

ORIGINAL

LINDA LINGLE
GOVERNOR

JAMES R. AIONA, JR.
LT. GOVERNOR



MARK E. RECKTENWALD
DIRECTOR

JOHN E. COLE
EXECUTIVE DIRECTOR

STATE OF HAWAII
DIVISION OF CONSUMER ADVOCACY
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
335 MERCHANT STREET, ROOM 326
P.O. Box 541
HONOLULU, HAWAII 96809
Phone Number: 586-2800
Fax Number: 586-2780
www.hawaii.gov/dcca/dca

December 1, 2005

FILED
2005 DEC -1 P 3:43
PUBLIC UTILITIES
COMMISSION

The Honorable Chairman and Members of
the Hawaii Public Utilities Commission
Kekuanaoa Building
465 South King Street, 1st Floor
Honolulu, Hawaii 96813

Dear Commissioners:

RE: Docket No. 03-0372 – Competitive Bidding Investigation

The Consumer Advocate appreciates the opportunity to comment on the Commission's proposed agenda for the evidentiary hearing scheduled for the week of December 12, 2005. The Consumer Advocate applauds the Commission's effort to bring into focus those areas where discussion may be needed to complete the record as an important step toward bringing the benefits of competition to Hawaii. After reviewing the proposed agenda, the Consumer Advocate offers the following comments:

1. The Commission's role relative to competitive bidding processes (e.g., including the review process that would apply to a successful bidder) does not appear to be a topic for discussion on any of the panels. If this observation is correct, then the Consumer Advocate respectfully recommends that this important topic be included for discussion, preferably in Sections I and II.
2. The topic for discussion in Panel K may be too narrowly defined and thus introduce an unintended bias to the proceeding. The Consumer Advocate respectfully recommends that, if a single factor related to the financial impacts of one form of resource procurement is to be addressed, it would be appropriate to promote a complete discussion of all factors that might affect the costs and risks implicit in the various mechanisms for resource procurement. Preferably, this matter could be set aside pending Commission reviews of specific RFP proposals (where it almost certainly

December 1, 2005

will have to be addressed, in any event). The Consumer Advocate's recommendation in this regard is offered in the event such a discussion was not contemplated in the Commission's proposed agenda.

3. To assist the moderator, the Consumer Advocate respectfully recommends that for each topic, the Commission consider polling the parties as to their position at the start of the discussion in order to get a sense of the areas of disagreement and potentially the magnitude of the disagreement. This may help to better assess the length of time that may be required to fully explore and discuss each of the topics set forth in the Commission's hearing agenda and possibly allow for the discussions to proceed along a faster time schedule than presently anticipated.

Sincerely yours,



Cheryl S. Kikuta
Utilities Administrator

CK:tt

cc: William Bonnet
Thomas Williams Esq.
Dean Matsuura
Kent Morihara, Esq.
H.A. Dutch Achenbach
Warren Bollmeier II
John Crouch
Rick Reed
Sandra-Ann Wong, Esq.
Christopher Colman
Michael De'Marsi
Lani Nakazawa, Esq.
Glenn Sato