

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
THE GAS COMPANY, LLC)
To File a General Rate Increase)
For All Utility Gas Divisions.)

DOCKET NO. 2008-0081

ORDER INSTRUCTING THE PARTIES TO
FILE A STIPULATED PREHEARING ORDER

RECEIVED

2008 SEP -8 A 8:35

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

PUBLIC UTILITIES
COMMISSION

2008 SEP -5 P 12:53

FILED

In the Matter of the Application of)
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_____)

By this Order, the commission: (1) finds that the date of the completed Application filed by THE GAS COMPANY, LLC ("TGC"), is August 4, 2008;¹ and (2) instructs the Parties to submit a stipulated prehearing order for the commission's review and consideration within thirty days from the date of this Order.

TGC is a public utility that: (1) manufactures and provides synthetic natural gas to its customers through its Oahu Division; and (2) provides liquefied petroleum gas, i.e., propane, to its customers through its Oahu, Hawaii, Maui, Kauai, Molokai, and Lanai Gas Divisions.

¹The Parties in this proceeding are TGC and the DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, DIVISION OF CONSUMER ADVOCACY ("Consumer Advocate"), an ex officio party to this proceeding, pursuant to Hawaii Revised Statutes ("HRS") § 269-51 and Hawaii Administrative Rules ("HAR") § 6-61-62(a).

On April 30, 2008, TGC filed its Notice of Intent, informing the commission and the Consumer Advocate of its intent to file an application for a general rate increase on or after July 1, 2008. As a public utility with annual gross operating revenues of \$2 million or more, TGC filed its Notice of Intent in compliance with HAR § 6-61-85.

On August 4, 2008, TGC filed its Application seeking the commission's approval of a general rate increase of \$12,510,047 (8.46 percent) over revenues at present rates, based on an estimated total revenue requirement of \$160,416,523 for the 2009 calendar test year (consolidated operations basis) ("Test Year"), and an overall rate of return of 8.81 percent.² The requested increase in revenues by each island is as follows:

<u>Island</u>	<u>Proposed Revenue</u>	<u>Increase Percentage</u>
Oahu	\$11,680,433	8.54%
Hawaii	\$473,889	5.97%
Maui	\$277,996	10.58%
Kauai	\$48,236	9.02%
Molokai	\$22,948	38.39%
Lanai	\$6,545	50.63%

In support of its Application, TGC states that:
(1) its requested increase in rates and other proposed changes are essential if it is to continue to meet consumers' demands for gas, furnish the quality of services expected by its present and future consumers, offer just compensation to its employees,

²Application; Exhibits A - G; Written Testimonies TGC T-1 - TGC T-12; Exhibits TGC-100 - TGC-1200; Workpapers; and Certificate of Service, filed on August 4, 2008 (collectively, "Application"). TGC filed certain documents under confidential seal, pursuant to the Protective Order issued by the commission on June 10, 2008. On August 4, 2008, TGC served copies of its Application upon the Consumer Advocate by hand delivery.

provide operations which are safe and compatible with all environmental requirements and considerations, yield an adequate return on TGC's prudently incurred investments, and have the opportunity to attract new capital on reasonable terms when necessary or appropriate; and (2) without the requested rate relief, it will continue to experience a declining rate of return.

II.

Discussion

HRS § 269-16(d), governing a public utility's application for a general rate increase, states in relevant part:

The commission shall make every effort to complete its deliberations and issue its decision as expeditiously as possible and before nine months from the date the public utility filed its completed application; provided that in carrying out this mandate, the commission shall require all parties to a proceeding to comply strictly with procedural time schedules that it establishes. If a decision is rendered after the nine-month period, the commission shall report in writing the reasons therefore to the legislature within thirty days after rendering the decision.

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The nine-month period in this subsection shall begin only after a completed application has been filed with the commission and a copy served on the consumer advocate. The commission shall establish standards concerning the data required to be set forth in the application in order for it to be deemed a completion application. The consumer advocate may, within twenty-one days after receipt, object to the sufficiency of any application, and the commission shall hear and determine any objection within twenty-one days after it is filed. If the commission finds that the objections are without merit, the application

shall be deemed to have been completed upon original filing. If the commission finds the application to be incomplete, it shall require the applicant to submit an amended application consistent with its findings, and the nine-month period shall not commence until the amended application is filed.

HRS § 269-16(d); see also HAR § 6-61-87 (contents of an application for a general rate increase filed by a public utility with annual gross operating revenues of \$2 million or more).

A.

Completed Application

As a public utility with annual gross operating revenues of \$2 million or more, TGC filed its Application pursuant to HRS § 269-16, excluding subsection (f),³ and HAR § 6-61-87. These provisions govern the filing of a public utility's complete application with the commission.

The Consumer Advocate has not filed any objections to the sufficiency of TGC's Application, and the commission finds that TGC's Application appears complete and properly filed under HRS § 269-16(d) and HAR § 6-61-87. Accordingly, the filing date of TGC's completed Application is August 4, 2008.

³The provisions of HRS § 269-16(f) apply to public utilities with annual gross revenues of less than \$2 million.

B.

Public Hearing

The commission will schedule public hearings on TGC's completed Application, consistent with HRS §§ 269-12(c) and 269-16(b). The Parties will be notified of the dates, times, and locations of the public hearings.

C.

Stipulated Prehearing Order

Within thirty days from the date of this Order, the Parties shall submit a stipulated prehearing order setting forth the issues, procedures, and schedule of proceedings to govern TGC's Application, for the commission's review and consideration.⁴ If the Parties are unable to stipulate to a prehearing order, each party shall submit its own proposed prehearing order by the same date.

III.

Orders

THE COMMISSION ORDERS:

1. The filing date of TGC's completed Application is August 4, 2008.
2. Unless ordered otherwise, within thirty days from the date of this Order, the Parties shall submit a stipulated prehearing order setting forth the issues, procedures, and

⁴In the event intervenor or participant status is granted to any interested person, the commission will amend the prehearing order accordingly, to the extent necessary.

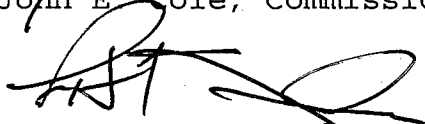
schedule of proceedings to govern TGC's Application, for the commission's review and consideration. If the Parties are unable to stipulate to a prehearing order, each party shall submit its own proposed prehearing order by the same date.

DONE at Honolulu, Hawaii SEP - 5 2008.

PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Carlito P. Caliboso, Chairman

By 
John E. Cole, Commissioner

By 
Leslie H. Kondo, Commissioner

APPROVED AS TO FORM:


Michael Azama
Commission Counsel

2008-0081.ps

CERTIFICATE OF SERVICE

The foregoing order was served on the date of filing by mail, postage prepaid, and properly addressed to the following parties:

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