

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
)
 WAIKOLOA WATER COMPANY, INC, dba)
 WEST HAWAII WATER COMPANY)
)
 For Approval of Rates Increases)
 and Revised Rate Schedules.)
 _____)

DOCKET NO. 04-0373

DECISION AND ORDER NO. 21919

DIV. OF CONSUMER ADVOCACY
DEPT. OF COMMERCE AND
CONSUMER AFFAIRS
STATE OF HAWAII

2005 JUL 18 A 8:33

RECEIVED

Filed July 15, 2005
At 8 o'clock A .M.

Karen Higashi
Chief Clerk of the Commission

ATTEST: A True Copy
KAREN HIGASHI
Chief Clerk, Public Utilities
Commission, State of Hawaii.

K. Higashi

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Docket No. 04-0373

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DECISION AND ORDER

The commission adopts Proposed Decision and Order No. 21885, filed on June 22, 2005, as its Decision and Order in this proceeding.

On June 22, 2005, the commission timely issued Proposed Decision and Order No. 21885, as mandated by Act 168, Session Laws of Hawaii 2004, codified at Hawaii Revised Statutes ("HRS") § 269-16(f), and in response to the Application of WAIKOLOA WATER COMPANY, INC., dba WEST HAWAII WATER COMPANY ("Waikoloa Water"), filed on December 30, 2004.¹ The commission recommended: (1) approving a general rate increase of \$23,759, or 2.04 per cent over revenues at present rates for Waikoloa Water, based on a total revenue requirement of \$1,186,754 for the test year; (2) increasing Waikoloa Water's fixed monthly charges and monthly consumption charge; and (3) the continued use of the Net Operating Reserve Account.

¹Waikoloa Water's Application, Verification, Certificate of Service, and Exhibits 1 to 7-4, filed on December 30, 2004 (collectively, the "Application"). See also Waikoloa Water's transmittal letter, dated February 11, 2005.

On July 5, 2005: (1) Waikoloa Water accepted, *in toto*, Proposed Decision and Order No. 21885; and (2) likewise, the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy ("Consumer Advocate"),² accepted Proposed Decision and Order No. 21885.³ Accordingly, the Parties are not entitled to a contested case hearing, and HRS § 269-15.5 does not apply.⁴ HRS § 269-16(f)(3).

The commission adopts Proposed Decision and Order No. 21885 as its Decision and Order in this proceeding.

THE COMMISSION ORDERS:

1. Proposed Decision and Order No. 21885, filed on June 22, 2005, is adopted as the commission's Decision and Order in this proceeding.

2. Waikoloa Water may increase its rates to produce a total annual revenue increase of \$23,759, or 2.04 per cent, as shown on Exhibit A of Proposed Decision and Order No. 21885, representing an increase in Waikoloa Water's revenue requirement to \$1,186,754.

²Waikoloa Water and the Consumer Advocate are collectively referred to as the "Parties."

³Waikoloa Water's Acceptance, filed on July 5, 2005, of Proposed Decision and Order No. 21885; and Consumer Advocate's Notice of Acceptance, filed on July 5, 2005, of Proposed Decision and Order No. 21885. The Consumer Advocate commented on two (2) of the commission's proposed findings, relating to Waikoloa Water's construction water sales and water loss percentage, respectively, then stated its non-objection to Proposed Decision and Order No. 21885.

⁴See Proposed Decision and Order No. 21885, at 54, Paragraph No. 1.

3. Waikoloa Water shall: (A) continue to maintain a Major Maintenance and Reserve Account ("MMRA"); and (B) include in its annual financial report filed with the commission, supplemental schedules reporting on the monies received from the MMRA surcharge. A total allowance of \$0.07922 per thousand gallons is authorized for the MMRA. The MMRA is subject to review, modification, and termination by the commission at any time. In addition, if the MMRA is currently not in an interest bearing account, Waikoloa Water shall transfer the MMRA to an interest bearing account for the benefit of ratepayers.


4. No later than July 15, 2005, Waikoloa Water shall file its revised tariff sheets and rate schedules for the commission's review and approval, which implement the tariff changes and increases in rates and charges authorized by the commission, with copies served upon the Consumer Advocate. Waikoloa Water's tariff changes and increases in its rates and charges shall take effect upon the commission's review and approval of said filing.

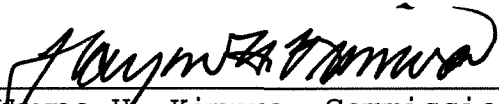
5. Waikoloa Water shall investigate the actual causes of the water loss for the Waikoloa Village ("Village") water system, and take appropriate, corrective action. Unless ordered otherwise, by December 30, 2005, Waikoloa Water shall file with the commission its report that: (A) identifies the actual causes of the water loss for the Village water system; and (B) the appropriate, corrective action taken by Waikoloa Water. Two (2) copies of Waikoloa Water's report shall be served upon the Consumer Advocate.

DONE at Honolulu, Hawaii

JUL 15 2005


PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Carlito P. Caliboso, Chairman

By 
Wayne H. Kimura, Commissioner

By 
Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:


Michael Azama
Commission Counsel

04-0373.sl1

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Decision and Order No. 21919 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

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Counsel for WEST HAWAII WATER COMPANY



Karen Higashi

DATED: JUL 15 2005