BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF HAWAII

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In the Matter of the Application of)

VERIZON HAWAII INC.

For Approval to Include Funds in Excess of \$500,000 in its Rate Base for the Laupahoehoe to Paauilo Interoffice Facility Relief Project.

DOCKET NO. 02-0380

7.5 Scan



<u>ORDER NO. 19969</u>

Filed _____ Jan. 17 , 2003 At 10:00 o'clock A М.

Chief Clerk of the Commission

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

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VERIZON HAWAII INC.

For Approval to Include Funds in Excess of \$500,000 in its Rate Base for the Laupahoehoe to Paauilo Interoffice Facility Relief Project. Docket No. 02-0380 Order No. 19969

ORDER

I.

By application filed on October 21, 2002, VERIZON HAWAII INC. (Verizon) requests commission approval to include \$571,700 in its rate base for the installation of fiber optic cabling between its Laupahoehoe and Paauilo central offices on the Hamakua Coast of the island of Hawaii (proposed project). Verizon's request is made pursuant to paragraph 2.3.d.2 of the commission's General Order No. 8 (G.O. No. 8), <u>Standards for Telephone Service in the State of</u> <u>Hawaii</u>, Hawaii Revised Statutes chapter 269, and Hawaii Administrative Rules (HAR) § 6-80-90.

Applicant served copies of the application on the Division of Consumer Advocacy, Department of Commerce and Consumer Affairs (Consumer Advocate). On November 6, 2002, Verizon filed its Stipulation for Protective Order, in accordance with HAR § 6-61-50. On December 10, 2002, the Consumer Advocate issued information requests (IRs) to Verizon, to which Verizon provided a partial response on December 30, 2002. Section 2.3.d.2 of G.O. No. 8 provides that if the commission does not act on a public utility's application and render a decision and order within 90 days of filing (90-day period), the utility will be allowed "to include the project in its rate base without the determination by the [c]ommission required by this rule."

We note that the 90-day period for the commission to take action on Verizon's application expires on or about January 19, 2003.

II.

In light of the Consumer Advocate's information requests to Verizon and the impending G.O. No. 8 deadline, the commission finds good cause to suspend the triggering of the 90-day automatic approval provision, in order to give the Consumer Advocate and the commission additional time to complete their review and investigation of the proposed project.¹ In addition, to ensure the timely and efficient disposition of this matter, we conclude that: (1) Verizon should submit its completed responses to the Consumer Advocate's IRs by January 24, 2003; and (2) the Consumer Advocate shall file its statement of position by February 5, 2003.

¹On December 31, 2002, Verizon submitted a letter to the commission regarding the disruption of long distance calling, cellular services, internet access and special services to East Hawaii customers on October 15, 2002, due to an automobile accident. In this letter, Verizon urges the commission to approve the instant application to prevent future disruptions. The commission notes that the instant application was filed six days after the October disruption, and that Verizon has yet to submit a complete set of responses to the Consumer Advocate's IRs.

THE COMMISSION ORDERS:

1. Verizon's application, filed on October 21, 2002, is suspended until further order of the commission.

2. Verizon shall file its responses to the Consumer Advocate's IRs by January 24, 2003.

3. The Consumer Advocate shall file a statement of position on Verizon's application by February 5, 2003.

DONE at Honolulu, Hawaii this 17th day of January, 2003.

PUBLIC UTILITIES COMMISSION OF THE STATE OF HAWAII

Wayne H. Kimura, Chairman

By Mutermulo

Janet/E. Kawelo, Commissioner

Βv ey, Commissioner

APPROVED AS TO FORM:

Benedyne S Stone

Commission Counsel

02-0380.cs

I hereby certify that I have this date served a copy of the foregoing <u>Order No. 19969</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

JOEL K. MATSUNAGA VICE PRESIDENT-EXTERNAL AFFAIRS VERIZON HAWAII INC. P. O. Box 2200, A-17 Honolulu, HI 96841

Karen Higashi)

DATED: January 17, 2003