

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application of )  
 )  
KAUAI ISLAND UTILITY COOPERATIVE ) DOCKET NO. 2022-0208  
 )  
For Approval of Rate Changes and )  
Increases, Revised Rate Schedules )  
and Rules, and Other Matters. )  
\_\_\_\_\_ )

ORDER NO. 39092

REGARDING COMPLETED APPLICATION AND OTHER INITIAL MATTERS

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application of )  
 )  
KAUAI ISLAND UTILITY COOPERATIVE ) DOCKET NO. 2022-0208  
 )  
For Approval of Rate Changes and ) ORDER NO. **39092**  
Increases, Revised Rate Schedules )  
and Rules, and Other Matters. )  
\_\_\_\_\_ )

REGARDING COMPLETED APPLICATION AND OTHER INITIAL MATTERS

By this Order,<sup>1</sup> the Public Utilities Commission ("Commission") finds that KAUAI ISLAND UTILITY COOPERATIVE's ("KIUC") Application<sup>2</sup> is complete and properly filed under HRS § 269-16(d) and HAR § 16-601-87, making the filing date of KIUC's completed Application December 28, 2022. The Commission furthermore instructs the Parties to: (1) initiate the discovery process forthwith; and (2) submit a stipulated procedural order for the Commission's review and consideration, consistent with the

---

<sup>1</sup>At this time, the Parties to this docket are KIUC and the DIVISION OF CONSUMER ADVOCACY ("Consumer Advocate"), an ex officio party to this proceeding, pursuant to Hawaii Revised Statutes ("HRS") § 269-51 and Hawaii Administrative Rules ("HAR") § 16-601-62(a).

<sup>2</sup>"Application; Exhibits 1 through 10; Attachments; Verification; and Certificate of Service," filed on December 28, 2022 ("Application").

terms of this Order. If the Parties, along with any designated intervenors and participants, are unable to stipulate to a procedural order, the Commission will issue its own procedural order that complies with the time requirements of HRS § 269-16(d).

I.

BACKGROUND

A.

KIUC's Application

KIUC is a not-for-profit electric cooperative with its principal place of business in Lihue, on the island of Kauai, and is engaged in the production, transmission, distribution, purchase, and sale of electric energy on the island of Kauai, State of Hawaii.<sup>3</sup> KIUC has been in operation as a public utility since November 1, 2002, when "it purchased substantially all of the assets and assumed the operations of the Kauai Electric division of Citizens Communications Company ('Citizens'), and in connection therewith, was assigned the legislatively-granted franchise previously held by Citizens to manufacture, sell,

---

<sup>3</sup>Application at 4.

furnish, and supply electric light, current, and power on the island of Kauai.”<sup>4</sup>

On December 28, 2022, KIUC filed its Application seeking a net increase in its electric revenues of \$16.7 million (approximately 9.42 percent) over the pro forma total electric revenue amount of \$177.0 million at present rates for the 2023 test year.<sup>5</sup> The requested increase is based on a proposed revenue requirement of \$193.7 million for the 2023 test year (“Test Year”).<sup>6</sup> If approved, “the proposed revenue increase would provide KIUC with a [Debt Service Coverage (‘DSC’)] Ratio under its loan indenture for the 2023 test year of 1.75[.]”<sup>7</sup>

In support of the proposed increase, KIUC explains that “[a]t its present rates, KIUC projects a net negative margin

---

<sup>4</sup>Application at 4 (citation omitted); see also Docket No. 02-0060, Decision and Order No. 19658, filed on September 17, 2002 (amended by Docket No. 02-0060, Decision and Order No. 19755, filed on October 30, 2002) (approving said transaction). “KIUC’s legislatively-granted franchise reads as is provided in Act 165 (Session Laws of Hawaii 1967).” Application at 4 n.9.

<sup>5</sup>Application at 9.

<sup>6</sup>Application at 9.

