

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of)
)
PUBLIC UTILITIES COMMISSION)
)
Instituting a Proceeding to Investigate)
Distributed Generation in Hawaii.)
)
_____)

Docket No. 03-0371

PUBLIC UTILITIES
COMMISSION

SEP 3 3 01 PM '04

FILED

KAUAI ISLAND UTILITY COOPERATIVE'S SUBMISSION OF SUPPLEMENTAL
INFORMATION REQUESTS TO HAWAII RENEWABLE ENERGY ALLIANCE
AND THE DIVISION OF CONSUMER ADVOCACY

AND

CERTIFICATE OF SERVICE

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COOPERATIVE

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COMES NOW, KAUAI ISLAND UTILITY COOPERATIVE ("KIUC"), by and through its attorneys, Oshima Chun Fong & Chung, hereby submits its Submission of Supplemental Information Requests to Hawaii Renewable Energy Alliance and the Division of Consumer Advocacy. KIUC is not issuing any supplemental information requests on any of the other parties in this docket.

DATED: Honolulu, Hawai'i, September 3, 2004.



ALAN M. OSHIMA
KENT D. MORIHARA

Attorneys for KAUAI ISLAND UTILITY
COOPERATIVE

DOCKET NO. 03-0371

KAUAI ISLAND UTILITY COOPERATIVE'S

SUBMISSION OF SUPPLEMENTAL INFORMATION REQUESTS

INSTRUCTIONS

In order to expedite and facilitate Kauai Island Utility Cooperative's review and analysis in the above matter, the following is requested:

1. For each response, the Company/entity should identify the person who is responsible for preparing the response as well as the witness who will be responsible for sponsoring the response should there be an evidentiary hearing;
2. Unless otherwise specifically requested, for applicable schedules or workpapers, the Company/entity should provide hard copies of each schedule or workpaper together with one copy of each such schedule or workpaper on electronic media in a mutually agreeable format (e.g., Excel and Quattro Pro, to name two examples); and
3. When an information request makes reference to specific documentation used by the Company/entity to support its response, it is not intended that the response be limited to just the specific document referenced in the request. The response should include any non-privileged memoranda, internal or external studies, assumptions, Company/entity instructions, or any other relevant authoritative source which the Company/entity used.
4. Should the Company/entity claim that any information is not discoverable for any reason:
 - a. State all claimed privileges and objections to disclosure;
 - b. State all facts and reasons supporting each claimed privilege and objection;
 - c. State under what conditions the Company/entity is willing to permit disclosure to Kauai Island Utility Cooperative (e.g., protective agreement, review at business offices, etc.); and

- d. If the Company/entity claims that a written document or electronic file is not discoverable, besides complying with subparagraphs 4(a-c), identify each document or electronic file, or portions thereof, that the Company/entity claims are privileged or will not be disclosed, including the title or subject matter, the date, the author(s) and the addressee(s).

**KAUAI ISLAND UTILITY COOPERATIVE'S
SUBMISSION OF SUPPLEMENTAL INFORMATION REQUESTS**

DOCKET NO. 03-0371

The following information request is directed to Hawaii Renewable Energy Alliance ("HREA") and is based on HREA's Direct Testimonies.

KIUC/HREA-DT-SIR-1 Ref: KIUC/HREA-DT-IR-2

In its response to KIUC/HREA-DT-IR-2, HREA states "... there is a strong basis for a competitive market on Kauai..." (lines 24-25, page 13)."

- a. Please explain what competitive market HREA is referring to (i.e., the competitive market involving the utility retail rate versus the effective energy rate of a customer-sited DG/CHP or the competitive market as defined in Docket No. 03-0372).

- b. Please explain how the competitive market on Kauai differs from the markets on the other islands, given the fact that the electric utility on the island of Kauai is not investor-owned, but rather owned by a tax-exempt entity owned by its member-customers who have the ability to receive patronage capital refunds depending on the financial performance of the utility.

**KAUAI ISLAND UTILITY COOPERATIVE'S
SUBMISSION OF SUPPLEMENTAL INFORMATION REQUESTS**

DOCKET NO. 03-0371

The following information requests are directed to the Division of Consumer Advocacy ("CA") and are based on the CA's Direct Testimonies.

KIUC/CA-DT/SIR-1 Ref: KIUC/CA-DT-IR-5

In its response to KIUC/CA-DT-IR-5, the CA states: "The unbundling of the rates allows KIUC to receive compensation for the T&D and backup generation services provided to customers with customer-sited DG."

- a. Does the CA believe that unbundling of rates is the only way to ensure that KIUC will receive compensation for T&D and backup generation services? Please explain why or why not.
- b. Please explain whether the CA analyzed any other options that may be available to accomplish this. If so, please explain what other options were considered and the CA's position regarding their applicability for an electric cooperative. If not, please explain whether the CA would be amendable to considering and analyzing other options to accomplish the above objectives.

KIUC/CA-DT/SIR-2 Ref: KIUC/CA-DT-IR-5

In its response to KIUC/CA-DT-IR-5, the CA also states "The components of the unbundled rates are:

1. generation reserves used to "standby or "backup" the customer's load served by customer-sited DG (often these reserves are included as part of generation ancillary services);
2. transmission and distribution to deliver the services from the utility's generators to the customer; and
3. generation ancillary services. . . "

Other elements of unbundled rates, as implemented in other states, include generation (as distinguished from generation reserves), metering services, non-standard facility charges, and competitive transition charges (in states embracing deregulation). Some states have also included "nonbypassable wires charges" to recover other charges that would otherwise be unrecoverable from customers installing DG.

Please explain whether the above elements as well as any other elements implemented in other states should be included as components of unbundled rates in Hawaii and for KIUC in particular. Please explain why or why not.

CERTIFICATE OF SERVICE

I (we) hereby certify that copies of the foregoing document were duly served on the

following parties, by having said copies delivered as set forth below:

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Honolulu, HI 96813

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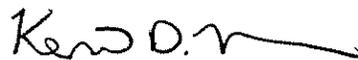
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DATED: Honolulu, Hawai'i, September 3, 2004.



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