

AQUA PUHI, LLC dba PUHI SEWER & WATER COMPANY
RATE CASE APPLICATION
DOCKET NO. 2025-0213
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 November 2017.

Q. HOW MUCH WILL THE RATE INCREASE BE?

- A. If approved by the Commission in this filing, rate increase for residential users will be phased in as follows:

UNIT MONTHLY CHARGE

<u>Customer Classification</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	
		Step 1: Effective Upon Commission Approval	Step 2: Effective 6 Months After the Effective Date of Step 1
Single-Family, Condominium/Multi-Family	\$57.00	\$74.39	\$96.75

The rate increases for commercial and industrial users will depend on the meter size and the amount of metered domestic water consumption. Please see the Commission's Notice of Public Hearing for all proposed rate changes at www.aquaengineers.com/puc

Q. WHEN WILL THE NEW RATES GO INTO EFFECT?

- A. If new rates are approved by the Commission, we do not know the exact date that they will go into effect. At this point in time an estimated timeframe would be sometime in March 2026 for the Step 1 rates going into effect, with Step 2 rates going into effect six months thereafter. Please note the time estimates are subject to many variables that could impact the timing of the implementation of new rates.

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: We believe that our rates are comparable to the County of Kauai’s wastewater rates. However, it is difficult to compare rates of a private utility to rates of municipalities as there are substantial differences between the two, such as the size of the customer base and possible subsidies that may be inherent within municipalities’ rates. 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

Please see the “How Much Will the Rate Increase Be?” Question and Answer above for the single-family customers rates being proposed by PSW in the rate case filing.

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

A. PSW is a public utility regulated by the Commission, which will investigate and ultimately decide whether PSW’s proposals in the application are just and reasonable. In addition, the Division of Consumer Advocacy (aka, Consumer Advocate) will participate 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 will decide whether a rate increase is approved.

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

A. The application is available for viewing on the PUC’s website at: <http://hpuc.my.site.com/cdms/s/search>, Docket Quick Link 2025-0213.

Copies of the application are also available for review by contacting:

State of Hawaii Public Utilities Commission
465 South King Street, #103
Honolulu, Hawaii 96813
808-586-2020

Division of Consumer Advocacy
King Kalakaua Building, 335 Merchant Street, Rm. 326
Honolulu, Hawaii 96813
808-586-2800

Aqua Puhi, LLC dba Puhi Sewer & Water Company,
c/o Aqua Engineers, Inc.
3560 Koloa Road
Kalaheo, Hawaii 96741
pswmail@aquaengineers.com

Q. WILL THERE BE A PUBLIC HEARING ON THIS PROPOSED RATE INCREASE?

- A. Yes, the Commission has scheduled a public hearing on the application and notice of the Commission's public hearing is being mailed and/or emailed to all PSW customers. The hearing will be held:

Tuesday, August 19, 2025, at 5:30 p.m.
Lihue State Office Building
3060 Eiwa Street, Rooms 209 A, B & C
Lihue, Kauai, Hawaii 96766