<sup>7</sup>Application at 9-10 (citations omitted). According to KIUC, “Debt Service Coverage, or ‘DSC’, is the current benchmark ratio used by KIUC’s lenders instead of [the Times Interest Earned Ratio (‘TIER’),]” which was “the principal measure of financial performance used by KIUC’s lenders at the time of Docket No. 2009-0050” (KIUC’s last rate case proceeding). Application at 6 n.11 (referencing Application, Attachment DJB-104 and Exhibit 10-T-300 (Testimony of William A. Collet)).

reported to its lenders of (\$7.1 million) for the [Test Year],” which “would result in an Indenture DSC Ratio of 0.98 . . . , which is less than the 1.25 minimum DSC Ratio required under the Indenture.”<sup>8</sup> Among various reasons for why KIUC must meet a minimum DSC Ratio of 1.25, KIUC explains that “if KIUC is not able to meet this minimum DSC Ratio, KIUC would be precluded from

---

<sup>8</sup>Application at 12. The Indenture referenced is the “Indenture of Mortgage, Security Agreement and Financing Statement” that KIUC entered into and consummated as of April 30, 2019 (“Indenture Arrangement”), and which is the subject of Docket No. 2017-0346. See Application, Exhibit 10-T-200 (Testimony of Stacie A. Dellamano) at 9; Application, Exhibit 10-T-300 (Testimony of William A. Collet) at 10; and Docket No. 2017-0436, Letter From: K. Morihara To: Commission Re: Docket No. 2017-0346: In the Matter of the Petition of Kauai Island Utility Cooperative For a Declaratory Ruling That Commission Approval of Indenture Arrangement is Not Required, or, in the Alternative, For Waiver or Exemption Pursuant to Hawaii Revised Statutes Section 269-31(b) or Approval: “Notice of Consummation of Indenture Arrangement and Filing of Indenture Agreement and Amended Loan Agreements,” filed on May 3, 2019 (“Notice of Consummation of Indenture Arrangement”). The Commission approved KIUC’s request to enter into and consummate the Indenture Arrangement in Decision and Order No. 35101, filed on December 18, 2017, in Docket No. 2017-0346 (“Decision and Order No. 35101”). See Decision and Order No. 35101 at 19. The Indenture Arrangement was filed in its final executed form on May 3, 2019, in Docket No. 2017-0346. See Notice of Consummation of Indenture Arrangement at 1.

In testimony, Mr. Collet explains that under the Indenture, “the DSC Ratio is now the principal measure of loan covenant compliance.” Application, Exhibit 10-T-300 (Testimony of William A. Collet) at 10.

borrowing any new debt under the Indenture until that deficiency has been removed for a full fiscal year.”<sup>9</sup>

KIUC also asserts that the proposed increase in its revenues and rates is necessary “to address KIUC’s deteriorating financial results due to relatively flat sales growth and increasing costs and investments since KIUC’s last general rate increase went into effect in 2010 in Docket No. 2009-0050.”<sup>10</sup>

In particular, KIUC states that:

[T]his increase is needed to provide KIUC with sufficient revenues to fund and pay fixed and variable expenses when and as due, and provide sufficient margins that enable KIUC to meet lender debt coverage ratio requirements and expectations, and ensure that KIUC is able to continue to access long-term debt to fund planned and unplanned capital needs and for KIUC to continue to safely and reliably deliver its essential electric service to its customers/members and to meet various State requirements and initiatives.<sup>11</sup>

As such, KIUC seeks to:

[A]llocate the proposed revenue increase amongst its customer classes through rate increases as proposed in Exhibit 5 . . . and as further discussed in the testimony of Daniel Koehler (Exhibit 10-T-500)[,] . . . includ[ing] combining Large Power rate Schedules ‘L’ and ‘P’ into a

---

<sup>9</sup>Application at 12 (referencing Exhibits 10-T-200 (Testimony of Stacie A. Dellamano) and 10-T-300 (Testimony of William A. Collet)).

<sup>10</sup>Application at 10.

<sup>11</sup>Application at 10-11; see also id. at 12.

single customer class referred to as  
Schedule 'LP' . . . .<sup>12</sup>

Furthermore, KIUC seeks Commission approval of proposed changes to KIUC's existing tariff ("KIUC Tariff No. 1") to effectuate the proposed rate changes and increases, along with the proposed modifications to the Energy Rate Adjustment Clause ("ERAC"), as set forth and discussed in the Application, Exhibits, and supporting testimony.<sup>13</sup> KIUC's proposed changes to KIUC Tariff No. 1 are set forth in Attachment DK-505 to the testimony of Daniel Kohler (Exhibit 10-T-500).<sup>14</sup>

KIUC also requests that the Commission approve implementation of the depreciation rates and changes as described in a 2017 depreciation study prepared by NewGen Strategies and Solutions, LLC, and to furthermore "use those rates in determining and establishing KIUC's revenue requirement, revenue increase, and resulting rates and charges in this proceeding."<sup>15</sup>

---

<sup>12</sup>Application at 10.

