

Hawaii American Water Company (Hawaii American Water) recently filed an application (Docket No. 2024-0038) with the Hawaii Public Utilities Commission (PUC) seeking, among other things, approval to increase wastewater rates presently in effect (proposed rate increases). Hawaii American Water is authorized by the PUC to provide wastewater collection, treatment and disposal services to residences, condominiums, commercial and other establishments and facilities in the Mauna Lani community on the island of Hawaii.

The proposed rate increases, if approved, would result in an increase of approximately 65% for Hawaii American Water's Mauna Lani customers.



HAWAII
AMERICAN WATER

P.O. Box 25010
Honolulu, HI 96825

**IMPORTANT INFORMATION
ABOUT A PUBLIC HEARING**

**NOTICE OF PUBLIC HEARING ON HAWAII AMERICAN
WATER'S REQUEST TO INCREASE WASTEWATER
RATES AND RULE CHANGES
DOCKET NO. 2024-0038**

You are invited to attend an in-person public hearing being held by the Hawaii Public Utilities Commission.

IN-PERSON PUBLIC HEARING

Monday, October 28, 2024, at 5:15 p.m. HST

**Natural Energy Laboratory of Hawaii Authority
73-987 Makako Bay Dr.
Kailua-Kona, Hawaii 96740**

The following summarizes Hawaii American Water’s proposed rate increases and adjustments by customer class:

| Customer Class | Current Rates | Proposed Rates | Percentage Change |
|--|---------------|----------------|-------------------|
| Residential Units | | | |
| Residential Condos (monthly service charge per dwelling unit) | \$45.78 | \$75.49 | 64.90% |
| HOA (monthly service charge per dwelling unit) | \$45.78 | \$75.49 | 64.90% |
| Commercial (Non-Residential) Units | | | |
| Commercial Sewer (monthly service charge per equivalent unit) | \$45.78 | \$75.49 | 64.90% |
| Commercial Hotel (monthly service charge per hotel room unit) | \$45.78 | \$75.49 | 64.90% |

Hawaii American Water has not raised rates for the Mauna Lani system since acquiring the system in 2006, and Mauna Lani has not seen a general rate increase since 2003. The proposed rate increases are needed to help Hawaii American Water recover increased costs of furnishing wastewater service. Since Hawaii American Water acquired the system, operating costs have increased. In addition, Hawaii American Water has made annual investments in plant and equipment for its Mauna Lani operations that are prudent and necessary for the provision of its utility service. In its application, Hawaii American Water is seeking PUC approval of an increase in total revenues of \$897,060 in total revenues or approximately 64.90% over total revenues at present rates for Mauna Lani.

As part of its Application, HAWC also requests, among other things, that the Commission: approve changes to its existing tariffs, including, without limitation, adding a new rule for a Catastrophic Event Tracking Mechanism to address cost recovery related to the restoration, repairs, replacement, and compliance with government agency orders resulting from declared disasters; establishing a new Capital Infrastructure Surcharge Mechanism that facilitates smaller, more gradual rate increases by annually updating eligible capital expenditures completed in the prior calendar year and implementing a surcharge to recover HAWC’s return and related revenue requirement on those investments; revising the Schedule of Wastewater Rates for residential, commercial and public authority customers to reflect the rates and rate structure proposed by HAWC to reflect HAWC’s requested revenue requirement; updating certain definitions; adding a new section for an Automatic Power Cost Adjustment Clause to address power cost recovery; aligning language in an older tariff with language in a recently Commission-approved tariff.

The PUC will review all of Hawaii American Water’s requests described in its application and other supporting information and will render a decision after receiving input from the Consumer Advocate’s office, which is statutorily responsible to represent, protect and advance the interest of all customers/consumers. Please note that the adjustments to Hawaii American Water’s current rates and/or charges to be approved by the PUC in this proceeding, if any, may be higher or lower than the proposed rates and/or charges noted in the application.

Customers may find the PUC’s notice of public hearing here:
<https://puc.hawaii.gov/category/public-notice/>

The PUC’s public hearing on the proposed rate increases will be held as follows:

PUBLIC HEARING

Monday, October 28, 2024, at 5:15 p.m. HST

Natural Energy Laboratory of Hawaii Authority
73-987 Makako Bay Dr.
Kailua-Kona, Hawaii 96740

We encourage all of our customers to attend. A copy of the application describing the proposed rate increases in further detail is available for public viewing during regular business hours at our office, 6700 Kalanianaʻole Highway, #206, Honolulu, HI 96825, and at our website, hawaiiamwater.com > Customer Service & Billing > Your Waste Water Rates. A copy of the application can also be found on the PUC’s Document Management System, as noted in the PUC’s notice of public hearing referenced above.

Why the Proposed Rate Increase is Needed

Since the acquisition of Mauna Lani in March of 2006, HAWC has not raised rates while making infrastructure investments of approximately \$11.6 million through mid-2024, with additional ongoing and planned investments of approximately \$8 million through 2025. Our proposed new rates aim to fund essential projects specific to Mauna Lani. These include upgrades to the treatment plant, including installing effluent filtration and disposal wells, and upgrading the plant’s electrical controls. These strategic investments will ensure that we continue to provide top-quality service to our customers, meet regulatory requirements, and protect our environment. Together, we strive to make Mauna Lani the best it can be.

While we know that no rate increase is ever welcome, we are proud of the work we have done to maintain and even improve service and quality of treatment.

We’re Here for You

Hawaii American Water is here to serve you. We believe the proposed rate increases will allow us to better serve the Mauna Lani community. If you have questions about the proposed rate increases, or any questions about your wastewater service, please call us at 1-808-394-1285. Mahalo.