

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
)
PRINCEVILLE UTILITIES COMPANY,) Docket No. 2025-0172
INC.)
)
For Approval of a General Rate)
Increase and Certain Tariff Changes)
)
_____)

**APPLICANT'S RESPONSE TO THE DIVISION OF CONSUMER ADVOCACY'S
FOURTH SUBMISSION OF INFORMATION REQUESTS**

and

CERTIFICATE OF SERVICE

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PRINCEVILLE UTILITIES COMPANY,
INC.

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Applicant PRINCEVILLE UTILITIES COMPANY, INC. (“PUCI” or “Applicant”), by and through its attorneys, WATANABE ING LLP, respectfully submits its Response to the Division of Consumer Advocacy’s Third Submission of Information Requests that was filed on August 13, 2025.

DATED: Honolulu, Hawaii, September 4, 2025.

/s/ Kendrick S. Chang
DAVID Y. NAKASHIMA
DAWN A. EGUSA
KENDRICK S. CHANG

Attorneys for Applicant
PRINCEVILLE UTILITIES COMPANY, INC.

DOCKET NO. 2025-0172

PRINCEVILLE UTILITIES COMPANY, INC.

FOURTH SUBMISSION OF INFORMATION REQUESTS

CA-IR-69

Ref: Application

The Consumer Advocate notes how the Application, at 3, states, “PUCI is a public utility that holds a CPCN to provide water and wastewater collection and treatment services in the Princeville resort and community service area on the island of Kauai.” and cites Decision and Order No. 9773, filed on May 27, 1988, in Docket No. 6137; please confirm whether this May 27, 1988 issuance date is the date upon which Princeville Utilities Company, Inc. (“PUCI”) began operations as a public utility. Or, if not on that date, then please provide the date upon which PUCI began operations as a public utility.

RESPONSE

PUCI began operations as a public utility on May 31, 1985. The Commission granted PUCI temporary authority to operate as a utility on May 31, 1985 pursuant to Docket No. 5291, Decision and Order No. 8365 (May 31, 1985).

SPONSOR

Kendrick S. Chang (Outside Counsel)

PUCI states:

There is no depreciation study in support of the depreciation rates. The rates were established based on the experience of PUCI's employees for the specific plant elements.

- a. Please state whether PUCI's regulatory accounts include vintage data for water and sewer additions and retirements.
- b. If the response to part a. is yes, then please provide the water and sewer vintage data for the period 2010 to 2024 in Excel spreadsheet format.
- c. For the years 2010 to 2024, please provide in Excel spreadsheet format water and sewer plant additions and retirements data in the same format as Exhibits PUCI-W-8.2 - 8.3 and Exhibits PUCI-S-8.2 – 8.3.

RESPONSE

- a. **The Company's plant accounts include vintage data for water and sewer plant additions but do not contain information on retirements.**
- b. **Not applicable. Please see response to CA-IR-70-a.**
- c. **Please see Exhibit CA-IR-70-c for the 2010 plant additions and related retirements. Plant retirements are shaded in blue and shown in columns [8] to [10]. The plant amount is shown in column [8], the accumulated depreciation at December 31,**

**2024 is shown in column [9] and the undepreciated balance at
December 31, 2024 is shown in column [10].**

SPONSOR

Robert O'Brien

CA-IR-71

Ref: Application

Please provide an analysis of the revenue requirement impact of a 1 basis-point, 5 basis-point, and 10 basis-point increase in the company's current allowed return on equity, allowed capital structure, and current cost of debt, all else remaining equal. Please provide the same estimated revenue requirement impacts assuming the Commission allows your requested capital structure and cost of debt.

RESPONSE

Regarding the first part of the request for calculations using the current allowed return on equity and allowed capital structure, the Commission's Decision and Order No. 10653 did not establish capital structure or corresponding cost rates. Because of this, it is not possible to accurately complete this part of the request. Please refer to pages 30 and 31 of that D&O which was provided in response to CA-IR-53.

Please see Exhibit CA-IR-71 for calculations using the Company's requested capital structure and cost of debt.

SPONSOR

Robert O'Brien

CA-IR-72

Ref: Application

Please provide PUCI's cost of debt based on its actual recorded debt.

RESPONSE

Since the Company does not have any actual recorded debt, there is no cost of debt that can be provided.

