

## **NOTICE OF PUBLIC HEARING**

APPLICATION OF WAIKOLOA SANITARY SEWER CO., INC.,  
DBA WEST HAWAII SEWER COMPANY FOR A GENERAL RATE CASE  
AND FOR APPROVAL OF REVISIONS TO ITS TARIFF

### **Docket No. 2017-0449**

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 Application of WAIKOLOA SANITARY SEWER CO., INC., dba WEST HAWAII SEWER COMPANY ("WHSC"), filed on December 29, 2017, as revised and supplemented on January 11, 2018, and February 12, 2018, for Commission approval of a general rate increase and for approval of revisions to its tariff, based on a 2018 test year. The public hearing will be held as follows:

**Thursday, June 7, 2018, at 6:00 p.m.\***  
Waikoloa Elementary & Middle School cafeteria  
68-1730 Ho'oko Street  
Waikoloa, Hawaii

\*Note: The public hearing will coincide with the public hearing for: (1) In re Waikoloa Resort Utilities, Inc., dba West Hawaii Utility Company, Docket No. 2017-0350, involving West Hawaii Utility Company's application seeking the Commission's approval of a general rate increase and revisions to its tariff; and (2) In re Waikoloa Water Co., Inc., dba West Hawaii Water Company, Docket No. 2017-0450, involving West Hawaii Water Company's application seeking the Commission's approval of a general rate increase and revisions to its tariff.

WHSC is a public utility that provides wastewater treatment services to the residences, condominiums, and commercial establishments in the greater Waikoloa Village area in South Kohala, on the Island of Hawaii. WHSC seeks Commission approval of a 2018 test year net revenue increase of \$604,706 for its sewer

operations or approximately 35.1% over the pro forma revenue amount of \$1,721,500 at present rates. If approved, the proposed revenue increase will provide WHSC with a 7.75% rate of return on prudently incurred system improvements.

WHSC's present and proposed charges are as follows:

<u>Monthly Sewer Fees</u>	<u>Present Rate</u>	<u>Proposed Rate Phase 1</u>	<u>Increase</u>	<u>Proposed Rate Phase 2</u>	<u>Increase</u>
<u>Stand-by Charge</u>					
Residential per month per dwelling unit	\$62.04	\$77.05	24.2%	\$83.88	8.9%
Commercial per equivalent residential unit	\$62.04	\$77.05	24.2%	\$83.88	8.9%
<u>Quantity Charge</u>					
Per 1000 gallons of domestic water consumption	\$1.51	\$2.1301	41.1%	\$2.3190	8.9%

In addition to the monthly stand-by charges and monthly sewer quantity charge, WHSC's sewer rate schedules include a Power Cost Charge ("PCC") per 1,000 gallons of metered water provided by West Hawaii Water Company per month. WHSC is not proposing any changes to its PCC in this proceeding.

As part of its Application, WHSC also requests, among other things, that the Commission (1) approve revisions to WHSC's Tariff No. 1 ("Tariff"), including the addition of an exhibit that illustrates the calculation of Contributions in Aid of Construction ("CIAC"), which is proposed to be labelled as Exhibit B to WHSC's Tariff, and removal of the service application form, which is currently attached as Exhibit B to its Tariff; (2) approve WHSC's request to replace its existing unit depreciation rates with group depreciation rates; (3) approve WHSC's request to modify the reporting requirements to allow Applicant to file annual, rather than quarterly, reports;

and (4) grant such other and further relief as may be just and reasonable under the circumstances, including any interim rate increase.

The Commission will investigate whether the proposals in the Application, including revisions to WHSC's rate schedules, are just and reasonable. The total revenue requirement for the 2018 calendar test year will not exceed the \$604,706 amount over revenues at present rates that WHSC requests. However, changes to rates and charges that are finally approved by the Commission, if any, may be higher or lower than WHSC's proposed rates and charges herein. Changes to rates and charges, if any, would go into effect upon the date of authorization by the commission.

The foregoing is a brief summary of the requests included in WHSC's Application. Copies of WHSC'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 2017-0449. In addition, copies of WHSC's Application are also available for review by contacting WHSC [(877) 886-7784], the Commission's Hawaii District 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 WHSC'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](mailto:Hawaii.PUC@hawaii.gov). All written statements should reference Docket No. 2017-0449. 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 June 18, 2018.

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

Randall Y. Iwase  
Chair

Hawaii Tribune-Herald: May 16, 23, and 30, 2018; June 6, 2018  
West Hawaii Today: May 16, 23, and 30, 2018; June 6, 2018