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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
MOLOKAI PUBLIC UTILITIES, INC.)
For Review and Approval of Rate)
Increases; Revised Rate Schedules.)

DOCKET NO. 02-0371

ORDER NO. 20053

RECEIVED
2003 MAR -3 P 3:58
DIV. OF CONSUMER ADVOCACY
DEPT. OF COMMERCE AND
CONSUMER AFFAIRS
STATE OF HAWAII

Filed March 3, 2003
At 2:15 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.

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)	
MOLOKAI PUBLIC UTILITIES, INC.)	Docket No. 02-0371
For Review and Approval of Rate)	
Increases; Revised Rate Schedules.)	Order No. 20053
_____)	

ORDER

I.

By Order No. 20034, filed on February 20, 2003, the commission approved the Stipulated Prehearing Order No. 20017, between MOLOKAI PUBLIC UTILITIES, INC. and the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy (collectively, parties), with modifications,¹ and the parties' waiver of the Hawaii Revised Statutes § 269-16(d) nine-month deadline for issuance of a final decision.

Upon further review, it appears that Stipulated Prehearing Order No. 20017 was not specifically identified and was inadvertently excluded as an exhibit from Order No. 20034. Accordingly, we find it necessary to amend Order No. 20034 to clarify that Stipulated Prehearing Order No. 20017, as amended, is the procedural order governing the instant proceedings, and to include such order as Exhibit A to Order No. 20034.

¹The commission deleted the reference in the stipulated prehearing order to August 1, 2003 as the date of the evidentiary hearing, and informed the parties that a date for the evidentiary hearing would be deferred at this time, to be set by the commission at a later date.

II.

THE COMMISSION ORDERS:

1. Order No. 20034 is amended by specifying Stipulated Prehearing Order No. 20017 as the parties' stipulated prehearing order, accepted and amended by the commission, and including it as Exhibit A to Order No. 20034.

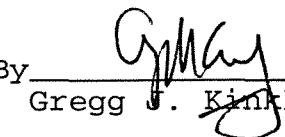
2. In all other respects, Order No. 20034 remains unchanged.

DONE at Honolulu, Hawaii this 3rd day of March, 2003.


PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Wayne H. Kimura, Chairman

By 
Janet E. Kawelo, Commissioner

By 
Gregg F. Kinkley, Commissioner

APPROVED AS TO FORM:


Benedyne S. Stone
Commission Counsel

02-0371.sl2

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of

MOLOKAI PUBLIC UTILITIES, INC.

For review and approval of rate increases;
revised rate schedules.

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) DOCKET NO. 02-0371
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)

STIPULATED PREHEARING ORDER NO. 20017

and

EXHIBIT "A"

ALAN M. OSHIMA, ESQ.
FRANCIS K. MUKAI, ESQ.
LINNEL T. NISHIOKA, ESQ.
KENT D. MORIHARA, ESQ.
Oshima Chun Fong & Chung LLP
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Attorneys for Applicant
MOLOKAI PUBLIC UTILITIES, INC.

LAUREEN K. K. WONG, ESQ.
250 South King Street
Room 825
Honolulu, HI 96813
Telephone: (808) 586-2800
Facsimile: (808) 586-2780

Attorney for
DIVISION OF CONSUMER ADVOCACY
DEPARTMENT OF COMMERCE AND
CONSUMER AFFAIRS

EXHIBIT A

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application

of

MOLOKAI PUBLIC UTILITIES, INC.

For review and approval of rate
increases; revised rate schedules.

)
)
) Docket No. 02-0371
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STIPULATED PREHEARING ORDER NO. 20017

EXHIBIT "A"

and

CERTIFICATE OF SERVICE

Filed Feb. 12, 2003

At 9:00 o'clock A.m.

