

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
)
KRWC CORPORATION, dba)
KOHALA RANCH WATER COMPANY)
)
For Review and Approval of Rate)
Increases and Revised Rate)
Schedules.)
_____)

Docket No. 05-0334

Order No. 22534

ORDER

By this Order, the commission grants the request of the Division of Consumer Advocacy, Department of Commerce and Consumer Affairs ("Consumer Advocate") and KRWC Corporation, dba Kohala Ranch Water Company ("KRWC"), for an extension of time from May 31, 2006, to June 30, 2006, for the Consumer Advocate to file its Direct Testimonies, Exhibits, and Supporting Workpapers (collectively, the "Direct Testimonies").¹

I.

Introduction

By Stipulated Procedural Order No. 22353, filed on March 24, 2006, the commission approved the regulatory schedule for this proceeding, which provided that the deadline for the Consumer Advocate to file its Direct Testimonies was April 28, 2006.

¹The Consumer Advocate and KRWC are the sole parties to this proceeding ("Parties"). The commission allowed Kohala By the Sea Community Association to participate by submitting written testimonies addressing its status as a "Firewise" community.

By letter dated and filed on April 28, 2006, the Consumer Advocate requested an extension of time to file its Direct Testimonies, from April 28, 2006, to May 31, 2006, which the commission granted on May 9, 2006.

By letter dated and filed on May 31, 2006, the Consumer Advocate advises that it and KRWC have further agreed to amend the regulatory schedule by allowing the Consumer Advocate additional time to file its Direct Testimonies. The Consumer Advocate asserts that it needs additional time to issue discovery on the proposed tariff changes that were filed on April 20, 2006, and to present the Consumer Advocate's recommendations on KRWC's proposals. The remaining dates for the procedural schedule will be discussed and submitted to the commission at a later date.

II.

Discussion

A.

Enlargement of Time

Hawaii Administrative Rules ("HAR") § 6-61-23(a)(1) provides the commission with the discretion, for good cause shown, to enlarge a period by which a required act must be completed, if a written request is made before the expiration of the period originally prescribed. The Consumer Advocate filed its motion for enlargement of time on May 31, 2006, prior to expiration of the extension period, asserting that it needed additional time to issue discovery on KRWC's proposed tariff

changes and to present its recommendation of the proposal with its recommendation on the proposed rate increases. The Consumer Advocate states that it has been unable to focus on the instant application due to the procedural filing dates in other docketed matters.

Based on the foregoing, the commission finds good cause in this instance to enlarge the deadline by which the Consumer Advocate must file its Direct Testimonies, and grants its request for extension of time.

B.

Deadline for Decision and Order

The commission's deadline to issue its Proposed Decision and Order is July 5, 2006, six months from the date of the filing of KRWC's complete application, in accordance with Hawaii Revised Statutes ("HRS") § 269-16(f)(3), provided that all parties to the proceeding strictly comply with the procedural schedule and no person is permitted to intervene.

HRS § 269-16(d) requires that the commission make every effort to complete its deliberations with respect to a public utility's request for a rate increase "as expeditiously as possible and before nine months from the date the public utility filed its completed application." The statute further provides that, if such deliberations are not concluded within the nine-month period, the commission shall render an interim decision within one month after the expiration of the nine-month period. The commission may postpone its interim rate decision an

additional thirty days if the commission considers the evidentiary hearing incomplete. The interim decision may allow an increase in rates if the commission believes the public utility is "probably entitled" to such interim rate relief.

As stated above, the Consumer Advocate and KRWC agreed to amend the regulatory schedule to allow the Consumer Advocate additional time to file its Direct Testimonies. In addition, the Consumer Advocate advises that it has committed to completing its analysis to allow KRWC the opportunity to, at a minimum, receive interim rate relief within the six-month period following the filing of KRWC's application.

On July 5, 2006, the six-month period following the filing of KRWC's completed application, the commission likely will have the direct testimonies from the parties, however, it may not have had an opportunity to review the remaining documents expected to be filed in this proceeding (e.g., KRWC's information requests to the Consumer Advocate and the responses thereto, and KRWC's rebuttal testimonies). The commission, therefore, finds that in this instance the parties to this proceeding have not strictly complied with the procedural schedule established for this proceeding.² Accordingly, the commission's deadline for the issuance of a Decision and Order in this proceeding is

²See Order No. 21958, filed on August 3, 2005, in Docket No. 05-0124, In re Kaupulehu Water Co. at 2 (a utility's agreement to various deadlines beyond the commission's six-month decision period effectively waives the issuance of a proposed decision and order, entitles a utility to a contested case hearing and the right to appeal the decision and order, and provides the commission with a nine-month period by which to issue a decision and order).

nine months from the date of the filing of KRWC's complete application, i.e., October 5, 2006. Concomitantly, KRWC is now entitled by statute to a contested case hearing, and the right to appeal the commission's Decision and Order, pursuant to HRS § 269-15.5.³

III.

Orders

THE COMMISSION ORDERS:


1. The Consumer Advocate's request for extension of time, from May 31, 2006, to June 30, 2006, to file its Direct Testimonies, is granted.

2. Unless otherwise ordered, the commission's deadline for the issuance of its Decision and Order in this proceeding shall be nine months from the date of the filing of KRWC's complete application, or October 5, 2006.

³The commission, however, will consider, as the Consumer Advocate suggests, whether KRWC may be provided with interim rate relief sooner than the nine-month deadline if the Parties are able to provide information relating to the probable entitlement of KRWC before the completion of the discovery period.

DONE at Honolulu, Hawaii JUN 15 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:


Catherine P. Awakuni
Commission Counsel

05-0334.cs

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 22534 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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DATED: JUN 15 2006