

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application of )  
 )  
HAWAIIAN ELECTRIC COMPANY, INC. ) Docket No. 05-0146  
 )  
For Approval of (1) the Commitment of Funds in )  
Excess of \$2,500,000 for the Purchase and Installation )  
of the RO Water Pipeline Project and the Environmental )  
Monitoring Project, (2) a Rate Reduction Program, )  
(3) Accounting and Ratemaking Treatment of the )  
RO Water Pipeline Project and Environmental )  
Monitoring Project, all as Part of the Community )  
Benefits Package Relating to Item Y-49000, Campbell )  
Industrial Park Generating Station and Transmission )  
Additions Project. )  
\_\_\_\_\_ )

STIPULATED PREHEARING ORDER NO. 22382

Filed April 12, 2006  
At 1:30 o'clock P.M.

Karen Hignett  
Chief Clerk of the Commission

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STIPULATED PREHEARING ORDER

Applicant Hawaiian Electric Company, Inc. and the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs hereby stipulate that the attached Stipulated Prehearing Order is mutually acceptable to each respective party.

DATED: Honolulu, Hawaii, March 30, 2006.

  
\_\_\_\_\_  
WILLIAM A. BONNET  
Vice President  
Government and Community Affairs  
Hawaiian Electric Company, Inc.

  
\_\_\_\_\_  
JOHN E. COLE  
Executive Director  
Division of Consumer Advocacy  
Department of Commerce and Consumer Affairs

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STIPULATED PREHEARING ORDER

On June 17, 2005, Hawaiian Electric Company, Inc. ("HECO") filed an application requesting the Public Utilities Commission's ("Commission") approval of: (1) the commitment of funds in excess of \$2,500,000 for the purchase and installation, and subsequent dedication to the Board of Water Supply of the City and County of Honolulu ("BWS"), of a water pipeline from Campbell Industrial Park to Kahe Power Plant and related facilities in accordance with the provisions of Paragraph 2.3(g)(2) of General Order No. 7, as revised in Decision and Order No. 21002 (issued May 27, 2004 in Docket No. 03-0257) ("G.O. 7 2.3(g)(2)"); (2) the commitment of funds in accordance with G.O. 7 2.3(g)(2) for the purchase and installation of equipment needed for environmental monitoring; (3) the accounting and ratemaking treatment of the water pipeline and environmental monitoring programs; and (4) a rate reduction program as further described therein, all as part of a community benefits package relating to the Campbell Industrial Park Generating Station and Transmission Additions Project ("CIP Generating Station Project").

The deadline for any interested person to file a motion to intervene or participate in this docket was July 7, 2005, pursuant to Hawaii Administrative Rules (“HAR”) § 6-61-57(3)(a). No persons moved to intervene or participate.

On July 7, 2005, the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs (“Consumer Advocate”) filed a Preliminary Statement of Position stating that it intends to participate in the instant proceeding but that it is unable to presently state its position on the request set forth in the Application. In addition, the Consumer Advocate recommended that: (1) the Commission establish an extended procedural schedule to commence after the filing of HECO’s third Integrated Resource Plan (“IRP-3”); and (2) the Application be suspended and consolidated with Docket No. 05-0145.<sup>1</sup>

HECO filed a response to the Consumer Advocate’s Preliminary Statement of Position on July 26, 2005. HECO recommended: (1) denial of the Consumer Advocate’s request to suspend this docket; (2) denial of the request to establish a procedural schedule that starts after HECO’s IRP-3 filing; and (3) denial of any request to consolidate this docket with Docket No. 05-0145. However, HECO indicated that it would not object to a suspension of the 90-day requirement of G.O. 7 2.3(g)(2) in recognition that it would be impractical to complete this docket within the 90-day review period.

By Order No. 22048, filed on September 23, 2005, the Commission treated HECO’s statement that it would not object as a request for a waiver of the 90-day review period and approved such request. The Commission instructed the parties to file a stipulated prehearing order for the Commission’s review and consideration that identifies the issues, procedures, and schedule for this proceeding within thirty (30) days following the filing of HECO’s IRP-3. The

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<sup>1</sup> In Docket No. 05-0145, HECO requested Commission approval to commit funds for Item Y-49000, Campbell Industrial Generating Station and Transmission Additions Project.

Commission stated that such action will promote the just and speedy determination of this proceeding, and avoid the potential for any undue delay. HECO filed its IRP-3 on October 28, 2005.

HECO and the Consumer Advocate have reached agreement on the prehearing matters and submit this Stipulated Prehearing Order which is acceptable to both parties.

