OF THE STATE OF HAWAII

In the Matter of the Application of)

YOUNG BROTHERS, LIMITED

For Allowance of Rate Flexibility Within a Reasonable Zone or, In the Alternative For A General Rate Increase DOCKET NO. 01-0255



<u>ORDER NO. 19851</u>

Filed December 5, 2002 (0:00_ o'clock _ At .M. Chief Clerk of the ¢ommission

ATTEST: A True Copy KAREN HIGASHI Chief Clerk, Public Utilities Commission, State of Hawaii.

73 Scan

OF THE STATE OF HAWAII

In the Matter of the Application of) YOUNG BROTHERS, LIMITED) For Allowance of Rate Flexibility) Within a Reasonable Zone or,) In the Alternative) For A General Rate Increase)

Docket No. 01-0255 Order No. 19851

<u>ORDER</u>

I.

By Decision and Order No. 19115, filed on December 20, 2001, the commission required, among other things, YOUNG BROTHERS, LIMITED (YB or Company) to file a cost of service study for commission approval by the second quarter of 2002. Decision and Order No. 19115 also established guidelines where the cost of service study must be: (1) based on 2001 operating data; (2) include the current costs of providing each cargo a breakdown between regulated include category; (3) and non-regulated revenues, expenses and plant investment; and (4) set forth rates that would be necessary for each tariff rate to be fully compensatory.

On June 24, 2002, YB and the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy (Consumer Advocate)(collectively referred to as parties) submitted a proposed stipulation for protective order. On June 27, 2002, the commission issued Protective Order No. 19437. On June 28, 2002, YB submitted its cost of service study, pursuant to Decision and Order No. 19115. On November 22, 2002, the parties filed a Stipulated Cost of Service Procedural Order establishing among other things, the issues and procedures schedule to assist in our review and disposition of the June 28, 2002 cost of service study.

Upon review, the commission finds that the Stipulated Cost of Service Procedural Order, attached as Exhibit A, is reasonable and should be adopted, approved, and made part of this order.

II.

THE COMMISSION ORDERS that the Stipulated Cost of Service Procedural Order, filed on November 22, 2002, attached as Exhibit A to this order, is approved, adopted, and made part of this order.

DONE at Honolulu, Hawaii this 5th day of December, 2002.

PUBLIC UTILITIES COMMISSION OF THE STATE OF HAWAII

By_ Janet E. Kawelo, Commissioner

By (RECUSED) Gregg J. Kinkley, Commissioner

Wavne H. Kimura, Chairman

APPROVED AS TO FORM:

Kevin M. Katsura Commission Counsel 01-0255.e

OF THE STATE OF HAWAII

)

))

)

In the Matter of the Application of

YOUNG BROTHERS, LIMITED

For Allowance of Rate Flexibility Within a Reasonable Zone or, in the Alternative, For A General Rate Increase

300592.1

DOCKET NO. 01-0255

STIPULATED COST OF SERVICE PROCEDURAL ORDER

AND

CERTIFICATE OF SERVICE

Of Counsel: WATANABE ING KAWASHIMA & KOMEIJI, LLP J. DOUGLAS ING #1538-0 WRAY H. KONDO #2036-0 First Hawaiian Center 999 Bishop Street, 23rd Floor Honolulu, Hawaii 96813-4428 Telephone: 544-8300

Attorneys for YOUNG BROTHERS, LIMITED

OF THE STATE OF HAWAII

)

In the Matter of the Application of

YOUNG BROTHERS, LIMITED

For Allowance of Rate Flexibility Within a Reasonable Zone or, in the Alternative, For A General Rate Increase DOCKET NO. 01-0255

STIPULATED COST OF SERVICE PROCEDURAL ORDER

Applicant YOUNG BROTHERS LIMITED ("Applicant " or "YB") and the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, State of Hawaii (the "Consumer Advocate") hereby stipulate to the following provisions of this Stipulated Cost of Service Procedures and Cost of Service Procedures and 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 case are :

- Is YB's Cost of Service Study, filed on June 28, 2002, subject to Protective Order No. 19437, just and reasonable?
- 2. What other factors and considerations, aside from YB's Cost of Service Study, should be used in setting just and reasonable rates for YB's services in accordance with Section 271G-16, HRS?

