BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of

HAWAIIAN ELECTRIC COMPANY, INC.

For Approval of Changes in its
Depreciation Rates and Approval of
Vintage Amortization Accounting.

Docket No. 02-0391

STIPULATED PREHEARING ORDER NO. 20162

Filed April 29, 2003
At 9:00 o'clock A.M.

H. Marie Fragos
Chief Clerk of the Commission
BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of

HAWAIIAN ELECTRIC COMPANY, INC. Docket No. 02-0391

For Approval of Changes in its Depreciation Rates and Approval of Vintage Amortization Accounting.

STIPULATED PREHEARING ORDER

Applicant Hawaiian Electric Company, Inc. ("HECO") and the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs (the “Consumer Advocate”) hereby stipulate that the attached Stipulated Prehearing Order is mutually acceptable to each respective party.

DATED: Honolulu, Hawaii, __________.

THOMAS W. WILLIAMS, JR. LAUREEN K. K. WONG
Attorney for HECO Attorney for the DIVISION OF CONSUMER ADVOCACY
BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of Application of

HAWAIIAN ELECTRIC COMPANY, INC. Docket No. 02-0391

For Approval of Changes in its
Depreciation Rates and Approval of
Vintage Amortization Accounting.

STIPULATED PREHEARING ORDER

On October 31, 2002, Hawaiian Electric Company, Inc. ("HECO") filed its application for approval of changes in its depreciation rates and approval of vintage amortization accounting for certain accounts. On November 1, 2002, HECO filed written direct testimonies and exhibits, including its Book Depreciation Study as of December 31, 1999 ("Depreciation Study") conducted by Deloitte and Touche LLP.

HECO served copies of the application, and the written direct testimonies and exhibits on the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs (the "Consumer Advocate" or "CA"). On November 20, 2002, the Consumer Advocate issued its Preliminary Statement of Position and stated that it had questions and concerns regarding the relief sought by HECO in the instant application and that it would state its position to the Commission upon completion of its investigation.

By Order No. 20057 filed March 6, 2003, the Commission directed HECO and the
Consumer Advocate to meet informally to formulate a stipulated prehearing order for submission to the Commission for approval by April 7, 2003. By letter dated April 7, 2003, HECO requested an extension to April 14, 2003 for the submission of a stipulated prehearing order by the parties to the Commission, which was approved by Order No. 20119 filed on April 14, 2003.

The parties through their respective counsel have reached agreement on prehearing procedural matters and submitted a Stipulated Prehearing Order, which is acceptable to the parties.

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:

1. Are the proposed changes in HECO’s depreciation rates and the rates proposed using vintage amortization accounting set forth in the Depreciation Study reasonable?

2. Is HECO’s proposed use of vintage amortization accounting for certain accounts set forth in the Depreciation Study reasonable?

3. Is HECO’s proposed use of appropriate functional composite depreciation rates for new asset categories that arise in the future for which no depreciation rates are currently approved reasonable?

4. Is the requested effective date of the proposed depreciation rates and
vintage amortization accounting reasonable?

5. Is HECO’s recommended filing date for its next depreciation study reasonable?

II.

SCHEDULE OF PROCEEDINGS

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<td>HECO Application for Changes in its Depreciation Rates</td>
<td>October 31, 2002</td>
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<td>and Approval of Vintage Amortization Accounting</td>
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<td>HECO Written Direct Testimonies and Exhibits</td>
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<td>CA Preliminary Statement of Position</td>
<td>November 20, 2002</td>
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<td>CA Information Requests (“IRs”) to HECO</td>
<td>April 15, 2003</td>
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<td>HECO Written Rebuttal Testimonies and Exhibits</td>
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<td>Simultaneous Statement of Positions</td>
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1 Whenever possible, parties will provide copy of documents on diskette upon request.
Simultaneous Reply Statement of Positions November 19, 2003

In lieu of submitting Testimonies, Exhibits and Workpapers, the Consumer Advocate may submit a Statement of Position that it does not object to the relief requested by HECO. In that event, the matter will be submitted to the Commission for decision without the need for further procedural steps.

III.

MISCELLANEOUS MATTERS TO FACILITATE AND EXPEDITE THE ORDERLY CONDUCT OF THESE PROCEEDINGS

A. Requests for Information

To the extent practical, HECO and the Consumer Advocate will cooperate (1) by exchanging information requests and responses as they become available, and (2) by resolving questions regarding information requests and responses informally to attempt to work out problems with respect to understanding the scope or meaning of information requests, or with respect to the availability of information. 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.

In lieu of responses to information requests that would require the reproduction of voluminous documents or materials, 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 are already on file with the Commission or otherwise part of the public record, or that may be stipulated to pursuant to Part D, 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.
Parties seeking production of documents notwithstanding a party’s claim of confidentiality, may file a motion to compel production with the Commission.

B. Witnesses

Written testimonies, exhibits, and workpapers shall be submitted for all witnesses pursuant to the Schedule of Proceedings. All written testimonies and exhibits shall be sponsored by witnesses who will be made available for cross-examination at the hearings. Witnesses should have the work papers used in preparing evidence they sponsor available at the hearings. In order to expedite the hearings, witnesses who present both oral direct and rebuttal testimonies and/or summaries of written direct and rebuttal testimonies are encouraged to present said testimonies and/or summaries at the same time.

The parties shall cooperate to accommodate the schedules of mainland witnesses and will inform the Commission in advance of any scheduling difficulties with respect to such witnesses. If a party has an objection to a timely request to schedule a mainland witness in advance of other witnesses, the party shall make a timely objection to the Commission. The parties will make their best effort to accommodate the schedules of mainland witnesses by coordinating their appearance at the evidentiary hearing.

C. 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 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 by a revision of exhibits. Revisions shall bear appropriate revision dates. However, revisions or additions which do more than correct typographical errors, update facts, or give numerical comparisons of the positions taken by the parties, shall not be submitted except with the approval of the Commission.

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.

D. Matters of Public Record

In order to provide a means to reduce unnecessary reproduction of documents and to facilitate these proceedings, identified matters of public record, such as reports that HECO has filed with the Commission, published decisions of this or other Commissions, 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 and the parties; 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.

E. Copies of Testimonies and Exhibits.

1. Testimonies and Exhibits:

   Commission: Original + 8 copies
   HECO: 2 copies
   Consumer Advocate: 2 copies

2. Information Requests and Responses:

   Commission: Original + 8 copies
   HECO: 2 copies
   Consumer Advocate: 2 copies

3. 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.
F. Order of Examination

Pursuant to Chapter 61, subchapter 3, section 6-61-31, of the Commission’s Rules of Practice and Procedure, HECO’s witnesses shall open with its direct case. The Consumer Advocate’s direct case shall be presented after HECO’s direct case. HECO 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. Recross-examination shall be limited to the extent of material covered in redirect examination unless otherwise permitted by the Commission.

G. 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 and the Commission. However, the parties may communicate with Commission counsel on matters of practice and procedure through their own counsel or designated official.

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

DONE at Honolulu, Hawaii, this 29th day of April, 2003.

PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By
Wayne H. Kimura, Chairman

By
Janet E. Kawelo, Commissioner

By (EXCUSED)
Gregg J. Kinkley, Commissioner

APPROVED AS TO FORM:

Catherine P. Awakuni
Commission Counsel
CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Stipulated Prehearing Order No. 20162 upon the following parties and participant, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party or participant.

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
DIVISION OF CONSUMER ADVOCACY
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Karen Higashi

DATED: April 29, 2003