ACCORDINGLY, IT IS ORDERED that the following Statement of Issues, Schedule of Proceedings, and procedures shall be utilized in this docket.

### **I. STATEMENT OF THE ISSUES**

The issues in this case are:

1. Whether the proposed RO Water Pipeline Project in accordance with Paragraph 2.3(g)(2) of General Order No. 7, will provide facilities which are reasonably required to meet HECO's present or future requirements for utility purposes.
2. Whether HECO's dedication of the RO Water Pipeline to the Board of Water Supply, in accordance with HAR § 6-61-105, HRS § 269-19 and Condition #13 of the HEI Conditions of Merger, is reasonable and in the public interest.
3. Whether HECO's proposed accounting and ratemaking treatments for the costs associated with the RO Water Pipeline Project are reasonable.
4. Whether HECO's commitment of funds for the proposed Environmental Monitoring Program (Air Monitoring Programs and Fish Monitoring Program), in accordance with Paragraph 2.3(g)(2) of General Order No. 7, will provide facilities which are reasonably required to meet HECO's present or future requirements for utility purposes.

5. Whether HECO's proposed accounting and ratemaking treatments for the costs associated with the Environmental Monitoring Program are reasonable.
6. Whether the proposed rate reduction program and implementation in accordance with HAR § 6-61-86 and § 6-61-110 are just and reasonable.

## **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 anything to the contrary contained herein, the parties shall have the right to amend the Stipulated Regulatory Schedule as may be mutually agreed to by the parties in writing from time to time. Such mutual agreement to amend the Stipulated Regulatory Schedule shall be set forth in and by letter filed with the Commission and the parties may mutually agree to revise any scheduled matter set forth therein except for the date of the Evidentiary Hearing, if any. Such letter shall constitute an amendment to this Stipulated Prehearing Order upon filing with the Commission unless otherwise ordered by the Commission.

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

### **A. 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. To the extent practical, HECO 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. If the parties are unable to agree, the responding party may seek approval for the late submission from the Commission upon a showing of good cause. It is then within the Commission's discretion to approve or disapprove such late filings and take any additional action that may be appropriate, such as extending the date for the party to respond.

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 or other readily usable electronic medium, the party responding to the information request shall make the diskette or such electronic medium available to the other parties and the Commission. Subject to objections that may be raised and to the extent practicable, the electronic files for spreadsheets will contain all formulae intact, and will not be entirely converted to values prior to submission. 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 D, 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.<sup>2</sup> 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.

For each response to an information request, the responding party should identify witnesses who will be responsible for sponsoring the response should there be an evidentiary hearing.

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 to some or all representatives of the party 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.

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<sup>2</sup> As practical, each party will cooperate in making available documents that are already on file with the Commission or otherwise part of the public record and in reproducing (at reasonable charges), such public record documents as well as voluminous material referenced by such parties, designated by the requesting parties and/or making available one copy of the designated documents for loan for a reasonable period of time to be reproduced by the requesting party.

The responses of each party to information requests shall adhere to a uniform system of numbering agreed upon by the parties. For example, the first information request submitted by the Consumer Advocate in this docket shall be referred to and designated as "CA-IR-1," and a response to this information request shall be referred to and designated as "Response to CA-IR-1."

Each response shall be provided on a separate page and shall recite the entire question asked and set forth the response and/or reference the attached responsive document.

**B. Witnesses**

The following shall apply:

Pre-filed written testimonies and exhibits for witnesses scheduled to appear at the evidentiary hearing shall be filed in accordance with the schedule attached hereto as Exhibit A, subject to such changes to the schedule as may be agreed upon by the parties. Witnesses submitting written testimony and exhibits shall be made available for cross-examination at the evidentiary hearing. Witnesses should file the work papers used in preparing the evidence they sponsor at the time they submit their testimony and exhibits and have such work papers available at the evidentiary hearing. Witnesses will not be permitted to read prefiled written testimony at the evidentiary hearings.

In the presentation of the testimony, each witness may give a brief oral summary of the written 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 shall cooperate to accommodate the schedules of mainland witnesses and will inform the Commission in advance of any scheduling difficulties with respect to such witnesses. If a party has an objection to a timely request to schedule a mainland witness in advance of other witnesses, the party shall make a timely objection to the Commission. The parties will make

their best effort to accommodate the schedules of mainland witnesses by coordinating their appearance at the evidentiary hearing.

**C. 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 page 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 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 except with the approval of the Commission.

Generally, exhibits should include appropriate footnotes, or narratives inserted in the related testimony, setting forth the sources of the information used and explaining the methods employed in making statistical compilations or estimates.