<sup>13</sup>Application at 10 n.21. KIUC's proposed rate changes and increases are set forth in Exhibit 5 to the Application, and the proposed tariff revisions to effectuate the modifications to the ERAC are set forth in Attachment DK-505 to the testimony of Daniel Kohler (Exhibit 10-T-500), as well as discussed in Section V.B (Energy Rate Adjustment Clause (ERAC) Mechanism) of the Application and in the testimony of Brad Rockwell, Exhibit 10-T-900. Id.

<sup>14</sup>Application at 10 n.21.

<sup>15</sup>Application at 15. The depreciation study is discussed in the testimony of Nancy Heller Hughes (Exhibit 10-T-1100), and a

As noted above, KIUC also requests approval of various modifications to its existing ERAC mechanism.<sup>16</sup> In particular, KIUC seeks to:

- (1) update and reflect the use of the 2023 test year for this rate proceeding, including the 2023 test year cost of fuel for KIUC generation and the 2023 test year cost of purchased energy;
- (2) adjust the generation conversion factor from 0.009850 million Btu per kilowatt hour to 0.009950 million Btu per kilowatt hour to account for KIUC's current energy mix, which is now primarily renewable (or non-fuel) sources;
- (3) in light of the above generation conversion factor adjustment, revise the range from "0.00980 million Btu per kilowatt hour to 0.00990 million Btu per kilowatt hour" to "0.00990 million Btu per kilowatt hour to 0.01000 million Btu per kilowatt hour"; and
- (4) adjust the system loss factor from 4.49% to 5.09% to better reflect the much higher level of distributed generation resources on KIUC's system today than at the time of KIUC's last rate case proceeding in Docket No. 2009-0050.<sup>17</sup>

In addition, KIUC requests approval to recover the balance of its lost gross margins ("LGM") regulatory asset over a 10-year amortization period.<sup>18</sup> KIUC explains that this regulatory asset was created for the purpose of "record[ing] and accru[ing] [LGM] and increased bad debt and increased bad debt expense

---

copy of the depreciation study is provided in Attachment NHH-1102 thereto. Id.

<sup>16</sup>Application at 15.

<sup>17</sup>Application at 15-16.

<sup>18</sup>Application at 16-17.

associated with the COVID-19 pandemic, incurred from April 1, 2020 until ordered otherwise by the Commission.”<sup>19</sup> The Commission approved use of deferred accounting to establish this regulatory asset in Decision and Order No. 37252, issued on July 31, 2020, in Docket No. 2020-0088 (“Decision and Order No. 37252”),<sup>20</sup> and the accrual of LGM was discontinued as of June 30, 2022, pursuant to Order No. 38605, issued in Docket No. 2020-0088 on September 13, 2022.<sup>21</sup> KIUC represents that the balance of the LGM regulatory asset is \$12.8 million.<sup>22</sup>

KIUC also requests approval to recover, over a 10-year amortization period, the balance of the regulatory asset resulting from the pension tracking mechanism established by the Decision and Order issued on September 9, 2010, in Docket No. 2009-0050.<sup>23</sup> KIUC explains that in Docket No. 2009-0050, its only previous rate case, “the Commission approved KIUC’s agreement to establish a pension tracking mechanism to record changes in costs beginning from January 2010 to create a regulatory asset to determine the future ratemaking treatment of any

---

<sup>19</sup>Application at 16.

<sup>20</sup>Application at 2 and 16.

<sup>21</sup>Application at 16.

<sup>22</sup>Application at 17.

