

AQUA PUHI, LLC dba PUHI SEWER & WATER COMPANY
RATE CASE APPLICATION: DOCKET NO. 2025-0213
DECISION AND ORDER NO. 42428
FREQUENTLY ASKED QUESTIONS

Q. WHY IS PUHI SEWER & WATER COMPANY (PSW) SEEKING TO RAISE ITS WASTEWATER RATES?

- A. PSW is seeking to raise its wastewater rates to help PSW keep pace with rising operating costs and to recover expenses incurred for necessary infrastructure and operational improvements so that PSW will be able to, among other things, ensure it can continue to provide safe and dependable wastewater service.

Q. WHAT IS THE SCOPE OF PSW'S OPERATIONS?

- A. PSW provides wastewater collection and treatment services to residential, commercial, and industrial customers within PSW's service area on the island of Kauai. PSW also provides non-potable water service to certain commercial customers in the Puhi area on the island of Kauai.

Q. WHEN WAS THE LAST TIME THE UTILITY'S WASTEWATER RATES WERE RAISED?

- A. The last increase in wastewater rates was approved by the Hawaii Public Utilities Commission (Commission) in 2017.

Q. HOW MUCH WILL THE RATE INCREASE BE?

- A. The Commission approved a rate increase for residential users in a two-step phase in as follows:

UNIT MONTHLY CHARGE

<u>Customer Classification</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	
		Step 1: Effective 6/5/2026	Step 2: Effective 6/5/2027
Single-Family, Condominium/Multi-Family	\$57.00	\$74.39	\$89.30

The rate increases for commercial and industrial users is dependent on the meter size and the amount of metered domestic water consumption. Please see the updated Rate Schedule on the PSW website at <https://www.aquaengineers.com/puhi>

Q. WHEN WILL THE NEW RATES GO INTO EFFECT?

- A. The effective date issued by the Commission is June 5, 2026.

Q. HOW DID PSW DETERMINE THE PROPOSED SEWER CHARGES?

A. PSW retained a utility consultant to prepare a “cost of service” study, which allocates costs among the various customer classes based on the cost of providing service to that customer class. The study allocates investment costs and operating expenses to the collection, pumping, treatment, customer billing services. Once these cost allocations are determined, they are then utilized to develop how rates and charges should be established for each of PSW’s customer classes—residential, commercial, and industrial.

Q: HOW DOES PSW’S WASTEWATER RATES COMPARE TO COUNTY OF KAUAI’S WASTEWATER RATES?

A: PSW Single-Family final rate will be less than the County of Kauai’s Single-Family wastewater rate. The County of Kauai is currently increasing sewer service charges at a rate of 11% per year over a 5-year period as follows for single-family residences:

	<u>Flat Rate Montly Charge</u>				
<u>Fiscal Year</u>					
<u>Ending June 30th</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Single-Family	\$66.50	\$73.75	\$82.00	\$91.00	\$101.00

Q. WHO DECIDED WHETHER OR NOT THE PROPOSED RATE INCREASE IS APPROVED?

A. PSW is a public utility regulated by the Commission, which investigated and ultimately decided whether PSW’s proposals in the application were just and reasonable. In addition, the Division of Consumer Advocacy (aka, Consumer Advocate) participated in the rate case proceeding where its role is to represent the interests of PSW’s customers in the rate approval process. As a result, ultimately, the Commission decided and approved the rate increase.

Q. WHERE CAN I VIEW THE PSW RATE CASE APPLICATION AND DECISION AND ORDER?

A. The documents are available for viewing on the PUC’s website at: <http://hpuc.my.site.com/cdms/s/search>, enter in the search:

For the Application: **2025-0213**

For the Decision and Order: **F-340396**

Copies are also available for review by contacting:

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465 South King Street, #103
Honolulu, Hawaii 96813
808-586-2020

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