**D. Matters of Public Record**

To reduce unnecessary reproduction of documents and to facilitate these proceedings, identified matters of public record, such as reports that HECO 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.

**E. Copies of Testimony, Exhibits and Information Requests**

**1. Testimony, Exhibits, Workpapers, Information Requests, Responses to Information Requests, Briefs:**

Commission	Original + 11 copies
HECO	3 copies
Consumer Advocate	3 copies

2. All pleadings, briefs and other documents required to be filed with the Commission shall comply with the formatting requirements prescribed pursuant to Chapter 61, Subchapter 2, Section 6-61-16 of the Commission's Rules of Practice and Procedure and 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.

3. Copies of all filings, information requests and information request responses should be sent to the other parties by hand delivery or United States mail (first class, postage prepaid). In addition, if available, all parties shall provide copies of their filings, information requests and information request responses to the other parties via diskette, CD or e-mail in a

standard electronic format that is readily available by the parties. The parties agree to use Word 97, Word 2000 or Word 2003 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/Word 2003 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, CD 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 United States mail (first class, postage prepaid) as provided in Part E, above.

**F. Order of Examination at the Evidentiary Hearing**

The following shall apply:

Pursuant to Chapter 61, Subchapter 3, Section 6-61-31, of the Commission's Rules of Practice and Procedure, HECO's witnesses shall open with its direct case. The Consumer Advocate's direct case shall be presented after HECO's direct case. HECO shall close with its rebuttal case.

Examination of any witness shall be limited to one attorney or representative for a party. The parties shall avoid duplicative or repetitious cross-examination. Friendly cross-examination will not be allowed. Cross-examination shall be limited to witnesses whose testimony is adverse to the party desiring to cross-examine. Recross-examination shall be limited to the extent of material covered in redirect examination unless otherwise permitted by the Commission.

**G. 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.

**H. 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 Prehearing Order shall control the subsequent courses of the proceedings, unless modified at or prior to the hearing to prevent manifest injustice.

This Stipulated Prehearing Order may be executed by the parties in counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same instrument. The parties may execute this Stipulated Prehearing Order by facsimile for initial submission to the Commission to be followed by the filing of originals of said facsimile pages.

DONE at Honolulu, Hawaii, this 12<sup>th</sup> day of April, 2006.

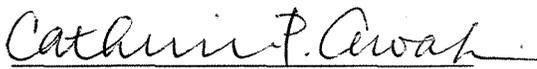
PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

By   
Carlito P. Caliboso, Chairman

By (EXCUSED)  
Wayne H. Kimura, Commissioner

By   
Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:

By   
Catherine P. Awakuni  
Commission Counsel

## EXHIBIT A

### Stipulated Regulatory Schedule

HECO Application	June 17, 2005
HECO Written Direct Testimonies and Exhibits	April 12, 2006
Consumer Advocate's Round 1 Information Requests to HECO	April 27, 2006
HECO Responses to Consumer Advocate Round 1 Information Requests	May 18, 2006
Consumer Advocate's Round 2 Information Requests to HECO	June 1, 2006
HECO Responses to Consumer Advocate's Round 2 Information Requests	June 22, 2006
Consumer Advocate's Round 3 Information Requests to HECO	July 6, 2006
HECO Responses to Consumer Advocate's Round 3 Information Requests	July 27, 2006
Written Testimonies, Exhibits, and Workpapers of Consumer Advocate	August 10, 2006
HECO Information Requests to Consumer Advocate	August 24, 2006
Consumer Advocate Responses to HECO Information Requests	September 14, 2006
HECO Written Rebuttal Testimonies, Exhibits, and Workpapers	October 5, 2006
Consumer Advocate's Rebuttal Information Requests to HECO	October 19, 2006
HECO Responses to Consumer Advocate Rebuttal Information Requests	November 9, 2006
Prehearing Conference	November 16, 2006
Evidentiary Hearing	Beginning on November 29, 2006
Simultaneous Briefs by Parties	3 weeks after transcripts
Simultaneous Reply Briefs by Parties	2 weeks after Opening Briefs

CERTIFICATE OF SERVICE

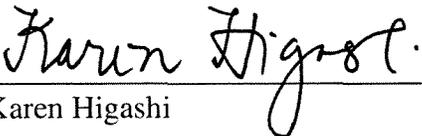
I hereby certify that I have this date served a copy of the foregoing Stipulated Prehearing Order No. 22382 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
DIVISION OF CONSUMER ADVOCACY  
335 Merchant Street, Room 326  
Honolulu, Hawaii 96813

DEAN K. MATSUURA  
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\_\_\_\_\_  
Karen Higashi

DATED: APR 12 2006