<sup>23</sup>Application at 2 and 17-18.

accumulated balances.”<sup>24</sup> KIUC represents that the Test Year balance of the Pensions Regulatory Asset is \$9.5 million.<sup>25</sup>

In sum, KIUC specifically requests:

1. That, pursuant to HAR § 16-601-87, [the] Application be considered a completed application under HRS § 269-16, as amended;

2. That a public hearing be conducted on the island of Kauai to consider [the] Application, in accordance with HRS § 269-12, HRS § 269-16, and HAR § 16-601-30;

3. That the Commission approve, pursuant to HRS § 269-16, as amended, the rates and charges proposed by KIUC as set forth in Exhibit 5 to [the] Application, together with tariff changes to reflect these rates and charges and the proposed ERAC modifications, and authorize KIUC to place into effect the proposed rates, charges and tariff changes;

4. That the Commission approve and/or authorize KIUC to implement the depreciation rates and changes discussed in Ms. Hughes’ testimony (Exhibit 10-T-1100) and to use the same in determining and establishing KIUC’s revenue requirement, revenue increase and resulting rates and charges in this proceeding;

5. That the Commission approve, pursuant to HRS § 269-16, as amended, the proposed modifications to KIUC’s existing ERAC mechanism;

6. That the Commission approve the recovery over a 10-year amortization period of the balance of the LGM regulatory asset established by Decision and Order No. 37252;

7. That the Commission approve the recovery over a 10-year amortization period of the balance of the regulatory asset resulting from the pension tracking mechanism established by the September 9, 2010 Decision and Order [issued in Docket No. 2009-0050]; and

---

<sup>24</sup>Application at 17.

<sup>25</sup>Application at 17-18.

8. That the Commission grant such other and further relief, including any interim rate increase, and make such other findings and determinations as may be applicable, required, just and/or reasonable under the circumstances and/or in order for KIUC to implement its proposed revenue and rate increases.<sup>26</sup>

B.

The Consumer Advocate's Response

On January 17, 2023, the Consumer Advocate timely filed its Statement of Position Regarding Completeness of Application, stating that it does not object to the completeness of KIUC's Application.<sup>27</sup>

II.

DISCUSSION

A.

Completed Application

HRS § 269-16(d), governing a public utility's application for a general rate increase, states in relevant part:

The [C]ommission shall make every effort to complete its deliberations and issue its decision as expeditiously as possible and before nine months from the date the public utility filed its completed application; provided that in carrying

---

<sup>26</sup>Application at 18-19.

<sup>27</sup>"Division of Consumer Advocacy's Statement of Position Regarding Completeness of Application," filed on January 17, 2023 ("Consumer Advocate's Statement of Position"), at 1.

out this mandate, the [C]ommission shall require all parties to a proceeding to comply strictly with procedural time schedules that it establishes. If a decision is rendered after the nine-month period, the [C]ommission shall report in writing, on paper or electronically, the reasons therefor to the legislature within thirty days after rendering the decision.

Notwithstanding subsection (c), if the [C]ommission has not issued its final decision on a public utility's rate application within the nine-month period stated in this section, the [C]ommission, within one month after the expiration of the nine-month period, shall render an interim decision allowing the increase in rates, fares and charges, if any, to which the [C]ommission, based on the evidentiary record before it, believes the public utility is probably entitled. The [C]ommission may postpone its interim rate decision for thirty days if the [C]ommission considers the evidentiary hearings incomplete. . . .

The nine-month period in this subsection shall begin only after a completed application has been filed with the [C]ommission and a paper or electronic copy served on the consumer advocate. The [C]ommission shall establish standards concerning the data required to be set forth in the application in order for it to be deemed a completed application. The consumer advocate may, within twenty-one days after receipt, object to the sufficiency of any application, and the [C]ommission shall hear and determine any objection within twenty-one days after it is filed. If the [C]ommission finds that the objections are without merit, the application shall be deemed to have been completed upon original filing. If the [C]ommission finds the application to be incomplete, it shall require the applicant to submit an amended application consistent with its findings, and the nine-month period shall not commence until the amended application is filed.<sup>28</sup>

---

<sup>28</sup>HRS § 269-16(d).

To be considered a complete application for a general rate increase, the contents of KIUC's Application must comply with the requirements set forth in HAR §§ 16-601-75, 16-601-86, and 16-601-87,<sup>29</sup> unless otherwise waived by the Commission pursuant to HAR § 16-601-92.

