

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 17 3 10 PM '04

FILED

KAUAI ISLAND UTILITY COOPERATIVE'S RESPONSE TO
SUPPLEMENTAL INFORMATION REQUESTS ON DIRECT TESTIMONIES
OF THE CONSUMER ADVOCATE, KAUAI ISLAND UTILITY COOP
AND THE COMPANIES OF HAWAII RENEWABLE ENERGY ALLIANCE

AND

CERTIFICATE OF SERVICE

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COMES NOW, KAUAI ISLAND UTILITY COOPERATIVE, by and through its
attorneys, Oshima Chun Fong & Chung, hereby submits its response to Supplemental
Information Requests on Direct Testimonies of the Consumer Advocate, Kauai Island Utility
Coop and the Companies of Hawaii Renewable Energy Alliance.

DATED: Honolulu, Hawai'i, September 17, 2004.



ALAN M. OSHIMA
KENT D. MORIHARA

Attorneys for KAUAI ISLAND UTILITY
COOPERATIVE

**KAUAI ISLAND UTILITY COOPERATIVE'S RESPONSE TO
SUPPLEMENTAL INFORMATION REQUESTS ON DIRECT TESTIMONIES
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DOCKET NO. 03-0371

B. Kauai Island Cooperative Utility (KIUC)

The following is one supplemental information request to Alton Miyamoto and Richard Friedman, regarding their response to HREA IRs on their direct testimonies (KIUC-T-1 and KIUC-T-2).

HREA-KIUC-SIR-1. Given that KIUC's criteria for operation of the Kauai island grid will be subject to review by KIUC members, would KIUC support consulting with its membership on the role of KIUC in the DG market?

Response:

Supplemental Response: KIUC is in strong support of consulting with its membership on the role of KIUC in the DG market. In fact, it is one of the defining characteristics of a member owned electric cooperative such as KIUC that the members' opinions are welcome and in-fact are solicited. As Mr. Miyamoto stated in his Direct Testimony, "...input from KIUC's members will be welcomed. Focus groups will be asked for views on priorities members would like the Board of Directors to consider for the future." KIUC-T-1, page 11, rows 9-11. In addition, "The Board, with input from its members. . ., will decide on how best it believes distributed generation should be implemented or initiated." KIUC-T-1, page 12, rows 12-14.

However, KIUC would like to clarify that HREA's statement, that KIUC's criteria for operation of the Kauai island grid will be subject to review by KIUC members, is not correct. KIUC was organized "to provide to its members on a cooperative basis, reliable, cost effective electric energy, in an environmentally responsible manner consistent with sound business practices." (KIUC Articles of Incorporation, Article III). Further, KIUC must ensure the safety of its employees, members and the general public in the operation of its electrical system, in accordance with the National Electrical Safety Code and other relevant standards (HPUC General Order No. 7, Articles 5.2 and 8.2), and in accordance with good engineering practice. Because of the complexity involved in operating an electrical system, KIUC relies on its professional knowledge, experience and understanding to develop criteria that will ensure the safe, reliable, and efficient generation, transmission, and distribution of electricity, including the integration of distributed generation into its system as appropriate. KIUC's staff consists of seasoned and experienced engineers, technicians and other professionals charged with ensuring that its system is operated and maintained in a safe, secure and reliable manner; it is incumbent upon KIUC's professionals to carry out these functions on behalf of its members. While a KIUC customer/member is always welcome to ask questions and provide input pertaining to KIUC's operations, KIUC's criteria for operation of the Kauai island grid is not subject to review by KIUC members.

Sponsor: Mike Yamane
Joe M^cCawley

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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DATED: Honolulu, Hawai'i, September 17, 2004.



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