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, commercial and other establishments and facilities in the Waimea community on the island of Hawaii.

The proposed rate increases, if approved, would result in an increase of approximately 32% for Hawaii American Water's Waimea customers.



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 5:30 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			
Single-Family Residential Unit (monthly service charge per dwelling unit)	\$108.74	\$143.83	32.60%
Multi-Family Residential Unit (monthly service charge per dwelling unit)	\$108.74	\$143.83	32.60%
Commercial (Non-Residential) Units			
All Other Facilities*	\$14.41 per 1,000 gallons of water used	\$19.10 per 1,000 gallons of water used	32.55%

<sup>\*</sup>The Public Authority – Other class refers to the sewerage services provided by Hawaii American Water to the City of Waimea and County of Hawaii, the State of Hawaii and other facilities (including commercial, recreational, schools, churches, etc).

Hawaii American Water has not raised rates for the Waimea system since acquiring the system in 2020, and Waimea has not seen a general rate increase since 2011. 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, its customer base and resulting operating revenues have remained relatively constant, while operating costs have increased. In addition, Hawaii American Water has made annual investments in plant and equipment for its Waimea 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 \$194,450 in total revenues or approximately 32.60% over total revenues at present rates for Waimea.

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 Commissionapproved 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 5:30 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 Kalanianaole 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 Waimea in June of 2020, HAWC has not raised rates while making infrastructure investments of approximately \$1.8 million through mid-2024, with additional planned investments of approximately \$2.9 million through 2025. These include needed upgrades to our treatment plant and pump stations. By making these strategic investments, we aim to continue delivering exceptional service to our valued customers, meeting regulatory standards, and safeguarding the environment. Together, we strive to keep the Waimea system at its best.

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 Waimea 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.