

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
)
HAWAII WATER SERVICE COMPANY, INC.)
)
For Approval of a Rate Increase;)
Revised Rate Schedules; and to Enter Into)
Financing Arrangements)
_____)

DOCKET NO. 03-0275

STIPULATED PREHEARING ORDER NO. 21072

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

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EXHIBIT "A"

and

CERTIFICATE OF SERVICE

Filed June 23, 2004
At 10 o'clock a.m.
Karon Higuchi
Chief Clerk of the Commission

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STIPULATED PREHEARING ORDER

HAWAII WATER SERVICE CO., INC. ("Applicant" or "HWSC") 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 HWSC'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 June 30, 2005 at present rates and proposed rates reasonable?
 - c. Are the projected operating expenses for the Test Year reasonable?

d. Is the projected rate base for the 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 HWSC 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 5 copies
335 Merchant Street
Room 326
Honolulu, HI 96813
E-Mail: ckikuta@dcca.state.hi.us
Facsimile Number: 586-2780

J. Douglas Ing. Esq. 3 copies
Pamela J. Larson, Esq..
Watanabe Ing Kawashima & Komeiji LLP
999 Bishop Street
First Hawaiian Center, 23rd Floor
Honolulu, HI 96813
E-Mail: douging@wik.com
plarson@wik.com
Facsimile Number: 544-8399

John S. Tootle 2 copies
Corporation Counsel
California Water Service Company
3625 Del Amo Boulevard, Suite 350
Torrance, California 90503
E-Mail: JTootle@calwater.com

Facsimile Number: (408) 367-8430

2. Information Requests and Responses:

Public Utilities Commission Original plus 8 copies
465 South King Street
First Floor
Honolulu, HI 96813

Division of Consumer Advocacy 3 copies
335 Merchant Street
Room 326
Honolulu, HI 96813
E-Mail: ckikuta@dcca.state.hi.us
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3625 Del Amo Boulevard, Suite 350
Torrance, California 90503
E-Mail: JTootle@calwater.com

Facsimile Number: (408) 367-8430

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, HWSC's witnesses shall open with its direct case. The Consumer Advocate's direct case shall be presented after HWSC's direct case. HWSC 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.

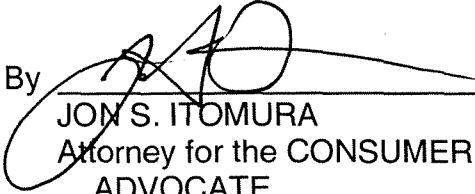
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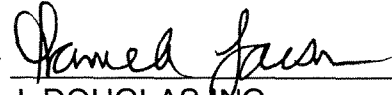
These procedures are consistent with the orderly conduct of this docket.

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, JUN 14 2004, 2004.

By 
JON S. ITOMURA
Attorney for the CONSUMER
ADVOCATE


By 
J. DOUGLAS ING
PAMELA J. LARSON
Attorneys for Applicant
HAWAII WATER SERVICE CO., INC.

APPROVED AND SO ORDERED this 23 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:


Commission Counsel

EXHIBIT "A"
STIPULATED REGULATORY SCHEDULE
HAWAII WATER SERVICE CO, INC.
Docket No. 03-0275

	<u>DATE</u>	<u>PROCEDURAL STEPS</u>
1	Thursday, February 26, 2004	Application Filed at Commission
2	April 12, 2004	Application Deemed Complete
3	Thursday, June 3, 2004	Public Hearing
4	Wednesday, June 30, 2004	Consumer Advocate Submission of IRs to HWSC
5	Wednesday, July 21, 2004	HWSC Response to Consumer Advocate IRs
6	Wednesday, August 11, 2004	Consumer Advocate Submission of Supplemental IRs to HWSC
7	Wednesday, September 1, 2004	HWSC Response to Consumer Advocate Supplemental IRs
8	Wednesday, September 22, 2004	Consumer Advocate Direct Testimony and Exhibits
9	Friday, October 1, 2004	HWSC Submission of IRs to Consumer Advocate
10	Friday, October 13, 2004	Consumer Advocate Response to HWSC IRs
11	Thursday, October 22, 2004	HWSC Rebuttal Testimonies
12	Thursday, October 29, 2004	Consumer Advocate Rebuttal IRs to HWSC
13	Thursday, November 5, 2004	HWSC Response to Consumer Advocate Rebuttal IRs
14	Thursday, November 15, 2004	Settlement Discussions
15	Thursday, November 22, 2004	Settlement Letter/Agreement (if any) to Commission

	<u>DATE</u>	<u>PROCEDURAL STEPS</u>
17	To be set by Commission (if necessary)	Evidentiary Hearing (if no settlement)
18	February 12, 2005	Interim Decision and Order (if no settlement)
19	3 weeks after transcript completed and filed with the Commission	Simultaneous Post-Hearing Briefs from HWSC/Consumer Advocate
20		Decision and Order

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Stipulated Prehearing Order No. 21072 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

Division of Consumer Advocacy
335 Merchant Street
Room 326
Honolulu, HI 96813

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999 Bishop Street
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John S. Tootle
Corporation Counsel
California Water Service Company
3625 Del Amo Boulevard, Suite 350

Karen Higdon.

DATED: June 23, 2004