BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of

KAUAI ISLAND UTILITY COOPERATIVE

DOCKET NO. 04-0041

For approval to commit funds in excess of $500,000 for the Port Allen steam plant automation Project.

ORDER NO. 21023

Filed June 2, 2004
At 11:00 o'clock A.M.

Karen Higgin
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 ) Docket No. 04-0041
)
For approval to commit funds in ) Order No. 21023
Excess of $500,000 for the Port )
Allen steam plant automation )
Project.

ORDER

I.

Introduction

On April 23, 2004, the commission ordered KAUAI ISLAND UTILITY COOPERATIVE ("KIUC"), and the Division of Consumer Advocacy, Department of Commerce and Consumer Affairs ("Consumer Advocate") (collectively, "Parties") to meet informally to formulate the issues, procedures, and schedule with respect to this proceeding, to be set forth in a stipulated scheduling order.¹

On May 6, 2004, KIUC and the Consumer Advocate filed their Proposed Stipulated Scheduling Order for commission review and approval.

Upon review, the commission will approve the Parties' Proposed Stipulated Scheduling Order, and incorporate it as part of this order, attached hereto as Exhibit 1, subject to certain

¹Order No. 20925, filed on April 23, 2004.
modifications to the Proposed Stipulated Scheduling Order, as described below.

On page 3 of the Proposed Stipulated Scheduling Order, the Parties acknowledge that under Section 2.3.g.2 of the commission's General Order No. 7, the commission's 90-day period to act upon the Application and render a Decision and Order is May 20, 2004; however, given the schedule agreed to by the Parties, KIUC waives the 90-day period and requests that the commission act upon the Application within thirty (30) days after either: (1) KIUC provides notice as provided above that the proceeding is ready for decision making (and KIUC does not file a Reply Statement of Position ("SOP")), or (2) KIUC files a Reply SOP. Upon review, the commission will grant KIUC's waiver of the Section 2.3.g.2 requirement that the commission render a decision within 90 days of the filing of a utility's application; however, the commission will not place a 30-day deadline to act upon the Application, as stipulated to by the Parties.

In addition, on page 3 of the Proposed Stipulated Scheduling Order, the Parties state, "if the parties propose a hearing schedule, KIUC requests the commission to act upon the Application within forty-five (45) days after the submittal of the parties' respective post-hearing briefs." Upon review, the commission will also not place a 45-day deadline to act upon the application, as stipulated by the Parties, if the Parties propose a hearing schedule.
II.

THE COMMISSION ORDERS:

1. The Parties' Proposed Stipulated Scheduling Order, filed on May 6, 2004, is approved and incorporated as part of this order (attached hereto as Exhibit 1), subject to the modifications described above.

2. KIUC's waiver of the Section 2.3.g.2 requirement that the commission render a decision within 90 days of the filing of a utility's application is approved.

DONE at Honolulu, Hawaii this 2nd day of June, 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
BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of
KAUAI ISLAND UTILITY COOPERATIVE
For approval to commit funds in excess of $500,000 for the Port Allen steam plant automation project ______________________

Docket No. 04-0041

STIPULATED SCHEDULING ORDER NO. ______

Filed ________________________, 2004

At __________ o'clock ________ M.

Chief Clerk of the Commission

EXHIBIT 1
BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application

of

KAUAI ISLAND UTILITY COOPERATIVE

For approval to commit funds in excess of
$500,000 for the Port Allen steam plant
automation project

Docket No. 04-0041

STIPULATED SCHEDULING ORDER

Applicant KAUAI ISLAND UTILITY COOPERATIVE ("KIUC") and the DIVISION
OF CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER
AFFAIRS (the "Consumer Advocate") hereby stipulate that the attached Stipulated
Scheduling Order is mutually acceptable to each respective party.


 ALAN M. OSHIMA, ESQ.
 KENT D. MORIHARA, ESQ.
 Attorneys for Kauai Island Utility Cooperative

 CHERYL S. KIKUTA
 Acting Executive Director
 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 KAUAI ISLAND UTILITY COOPERATIVE
For approval to commit funds in excess of $500,000 for the Port Allen steam plant automation project

STIPULATED SCHEDULING ORDER

On February 20, 2004, KAUAI ISLAND UTILITY COOPERATIVE ("KIUC") filed an application for approval to commit funds in excess of $500,000 for the Port Allen steam plant automation project. Applicant seeks approval pursuant to General Order No. 7, Standards for Electric Utility Service in the State of Hawaii ("General Order No. 7"), to commit funds for and to commence construction that is expected to cost in excess of $500,000.

KIUC served copies of the application on the Division of Consumer Advocacy, Department of Commerce and Consumer Affairs ("Consumer Advocate").

By Order No. 20925 filed on April 23, 2004, the Commission directed KIUC and the Consumer Advocate to meet informally to formulate the issues, procedures and schedule with respect to this proceeding, to be set forth in a stipulated scheduling order.

KIUC and the Consumer Advocate have reached agreement on the issues, procedures and schedule with respect to this proceeding and hereby submit this
Stipulated Scheduling Order to the Commission, which is acceptable to the parties.

ACCORDINGLY, IT IS ORDERED that the following shall be utilized in this docket.

I.