Karon Higashi

Chief Clerk of the Commission

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application)	
)	
of)	Docket No. 02-0371
)	
MOLOKAI PUBLIC UTILITIES, INC.)	
)	
For review and approval of rate)	
increases; revised rate schedules.)	
<hr/>		

STIPULATED PREHEARING ORDER

Molokai Public Utilities, Inc. ("Applicant" or "MPUI") and the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs (the "Consumer Advocate") are parties in this docket. Pursuant to the Commission's Order No. 19955 filed on January 14, 2003, West Molokai Citizens Committee was granted participant status without intervention.¹ In connection with this, the use of the word "party" or "parties" in this Stipulated Prehearing Order shall be intended to apply only to the rights and obligations of MPUI and the Consumer Advocate, and the word "participant" shall be intended specifically to apply to the rights and obligations of West Molokai Citizens Committee.

The parties hereby stipulate to the following provisions of this Stipulated Prehearing Order as mutually acceptable to each.

¹ Pursuant to said Order No. 19955, West Molokai Citizens Committee's participation in this proceeding is limited to the following (subject to the Commission's discretion to impose additional limitations or conditions): (1) monitoring this proceeding; (2) receiving copies of testimony, information requests and responses and other related documents filed in this proceeding, other than those documents deemed confidential and under protective order by the Commission; and (3) the filing of a position statement on the issues established in this docket in accordance with the Stipulated Regulatory Schedule attached hereto as Exhibit "A."

I.

STATEMENT OF THE ISSUES

The issues in this case are:

1. Is MPUI's proposed rate increase reasonable?
 - a. Are the proposed tariffs, rates and charges just and reasonable?
 - b. Are the revenue forecasts for Test Year ending December 31, 2003 at present rates and proposed rates reasonable?
 - c. Are the projected operating expenses for Test Year reasonable?
 - d. Is the projected rate base for Test Year reasonable, and are the properties included in the rate base used or useful for public utility purposes?

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.

III.

REQUESTS FOR INFORMATION

A party to this proceeding may submit information requests to another party within the time schedule specified in this Stipulated Prehearing Order. If a party 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 responding to the information request may make the diskette available to the other party and the Commission. A party shall not be required, in a response to an information request, to provide data that is/are already on file with the Commission or otherwise part of the public record, or that may be stipulated to pursuant to Part VI, infra. The responding party 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 to locate and copy the document. In addition, a party 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 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 claims that information requested is confidential, and withholds production of all or a portion of such confidential information, the party 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 if the information were disclosed); and (3) state whether the party is willing to provide the confidential information pursuant to a protective order.

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

Pursuant to Order No. 19955, the participant is not entitled to submit information requests to the parties in this proceeding.

IV.

WITNESSES

Witnesses submitting written testimony and exhibits shall be made available for cross-examination at the hearing. Witnesses should have the work papers used in preparing the evidence they sponsor available at the hearing. Witnesses will not be permitted to read prefiled testimony at the hearings. Witnesses who will present both oral direct and rebuttal testimonies must present said testimonies at the same time.

In the oral presentation of the testimony, each witness may give a brief summary of the testimony and exhibits and shall summarize the issues raised by such testimony. Each witness shall be subject to cross-examination for both direct and rebuttal testimony and exhibits.

The parties in this case should cooperate to accommodate the schedules of any mainland witnesses and should inform the Commission in advance of any scheduling difficulties of mainland witnesses. If any party has any objection to scheduling a witness in advance of other witnesses, the party should make a timely objection to the Commission.

V.

FORM OF PREPARED TESTIMONY

All prepared testimony, including text and exhibits, shall be prepared in written form on 8-1/2" x 11" paper with line numbers, and shall be served on the dates designated in the Schedule of Proceedings.

Each party shall be permitted to follow its own numbering system for written testimony and exhibits, provided that the numbering system utilized is consistent and is clearly

understandable. Each document of more than one page shall be consecutively numbered. Each party shall prepare a list of its exhibits by exhibit numbers and titles.

