

## **NOTICE OF PUBLIC HEARING**

APPLICATION OF MANELE WATER RESOURCES, LLC  
FOR REVIEW AND APPROVAL OF RATE INCREASES; REVISED RATE  
SCHEDULES; AND CHANGES TO ITS TARIFF

### **Docket No. 2019-0311**

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 Manele Water Resources, LLC ("MWR"), filed on September 9, 2019, as corrected and supplemented on October 8, 2019, for Commission approval of rate increases; revised rate schedules; and changes to its tariff. The public hearing will be held as follows:

**Thursday, December 12, 2019, 4:15 p.m.**

Lana'i Senior Center  
309 Seventh Street  
Lana'i City, Lana'i, Hawaii 96763

MWR is a public utility that provides: (1) wastewater collection and treatment services to residential, commercial and recreational customers; and (2) R-1 reclaimed water to the Challenge at Manele Bay golf course for irrigation purposes within its authorized service area in the Manele-Hulopoe area on the island of Lana'i, Hawaii. MWR seeks Commission approval of a 2020 test year net revenue increase of \$707,849 for its wastewater operations or approximately 211% over the pro forma revenue amount of \$335,524 at present rates. MWR states that, if approved, the proposed revenue increase will provide MWR with the ability to recover its incurred operating costs. MWR does not seek the opportunity to earn a fair and reasonable return on its investment (aka, rate of return) on its rate base or recover the depreciation expense on its plant in

service at this time; however, MWR reserves the right, if deemed necessary, to do so in its next rate case.

MWR's present and proposed charges are as follows:

PRESENT CHARGES:

Manele Water Resources, LLC  
Lana'i, Hawaii

Manele Tariff No. 1  
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SEWER RATE SCHEDULE

MONTHLY FLAT RATE:

Residential

Single-Family	\$56.74/Month per Dwelling
Multi-Family	\$42.21/Month per Dwelling

Hotel	\$92.12/Month per Guestroom
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MONTHLY USAGE CHARGES:

Commercial/Recreational\*

Non-Food Service	\$9.98 per 1,000 Gallons of Potable Water Used
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Food Service	\$10.07 per 1,000 Gallons of Potable Water Used
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Boat Harbor	\$10.05 per 1,000 Gallons of Wastewater Pumped from the DLNR Pump Station
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\*These customers will also be charged a Fixed Service Charge of \$12.00 per month

R-1 RECLAIMED WATER SALES\*\*

User Charge	\$0.25 per 1,000 Gallons
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\*\*For R-1 Water Sold to Challenge at Manele Golf Course

PROPOSED CHARGES:

PROPOSED WASTEWATER RATE SCHEDULE

RESIDENTIAL SINGLE-FAMILY  
MONTHLY FLAT RATE SERVICE CHARGE PER DWELLING

Customer Classification	Meter Size	Step 1 (effective upon approval)	Step 2 (effective 6 months after the effective date of Step 1)	Step 3 (effective 6 months after the effective date of Step 2)	Step 4 (effective 6 months after the effective date of Step 3)
Single Family - One Dwelling	5/8"	\$76.71	\$103.71	\$140.22	\$189.58

RESIDENTIAL MULTI-FAMILY  
MONTHLY FLAT RATE SERVICE CHARGE PER DWELLING

Customer Classification	Meter Size	Step 1 (effective upon approval)	Step 2 (effective 6 months after the effective date of Step 1)	Step 3 (effective 6 months after the effective date of Step 2)	Step 4 (effective 6 months after the effective date of Step 3)
Multi-Family - One Dwelling	5/8"	\$56.49	\$75.60	\$101.18	\$135.42
Multi-Family - One Dwelling	1"	\$59.87	\$84.91	\$120.43	\$170.83
Multi-Family - Three Dwellings	1"	\$151.94	\$182.31	\$218.75	\$262.50
Multi-Family - Four Dwellings	1"	\$188.53	\$210.51	\$235.06	\$262.50

HOTEL MONTHLY FLAT RATE SERVICE CHARGE [PER GUEST ROOM]