STATEMENT OF ISSUE

The issue in this docket is whether the Port Allen steam plant automation project is necessary or useful for public utility purposes and whether the Commission should approve the commitment of funds for this project under Section 2.3.g.2 of General Order No. 7.

II.

SCHEDULE OF PROCEEDINGS

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>KIUC Application Filing</td>
<td>February 20, 2004</td>
</tr>
<tr>
<td>Consumer Advocate (CA) Information Requests (IRs) to KIUC</td>
<td>April 29, 2004</td>
</tr>
<tr>
<td>KIUC IR Responses to CA ¹</td>
<td>May 20, 2004²</td>
</tr>
<tr>
<td>CA Supplemental IRs (“SIRs”) ¹, if necessary</td>
<td>June 4, 2004</td>
</tr>
<tr>
<td>KIUC Responses to SIRs ¹</td>
<td>June 18, 2004</td>
</tr>
<tr>
<td>CA Statement of Position (“SOP”)</td>
<td>July 9, 2004</td>
</tr>
<tr>
<td>KIUC Reply SOP, if necessary*</td>
<td>July 30, 2004</td>
</tr>
</tbody>
</table>

 ¹ If the Consumer Advocate objects to approval of the Application, or requests that approval be subject to conditions.

* Whenever possible, parties will provide copy of documents electronically upon request.

² The Consumer Advocate’s information requests to KIUC filed on April 29, 2004 requested that the responses be provided to the Consumer Advocate by May 13, 2004. During the informal discussions between the parties to formulate this Stipulated Scheduling Order, the parties agreed to extend KIUC’s response time to May 20, 2004.
If there are substantial disagreements following the filing of the SOPs, and the parties cannot resolve the differences by stipulation and the parties do not waive the right to a hearing, the parties shall propose a hearing schedule (including the filing of simultaneous post-hearing briefs) for Commission approval.

If KIUC determines that a Reply SOP is unnecessary, KIUC will notify the Commission that the proceeding is ready for decision making.

The parties acknowledge that under Section 2.3.g.2 of the Commission's General Order No. 7, the Commission's 90-day period to act upon the Application and render a Decision and Order expires on May 20, 2004. Given the schedule agreed to by the parties, KIUC hereby waives the 90-day period and requests that the Commission act upon the Application within thirty (30) days after either: (1) KIUC provides notice as provided above that the proceeding is ready for decision making (and KIUC does not file a Reply SOP), or (2) KIUC files a Reply SOP.

Notwithstanding the above, if the parties propose a hearing schedule (because there are substantial disagreements following the filing of the SOPs, and the parties cannot resolve the differences by stipulation and the parties do not waive the right to a hearing), KIUC requests the Commission in such a case to act upon the Application within forty-five (45) days after the submittal of the parties' respective post-hearing briefs.
III.

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

A. Requests for Information

To the extent practical, KIUC 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 or other readily usable electronic medium, the party responding to the information request may make the diskette or such electronic medium 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 B, 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 governing this docket.

A party seeking production of documents notwithstanding a party’s claim of confidentiality, may file a motion to compel production with the Commission.

B. 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 KIUC 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.

C. Copies of Filings and Information Requests.

1. Filings:

   Commission                   Original + 8 copies
   KIUC                         2 copies
   Consumer Advocate            2 copies

2. Information Requests and Responses:

   Commission                   Original + 8 copies
   KIUC                         2 copies
   Consumer Advocate            2 copies

3. All pleadings, 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.
4. Copies of all filings, information requests and information request responses should be sent to the other parties by hand delivery or via facsimile. In addition, if available, all parties shall provide copies of their filings, information requests and information request responses to the other parties via diskette or e-mail in a standard electronic format that is readily available by the parties. The parties agree to use Word 97 or Word 2000 as the standard programming format for filings in this case. However, if workpapers, documentation, or exhibits attached to any filing are not readily available in an electronic format, a party shall not be required to convert such workpapers, documentation, or exhibits into an electronic format. Also, existing documents produced in response to requests need not be converted to Word 97/Word 2000 as long as the applicable format is identified. In the event a copy of a filing, information request or information request response is delivered to a party via diskette or e-mail, unless otherwise agreed to by such party, the same number of copies of such filing, information request or information request response must still be delivered to such party by hand delivery or via facsimile as provided in Parts C.1 and C.2 above.

D. 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, and the like shall also be served on opposing counsel.

E. 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, this Stipulated Scheduling 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 ____ day of ____________, 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 Katsura
Commission Counsel
CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Stipulated Scheduling Order No. _______ 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
335 Merchant Street, Room 326
Honolulu, Hawaii 96813

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President and Chief Executive Officer
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MR. JOSEPH MCCAWLEY
Manager – Regulatory Affairs
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MR. GARY W. PEERS
Vice President - Production
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ALAN M. OSHIMA, ESQ.
KENT D. MORIHARA, ESQ.
Oshima Chun Fong & Chung LLP
841 Bishop Street, Suite 400
Honolulu, Hawaii 96813

Karen Higashi

DATED: ____________________
CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 21023 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

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MANAGER - REGULATORY AFFAIRS
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ALTON MIYAMOTO
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KAUAI ISLAND UTILITY COOPERATIVE
4463 Pahe'e Street
Lihue, HI 96766-2032

DATED: June 2, 2003