

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application of)  
HAWAII-AMERICAN WATER COMPANY, INC.)  
For Approval of Rate Increases and )  
Revised Rate Schedules and Rules )  
\_\_\_\_\_)

DOCKET NO. 03-0025

ORDER NO. 20165

Filed May 5, 2003  
At 2:00 o'clock P.M.

Karen Higashi  
Chief Clerk of the Commission

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

2003 MAY -5 P 4: 12

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

K. Higashi

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Docket No. 03-0025

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ORDER

I.

By motion filed on April 30, 2003, HAWAII-AMERICAN WATER COMPANY, INC. (Movant), seeks commission approval to utilize the 2004 calendar test year in lieu of the mid-year 2003-2004 test year in its "soon to be filed" application for approval of rate increases and revised rate schedules and rules (collectively, general rate increase). Movant makes its request pursuant to Hawaii Administrative Rules (HAR) §§ 6-61-41 and 6-61-92. Movant seeks immediate action from the commission.<sup>1</sup>

Copies of the motion were served on the Division of Consumer Advocacy, Department of Commerce and Consumer Affairs (Consumer Advocate). On May 1, 2003, the Consumer Advocate filed its Statement of No Opposition to Movant's motion.

Movant intends to file its application for a general rate increase in May 2003. Movant represents that: (1) because it maintains its records on a calendar year basis, "it would be more efficient to use a calendar year test year; (2) it would be

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<sup>1</sup>Movant does not request a hearing on this motion.

more costly to prepare July 1, 2003 through June 30, 2004 financial data and exhibits; and (3) no significant additions to plant-in-service are scheduled for installation in the last half of 2004 and therefore, the use of the 2004 test year will not materially impact the rate base components in rates. The Consumer Advocate does not object to Movant's request and states that, since the time period between the anticipated filing date in May 2003 and July 1, 2003 is brief, the additional months of forecasted information for this analyses is minimal.

If Movant's application for a general rate increase is filed within a first six months of 2003, HAR § 6-61-88(3)(a) requires the utility to use a July 1, 2003 - June 30, 2004 test year. HAR § 6-61-92 allows the commission to waive the required use of the July 1, 2003 - June 30, 2004 test year if it "would impose a financial hardship on the applicant or be unjust or unreasonable."

Based upon Movant's representations, the commission finds good cause to modify the requirements of HAR § 6-61-88(3)(a) by approving the use of the 2004 calendar test year in this rate case in accordance with HAR § 6-61-92.<sup>2</sup> Thus, we conclude that Movant's motion, filed on April 30, 2003, to utilize the 2004 calendar test year in lieu of the mid-year 2003-2004 test year should be granted.

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<sup>2</sup>At the same time, the commission makes clear that, consistent with HRS § 269-16, the start date to calculate the deadline for the timely issuance of any interim decision will not begin **until** a completed application for a general rate increase is filed with the commission.

II.

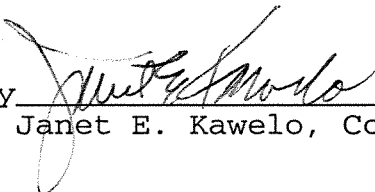
THE COMMISSION ORDERS that Movant's motion, filed on April 30, 2003, to utilize the 2004 calendar test year in lieu of the mid-year 2003 - 2004 test year is granted, consistent with the terms of this order.

DONE at Honolulu, Hawaii this 5th day of May, 2003.


PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

By   
Carlito P. Caliboso, Chairman

By (EXCUSED)  
Wayne H. Kimura, Commissioner

By   
Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:

  
Kevin M. Katsura  
Commission Counsel

03-0025.ah

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 20165 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  
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Karen Higashi

DATED: May 5, 2003