

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)

NORTH SHORE WASTEWATER)
TREATMENT, L.L.C.)

DOCKET NO. 2006-0486

For Review and Approval of Rate)
Increases Pursuant to Hawaii)
Revised Statutes § 269-16; and)
Revised Rate Schedules)

DECISION AND ORDER NO. 23980

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

2008 JAN 28 A 9:02

RECEIVED

Filed Jan. 25, 2008

At 1 o'clock P.M.

Karen Higashi
Chief Clerk of the Commission

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

Karen Higashi

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In the Matter of the Application of))	
NORTH SHORE WASTEWATER)	Docket No. 2006-0486
TREATMENT, L.L.C.)	
)	Decision and Order No. 23980
For Review and Approval of Rate)	
Increases Pursuant to Hawaii)	
Revised Statutes § 269-16; and)	
Revised Rate Schedules)	
_____)	

DECISION AND ORDER

By this Decision and Order, the commission adopts Proposed Decision and Order No. 23916, filed on December 20, 2007, as its Decision and Order in this proceeding. In addition, the commission finds that the revised tariff sheets and rate schedules filed by NORTH SHORE WASTEWATER TREATMENT, L.L.C. ("NSW") on January 17, 2008, comply with the Proposed Decision and Order. NSW's revised tariff sheets and rate schedules shall take effect immediately from the date of this Decision and Order.

I.

Discussion

A.

Proposed Decision and Order No. 23916

On December 20, 2007, the commission timely issued Proposed Decision and Order No. 23916, as mandated by

Hawaii Revised Statutes ("HRS") § 269-16(f), and in response to the application filed by NSW on June 22, 2007.¹

In Proposed Decision and Order No. 23916, the commission approved rates for NSW, as agreed upon by NSW and the DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, DIVISION OF CONSUMER ADVOCACY ("Consumer Advocate")² (jointly, the "Parties") in their "Stipulation of Settlement Agreement in Lieu of Rebuttal Testimonies," jointly filed by the Parties on November 15, 2007.³

Specifically, the commission approved, based on a 2007 calendar test year ("Test Year"):⁴ a \$664,515⁵ increase in NSW's revenues, resulting in a revenue requirement for NSW of \$686,595; an average Test Year rate base of \$863,790; and a return on rate base of 8.85%. In addition, the commission approved NSW's request to establish an Automatic Power Cost

¹See Application, Exhibit NSW 1 through Exhibit NSW 12, Exhibit NSW-T-100, Verification, and Certificate of Service, filed on June 22, 2007.

²The Consumer Advocate is an ex officio party to this docket pursuant to HRS § 269-51 and Hawaii Administrative Rules ("HAR") § 6-61-62.

³See Stipulation of Settlement Agreement in Lieu of Rebuttal Testimonies, Exhibits A to C, and Certificate of Service, filed on November 15, 2007.

⁴On December 19, 2006, NSW filed a motion that requested the commission to: (1) allow NSW to submit unaudited financial information in lieu of the audited balance sheet required by HAR § 6-61-75(b)(1); and (2) utilize 2007 calendar test year financial data in the place of mid-year 2006-2007 test year data, as required by HAR § 6-61-88(3). By Order No. 23190, filed on January 11, 2007, the commission approved NSW's requests.

⁵Differences between amounts referenced in Proposed Decision and Order No. 23916 and amounts reflected in Exhibits 1 and 2, attached thereto, are due to rounding.

Adjustment Clause that will allow NSW to increase or decrease its rates based on any corresponding increase or decrease in NSW's cost for electricity.

B.

The Parties' Acceptance of the Proposed Decision and Order

On December 24, 2007, the Consumer Advocate accepted in toto Proposed Decision and Order No. 23916.⁶ By letter filed on December 31, 2007, NSW, likewise, accepted Proposed Decision and Order No. 23916.⁷

C.

Adoption of Proposed Decision and Order No. 23916

The Parties have accepted Proposed Decision and Order No. 23916. Accordingly, the Parties are not entitled to a contested case hearing, and HRS § 269-15.5 does not apply.⁸ See HRS § 269-16(f)(3). In light of the foregoing, the commission adopts in toto Proposed Decision and Order No. 23916.

D.

Revised Tariff Sheets and Rate Schedules

Proposed Decision and Order No. 23916 also instructed NSW to promptly file its revised tariff sheets and rate

⁶See Letter dated and filed December 24, 2007, from the Consumer Advocate to the commission.

⁷See Letter dated and filed December 31, 2007, from NSW to the commission.

⁸See Proposed Decision and Order No. 23916, at 37, paragraph 1.

schedules, which implement the tariff changes and increases in rates and charges authorized by Proposed Decision and Order No. 23916, for the commission's review and approval.

On January 17, 2008, NSW filed its revised tariff sheets and rate schedules. The commission has reviewed NSW's revised tariff sheets and rate schedules, and finds that they are in compliance with Proposed Decision and Order No. 23916.⁹ The commission accordingly approves NSW's revised tariff sheets and rate schedules, which shall become effective immediately as of the date of this Decision and Order. NSW is instructed to promptly re-file its revised tariff sheets and rate schedules, consistent with the terms of this Decision and Order (including footnote 9) with references to this Decision and Order and the applicable issued and effective dates.

II.

Orders

THE COMMISSION ORDERS:

1. Proposed Decision and Order No. 23916, filed on December 20, 2007, is adopted as the commission's Decision and Order in this proceeding.

⁹The commission, however, instructs NSW to make a minor formatting change to its revised tariff sheets and rate schedules. In the Sewer Rate Schedule appearing on Tariff No. 1, Second Revised Sheet 23, which cancels First Revised Sheet 23, the variable monthly charge for the "Hotel" category in the amount of \$23,820.89 should be reformatted to appear on one line instead of two.

2. NSW's revised tariff sheets and rate schedules, filed on January 17, 2008, are approved, and shall take immediate effect from the date of this Decision and Order.


3. NSW shall promptly re-file its revised tariff sheets and rate schedules, consistent with the terms of this Decision and Order (including footnote 9) with references to this Decision and Order and the applicable issued and effective dates.

DONE at Honolulu, Hawaii JAN 25 2008.


PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Carlito P. Caliboso, Chairman

By 
John E. Cole, Commissioner

By 
Leslie H. Kondo, Commissioner

APPROVED AS TO FORM:


Kaiulani Kidani Shinsato
Commission Counsel

2006-0486.eh

CERTIFICATE OF SERVICE

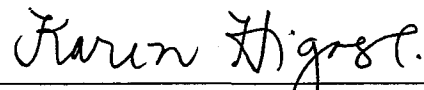
I hereby certify that I have on this date served a copy of the foregoing Decision and Order No. 23980 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

CATHERINE P. AWAKUNI
EXECUTIVE DIRECTOR
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DIVISION OF CONSUMER ADVOCACY
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Karen Higashi

DATED: JAN 25 2008