Additionally, HRS § 269-31 states, in relevant part:

(b) Notwithstanding any provision of this chapter or any franchise, charter, law, decision, order, or rule to the contrary, the [Commission], sua sponte or upon the application of an electric cooperative, may waive or exempt an electric cooperative from any or all requirements of this chapter or any applicable franchise, charter, decision, order, rule, or other law upon a determination or demonstration that such requirement or requirements should not be applied to an electric cooperative or are otherwise unjust, unreasonable, or not in the public interest. Notwithstanding the above, the [Commission] and the [C]onsumer [A]dvocate shall at all times consider the ownership structure and interests of an electric cooperative in determining the scope and need for any regulatory oversight or requirements over such electric cooperative. To the extent any other provision of this chapter or any franchise, charter, law, decision, order, or rule is contrary to or otherwise conflicts with this section in any manner, the provisions of this section shall govern and apply.

(c) For purposes of this chapter, an "electric cooperative" is a cooperative association or entity that is:

- (1) Owned by its members;
- (2) Formed pursuant to chapter 421C;
- (3) Operated on a not-for-profit basis;

---

<sup>29</sup>According to KIUC, it is a public utility with annual gross operating revenues of more than \$2,000,000. Application at 13. Thus, HAR § 16-601-87 is applicable to the Application.

(4) Authorized pursuant to a legislatively granted franchise or other legislative authority to manufacture, sell, furnish, and supply electric light, electric current, or electric power to its members or a designated service area; and

(5) Governed by a board of directors who are members of the electric cooperative and who are democratically elected by members of the electric cooperative pursuant to applicable bylaws.

As a preliminary matter, the Commission finds that KIUC is an "electric cooperative" to which HRS § 269-31(b) applies, pursuant to the definition set forth in HRS § 269-31(c).<sup>30</sup> Specifically, KIUC is a member-owned not-for-profit electric cooperative formed pursuant to HRS chapter 421C and is authorized by a legislatively-granted franchise to manufacture, sell, furnish, and supply electric light, current, and power on the island of Kauai.<sup>31</sup> Additionally, KIUC is governed by a board of directors who are members of the electric cooperative and who are

---

<sup>30</sup>See also Docket No. 2016-0091, Decision and Order No. 33743, filed on June 6, 2016 ("Decision and Order No. 33743"), at 16 (citing Docket No. 02-0060, Decision and Order No. 19658, filed on September 17, 2002 ("Decision and Order No. 19658"), at 3 and 14) (discussing KIUC's structure and finding that KIUC "meets the statutory requirements for an electric cooperative, as provided under HRS § 269-31(c)"); Docket No. 2018-0065, Order No. 35363, filed on March 22, 2018, at 14 (recognizing that KIUC "is an 'electric cooperative,' to which HRS § 269-31(b) applies, pursuant to the definition set forth in HRS § 269-31(c)"); and Docket No. 2018-0088, Order No. 35411, filed on April 18, 2018, at 9 (recognizing that KIUC "is an 'electric cooperative,' as defined in HRS § 269-31(c)").

<sup>31</sup>Application at 4 and Exhibit 10-T-100 (Testimony of David J. Bissell) at 28-30.

democratically elected by members of the electric cooperative pursuant to applicable bylaws.<sup>32</sup>

Thus, under HRS § 269-31(b), a waiver or exemption may be granted to KIUC "upon a determination or demonstration that such requirement or requirements should not be applied to an electric cooperative or are otherwise unjust, unreasonable, or not in the public interest." Furthermore, under HRS § 269-31(b), the Commission must consider KIUC's "ownership structure and interests . . . in determining the scope and need for any regulatory oversight or requirements over such electric cooperative."

KIUC requests that the Commission deem its Application complete<sup>33</sup> and asserts that "the filing requirements or standards have either been sufficiently met or are not applicable in light of KIUC's not-for-profit cooperative structure."<sup>34</sup> As an example,

---

<sup>32</sup>Application, Exhibit 10-T-100 (Testimony of David J. Bissell) at 36. See also, e.g., Decision and Order No. 33743 at 16 (citing Decision and Order No. 19658 at 14) (discussing KIUC's board of directors).

<sup>33</sup>Application at 18.

<sup>34</sup>Application at 3 n.8.

