

NOTICE OF PUBLIC HEARING

APPLICATION OF KAUPULEHU WATER COMPANY FOR A CHANGE IN RATES AND OTHER APPROVALS

Docket No. 2016-0363

The STATE OF HAWAII PUBLIC UTILITIES COMMISSION ("Commission"), pursuant to Hawaii Revised Statutes §§ 269-12 and 269-16, HEREBY GIVES NOTICE that it will hold a public hearing relating to the Amended Application of KAUPULEHU WATER COMPANY ("KWC"), filed on April 28, 2017, as supplemented on May 31, 2017 ("Application"), for Commission approval of a change in rates and other approvals. The public hearing will be held as follows:

Thursday, August 17, 2017, at 6:00 p.m.

West Hawaii Civic Center
Council Chambers
74-5044 Ane Keohokalole Highway
Kailua-Kona, Hawaii 96740

KWC is a public utility that provides water service in its service area of Kaupulehu, on the island of Hawaii.

KWC seeks Commission approval for a January 1, 2017 through December 31, 2017 test year net revenue increase of \$273,571.99 for its operations, which amounts to an approximate increase of 6.15% over the pro forma revenue amount of \$4,446,623 at present rates for the 2017 test year. KWC represents that the proposed revenue increase would provide KWC with an opportunity to earn a 5.0924% rate of return.

As part of its Application, KWC requests that the Commission approve the following: (1) the transfer of certain facilities from Hualalai Investors LLC, to KWC; (2) an increase in KWC's monthly water consumption charge for potable water from \$6.65 per thousand gallons ("TG") to \$7.63 per TG; (3) the establishment of an initial monthly water consumption charge for untreated well water of \$6.31 per TG; (4) an increase in the electricity cost used for computing the automatic power cost adjustment charge from \$2.01325 to \$3.10233 per TG for both potable water and untreated water, or such other cost factor for electricity determined by the Commission to be KWC's actual cost for such electricity; (5) certain additional changes to KWC's Rules and Regulations; and (6) such other and further relief as may be just and equitable in the premises.

KWC additionally requests that the Commission approve: (1) increases to monthly meter charges for 5/8", 1", 1-1/2", 3", 6", and 8" meter sizes; and (2) the establishment of new monthly meter charges for 2", 4", 10", and 12" meter sizes. Although KWC currently charges customers monthly meter charges for the 2", 4", and 12" meter sizes, these monthly meter charges have not been approved by the Commission.

REQUESTED INCREASES TO MONTHLY METER CHARGES

<u>Meter Size</u>	<u>Current Charges</u>	<u>Requested New Monthly Charges</u>
5/8"	\$4.00	\$13.75
1"	\$11.50	\$34.40
1-1/2"	\$22.50	\$68.75
3"	\$60.00	\$206.25
6"	\$195.00	\$687.50
8"	\$350.00	\$1,100.00

REQUESTED NEW MONTHLY METER CHARGES

<u>Meter Size</u>	<u>Unapproved Charges</u>	<u>Requested New Monthly Charges</u>
2"	\$22.50	\$110.00
4"	\$60.00	\$343.75
10"	n/a	\$1,581.25
12"	\$350.00	\$2,320.30

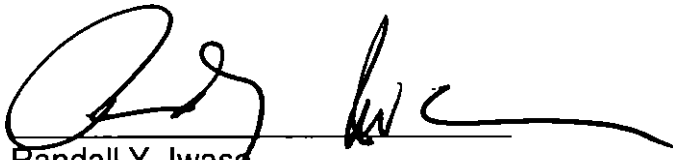
The Commission will investigate whether the proposals in the Application, including revisions to KWC's rate schedules, are just and reasonable. The total revenue requirement for the 2017 calendar test year will not exceed the \$273,571.99 amount over revenues at present rates that KWC requests. However, changes to rates and charges that are finally approved by the Commission, if any, may be higher or lower than KWC's proposed rates and charges herein. Changes to rates and charges, if any, would go in to effect upon the date of authorization by the Commission.

The foregoing is a brief summary of the requests included in KWC's Application. Copies of KWC's Application are available for public review through the Commission's electronic Document Management System, accessible at <http://dms.puc.hawaii.gov/dms/>, Docket Quick Link 2016-0363. In addition, copies of KWC's Application are also available for review by contacting KWC [(808) 325-8413], the Commission's Hawaii Island Office [(808) 974-4533] or Honolulu Office [(808) 586-2020], or the Division of Consumer Advocacy [(808) 586-2800].

All interested persons are invited to attend the public hearing to state their views on KWC's Application. Statements may also be mailed to the Public Utilities Commission, 465 South King Street, Room No. 103, Honolulu, Hawaii 96813, or e-mailed to Hawaii.PUC@hawaii.gov. All written statements should reference Docket No. 2016-0363. Special accommodations for persons with disabilities can be

made if requested reasonably in advance by contacting the Commission's Honolulu Office.

Motions to Intervene or Participate in this proceeding shall comply with Subchapter 4, Rules of Practice and Procedure Before the Public Utilities Commission, Hawaii Administrative Rules, Title 6, Chapter 61. A motion to intervene or participate in this proceeding shall be filed with the Commission's Honolulu Office by August 28, 2017.

A handwritten signature in black ink, appearing to read 'R. Iwase', written over a horizontal line.

Randall Y. Iwase
Chair

Hawaii Tribune-Herald
West Hawaii Today
July 26, 2017; August 2, 9, and 16, 2017