

## **NOTICE OF PUBLIC HEARING**

### **APPLICATION OF KALAELOA WATER COMPANY LLC FOR APPROVAL OF A GENERAL RATE INCREASE AND REVISED RULES, REGULATIONS, AND RATES**

#### **Docket No. 2019-0057**

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 KALAELOA WATER COMPANY LLC ("KWC"), filed on May 24, 2019, for approval of a general rate increase and revised rules, regulations, and rates.

The Commission will hold a public hearing, as follows:

**Tuesday, September 17, 2019 at 6:00 p.m.**

Kapolei Middle School  
Building C: Cultural Center (Cafeteria)  
91-5335 Kapolei Parkway  
Kapolei, Hawaii 96707

The Commission will investigate whether the proposed revenue increase, revised rules, regulations, and rates, and other matters proposed in KWC's Application are just and reasonable.

KWC provides water and wastewater utility services to customers located within a 3,753 acre redevelopment district at Kalaeloa on the island of Oahu. KWC seeks a net overall revenue increase of \$485,107 for its water and wastewater operations during the July 1, 2019, through June 30, 2020 test year ("the Test Year"), which represents an approximate 14.32% increase over the pro forma revenue amount of \$3,388,497 at present rates during the Test Year. KWC's proposed net overall revenue increase is comprised of proposed increases of \$339,226 for water service and \$145,881 for

wastewater service, and amounts to an approximate 31.01% increase for water service and 6.36% increase for wastewater service. KWC represents that its proposed net overall revenue increase would provide it with an opportunity to earn a 7.75% overall rate of return on its prudently incurred system improvements, and KWC requests that it be authorized to put its proposed rates for its water and wastewater services into effect after the date of authorization by the Commission.

KWC's Application also seeks Commission approval of the following automatic rate adjustment clauses:

1. A new Water Power Cost Charge, which KWC states is designed to allow KWC to fully recover its water power costs and pass through any increases or decreases that may occur in between rate cases.

2. A new Sewer Power Cost Charge, which KWC states is designed to allow KWC to fully recover its wastewater power costs and pass through any increases or decreases that may occur in between rate cases.

3. A new Purchased Wastewater Treatment Charge, which KWC states is designed to allow KWC to fully pass through its purchased wastewater treatment costs and pass through any increases or decreases that may occur in between rate cases.

KWC also requests Commission approval of revisions to its Tariff Nos. 1 and 2; specifically, KWC proposes to revise its rules governing contribution-in-aid-of-construction for both its water and wastewater services to adopt a new rule governing System Extensions for both its water and wastewater services.

At the public hearing, the Commission will receive in-person testimony from the general public regarding KWC's Application and proposed general rate increase and revised rules, regulations, and rates, pursuant to HRS § 269-16(b).

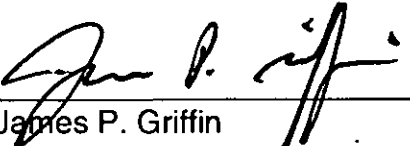
The purpose of this public hearing is to listen to the views expressed by the general public. All interested persons are invited to attend the public hearing to state their views on KWC's Application orally, in writing, or both. So that all in attendance will have the opportunity to speak at the public hearing, the Commission may impose time limits for each person's testimony. Special accommodations for persons with disabilities can be made if requested reasonably in advance by contacting the Commission's Honolulu Office.

In addition, written statements may be mailed to the Commission at 465 South King Street, Room 103, Honolulu, Hawaii, 96813, or sent by electronic mail to [puc.comments@hawaii.gov](mailto:puc.comments@hawaii.gov). Written statements should reference Docket No. 2019-0057 and include the author's name and the entity or organization that the author represents, if any.

Any motions to intervene or participate in this proceeding must comply with the applicable provisions of the Commission's Rules of Practice and Procedure Before the Public Utilities Commission, Hawaii Administrative Rules, Title 16, Chapter 601, and must be filed with the Commission at its Honolulu Office by September 27, 2019.

After the conclusion of the public hearing, at a later date to be determined, the Commission intends to hold an evidentiary hearing with the Parties, and thereafter, issue a decision on KWC's Application in accordance with HRS § 269-16.

The foregoing is a brief summary of the proposals in KWC's Application. KWC's Application is available for public review through the Commission's electronic Document Management System, which is accessible at <http://dms.puc.hawaii.gov/dms/>. Copies of KWC's Application are also available for review by contacting KWC, the Commission's Honolulu Office [(808) 586-2020], or the Consumer Advocate [(808) 586-2800].

  
James P. Griffin  
Chair

Honolulu Star-Advertiser: August 26, 2019; September 2, 9, and 16, 2019