Customer Classification	Step 1 (effective upon approval)	Step 2 (effective 6 months after the effective date of Step 1)	Step 3 (effective 6 months after the effective date of Step 2)	Step 4 (effective 6 months after the effective date of Step 3)
Hotel	\$125.46	\$170.86	\$232.69	\$316.90

COMMERCIAL MONTHLY FLAT RATE SERVICE CHARGE

Customer Classification	Meter Size	Step 1 (effective upon approval)	Step 2 (effective 6 months after the effective date of Step 1)	Step 3 (effective 6 months after the effective date of Step 2)	Step 4 (effective 6 months after the effective date of Step 3)
Commercial	5/8"	\$20.39	\$34.64	\$58.86	\$100.00
Commercial	1-1/2"	\$28.45	\$67.45	\$159.92	\$379.17
Commercial	2"	\$30.23	\$76.15	\$191.82	\$483.33

COMMERCIAL MONTHLY SEWER TREATMENT CHARGE

In addition to the applicable Monthly Flat Rate Service Charge to Commercial customers as noted above, there shall also be a monthly sewer treatment charge based on each 1,000 gallons of metered domestic water consumption used by Commercial customers as calculated by Manele Water Resources, LLC equal to the following for the designated customer classification of standard use:

Customer Classification	Meter Size	Step 1 (effective upon approval)	Step 2 (effective 6 months after the effective date of Step 1)	Step 3 (effective 6 months after the effective date of Step 2)	Step 4 (effective 6 months after the effective date of Step 3)
Commercial	All	\$10.22	\$10.47	\$10.72	\$10.963

R-1 RECLAIMED WATER SALES\*\*

	Step 1 (effective upon approval)	Step 2 (effective 6 months after the effective date of Step 1)	Step 3 (effective 6 months after the effective date of Step 2)	Step 4 (effective 6 months after the effective date of Step 3)
R-1 User Charge per 1,000 gallons	\$0.33	\$0.43	\$0.57	\$0.75

\*\*For R-1 Water Sold to Challenge at Manele Golf Course

In addition to the monthly fixed charges and monthly volumetric charges, MWR's sewer rate schedules include an automatic power cost adjustment charge per 1,000 gallons of metered water provided by MWR per month.

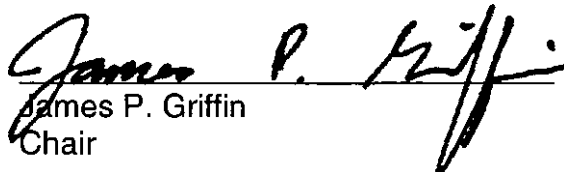
As part of its Application, MWR also requests, among other things, that the Commission (1) approve changes to its existing "Rules and Regulations Covering the Provision of Sewer Service and Rate Schedules" ("Tariff"), including, without limitation, changes to its Sewer Rate Schedule, and updating its Automatic Power Cost Adjustment Clause for wastewater services (Rule XIV); and (2) grant such other relief as may be just and reasonable under the circumstances.

The Commission will investigate whether the proposals in the Application, including revisions to MWR's rate schedules, are just and reasonable. The total revenue requirement for the 2020 calendar test year will not exceed the \$707,849 amount over revenues at present rates that MWR requests. However, changes to rates and charges that are finally approved by the Commission, if any, may be higher or lower than MWR's proposed rates and charges herein.

The foregoing is a brief summary of the requests included in MWR's Application. Copies of MWR's Application are available for public review through the Commission's electronic Document Management System, accessible at <https://dms.puc.hawaii.gov/dms/>, Quick Link 2019-0311. In addition, copies of MWR's Application are also available for review by contacting MWR [(808) 565-3664], the Commission's Maui District Office [(808) 984-8182] 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 MWR's Application. Written 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. 2019-0311. 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 16, Chapter 601. A motion to intervene or participate in this proceeding shall be filed with the Commission's Honolulu Office by December 23, 2019.

  
James P. Griffin  
Chair

Honolulu Star-Advertiser: November 21 and 28, 2019; December 5 and 11, 2019  
Maui News: November 21 and 28, 2019; December 5 and 11, 2019