1

II.

SCHEDULE OF PROCEEDINGS

1.	YB's Cost of Service Study	June 28, 2002
2.	Consumer Advocate and YB workshop	October 14-17, 2002
3.	Consumer Advocate's Submission of Information Requests	November 29, 2002
4.	YB's Responses to Information Requests	December 16, 2002
5.	Consumer Advocate's Submission of Supplemental Information Requests (SIRs) to YB	January 3, 2003
6.	Technical Meeting in lieu of YB's Responses to SIRs	January 13, 2003
7.	Consumer Advocate's Submission of Direct Testimony and Exhibits	February 3, 2003
8.	YB's Submission of Settlement Proposal	February 10, 2003
9.	Settlement Discussions	February 13-14, 2003
10.	YB Submission of Rebuttal Testimony or Statement of Position	February 24, 2003

.

11. Further Proceedings as may be determined by the Commission *

* If the Parties are unable to come to agreement or compromise on the issues, the Parties hereby reserve their right to request that an evidentiary hearing be scheduled.

REQUESTS FOR INFORMATION

III.

A party to this proceeding may submit information requests to another party within the time schedule specified in this Stipulated Cost of Service Procedures and Order. If a party or participant 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 submission of the requested information. If the parties are unable to agree, the inquiring party may seek approval from the Commission and make a showing of good cause. It is then within the Commission's discretion to allow additional 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, the party or participant responding to the information request may make the diskette available to the other party or participant and the Commission. A party or participant shall not be required, in a response to an information request, to provide data that are already on file with the Commission or otherwise part of the public record, or that may be stipulated to pursuant to Part IV, <u>infra</u>. The responding party or participant 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 or participant to locate and copy the document. In addition, a party or participant 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 or participant 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 or participant claims that information requested is confidential, and withholds production of all or a portion of such confidential information, the party or participant 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 or participant if the information were disclosed); and (3) state whether the party or participant is willing to provide the confidential information pursuant to a protective order.

A party or participant seeking production of documents notwithstanding a party's or a participant's claim of confidentiality, may file a motion to compel production with the Commission.

4

MATTERS OF PUBLIC RECORD

IV.

To reduce unnecessary reproduction of documents and to facilitate these proceedings, identified matters of public record, such as reports that YB has filed with the Commission, published scientific or economic statistical data, material and textbooks, technical or industry journals relating to electric 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, the parties, and the participant; and further provided that any party or participant 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 or participant 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.

V.

COPIES OF EXHIBITS AND INFORMATION REQUESTS

1. Information Requests and Responses:

Commission YB Consumer Advocate Original + 8 copies 3 copies 3 copies 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 Commissions Rules of Practice and Procedure.

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 or a participant 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 or participant.

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

VII.

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 Cost of Service Procedures and Order shall control the subsequent

6

courses of the proceedings, unless modified at or prior to the hearings to prevent manifest injustice.

DONE at Honolulu, Hawaii, this 22nd day of November, 2002.

By

LAUREEN K.K. WONG JOHN E. COLE Counsel for the CONSUMER ADVOCATE

By

J. DOUGLAS ING WRAY H. KONDO Attorneys for YOUNG BROTHERS, LIMITED

APPROVED AND SO ORDERED this

day of

PUBLIC UTILITIES COMMISSION OF THE STATE OF HAWAII

By

Wayne H. Kimura, Chairman

Ву ____

Janet E. Kawelo, Commissioner

By

Gregg J. Kinkley, Commissioner

APROVED AS TO FORM:

Commission Counsel

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing <u>Order No. 19851</u> 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

J. DOUGLAS ING, ESQ. WRAY H. KONDO, ESQ. WATANABE, ING & KAWASHIMA First Hawaiian Center 999 Bishop Street, 23rd Floor Honolulu, HI 96813-4423

LISA M.K. SAKAMOTO VICE PRESIDENT FINANCE AND GOVERNMENT AFFAIRS YOUNG BROTHERS, LIMITED P.O. Box 3288 Honolulu, HI 96801

Karen Higaghi

DATED: December 5, 2002