BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF HAWAII

In the Matter of the Transmittal of)

KEAUHOU COMMUNITY SERVICES, INC.

For Approval of Changes to its Tariff by Removing all References to Effluent. Transmittal No. 08-01. TRANSMITTAL NO. 08-01

ORDER SUSPENDING TRANSMITTAL

PUBLIC UTILITIES

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DIV. OF CONSUMER ADVOCACY
DEPT. OF COMMERCE AND
CONSUMER AFFAIRS
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ORDER SUSPENDING TRANSMITTAL

By this Order, the commission suspends the transmittal filed by KEAUHOU COMMUNITY SERVICES, INC. ("KCSI"), on November 5, 2008.

I.

Background

KCSI is a public utility that provides wastewater collection and treatment services to residential and commercial customers within its service territory of Keauhou, island of Hawaii.

On November 5, 2008, KCSI filed its Transmittal No. 08-01, proposing to delete all references to "effluent" from the wastewater utility's tariff, including the current effluent rate of \$0.49 per thousand gallons. KCSI states that:

¹Transmittal No. 08-01; Exhibit 1; and Certificate of Service, filed on November 5, 2008 ("Transmittal No. 08-01"). KCSI served copies of its transmittal upon the DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, DIVISION OF CONSUMER ADVOCACY ("Consumer Advocate"), an ex officio party to this proceeding,

(1) its proposed tariff changes are the result of a Settlement and Mutual Release Agreement, dated December 31, 2007, relating to a lawsuit involving the Kona Country Club and the rights, title, and interests of Kona Country Club, Inc.; and (2) the agreement represents a global settlement of many issues, "one of which is the disposal and delivery of effluent, a byproduct generated by KCSI's wastewater treatment plant."²

KCSI filed its transmittal pursuant to HRS § 269-16 and HAR § 6-61-111. The proposed effective date of KCSI's transmittal is December 6, 2008.

II.

Discussion

HRS § 269-16(b)(1) provides that the commission, upon notice to the public utility, may "[s]uspend the operation of all or any part of the proposed rate, fare, charge, classification, schedule, rule, or practice or any proposed abandonment or modification thereof or departure therefrom[.]"

On November 13, 2008, the commission issued information On November 20, 2008, KCSI, by informal requests to KCSI. communication to commission counsel and the Consumer Advocate, it does not object to the suspension of states that Transmittal No. 08-01, in order to provide ample time for: (1) KCSI to respond to the commission's information requests; and (2) the commission and the Consumer Advocate to review the merits

pursuant to Hawaii Revised Statutes ("HRS") \S 269-51 and Hawaii Administrative Rules ("HAR") \S 6-61-62(a).

²Transmittal No. 08-01, at 3.

of KCSI's proposed tariff changes. The commission, based on KCSI's representation, suspends KCSI's transmittal for further review.

III.

<u>Orders</u>

THE COMMISSION ORDERS:

- 1. KCSI's Transmittal No. 08-01, filed on November 5, 2008, is suspended for further review.
- 2. Within twenty-one days following the filing of KCSI's responses to the commission's information requests, the Consumer Advocate, at its option, may file its comments to KCSI's proposed tariff changes.

³At this time, the commission does not, however, open an investigation under HAR § 6-61-57(3)(B).

PUBLIC UTILITIES COMMISSION OF THE STATE OF HAWAII

By:

Carlito P. Caliboso, Chairman

Bv:

John E. Cole, Commissioner

Bv.

Leslie H. Kondo, Commissioner

APPROVED AS TO FORM:

Michael Azama

Commission Counsel

08.01.laa

CERTIFICATE OF SERVICE

The foregoing order was served on the date of filing by mail, postage prepaid, and properly addressed to the following parties:

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EXECUTIVE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
DIVISION OF CONSUMER ADVOCACY
P. O. Box 541
Honolulu, HI 96809

JOHN W. ROCHA SECRETARY/TREASURER KEAUHOU COMMUNITY SERVICES, INC. 78-6740 Makolea Street Keauhou, HI 96739

MICHAEL H. LAU, ESQ. KRIS N. NAKAGAWA, ESQ. SANDRA L. WILHIDE, ESQ. MORIHARA LAU & FONG LLP 841 Bishop Street Suite 400 Honolulu, HI 96813

Counsel for KEAUHOU COMMUNITY SERVICES, INC.