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**LETTER OF TRANSMITTAL**

October 22, 2004

TO: Public Utilities Commission  
465 S. King Street, Rm 103  
Honolulu HI 96813

RE: Docket No. 03-0371, In the Matter of Public Utilities Commission  
Instituting a Proceeding to Investigate Distributed Generation in Hawaii

2004 OCT 25 A 10:50  
PUBLIC UTILITIES  
COMMISSION  
FILED

We are enclosing the following:

Original + 12 – Rebuttal Testimony of the County of Kaua'i and  
Certificate of Service

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REMARKS: After filing, please return two copies in the envelope provided.  
Thank you.

  
LANI NAKAZAWA  
Christiane L. Nakea-Tresler  
Attorneys for County of Kaua'i

Enclosure: (1)  
c: Parties

FILED

2004 OCT 25 A 10:51

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COMMISSION

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Attorneys for the County of Kaua'i

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of ) Docket No. 03-0371  
 )  
PUBLIC UTILITIES COMMISSION )  
 )  
Instituting a Proceeding to Investigate )  
Distributed Generation in Hawai'i. )  
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REBUTTAL TESTIMONY OF THE COUNTY OF KAUA'I  
ATTACHMENT "A"  
AND  
CERTIFICATE OF SERVICE

Pursuant to Prehearing Order No. 20922, the County of Kaua'i (County) submits its rebuttal testimony in the above-entitled docket.

Dated: Līhu'e, Kaua'i, Hawai'i, October 22, 2004.



LANI D. H. NAKAZAWA  
CHRISTIANE L. NAKEA-TRESLER  
Attorneys for the County of Kaua'i

## REBUTTAL TESTIMONY OF GLENN SATO

COK-RT-1

Through my direct testimony, Kaua'i County expressed its concerns that (1) the Kaua'i Island Utility Cooperative (KIUC) had not developed clear distributed generation (DG) policies and plans or intentions to own or operate DG systems and (2) KIUC has not formulated a plan for soliciting member input and direction on DG issues.

In this rebuttal testimony, the County restates its first concern that KIUC is at an undeveloped stage regarding DG, and reiterates its request to the Commission to use this docket to develop a DG framework to guide utility activity in the DG market. In developing the DG framework to guide utility activity, the County suggests that the Commission consider the differences of the member-ownership structure of KIUC versus that of the investor owners of the HEI utilities.

KIUC has provided the County with new information that alleviates the County's second concern. By the attached letter dated October 8, 2004, Mr. Alton Miyamoto, President & Chief Executive Officer of KIUC, states that KIUC is aware of the desirability of "providing opportunities for its members and other customers to have input regarding resource planning, including distributed generation (DG)." Mr. Miyamoto further states he will strongly recommend member education and notification measures as a part of KIUC's resource planning efforts. The County appreciates Mr. Miyamoto's commitment to member input and we support KIUC's multi-pronged public input process. The strength of a cooperative is in its members' educated support for the cooperative's policies and programs. The County asks the Commission to encourage

KIUC to ensure that members are able to provide meaningful input as KIUC develops its DG strategies.



OFFICE OF  
THE COUNTY ATTORNEY  
COUNTY OF KAUAI

'04 OCT 13 AM 1:20

October 8, 2004

Mr. Glenn Sato  
Energy Coordinator  
County of Kaua'i  
Suite 200  
4444 Rice Street  
Lihue, Hawai'i 96766

Re: Docket No. 03-0371; Instituting a Proceeding to Investigate Distributed Generation in Hawaii

Dear Mr. Sato:

Thank you for meeting with me on October 7, 2004. As discussed at that meeting, Kaua'i Island Utility Cooperative (KIUC) is very cognizant of the desirability of providing opportunities for its members and other customers to have input regarding resource planning, including distributed generation (DG).

A draft of KIUC's first Integrated Resource Plan (IRP) framework will be presented to KIUC's Board at its October 27, 2004 meeting for their initial comments. At that time, I will strongly recommend to the Board that, after incorporating their initial comments into the draft IRP framework, the Board authorize KIUC's management to distribute copies of the draft IRP framework for public review at public libraries and at KIUC's office beginning on or about November 1, 2004. I will also request that the draft IRP framework be posted on KIUC's website at that time. Further, we intend to notify our members and customers of the opportunity to review and comment on the draft IRP framework prior to and at KIUC Board's November meeting. The notice will be provided possibly through a bill stuffer or through the news media, and will provide the date and time of the November meeting. It is expected that the draft IRP framework will be further discussed and, if appropriate, proposed for adoption at that meeting. According to the Board's policies, members of the public may submit written testimony or testify in person at the November Board meeting. If the draft IRP framework is not adopted at the November Board meeting, it will then be submitted for adoption only at the December Board meeting.

After the IRP framework is approved by the Public Utilities Commission (in 2005), KIUC will begin developing its first IRP. While I cannot guarantee that the approved IRP framework will contain similar processes as discussed above, I intend to advocate in favor of such processes to be an integral part of the adoption of the IRP.

Thank you again for meeting and discussing our common concerns and interests regarding public input. Please call me at 246-8217, if you have any further questions regarding our intended procedures in connection with DG.

Very truly yours,

  
Alton Miyamoto  
President & Chief Executive Officer

cc: ✓ Lani Nakazawa, Esq.  
Alan Oshima, Esq.  
David Proudfoot, Esq.

4463 Pahe'e Street • Lihue, Kaua'i, HI 96766-2032 • (808)246-4300 • www.kiuc.coop

ATTACHMENT "A"

## CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing County of Kaua'i's Rebuttal Testimony, together with this Certificate of Service, were served by first class mail, postage prepaid to the following on October 22, 2004:

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Office of Economic Development  
4444 Rice Street, Suite 200  
Līhu'e HI 96766

1 copy

John W. K. Chang, Esq.  
Deputy Attorney General  
Department of the Attorney General  
State of Hawai`i  
425 Queen Street  
Honolulu, HI 96813

1 copy

Dated: Līhu'e, Kaua'i, Hawaii, October 22, 2004.

  
LANI D. H. NAKAZAWA