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DOCKET NO. 03-0025

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

Karen Higzel.  
Chief Clerk of the Commission

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

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

---

Order No. 20374

<sup>1</sup>The commission intends to set a date certain for the evidentiary hearing that shall be no earlier than February 26, 2004.

16.	Date to be set by the commission	Evidentiary Hearing (if no settlement)
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In addition, the commission notes that the nine-month deadline for the issuance of a final decision is February 6, 2004. Hawaii Revised Statutes ("HRS") § 269-16(d). Thus, the Parties' agreement to schedule the hearing for February 27, 2004 effectively waives the requirement that a final decision be issued within the nine-month period, i.e., by February 6, 2004.<sup>2</sup> The commission will approve this implied request for a waiver of the nine-month deadline.

## II.

### THE COMMISSION ORDERS:

1. The Parties' Stipulated Prehearing Order, filed on July 29, 2003, is approved and incorporated as part of this order (attached hereto as Exhibit 1), subject to the modification to item 16 of their Stipulated Regulatory Schedule, described above.
2. The Parties' request for waiver of the nine-month deadline by which the commission must issue a final decision is approved.

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<sup>2</sup>Unless ordered otherwise, the ten-month deadline governing issuance of a timely interim decision, if any, still applies. See HRS § 269-16(d).

DONE at Honolulu, Hawaii this 12th day of August  
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

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application	)	
	)	
of	)	Docket No. 03-0025
	)	
HAWAII-AMERICAN WATER COMPANY, INC.	)	
	)	
For Approval of Rate Increase and Revised Rate	)	
Schedules and Rules	)	
<hr/>		

STIPULATED PREHEARING ORDER NO. \_\_\_\_\_

ALAN M. OSHIMA, ESQ.  
FRANCIS K. MUKAI, ESQ.  
LINNEL T. NISHIOKA, ESQ.  
KENT D. MORIHARA, ESQ.  
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Attorneys for Applicant  
HAWAII-AMERICAN WATER COMPANY, INC.

LAUREEN K. K. WONG, ESQ.  
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Honolulu, HI 96813  
Telephone: (808) 586-2800  
Facsimile: (808) 586-2780

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

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application	)	
	)	
of	)	Docket No. 03-0025
	)	
HAWAII-AMERICAN WATER COMPANY, INC.	)	
	)	
For Approval of Rate Increase and Revised Rate	)	
Schedules and Rules	)	
_____	)	

STIPULATED PREHEARING ORDER NO. \_\_\_\_\_

EXHIBIT "A"

and

CERTIFICATE OF SERVICE

Filed \_\_\_\_\_, 2003

At \_\_\_\_\_ o'clock \_\_\_\_\_.m.

\_\_\_\_\_  
Chief Clerk of the Commission

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application	)	
	)	
of	)	Docket No. 03-0025
	)	
HAWAII-AMERICAN WATER COMPANY, INC.	)	
	)	
For Approval of Rate Increase and Revised Rate	)	
Schedules and Rules	)	
<hr/>	)	

STIPULATED PREHEARING ORDER

Hawaii-American Water Company, Inc. ("Applicant" or "Hawaii-American") and the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs (the "Consumer Advocate") hereby stipulate to the following provisions of this Stipulated Prehearing Order as mutually acceptable to each.

I.

STATEMENT OF THE ISSUES

The issues in this case are:

1. Is Hawaii-American'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, 2004 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?
  - e. Is the rate of return requested fair?

## 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.

#### 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 Hawaii-American has filed with the Commission, published scientific or economic statistical data, material and textbooks, technical or industry journals relating to 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.

## 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](mailto: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](mailto:amo@ocfc.com)  
Facsimile Number: 531-8466

3 copies

David P. Stephenson  
Stacey A. Fulter  
c/o American Water Works Service Company, Inc.  
303 H Street  
Suite 250  
Chula Vista, CA 91910  
E-Mail: [dstephen@amwater.com](mailto:dstephen@amwater.com)  
Facsimile Number: (619) 409-7701

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](mailto:ckikuta@dcca.state.hi.us)  
Facsimile Number: 586-2780

3 copies

Alan M. Oshima, Esq.  
Francis K. Mukai, Esq.  
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Kent D. Morihara, Esq.  
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Honolulu, HI 96813  
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Facsimile Number: 531-8466

3 copies

David P. Stephenson  
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c/o American Water Works Service Company, Inc.  
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Chula Vista, CA 91910  
E-Mail: [dstephen@amwater.com](mailto:dstephen@amwater.com)  
Facsimile Number: (619) 409-7701

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.

