

NOTICE OF PUBLIC HEARING

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

Docket No. 2017-0450

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 WATER CO., INC., dba WEST HAWAII WATER COMPANY ("WHWC"), 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 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 hearings 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 Sanitary Sewer Co., Inc., dba West Hawaii Sewer Company, Docket No. 2017-0449, involving West Hawaii Sewer Company's application seeking the Commission's approval of a general rate increase and revisions to its tariff.

WHWC is a public utility that provides potable water service to residences, condominiums, and commercial establishments in the Waikoloa Village on the island of Hawaii.

WHWC requests an increase in revenues of \$704,437, which amounts to an approximate increase of 37.2% over the pro forma revenue amount of \$1,894,671 at present rates for the 2018 test year. WHWC represents that the proposed revenue increase would provide WHWC with an opportunity to earn a 7.75% rate of return.

WHWC's present and proposed charges are as follows:

WATER SERVICE RATES

Monthly Meter Charge by Meter Size

(per installed meter)

<u>Meter Size (inches)</u>	<u>Present Charge</u>	<u>Proposed Charge Phase One</u>	<u>Increase</u>	<u>Proposed Charge Phase Two</u>	<u>Increase</u>
5/8"	\$7.65	\$12.29	60.7%	\$14.45	17.6%
3/4"	\$7.65	\$12.29	60.7%	\$14.45	17.6%
1"	\$14.66	\$23.56	60.7%	\$27.69	17.6%
1-1/2"	\$25.72	\$41.33	60.7%	\$48.59	17.6%
2"	\$35.07	\$56.35	60.7%	\$66.25	17.6%
3"	\$70.14	\$112.70	60.7%	\$132.50	17.6%
4"	\$116.89	\$187.81	60.7%	\$220.81	17.6%
6"	\$233.77	\$375.61	60.7%	\$441.61	17.6%
8"	\$420.79	\$676.11	60.7%	\$794.90	17.6%

Private Fire Service Charges-by Meter Size

(per installed meter)

<u>Meter Size (inches)</u>	<u>Present Charge</u>	<u>Proposed Charge Phase One</u>	<u>Increase</u>	<u>Proposed Charge Phase Two</u>	<u>Increase</u>
3"	\$70.14	\$112.70	60.7%	\$132.50	17.6%
4"	\$116.89	\$187.81	60.7%	\$220.81	17.6%
6"	\$233.77	\$375.61	60.7%	\$441.61	17.6%
8"	\$420.79	\$676.11	60.7%	\$794.90	17.6%

Monthly Water Consumption Charge

(per 1,000 gallons of water)

<u>Present Charge</u>	<u>Proposed Charge Phase One</u>	<u>Increase</u>	<u>Proposed Charge Phase Two</u>	<u>Increase</u>
\$0.8349	\$1.3415	60.7%	\$1.5772	17.6%

Monthly Water Availability Charge

(per lot that can receive service but has not yet applied)

<u>Present Charge</u>	<u>Proposed Charge Phase One</u>	<u>Increase</u>	<u>Proposed Charge Phase Two</u>	<u>Increase</u>
\$2.00	\$2.00	0.0%	\$2.00	0.0%

WHWC proposes to revise its pump efficiency factor from 5.63 kilowatt hours ("kWh") per thousand gallons to 5.5132 kWh per thousand gallons to reflect the most recent changes to the cost to pump water.

WHWC requests that the Commission approve certain revisions to its Tariff No. 1. First, WHWC requests to revise Rule XX, section 6 of its Tariff No. 1 to change the method for calculating contributions in aid of construction payable for water service, from a fixed rate of \$4.62 per gallon of estimated water usage, to formulae based on estimated water usage and the consumer price index to determine the fair share of the required improvements. Second, WHWC requests the removal of the service application form, which is currently attached as Exhibit C to its Tariff No. 1.

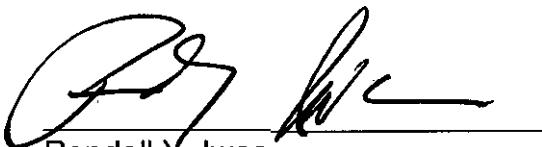
WHWC additionally requests that the Commission (1) approve WHWC's request to replace its existing unit depreciation rates with group depreciation rates; and (2) grant such other and further relief as may be just and reasonable under the circumstances, including any interim rate increase.

The Commission will investigate whether the proposals in the Application, including revisions to WHWC's rate schedules, are just and reasonable. The total revenue requirement for the 2018 calendar test year will not exceed the \$704,437 amount over revenues at present rates that WHWC requests. However, changes to rates and charges that are finally approved by the Commission, if any, may be higher or lower than WHWC'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 WHWC's Application. Copies of WHWC'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 2017-0450. In addition, copies of WHWC's Application are also available for review by contacting WHWC [(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 WHWC'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. 2017-0450. 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.



Randall Y. Iwase
Chair

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