

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
WAIKOLOA WATER COMPANY, INC, dba)
WEST HAWAII WATER COMPANY)
For Approval of Rates Increases)
and Revised Rate Schedules.)

DOCKET NO. 04-0373

ORDER NO. 21574

Filed Jan. 28, 2005
At 11 o'clock A.M.

Karen Higashi
Chief Clerk of the Commission

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

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

K. Higashi

In the Matter of the Application of)
WAIKOLOA WATER COMPANY, INC, dba)
WEST HAWAII WATER COMPANY)
For Approval of Rates Increases)
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¹WHWC's Application, Verification, Certificate of Service, and Exhibits 1 to 7-4, filed on December 30, 2004 (collectively, the "Application").

required by HAR § 6-61-75(b)(1).² WHWC also requests a public hearing, as mandated by HRS §§ 269-12(c) and HRS 269-16(c) and (f).³

WHWC served copies of its Application upon the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy ("Consumer Advocate")(collectively, the "Parties"). Although the Consumer Advocate recognizes that Applicant may not have strictly complied with all applicable rules, the Consumer Advocate does not object to a finding that WHWC's Application is complete.⁴

II.

Rate Review Process

WHWC utilizes the 2005 calendar test year. As a public utility with annual gross revenues of less than \$2 million, WHWC's Application is filed in accordance with Act 168, which streamlines the rate review process for small utilities such as WHWC. In brief, the commission must make every effort to issue its proposed decision and order within six (6) months from the filing date of WHWC's complete Application, "provided that all parties to the proceeding strictly comply with the procedural schedule established by the commission and no person is permitted to intervene." HRS § 269-16(f)(3).

²Id.

³Id.

⁴Consumer Advocate's Statement of Position Regarding Completeness of Application, filed on January 19, 2005 ("CA's Statement"), in accordance with HRS § 269-16(d), at 4.

The Consumer Advocate states that "an expedited review of a rate application can be performed if Applicant provides sufficient information to support the request, thereby eliminating the need for extensive discovery, as contemplated by Act 168."⁵ That said, the Consumer Advocate notes:

1. WHWC "may not have provided" all of the necessary information to complete an expedited analysis, thus requiring the need for discovery that will delay the completion of its review and "preventing the Commission from issuing a final decision within a six-month period."⁶

2. It will work with WHWC to expedite its review of WHWC's Application. Nonetheless, the extent to which the Consumer Advocate's review "can be expedited will ultimately depend on Applicant's ability to provide the requested information in a timely manner."⁷

3. Putting aside its questions and concerns, "to the extent that strict compliance of the Commission's rules of practice and procedure in Chapter 61, subchapters 3, 6 and 8 is enforced, the Consumer Advocate will not object to the completeness of the Application."⁸

⁵Id. at 2.

⁶Id. at 2 - 3.

⁷Id. at 3.

⁸Id. at 4 (footnote and text therein omitted).

This Order initiates the streamlined rate review process, pursuant to Act 168.

A.

Balance Sheet

WHWC's unaudited balance sheet for the calendar year 2003 is attached as Exhibit 2F to its Application. WHWC seeks permission to submit its unaudited balance sheet in lieu of the audited balance sheet required by HAR § 6-61-75(b)(1). WHWC states that it is "a small utility with annual revenues less than \$2,000,000, and does not have audited annual financial reports. Preparation of an audited financial report for this Application would unjustly impose additional financial burdens on the Applicant and unnecessarily delay the filing."⁹

The Consumer Advocate does not object to WHWC's request, "on the condition that Applicant make available for review all documentation supporting Applicant's financial statements, including all books and records."¹⁰

The commission finds good cause to approve WHWC's request, subject to the Consumer Advocate's proposed condition.¹¹

⁹WHWC's Application, at 6.

¹⁰CA's Statement, at 2.

¹¹See generally HAR § 6-61-92 (authorizes the commission to waive certain requirements governing rate increase applications if the requirements will "impose a financial hardship on applicant or be unjust or unreasonable").

B.

Complete Application

The filing date of WHWC's complete Application is December 30, 2004, consistent with HRS § 269-16(d).

C.

Public Hearing

The commission will hold a public hearing on WHWC's complete Application, on the island of Hawaii. The Parties have been notified of the date, time, and location of the public hearing.¹²

III.

Discovery

Given the six (6) month deadline governing the commission's issuance of its proposed decision and order, the Parties shall: (1) initiate the discovery process forthwith; and (2) within twenty-one (21) days from the date of this Order, submit a stipulated procedural schedule setting forth the issues and procedural schedule for WHWC's request to increase its rates.¹³

¹²See commission staff's letter, dated January 21, 2005, transmitting copies of the Notice of Public Hearing to the Parties.

¹³The deadline for interested persons to seek intervention or participant status is April 4, 2005. HAR §§ 6-61-22 and 6-61-57(1). Accordingly, in the event intervenor or participant status is later granted to any interested person, the commission will amend the procedural schedule accordingly.

In the event the conditions set forth in HRS § 269-16(f)(3) are met, i.e., the Parties strictly comply with the established procedural schedule and there is no intervention, "the [P]arties shall not be entitled to a contested case hearing[,]" "[p]rior to the issuance of the commission's proposed decision and order[.]" HRS § 269-16(f)(3).

IV.

Orders

THE COMMISSION ORDERS:

1. WHWC's request to submit its unaudited balance sheet in lieu of the audited balance sheet required by HAR § 6-61-75(b)(1), is approved. WHWC shall make available for review all documentation in support of its financial statements, including all books and records.


2. Consistent with HRS § 269-16(d), the filing date of WHWC's complete Application is December 30, 2004.

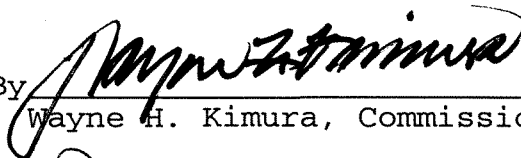
3. The Parties shall initiate the discovery process forthwith. Unless ordered otherwise, within twenty-one (21) days from the date of this Order, the Parties shall submit to the commission a stipulated procedural schedule setting forth the issues and procedural schedule for WHWC's request to increase its rates. If the Parties are unable to stipulate to such a schedule, each Party shall submit a proposed procedural schedule for the commission's consideration by the applicable deadline date.


DONE at Honolulu, Hawaii

JAN 28 2005

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:



Michael Azama
Commission Counsel

04-0373.cs

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 21574 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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Counsel for WEST HAWAII WATER COMPANY



Karen Higashi

DATED: JAN 28 2005