



Lāna'i Water Company (LWC) was required to file a rate case application as a condition of the sale of the water and wastewater facilities from Castle & Cooke to Pūlama Lāna'i in 2013. Pūlama Lāna'i was also required to invest \$10 million to improve the water and wastewater systems; these costs will not be recovered by increased rates.

LWC's current rates are not enough to cover the annual operating costs that it incurs, resulting in annual losses of over \$1 million. LWC's proposed rate filing is necessary to keep up with rising operating costs and to cover the existing operating expenses it incurs. The rate filing is not intended to recover any past annual losses.

The objective of the filing is to ensure LWC remains an economically sustainable company so it can continue to provide safe and dependable services to its customers.



## Considerations that influenced the filed rates:

### AFFORDABILITY

**EPA affordability guideline:**  
potable drinking water bill should be less than 2.5% of median household income

**Median household income in Lāna'i City:**  
**\$48,682**

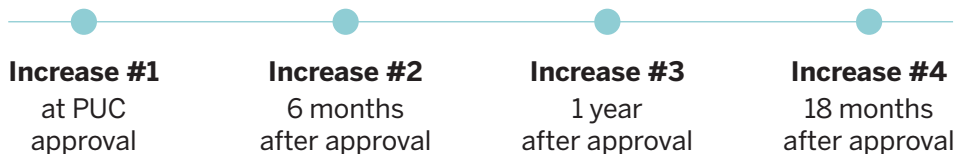
**2.5% of \$48,682:**  
**\$1,217**

**Proposed average household water bill:**  
**\$28.73**

**0.7%**  
**of median household income in Lāna'i City**  
(compared to 2.5% EPA guideline)

### PREDICTABILITY

The proposed rate increase will be split into 4 smaller increases and phased in over an 18-month period. Current bi-monthly bills will switch to monthly bills.



### CONSERVATION

Water loss due to leaks past the meter:

**69k gallons = 25mil gallons**  
of water per day of water per year

**213**  
Water Leak Letters Sent

**11**  
Eye on Water Sign-Ups

## CURRENT AND PROPOSED FIXED DRINKING WATER RATES

Fixed Charges	Approx # of Customers	Current Monthly Rate	Proposed Monthly Rate	Maui County Water Monthly Rates
5/8" Meter	1,360	\$2.50	\$9.85	\$19.80
1" Meter	34	\$5.00	\$24.63	\$47.50
1.5" Meter	56	\$5.00	\$49.25	\$91.00
2" Meter	42	\$12.50	\$78.80	\$141.00
3" Meter	10	\$25.00	\$147.75	\$249.00
4" Meter	6	\$37.50	\$246.26	\$432.00
6" Meter	3	\$75.00	\$492.51	\$793.00
8" Meter	6	\$125.00	\$788.02	\$1,251.00
Hydrant Meter	8	\$40.00	\$147.75	

\* Comparing proposed LWC rates to County of Maui water rates is not an apples to apples comparison due to differing costs and size of customer base.

### Example monthly bills

#### Single Person Home 1,500 gal/month

##### Current Bill

\$2.50 Base  
\$1.65 Consumption  
\$4.15 Total Bill

##### Proposed Rate Structure

\$9.85 Base  
\$3.03 Consumption  
\$12.88 Total Bill

Increase of \$8.73/month

#### Typical Household 7,500 gal/month

##### Current Bill

\$2.50 Base  
\$8.25 Consumption  
\$10.75 Total Bill

##### Proposed Rate Structure

\$9.85 Base  
\$18.88 Consumption  
\$28.73 Total Bill

Increase of \$17.98/month

### MANELE RESIDENTS ONLY Current and proposed fixed non-potable water rates

Fixed Charges	Current Monthly Rate	Proposed Monthly Rate
5/8" Meter	\$2.50	\$19.93
1" Meter	\$5.00	\$49.83
1.5" Meter	\$5.00	\$99.65
2" Meter	\$12.50	\$159.44
3" Meter	\$25.00	\$298.95
4" Meter	\$37.50	\$498.25
6" Meter	\$75.00	
8" Meter	\$125.00	



## Where can I submit comments about the rate filing?



### PUBLIC UTILITIES COMMISSION WEBSITE:

<https://puc.hawaii.gov/contact/public-comments/>  
Under Docket Number:  
2019-0386.



### IN WRITING VIA USPS MAIL:

State of Hawaii Public Utilities Commission  
465 South King Street, #103  
Honolulu, Hawaii 96813

## Where can I view the LWC rate case application?

### ONLINE

#### Public Utilities Commission website:

<https://dms.puc.hawaii.gov/dms/>  
Under Docket Search, search for Docket No. 2019-0386.

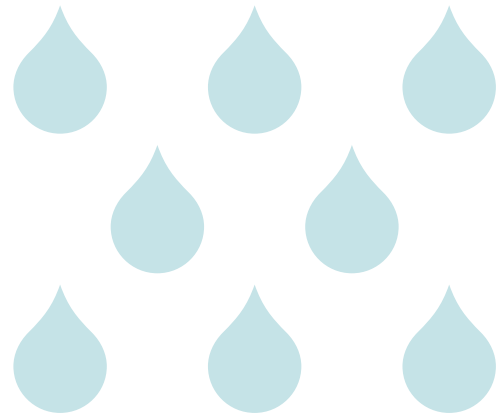
#### Lānaʻi Water Company website:

<https://www.lanaiwatercompany.com/meters-rates/>

### IN PERSON

#### Lānaʻi Water Company office:

949 Lānaʻi Avenue, Lanai City



## Next steps

- The Public Utilities Committee will decide on any increase.
- The Consumer Advocate will be involved with this rate case to represent customers.
- A public hearing will be held on Lānaʻi around March – April.
- Once date is confirmed, customers who receive bills in the mail will be sent a notification. Notices will also be posted in the community.
- Customers may provide comments and testimony at the public hearing.

## Questions?

#### Please contact Joy Gannon

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