The parties shall be permitted to make revisions to exhibits after the designated dates appearing in the Schedule of Proceedings. Revisions shall bear appropriate revision dates. However, revisions or additions that do more than correct typographical errors, update facts, or give numerical comparisons of the positions taken by the parties, shall not be submitted.

Generally, exhibits should include appropriate footnotes or narratives in the exhibits or the related testimony setting forth the sources of the information used and explaining the methods employed in making statistical compilations or estimates.

VI.

MATTERS OF PUBLIC RECORD

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

VII.

COPIES OF TESTIMONIES, EXHIBITS AND INFORMATION REQUESTS

1. Testimonies and Exhibits:

Public Utilities Commission
465 South King Street
First Floor
Honolulu, HI 96813
Original plus 8 copies

Division of Consumer Advocacy
250 South King Street
Room 825
Honolulu, HI 96813
E-Mail: ckikuta@dcca.state.hi.us
Facsimile Number: 586-2780
3 copies

Alan M. Oshima, Esq.
Francis K. Mukai, Esq.
Linnel T. Nishioka, Esq.
Kent D. Morihara, Esq.
Oshima Chun Fong & Chung LLP
Davies Pacific Center
841 Bishop Street, Suite 400
Honolulu, HI 96813
E-Mail: amo@ocfc.com
Facsimile Number: 531-8466
3 copies

Participant West Molokai Citizens Committee
c/o William W. Milks, Esq.
Pacific Tower, Suite 977
1001 Bishop Street
Honolulu, HI 96813
E-Mail: milkman@lava.net
Facsimile Number: 523-2088
2 copies

2. Information Requests and Responses:

Public Utilities Commission
465 South King Street
First Floor
Honolulu, HI 96813
Original plus 8 copies

Division of Consumer Advocacy
250 South King Street
Room 825
Honolulu, HI 96813
E-Mail: ckikuta@dcca.state.hi.us
Facsimile Number: 586-2780
3 copies

Alan M. Oshima, Esq.
Francis K. Mukai, Esq.
Linnel T. Nishioka, Esq.
Kent D. Morihara, Esq.
Oshima Chun Fong & Chung LLP
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841 Bishop Street, Suite 400
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Participant West Molokai Citizens Committee
c/o William W. Milks, Esq.
Pacific Tower, Suite 977
1001 Bishop Street
Honolulu, HI 96813
E-Mail: milkman@lava.net
Facsimile Number: 523-2088

2 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 Commission's Rules of Practice and Procedure.

Notwithstanding the above, pursuant to Order No. 19955, the participant shall not be entitled to receive copies of any testimonies, exhibits, information requests, responses, and other documents deemed confidential and under protective order.

VIII.

ORDER OF EXAMINATION

Pursuant to Chapter 61, subchapter 3, section 6-61-31, of the Commission's Rules of Practice and Procedure, MPUI's witnesses shall open with its direct case. The Consumer Advocate's direct case shall be presented after MPUI's direct case. MPUI shall close with its rebuttal case.

Examination of any witness shall be limited to one attorney for a party. The parties shall avoid duplicative or repetitious cross-examination. Cross-examination shall be limited to witnesses whose testimony is adverse to the party desiring to cross-examine. Re-cross-

examination shall be limited to the extent of material covered in redirect examination unless otherwise permitted by the Commission.

IX.

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 as provided in Article VI above.

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

X.

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 Prehearing Order shall control the subsequent courses of the proceedings, unless modified at or prior to the hearings to prevent manifest injustice.

Dated: Honolulu, Hawaii, February 7, 2003.

By Laureen K.K. Wong
LAUREEN K.K. WONG
Attorney for the CONSUMER
ADVOCATE

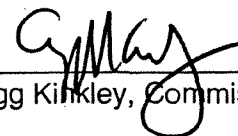
By Kent D. Morihara
ALAN M. OSHIMA
FRANCIS K. MUKAI
LINNEL T. NISHIOKA
KENT D. MORIHARA
Attorneys for Applicant Molokai Public
Utilities, Inc.

