Agreement will collectively be referred to as "the 1961 Agreement."

III.

MATTERS OF PUBLIC RECORD

To reduce unnecessary reproduction of documents and to facilitate these proceedings, identified matters of public record, such as reports that HAWC 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.

IV.

COPIES OF PLEADINGS, BRIEFS AND OTHER DOCUMENTS

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 Facsimile Number: 586-2780	2 copies

Kent D. Morihara, Esq. Michael H. Lau, Esq. Morihara Lau & Fong LLP Davies Pacific Center 841 Bishop Street, Suite 400 Honolulu, HI 96813 Facsimile Number: 531-8466	1 copy
Steven K. S. Chung, Esq. Lauren A. Stern, Esq. Steven Chung and Associates LLLC Davies Pacific Center 841 Bishop Street, Suite 400 Honolulu, HI 96813 Facsimile Number: 531-8466	1 copy
David P. Stephenson Rodney L. Jordan c/o American Water Works Service Company, Inc. 4701 Beloit Drive Sacramento, CA 95838 Facsimile Number: (916) 568-4260	2 copies
Lee A. Mansfield, P.E. Manager Hawaii-American Water Company 6700 Kalaniana'ole Highway Suite 205 Honolulu, HI 96825 Facsimile Number: 395-5023	1 copy
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1 copy

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 Hawaii Administrative Rules ("HAR") § 6-61-15.

V.

COMMUNICATIONS

HAR § 6-61-29 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 IV above.

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

VI.

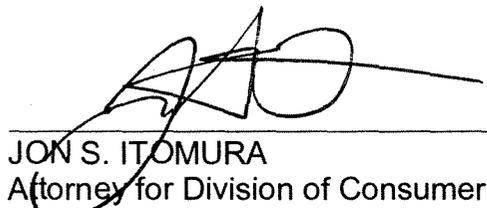
GENERAL

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

Pursuant to HAR § 6-61-37, this Stipulated Procedural Order shall control the subsequent courses of the proceedings, unless modified by the parties in writing or 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 or electronic mail for initial submission to the Commission to be followed by the filing of originals of said facsimile or electronic mail pages.

DATED: Honolulu, Hawaii, March 17, 2006.



JON S. ITOMURA
Attorney for Division of Consumer
Advocacy, Department of Commerce and
Consumer Affairs

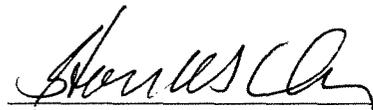


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--and--



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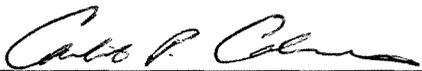
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Attorneys for the State of Hawaii

APPROVED AND SO ORDERED AT HONOLULU, HAWAII, THIS 29th day of
March, 2006.

PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Carlito P. Caliboso, Chairman

By (EXCUSED)
Wayne H. Kimura, Commissioner

By 
Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:


Ji Sook Kim
Commission Counsel

EXHIBIT "A"
STIPULATED REGULATORY SCHEDULE
Docket No. 2006-0021

	DATE	PROCEDURAL STEPS
1.	Wednesday, February 1, 2006	Order No. 22254 issued initiating investigation
2.	Friday, March 31, 2006	HAWC's notice of submission of exhibits, if any
3.	Monday, April 7, 2006	HAWC Position Statement ¹
4.	Monday, May 1, 2006	Responsive Position Statements of all other parties. ²
5.	Monday, May 15, 2006	HAWC Reply to Position Statements of all other parties
6.		Decision and Order

4830-8727-6544

¹ Although the Consumer Advocate is, *ex officio*, a party to this proceeding, pursuant to Hawaii Administrative Rules § 6-61-62, it may elect not to submit a Position Statement similar to the other remaining parties who are directly affected by the 1961 Agreement. In that connection, the parties agree to allow the Consumer Advocate to issue information requests, it deems necessary, on any party during the period subsequent to the filing of HAWC's Position Statement and the Responsive Position Statements of all other parties (i.e., between April 7, 2006 and May 1, 2006).

² The parties reserve their right to, collectively or individually, engage in settlement discussions at any time on any and/or all disputed issues that may exist between any of the parties' respective positions in the subject docket. In the event a settlement is reached by all or any of the parties, the respective parties will notify the Commission and any other parties accordingly and make such changes to the remaining procedural steps as may be applicable or prudent under the circumstances.

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing document were duly served on the following parties, by having said copies delivered as set forth below:

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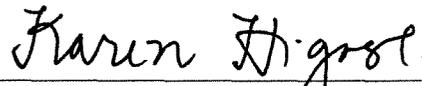
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DATED: MAR 29 2006



Chief Clerk