SPONSOR

Robert O'Brien

		[1]	[2]	[3]	[4]	[5]
Line #	Description	Factor	As Filed	As Filed With Equity Increase of		
				1 BP	5 BP	10 BP
CAPITAL STRUCTURE						
1	Debt		50.0%	50.0%	50.0%	50.0%
2	Equity		50.0%	50.0%	50.0%	50.0%
3	Total	L 1 + L 2	100.0%	100.0%	100.0%	100.0%
COST OF EACH COMPONENT						
4	Debt		4.26%	4.26%	4.26%	4.26%
5	Equity		11.50%	11.51%	11.55%	11.60%
RATE OF RETURN						
6	Debt	L 1 * L 4	2.13%	2.13%	2.13%	2.13%
7	Equity	L 2 * L 5	5.75%	5.76%	5.78%	5.80%
8	Total	L 6 + L 7	7.88%	7.89%	7.91%	7.93%
WATER REVENUE REQUIREMENT						
9	Rate Base		\$ 4,892,651	\$ 4,892,651	\$ 4,892,651	\$ 4,892,651
10	NOI Requirement	L 8 * L 9	\$ 385,541	\$ 386,030	\$ 387,009	\$ 387,987
11	NOI At Present Rates		(577,788)	(577,788)	(577,788)	(577,788)
12	Increase in NOI	L 10 - L 11	963,321	963,810	964,789	965,767
13	GRCF		1.4413100	1.4413100	1.4413100	1.4413100
14	Exhibit CA-IR-71 Revenue Increase	L 12 * L 13	\$ 1,388,444	\$ 1,389,150	\$ 1,390,561	\$ 1,391,971
15	Revenue at Present Rates		961,368	961,368	961,368	961,368
16	Total Calculated Revenue	L 14 + L 15	2,349,812	2,350,518	2,351,929	2,353,339
17	Revenue at Proposed Rates		2,349,812	2,349,812	2,349,812	2,349,812
18	Revenue Change From Change in ROE	L 16 - L 17	\$ 0	\$ 706	\$ 2,117	\$ 3,527
SEWER REVENUE REQUIREMENT						
17	Rate Base		\$ 1,338,863	\$ 1,338,863	\$ 1,338,863	\$ 1,338,863
18	NOI Requirement	L 8 * L 17	\$ 105,502	\$ 105,636	\$ 105,904	\$ 106,172
19	NOI At Present Rates		417,807	417,807	417,807	417,807
20	Increase in NOI	L 18 - L 19	(312,313)	(312,179)	(311,911)	(311,643)
21	GRCF		1.4443700	1.4443700	1.4443700	1.4443700
22	Exhibit CA-IR-71 Revenue Increase	L 20 * L 21	\$ (451,085)	\$ (450,901)	\$ (450,514)	\$ (450,127)
23	Revenue at Present Rates		3,057,703	3,057,703	3,057,703	3,057,703
24	Total Calculated Revenue	L 22 + L 23	2,606,618	2,606,802	2,607,189	2,607,576
25	Revenue at Proposed Rates		2,606,618	2,606,618	2,606,618	2,606,618
26	Revenue Change From Change in ROE	L 24 - L 25	\$ 0	\$ 184	\$ 571	\$ 958

CERTIFICATE OF SERVICE

I hereby certify that on this date a copy of the foregoing document, together with this Certificate of Service, were duly served upon the following entities electronically to the email address shown below pursuant to HAR § 16-601-21(d), as modified by Order No. 38270 *Setting Forth Public Utilities Commission Emergency Filing and Service Procedures*, filed on March 14, 2022.

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS via E-Mail
DIVISION OF CONSUMER ADVOCACY
335 Merchant Street, Room 326
Honolulu, Hawaii 96813
consumeradvocate@dcca.gov
mangelo@dcca.hawaii.gov

DATED: Honolulu, Hawaii, September 4, 2025.

/s/ Kendrick S. Chang
DAVID Y. NAKASHIMA
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Attorneys for Applicant
PRINCEVILLE UTILITIES COMPANY, INC.

FILED

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PUBLIC UTILITIES

COMMISSION

F-331092

2025-0172

The foregoing document was electronically filed with the State of Hawaii Public Utilities Commission's Case and Document Management System (CDMS).