APPROVED AND SO ORDERED this 12th day of February, 2003.

PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Wayne H. Kimura, Chairman

By 
Janet E. Kawelo, Commissioner

By 
Gregg Kinkley, Commissioner

APPROVED AS TO FORM:

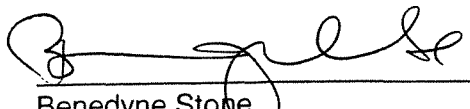

Benedyne Stone
Commission Counsel

EXHIBIT "A"
STIPULATED REGULATORY SCHEDULE
MOLOKAI PUBLIC UTILITIES, INC.
Docket No. 02-0371

	DATE	PROCEDURAL STEPS
1.	Friday, October 11, 2002	Application Filed at PUC
2.	Tuesday, December 17, 2002	Public Hearing
3.	Thursday, February 20, 2003	Consumer Advocate Submission of IRs to MPUI
4.	Wednesday, March 12, 2003	MPUI Response to Consumer Advocate IRs
5.	Thursday, March 27, 2003	Consumer Advocate Submission of Supplemental IRs to MPUI
6.	Thursday, April 10, 2003	MPUI Response to Consumer Advocate Supplemental IRs
7.	Monday, May 5, 2003	Consumer Advocate Direct Testimony and Exhibits
8.	Monday, May 19, 2003	MPUI Submission of IRs to Consumer Advocate
9.	Friday, May 30, 2003	Consumer Advocate Response to MPUI IRs
10.	Wednesday, June 11, 2003	MPUI Rebuttal Testimonies
11.	Monday, June 23, 2003	Consumer Advocate Rebuttal IRs to MPUI
12.	Wednesday, July 2, 2003	MPUI Response to Consumer Advocate Rebuttal IRs
13.	Wednesday, July 9, 2003	Settlement Proposal (MPUI to Consumer Advocate)
14.	Wednesday, July 16, 2003	Settlement Discussions
15.	Monday, July 21, 2003	Settlement Letter (if any) to PUC
16.	Monday, July 28, 2003	Stipulated Settlement Agreement (if any) to PUC

	DATE	PROCEDURAL STEPS
17.	Friday, August 1, 2003	Evidentiary Hearing (if no settlement)
18.		Interim Decision and Order (if no settlement)
19.	3 weeks after transcript completed and filed with the Commission	Simultaneous Post-Hearing Briefs from MPUI/Consumer Advocate; Participant Position Statement (if no settlement)
20.		Decision and Order

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Stipulated Prehearing Order No. 20017 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
250 S. King Street
Room 825
Honolulu, HI 96813

ALAN M. OSHIMA, ESQ.
FRANCIS K. MUKAI, ESQ.
LINNEL T. NISHIOKA, ESQ.
KENT D. MORIHARA, ESQ.
Oshima Chun Fong & Chung LLP
Davies Pacific Center
841 Bishop Street, Suite 400
Honolulu, HI 96813

WILLIAM W. MILKS, ESQ.
Pacific Tower, Suite 977
1001 Bishop Street
Honolulu, HI 96813

Karen Higzel.

DATED: February 12, 2003

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 20053 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

HAROLD EDWARDS
SENIOR VICE PRESIDENT
MOLOKAI PUBLIC UTILITIES, INC.
745 Fort Street Mall, Suite 600
Honolulu, HI 96813

ALAN M. OSHIMA, ESQ.
FRANCIS K. MUKAI, ESQ.
LINNEL T. NISHIOKA, ESQ.
KENT D. MORIHARA, ESQ.
OSHIMA CHUN FONG & CHUNG LLP
Davies Pacific Center
841 Bishop Street, Suite 400
Honolulu, HI 96813

WILLIAM W. MILKS, ESQ.
Pacific Tower, Suite 977
1001 Bishop Street
Honolulu, HI 96813



Karen Higashi

DATED: March 3, 2003