## VIII.

### ORDER OF EXAMINATION

Pursuant to Chapter 61, subchapter 3, section 6-61-31, of the Commission's Rules of Practice and Procedure, Hawaii-American's witnesses shall open with its direct case. The Consumer Advocate's direct case shall be presented after Hawaii-American's direct case. Hawaii-American 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 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 as provided in Article VII 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, July 29, 2003.

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

By Kent D. Mori  
ALAN M. OSHIMA  
FRANCIS K. MUKAI  
LINNEL T. NISHIOKA  
KENT D. MORIHARA  
Attorneys for Applicant  
HAWAII-AMERICAN WATER COMPANY,  
INC.

APPROVED AND SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_, 2003.

PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

By \_\_\_\_\_  
Carlito P. Caliboso, Chairman

By \_\_\_\_\_  
Wayne H. Kimura, Commissioner

By \_\_\_\_\_  
Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:

\_\_\_\_\_

Commission Counsel

**EXHIBIT "A"**  
**STIPULATED REGULATORY SCHEDULE**  
**HAWAII-AMERICAN WATER COMPANY, INC.**  
**Docket No. 03-0025**

	<b>DATE</b>	<b>DURATION (days)</b>	<b>PROCEDURAL STEPS</b>
1.	Tuesday, May 20, 2003		Amended Application Filed at PUC <sup>1</sup>
2.	Thursday, July 3, 2003		Public Hearing
3.	Monday, July 14, 2003	11	Deadline for Intervention
4.	Wednesday, July 23, 2003 through Friday, August 22, 2003		Consumer Advocate Submission of Information Requests (IRs) to Hawaii- American
5.		14 <sup>2</sup>	Hawaii-American Responses to Consumer Advocate Submission of IRs
6.	Monday, August 18, 2003		Technical Meeting
7.	Friday, October 3, 2003		Consumer Advocate Direct Testimony and Exhibits
8.	Friday, October 15, 2003 through Friday, November 14, 2003		Hawaii-American Submission of IRs to Consumer Advocate
9.		14 <sup>2</sup>	Consumer Advocate Response to Hawaii-American IRs
10.	Wednesday, December 17, 2003		Hawaii-American Rebuttal Testimonies
11.	Wednesday, January 7, 2003	21	Consumer Advocate Rebuttal IRs to Hawaii-American

<sup>1</sup> Applicant filed its original Application with the Commission on May 6, 2003. Pursuant to letter filed with the Commission on May 20, 2003, Applicant filed a First Amended Application, which amended and restated the original Application in its entirety.

<sup>2</sup> Applicant and the Consumer Advocate have agreed to provide a response to the other party's information requests within 14 days from the date the particular response(s) were submitted.



	DATE	DURATION (days)	PROCEDURAL STEPS
12.	Wednesday, January 21, 2004	14	Hawaii-American Response to Consumer Advocate Rebuttal IRs
13.	Monday, January 26, 2004	5	Settlement Proposal (Hawaii-American to Consumer Advocate)
14.	Thursday, January 29, 2004	3	Settlement Discussions
15.	Friday, February 6, 2004	8	Settlement Letter/Agreement (if any) to Commission
16.	Thursday, February 26, 2004 (thru Friday, February 27, 2004, if necessary)	20	Evidentiary Hearing (if no settlement)
17.			Interim Decision and Order (if no settlement)
18.	3 weeks after transcript completed and filed with the Commission		Simultaneous Post-Hearing Briefs from Hawaii-American/Consumer Advocate
19.			Decision and Order

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Stipulated Prehearing Order No. \_\_\_\_\_ 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, Hawaii 96813

ALAN M. OSHIMA, ESQ.  
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KENT D. MORIHARA, ESQ.  
Oshima Chun Fong & Chung LLP  
Davies Pacific Center  
841 Bishop Street, Suite 400  
Honolulu, Hawaii 96813

MR. DAVID P. STEPHENSON  
MS. STACEY A. FULTER  
c/o American Water Works Service Company, Inc.  
303 H Street  
Suite 250  
Chula Vista, CA 91910

DATED: \_\_\_\_\_

---

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 20374 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

ALAN M. OSHIMA, ESQ.  
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841 Bishop Street, Suite 400  
Honolulu, HI 96813

MR. DAVID P. STEPHENSON  
MS. STACEY A. FULTER  
c/o AMERICAN WATER WORKS SERVICE COMPANY, INC.  
303 H Street  
Suite 250  
Chula Vista, CA 91910

  
\_\_\_\_\_  
Karen Higashi

DATED: August 12, 2003