KIUC states that HAR § 16-601-87(7) "is not applicable because KIUC does not pay federal income taxes on its electric revenues."<sup>35</sup> Additionally, with respect to the requirements of HAR §§ 16-601-75(a)(1), 16-601-75(a)(2), and 16-601-75(a)(7), KIUC states that, "[b]ecause KIUC is a member-owned cooperative, it does not have any stock authorized and/or outstanding and does not and has not issued dividends."<sup>36</sup>

---

<sup>35</sup>Application at 3 n.8. HAR § 16-601-87(7) requires that an application by a public utility with annual gross revenues of \$2,000,000 or more for a general rate increase must contain:

Which of the optional methods provided in the Internal Revenue Code of 1986 the applicant has elected to employ in computing deferred taxes, investment tax credit, and depreciation deduction in determining its federal income tax payments and whether the applicant has used the same method or methods in calculating federal income taxes for the test year for ratemaking purposes[.]

HAR § 16-601-87(7).

<sup>36</sup>Application at 13 n.24; see also Exhibit 2, Schedule 1; and Exhibit 2, Schedule 2. HAR § 16-601-75(a) requires that:

Unless otherwise directed by the [C]ommission, whenever this chapter provides that a financial statement shall be submitted with an application or petition, the statement shall be prepared up to the latest available date and shall show, where applicable, the following information:

- (1) Amount and kinds of stock authorized by articles of incorporation and amount outstanding;

Notwithstanding the foregoing, KIUC requests that, "[t]o the extent . . . that the Commission determines that a particular standard or requirement has not been sufficiently met due to its inapplicability[sic] to KIUC or otherwise, KIUC requests a waiver of such standard or requirement, pursuant to HAR § 16-601-92 and/or Act 57, Session Laws of Hawaii 2013 (now codified as HRS § 269-31(b) and (c)) . . . ."37

The Consumer Advocate states that it does not object to the completeness of KIUC's Application.<sup>38</sup> The Consumer Advocate also "recognizes that HRS § 269-31(b) requires the Commission and Consumer Advocate to consider that KIUC is an electric cooperative in determining the extent to which regulatory oversight should be applied to KIUC."<sup>39</sup>

---

(2) Terms of preference of preferred stock, whether cumulative or participating or on dividends or assets, or otherwise;

. . .

(7) Rate and amount of dividends paid during the five previous calendar years and the year-end amount of capital stock for those years.

HAR § 16-601-75(a).

<sup>37</sup>Application at 3 n.8.

<sup>38</sup>Consumer Advocate's Statement of Position at 1 and 3.

<sup>39</sup>Consumer Advocate's Statement of Position at 3 n.2.

In support of its Statement of Position, the Consumer Advocate provides "a checklist of the various requirements understood to support a finding of a complete rate proceeding application with the Commission[,]" attached as Attachment 1 to its Statement of Position.<sup>40</sup> In this checklist, the Consumer Advocate comments that HAR §§ 16-601-75(a)(1), 16-601-75(a)(2), 16-601-75(a)(7), 16-601-87(7), and 16-601-87(8) do not apply to KIUC.<sup>41</sup>

Based on KIUC's representations and given KIUC's ownership structure as an electric cooperative rather than an investor-owned utility, the Commission determines that the requirements of HAR §§ 16-601-75(a)(1), 16-601-75(a)(2),

---

<sup>40</sup>Consumer Advocate's Statement of Position at 3-4.

<sup>41</sup>Consumer Advocate's Statement of Position, Attachment 1; see HAR §§ 16-601-75 and 16-601-87. HAR § 16-601-87(8) requires that an application by a public utility with annual gross operating revenues of \$2,000,000 or more for a general rate increase must contain:

A copy of:

- (A) The last annual report to stockholders;
- (B) The latest proxy statement sent to stockholders by it or its parent company; and
- (C) The latest form 10(k), Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, filed with the Securities and Exchange Commission[.]

HAR § 16-601-87(8).

16-601-75(a)(7), 16-601-87(7), and 16-601-87(8) are not applicable to KIUC's Application.<sup>42</sup>

Thus, based on KIUC's representations, together with the Consumer Advocate's position on the completeness of the Application, the Commission finds that KIUC's Application complies with the applicable requirements, and is complete and properly filed pursuant to HRS § 269-16(d) and HAR §§ 16-601-75, 16-601-86, and 16-601-87. Accordingly, the filing date of KIUC's complete Application is December 28, 2022.

