

NOTICE OF PUBLIC HEARING

APPLICATION OF HAWAII WATER SERVICE COMPANY, INC.
FOR A GENERAL RATE CASE AND FOR APPROVAL OF REVISIONS TO ITS
TARIFF FOR ITS KA'ANAPALI DIVISION.

Docket No. 2022-0140

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 regarding Hawaii Water Service Company, Inc.'s ("Applicant") request for a rate increase, as stated in its Application for a General Rate Case and for Approval of Revisions to its Tariff for its Ka'anapali Division LLC. filed on February 1, 2024, as supplemented by Applicant's: Motion for Reconsideration filed on February 26, 2024, Letter filed on March 25, 2024, Letter filed on March 27, 2024, Supplemental Brief filed on March 28, 2024, and responses to the Commission's information requests on April 29, 2024 (collectively, the "Application"). The public hearing will be held on:

July 8, 2024 at 6:00 p.m.
Lahaina Intermediate School Cafeteria
871 Lahainaluna Road
Lahaina, Maui 96761

Applicant is a public utility that provides water service to resort and residential developments in its Ka'anapali service territory which consists of Honua Kai, Ka'anapali Golf Estates, Ka'anapali Hillside, Ka'anapali Vista, Kai Ala, Royal Ka'anapali Estates, Lanikeha, The Summit, and The Pinnacle on the island of Maui. Applicant proposes an approximate increase of 9.37% from the pro forma revenue amount of \$7,031,925 at present rates for the January 1, 2024 through December 31, 2024 test year ("2024 test year") or a net overall revenue increase of \$658,651.

Applicant's present and proposed rates as well as the proposed percent increase in rates are as follows:

Monthly Meter Changes

Meter Size	Present	Proposed	Percent Increase
	Service Standby Charge (\$/Month)	Service Standby Charge (\$/Month)	
5/8" and 3/4"	31.31	48.28	54.2%
1"	45.54	70.22	54.2%
1-1/2"	142.35	219.49	54.2%
2"	213.54	329.26	54.2%
3"	825.67	1,273.11	54.2%
4"	1,210.03	1,865.76	54.2%
6"	4,640.80	7,155.71	54.2%
8"	6,804.62	10,492.13	54.2%

Monthly Water Consumption Charge – Rate/Gallons

Block/Definition (gallons/month/meter)	Present Rate	Proposed Rate	Percent Increase
	Rate/1,000 gal.	Rate/1,000 gal.	
All metered water usage	\$3.290	-	n/a
Residential			
Tier 1 (0-10 TG)	-	\$1.716	n/a
Tier 2 (11-32 TG)	-	\$2.574	n/a
Tier 3 (> 32 TG)	-	\$3.432	n/a
Non-residential			
All metered water usage	\$3.290	\$2.614	(20.5%)

Private Fire Service Charges

For each connection for automatic fire sprinklers or other private fire protection, there shall be a charge per month based on the size of the connection as follows:

Size of Service	Charge Per Month (Present)	Charge Per Month (Proposed)	% Increase
Hydrants	\$3.00	\$3.00	0%
Standpipes	\$2.00	\$2.00	0%
Others	\$2.50 per inch diameter of feeder main	\$2.50 per inch diameter of feeder main	0%

Applicant also proposes to implement two tariff riders: (1) a surcredit that would return over-collected income tax expense related to the reduction in federal income tax rate resulting from the Tax Cuts and Jobs Act Credit (“TCJA”); and (2) a surcharge to collect deferred COVID-19 expenses and lost gross margins related to the COVID-19 Pandemic. Both tariff riders would be implemented via a flat monthly rate. The TCJA tariff rider would be a \$13.89 per month per metered connection surcredit and would expire 84 months after its implementation. The COVID-19 tariff rider would be a \$13.06 per month per metered connection surcharge and would expire 30 months after its implementation. Furthermore, Applicant proposes to add a 10% conservation surcharge to the non-residential rate.

Applicant also requests approval for an emergency revenue mechanism balancing account (“ERM”). According to Applicant, the ERM would decouple sales from revenue on an interim basis due to the uncertainty around the recovery and reconstruction of Lahaina due to the August 2023 Maui wildfires. The ERM would track recorded sales revenue to approved sales revenue quarterly and create or adjust the sales decoupling component.

The requested increases are based on an estimated total revenue requirement of \$7,690,577 for the 2024 test year and 7.64% rate of return on Applicant's average test year rate base of \$13,351,554. As part of its Application, Applicant also requests that the Commission approve certain revisions or modifications to its Rules and Regulations, as set forth in HAWC Tariff No. 1, which include the following:

1. Amending and replacing the Fourth Revised Sheet 28 with the Fifth Revised Sheet 28 to update Rule XXVI Power Cost Charge to revise the pump efficiency factor from 4.5784 kWh/thousand gallons to 4.8034 kWh/thousand gallons.

2. Amending and replacing the Fifth Revised Sheet 45 with the Sixth Revised Sheet 45 and adding Original Sheet 46 to provide the Water Rate Schedules for Residential and Non-Residential customers that reflect Applicant's proposed rates and rate structure consistent with the requested revenue requirement.

The Commission will investigate whether Applicant's proposed relief is just and reasonable. The foregoing is a brief summary of the requests included in the Application. Copies of the Application are available for public review through the Commission's electronic Case and Document Management System, accessible at <https://hpuc.my.site.com/cdms/s/search>, Docket Number 2022-0140. In addition, copies of the Application are also available for review by contacting the Commission's Maui District Office [(808) 264-4438] or Honolulu Office [(808) 586-2020], or the Division of Consumer Advocacy [(808) 586-2800]. Any person may request an auxiliary aid or service or an accommodation due to a disability by contacting the Commission no later than 5 business days prior to the hearing date.

All interested persons are invited to attend the public hearing to state their views on the Application. Statements may also be e-mailed to the Public Utilities Commission, at puc@hawaii.gov or mailed to the Public Utilities Commission, 465 South King Street, Room 103, Honolulu, Hawaii 96813. All written statements should reference Docket No. 2022-0140.

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 July 18, 2024.



Leodoloff R. Asuncion
Chair

Maui News: June 13, 20, and 27, 2024; July 6, 2024
Honolulu Star-Advertiser: July 7, 2024