BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF HAWAII

In the Matter of the Application of)

HAWAIIAN ELECTRIC COMPANY, INC.)

For Approval of Rate Increases and)

Revised Rate Schedules and Rules.)

DOCKET NO. 04-0113

ORDER NO. 22024

DIV OF CONSUMER ABYOCAL DEPT OF COMMERCE AND CONSUMER AFFAIRS

Filed <u>September 12</u>, 2005 At <u>2:30</u> o'clock <u>P</u>.M.

Chief Clerk of the Commission

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In the Matter of the Application of)

HAWAIIAN ELECTRIC COMPANY, INC.)

For Approval of Rate Increases and)

Revised Rate Schedules and Rules.)

<u>ORDER</u>

The commission issues this prehearing order as a result of the prehearing conference held on September 9, 2005, in preparation for the evidentiary hearing scheduled to commence on September 13, 2005.

I.

Introduction

On September 9, 2005, the commission held a prehearing conference pursuant to Hawaii Administrative Rules ("HAR") § 6-61-36, with representatives from HAWAIIAN ELECTRIC COMPANY, INC. ("HECO"), the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy ("Consumer Advocate"), and the DEPARTMENT OF THE NAVY, on behalf of the DEPARTMENT OF DEFENSE ("DoD")(collectively, the "Parties").

The commission issues this prehearing order, in accordance with HAR \S 6-61-37.

Parties' Settlement Letter

The Parties, with on-going negotiations scheduled, anticipate filing their settlement letter by September 12, 2005, one (1) day prior to the commencement of the evidentiary hearing on September 13, 2005. The Parties' settlement letter will outline: (1) the areas of agreement; (2) the areas of disagreement; (3) for the areas of disagreement, the identities of the witnesses who are scheduled to testify on said issues; and (4) for other areas of disagreement, the Parties' agreement that they will brief said issues in their post-hearing briefs, with no need for in-person testimony.

III.

Prehearing Order

Consistent with the agreements reached and actions taken at the prehearing conference, and unless modified otherwise by the commission, the following terms shall control the evidentiary hearing:

- 1. The Parties agree to dispense with opening and closing statements.
- 2. In general, for the witnesses who will be testifying in-person, the Parties agree to group each set of witnesses by subject-matter. For example, the Parties' cost of service/rate design witnesses will be grouped and testify in succession; likewise, the Parties' cost of capital witnesses will be grouped by topic. For any other remaining witnesses who are not grouped, the

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order of witness presentation, unless directed otherwise by the commission, shall be HECO, the Consumer Advocate, and DoD; provided that HECO's result of operations witness is scheduled to testify last.

- 3. The witnesses who testify in-person are each allotted a maximum of twenty (20) minutes to summarize said witness's pre-filed testimony. Said witnesses shall note the issue number they are addressing, as set forth in the Parties' forthcoming settlement letter, referenced in Section II, above.
- 4. The Parties acknowledge that, following the completion of the witness's examination by each of the Parties, the commission's consultant and counsel may ask the witnesses questions. If this occurs, counsel who sponsored the witness may ask re-direct questions of its witness. The Parties further acknowledge that the commission, at its option, may ask the Consumer Advocate's and DoD's rate design witnesses to comment on the other's proposed rate designs.
- 5. For any witness who is not scheduled to testify inperson based on the Parties' settlement agreement, described above,
 the Parties nonetheless agree to make such witnesses available, at
 a minimum by telephone, for possible examination by the commission,
 its consultant, or counsel.

In addition to the foregoing, the Parties agree to a proceeding on September 19, 2005, for HECO to make its presentation for "probable entitlement," consistent with Hawaii Revised Statutes § 269-16(c) and (d). The Parties will be notified of the time of this "probable entitlement" proceeding.

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IV.

<u>Order</u>

THE COMMISSION ORDERS that the terms set forth in this Order shall govern the remainder of this proceeding, unless modified or ordered otherwise by the commission.

DONE at Honolulu, Hawaii <u>September 12, 2005</u>.

PUBLIC UTILITIES COMMISSION OF THE STATE OF HAWAII

By Carlite R. Calibogo Chairman

Carlito P. Caliboso, Chairman

By May Winner

Wayne H. Kimura, Commissioner

Bv

Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:

Catherine P. Awakuni

Commission Counsel

04-0113.eh

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 22024 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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<u>Certificate</u> of <u>Service</u> Page 2

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Karen Higashi

DATED: September 12, 2005