

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

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

DOCKET NO. 03-0025

ORDER NO. 21191

RECEIVED
2004 AUG -2 A 11:19
DIV. OF CONSUMER ADVOCACY
DEPT. OF COMMERCE AND
CONSUMER AFFAIRS
STATE OF HAWAII

Filed July 30, 2004
At 2:30 o'clock P.M.

Karen Higashi
Chief Clerk of the Commission

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

K. Higashi

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 Increases and) Order No. 21191
Revised Rate Schedules and Rules.)
_____)

ORDER AMENDING DECISION AND ORDER NO. 20966

I.

Introduction

By a joint motion, filed on July 14, 2004, HAWAII-AMERICAN WATER COMPANY, INC. ("HAWC") and the Division of Consumer Advocacy, Department of Commerce and Consumer Affairs ("Consumer Advocate") (together, the "Parties"), request an order by July 30, 2004, to (1) modify Rule VI.1 (Bills) of HAWC's Rules and Regulations, and (2) make such modification effective as of May 6, 2004.¹ The Parties bring this motion pursuant to Hawaii Administrative Rules ("HAR") § 6-61-41.²

II.

Background

On May 6, 2004, the commission issued Decision and Order No. 20966 approving HAWC's request for a general rate

¹The Commission will treat the Parties' joint motion as a motion to reopen Docket No. 03-0025 and amend Decision and Order No. 20966, filed on May 6, 2004.

²The Parties do not request a hearing on this motion.

increase. By that same decision and order, the commission also approved the proposed changes to HAWC's tariff sheets and rate schedules (i.e. HAWC's Rules and Regulations) that were agreed upon by the Parties and specifically set forth in the Parties' Stipulation of Settlement Agreement in Lieu of Rebuttal Testimonies, Evidentiary Hearing and Briefs ("Stipulation"), filed on January 13, 2004. The commission also instructed HAWC to file with the commission its revised tariff sheets and scheduled reflecting these approved changes.

On May 11, 2004, HAWC filed with the commission its revised tariff sheets and schedules reflecting the approved changes to its Rules and Regulations, pursuant to Decision and Order No. 20966.

On May 21, 2004, the commission issued Order No. 21000 approving HAWC's revised tariff sheets and scheduled reflecting among other things, changes to its Rule VI.1 (Bills), effective as of May 6, 2004.

III.

Discussion

In their joint motion, the Parties assert that a change was inadvertently made to Rule VI.1 (Bills) of HAWC's Rules and Regulations. Specifically, the inadvertent change now requires the residential customers to be billed by HAWC every month in advance, instead of every other month in advance as previously set forth in the original Rule VI.1 (Bills). Although the Parties acknowledge that this change was reflected in their

Stipulation, they represent that this change was not recommended by the Consumer Advocate in its Direct Testimonies, Exhibits, and Workpapers filed on October 3, 2003. In addition, the Parties represent that this change was neither mentioned, recommended nor agreed to at any time by the Parties during the rate case discovery process.

Accordingly, the Parties request the commission to approve modifying Rule VI.1 (Bills) to correct and revert back to the Rule's original language for billings to HAWC's residential customers to be made every other month as reflected in the Parties' Exhibit 1.

HAWC's current Rules and Regulations approved by Order No. 21000 have an effective date of May 6, 2004. Consequently, the Parties request that the commission allow the above change to HAWC's Rules and Regulations have an effective date of May 6, 2004. The Parties assert that the public benefit will be served or at least not harmed by this request for the following reasons: (1) as mentioned above, the change to require monthly billings for residential customers was made inadvertently during the rate case proceedings and was not recommended by either HAWC or the Consumer Advocate; (2) this change will not affect the residential customers in any manner, because all this change will do is allow HAWC to continue its current and past practices of billing its residential customers every other month; and (3) an effective date of May 6, 2004 will in effect rectify the inadvertent change made to Rule VI.1 that became effective on said date.

HAWC stated that the next bills due for HAWC's residential customers have been and/or will be sent by HAWC to its customers in the beginning of July 2004, with payment due within thirty (30) days after said bills are deposited in the United States mail as required under the Rules and Regulations. The Parties assert that this is consistent with HAWC's prior billings, and these bills will cover a two (2) month period. To ensure that the payments of these current bills are made consistent with the Rules and Regulations, the Parties respectfully request that the relief sought in this motion be approved as soon as possible, but no later than July 30, 2004.

Based upon our review of the instant joint motion, we find the Parties' request in their joint motion appears to be reasonable and in the public interest. The change was inadvertent and the Parties represent that the modification will not affect the residential customers in any manner. Therefore, the commission concludes that the Parties' joint motion should be granted. Specifically, the Parties' proposed modification to HAWC's Rule VI.1 of the Rules and Regulations as reflected in their Exhibit 1 is approved and shall be effective as of May 6, 2004. The commission will thus reopen this docket solely for the purpose of amending Decision and Order No. 20966 to correct the Parties' inadvertent change to HAWC's Rule VI.1. In all other respects, Decision and Order No. 20966 remains unchanged.

IV.

Orders

THE COMMISSION ORDERS:

1. The Parties' joint motion, filed on July 14, 2004, is granted.

2. Decision and Order No. 20966 is amended consistent with the terms of this order. In all other respects, Decision and Order No. 20966 remains unchanged.

3. HAWC shall file its revised tariff sheets and rate schedules with the commission to reflect changes approved by this order and shall be effective as of May 6, 2004.

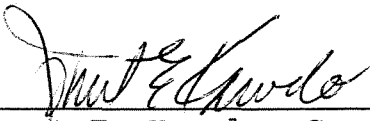
DONE at Honolulu, Hawaii this 30th day of July, 2004.

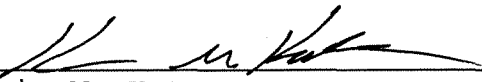
PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Carlito P. Caliboso, Chairman

By (EXCUSED)
Wayne H. Kimura, Commissioner

APPROVED AS TO FORM:

By 
Janet E. Kawelo, Commissioner


Kevin M. Katsura
Commission Counsel

03-0025.eh

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 21191 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

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

ALAN M. OSHIMA, ESQ.
KENT D. MORIHARA, ESQ.
OSHIMA, CHUN, FONG & CHUNG LLP
841 Bishop Street, Suite 400
Honolulu, HI 96813



Karen Higashi

DATED: July 30, 2004