BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of )
 )
Kauai Island Utility Cooperative ) DOCKET NO. 03-0422
For Approval of changes to its )
Tariff to reflect a 2004 Resource )
Cost Adjustment (DSM & IRP) )
Surcharge )

ORDER NO. 20960

Filed May 4, 2004
At 1:00 o'clock P.M.

Chief Clerk of the Commission
BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of
KAUAI ISLAND UTILITY COOPERATIVE
For Approval of changes to its
Tariff to reflect a 2004 Resource Cost Adjustment (DSM & IRP)
Surcharge
Docket No. 03-0422
Order No. 20960

ORDER AMENDING DECISION AND ORDER NO. 20793

I.
Introduction

On February 4, 2004, the commission issued Decision and Order No. 20793 approving KAUAI ISLAND UTILITY COOPERATIVE’S (“KIUC”) proposed tariff changes (“2004 Surcharge”) effective February 1, 2004 for a period of six months rather than the requested twelve month period (February 1, 2004 to January 31, 2005). Our approval was also subject to filing with the commission the appropriate tariff sheets, consistent with the terms of the decision and order. Decision and Order No. 20793 also advised KIUC of the commission’s concerns regarding a cooperative collecting lost gross margins and plans to issue information requests to address this issue prior to the expiration of the six month period.

On March 2, 2004, the commission issued information requests to KIUC. On March 30, 2004, KIUC filed its responses to the commission’s information requests.
II. Discussion

Upon further review of KIUC's responses to the commission's information requests filed on March 30, 2004, the commission continues to have concerns about a cooperative collecting lost gross margins. However, we find it prudent to not modify the 2004 Surcharge at this time. In the alternative, we will evaluate KIUC's equity management plan and proposed Integrated Resource Plan Framework to be filed by December 2004 and make a determination whether modifications to the surcharge are necessary prior to KIUC's next request for approval of changes to its tariff to reflect a 2005 Resource Cost Adjustment Surcharge. Thus, for the same reason, articulated in Decision and Order No. 20793, we will allow KIUC's 2004 Surcharge to be effective for the full twelve month period (February 1, 2004 to January 31, 2005). In light of our approval to extend the 2004 Surcharge period from six to twelve months, we further conclude that Decision and Order No. 20793 should be amended consistent with the terms of this order. In all other respects, Decision and Order No. 20793 remains unchanged.

III. Orders

THE COMMISSION ORDERS:

1. KIUC's 2004 Surcharge shall be allowed to be effective from February 1, 2004 through January 30, 2005.
2. KIUC shall file with the commission the appropriate tariff sheets, consistent with the terms of this decision and order.

3. Decision and Order No. 20793 is amended consistent with the terms of this Order. In all other respects, Decision and Order No. 20793 remains unchanged.

4. This docket is closed.

DONE at Honolulu, Hawaii this 4th day of May, 2004.

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:

Kevin M. Katsura
Commission Counsel
CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 20960 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

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DATED: May 4, 2004