BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

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

ORDER NO. 20374

Filed __________________, 2003
At __________ o'clock A.M.

[Signature]
Chief Clerk of the Commission

ATTEST: A True Copy
KAREN HIGASHI
Chief Clerk, Public Utilities
Commission, State of Hawaii.
BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of
HAWAII-AMERICAN WATER COMPANY, INC.) Docket No. 03-0025
For Approval of Rate Increase and ) Order No. 20374
Revised Rate Schedules and Rules )

ORDER
I.

On July 29, 2003, HAWAII-AMERICAN WATER COMPANY, INC. and the DIVISION OF CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS (collectively referred to as "Parties") filed their Stipulated Prehearing Order for commission review and approval.

Upon review, the commission will approve the Parties' Stipulated Prehearing Order and incorporate it as part of this order, attached hereto as Exhibit 1, provided that the Stipulated Regulatory Schedule (designated by the Parties as Exhibit A to their Stipulated Prehearing Order) is modified by deleting the reference to Thursday, February 26, 2004 (thru Friday, February 27, 2004, if necessary) as the dates of the evidentiary hearing. Instead the commission, at this time will defer setting a date for the hearing.¹ Thus, item 16 of the Parties' Stipulated Regulatory Schedule will now read as follows:

¹The commission intends to set a date certain for the evidentiary hearing that shall be no earlier than February 26, 2004.
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, 2004.² 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.

²Unless 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
BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF HAWAI'I

In the Matter of the Application

of

HAWAII-AMERICAN WATER COMPANY, INC.

For Approval of Rate Increase and Revised Rate Schedules and Rules

Docket No. 03-0025

STIPULATED PREHEARING ORDER NO.___________

ALAN M. OSHIMA, ESQ.
FRANCIS K. MUKAI, ESQ.
LINNEL T. NISHIOKA, ESQ.
KENT D. MORIHARA, ESQ.
Oshima Chun Fong & Chung LLP
841 Bishop Street, Suite 400
Honolulu, Hawaii 96813
Telephone: (808) 528-4200
Facsimile: (808) 531-8466

Attorneys for Applicant
HAWAII-AMERICAN WATER COMPANY, 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 1
BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAI'I

In the Matter of the Application

of

HAWAII-AMERICAN WATER COMPANY, INC.

For Approval of Rate Increase and Revised Rate Schedules and Rules

Docket No. 03-0025

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 HAWAI'I

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

Docket No. 03-0025

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
Facsimile Number: 586-2780

3 copies
2. Information Requests and Responses:

Public Utilities Commission
465 South King Street
First Floor
Honolulu, HI 96813

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

Alan M. Oshima, Esq.
Francis K. Mukai, 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

David P. Stephenson
Stacey A. Futter
303 H Street
Suite 250
Chula Vista, CA 91910
E-Mail: dstephen@amwater.com
Facsimile Number: (619) 409-7701
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


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.


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

By 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

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

<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.
<table>
<thead>
<tr>
<th><strong>DATE</strong></th>
<th><strong>DURATION (days)</strong></th>
<th><strong>PROCEDURAL STEPS</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>12.</td>
<td>Wednesday, January 21, 2004</td>
<td>14</td>
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<tr>
<td>14.</td>
<td>Thursday, January 29, 2004</td>
<td>3</td>
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<tr>
<td>15.</td>
<td>Friday, February 6, 2004</td>
<td>8</td>
</tr>
<tr>
<td>16.</td>
<td>Thursday, February 26, 2004 (thru Friday, February 27, 2004, if necessary)</td>
<td>20</td>
</tr>
<tr>
<td>17.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18.</td>
<td>3 weeks after transcript completed and filed with the Commission</td>
<td></td>
</tr>
<tr>
<td>19.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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.
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, 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.
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

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: August 12, 2003

Karen Higashi