B.

Public Hearing

A public hearing regarding KIUC's Application is scheduled for Tuesday, March 28, 2023, at 6:00 pm, at the King Kaumuali'i Elementary School Cafeteria, 4380 Hanamaulu Road, Lihue, Hawaii 96766. The public hearing is being held pursuant to HRS §§ 269-12(c) and 269-16(b). The Notice of Public Hearing

---

<sup>42</sup>See Docket No. 2009-0050, Order Regarding Completed Application and Other Initial Matters, filed on July 29, 2009, at 7-8 n.9 (agreeing with the Consumer Advocate that, given KIUC's ownership structure as an electric cooperative, identical requirements in HAR §§ 6-61-75(a)(1), 6-61-75(a)(2), 6-61-75(a)(7), and 6-61-87(7) did not apply to KIUC's application in seeking a general rate increase). The provisions of HAR Chapter 6-61 were moved to Title 16, Chapter 601, as of January 1, 2019, and re-numbered to reflect the Commission's transfer from the Department of Budget and Finance to the Department of Commerce and Consumer Affairs.

was filed in the instant docket on March 6, 2023. Additionally, a letter providing information for participating in the public hearing virtually was filed in the instant docket on March 20, 2023.

C.

Discovery and Stipulated Procedural Order

Given the deadlines set forth in HRS § 269-16(d) governing Commission decision-making, the Parties shall: (1) initiate the discovery process forthwith; and (2) submit a stipulated procedural order for the Commission's review and consideration, to be due as follows. If the Parties are unable to agree to a stipulated procedural order, they each shall submit their own proposed procedural order.

If no motions to intervene or participate are filed in this proceeding, the Parties shall submit a stipulated procedural order or individual proposals within three business days following the deadline to file any such motions to intervene or participate (i.e., by April 13, 2023, per HAR § 16-601-57(1)). If one or more motions to intervene or participate are filed, the Parties and designated intervenors and participants, if any, shall file their stipulated procedural order within six business days of the filing of the Commission's decision on the motions to intervene or participate. If the Parties and designated intervenors and

participants are unable to agree on a stipulated procedural order, each shall submit its own proposed procedural order.

If no agreement is reached on a stipulated procedural order that conforms to the foregoing parameters, the Commission will issue its own procedural order that complies with the time requirements of HRS § 269-16(d).

### III.

#### ORDERS

##### THE COMMISSION ORDERS:

1. The filing date of KIUC's completed Application is December 28, 2022.

2. The Parties shall: (A) initiate the discovery forthwith; and (B) submit a stipulated procedural order for the Commission's review and consideration, to be due as set forth in Ordering Paragraph No. 3, below. If the Parties are unable to agree on a stipulated procedural order, each Party shall submit its own proposed procedural order.

3. If no motions to intervene or participate are filed in this proceeding, the stipulated procedural order or individual proposals shall be filed within three business days following the deadline to file any such motions to intervene or participate, i.e., by April 13, 2023. If one or more motions to intervene or

participate are filed, the Parties and designated intervenors and participants, if any, shall file their stipulated procedural order within six business days of the filing of the Commission's decision on the motions to intervene or participate. If the Parties and designated intervenors and participants are unable to agree on a stipulated procedural order, each shall submit its own proposed procedural order.

4. If no agreement is reached on a stipulated procedural order that conforms to the parameters described herein, the Commission will issue its own procedural order.

DONE at Honolulu, Hawaii MARCH 21, 2023.

PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

By   
Leodoloff R. Asuncion, Jr., Chair

By   
Naomi U. Kuwaye, Commissioner

APPROVED AS TO FORM:

  
Ashley K. L. Agcaodili  
Commission Counsel

By   
Colin A. Yost, Commissioner

2022-0208.mt

CERTIFICATE OF SERVICE

The foregoing Order was served on the date it was uploaded to the Public Utilities Commission's Document Management System and served through the Document Management System's electronic Distribution List.

FILED

2023 Mar 21 PM 15:20

PUBLIC UTILITIES  
COMMISSION

The foregoing document was electronically filed with the State of Hawaii Public Utilities Commission's Document Management System (DMS).