

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)

WAIKOLOA SANITARY SEWER)
COMPANY, INC., dba)
WEST HAWAII SEWER COMPANY)

DOCKET NO. 05-0329

For Expedited Review and Approval)
to Increase Rates.)
_____)

ORDER NO. 22496

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2006 JUN -1 A 9:33 2006 MAY 31 A 9:28

DIV. OF CONSUMER AFFAIRS
DEPT. OF COMMERCE AND INDUSTRY
STATE OF HAWAII
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HONOLULU, HI 96813
TEL: 808-541-5000 FAX: 808-541-5001

Filed May 31, 2006
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

reports; and that preparation of an audited financial report would unjustly impose additional financial burdens and unnecessarily delay the filing of its Application.

In its Statement of Position Regarding Completeness of Application ("SOP") filed on January 18, 2006, the Consumer Advocate states that it does not object to West Hawaii Sewer's request to waive HAR § 6-61-75(b)(1) on the condition that West Hawaii Sewer make available for review all documentation supporting West Hawaii's financial statements, including all accounting books and records.

II.

Discussion

HAR § 6-61-75(b)(1) provides, in relevant part:

(b) The financial statement submitted pursuant to subsection (a) shall be accompanied by:

(1) An audited balance sheet, including any pertinent notations and explanations contained therein, as of the end of the last calendar year;

The commission, however, may modify the requirements of HAR § 6-61-75(b)(1) if the requirement would "impose a financial hardship on the applicant or be unjust or unreasonable."

HAR § 6-61-92.²

²HRS § 269-16(f) provides that "[n]otwithstanding any law to the contrary, for public utilities having annual gross revenues of less than \$2,000,000, the commission may make and amend its rules and procedures which will provide the commission with

In the present case, West Hawaii Sewer is a public utility with annual gross revenues of less than \$2 million. According to West Hawaii Sewer, it does not have audited financial statements and it would be unduly burdensome and time-consuming to prepare audited financial information to comply with HAR § 6-61-75(b)(1).

Based on the evidence presented by West Hawaii Sewer, it appears that application of the audited balance sheet requirement in HAR § 6-61-75(b)(1) would impose a financial hardship on West Hawaii Sewer. Accordingly, the commission finds good cause to waive the audited balance sheet requirement, subject to the condition that West Hawaii Sewer make available for review all documentation in support of its financial statements, including all accounting books and records.³

sufficient facts necessary to determine the reasonableness of the proposed rates without unduly burdening the utility company and its customers."

³As a matter of course, the Consumer Advocate seeks to impose this condition in response to a public utility's request to waive the audited balance sheet requirement set forth in HAR § 6-61-75(b)(1). See, e.g., In re Waikoloa Water Co., Docket No. 04-0373, Order No. 21574, filed on January 28, 2005; In re Hawaii Water Service Co., Docket No. 03-0275, Order No. 20914, filed on April 16, 2004.

III.

Orders


THE COMMISSION ORDERS:

1. West Hawaii Sewer's Motion to submit unaudited financial information in lieu of an audited balance sheet, filed on December 29, 2005, is granted.

2. West Hawaii Sewer is authorized to submit its unaudited financial information in lieu of an audited balance sheet, subject to the condition that West Hawaii Sewer make available for review all documentation in support of its financial statements, including all accounting books and records.

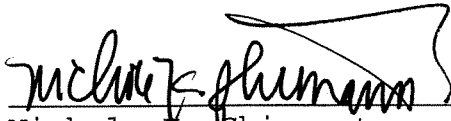
DONE at Honolulu, Hawaii MAY 31 2006

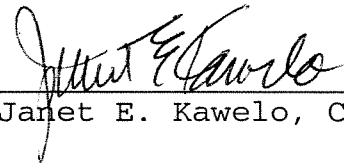
PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Carlito P. Caliboso, Chairman

By (EXCUSED)
Wayne H. Kimura, Commissioner

APPROVED AS TO FORM:


Nichole K. Shimamoto
Commission Counsel

By 
Janet E. Kawelo, Commissioner

05-0329.oc

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 22496 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

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Karen Higashi

DATED: MAY 31 2006