

March 31, 2023

VIA E-FILING

The Honorable Chair and Members of the Hawaii Public Utilities Commission Kekaunaoa Building 465 South King Street, 1st Floor Honolulu, Hawaii 96813

Re: Docket No. 2020-0086 - Hawaii Water Service Company, Inc. - Kapalua District - Annual Report on Operation and Maintenance Agreements

Dear Commissioners:

Pursuant to Condition of Approval No. 2 of Decision and Order No. 37665, filed on March 8, 2021 in Docket No. 2020-0086, enclosed is Hawaii Water Service Company, Inc.'s ("Hawaii Water") 2022 annual report accounting for (1) each expense it incurred under the subject operation and maintenance agreements ("OMAs"), (2) a justification of the system need and cost reasonableness, and (3) any revenues received by the OMAs.

If you have any questions or require any additional information, please feel free to contact us.

Very truly yours,

WATANABE ING LLP

By: /s/ David Y. Nakashima DAVID Y. NAKASHIMA

1052567.2

Enclosure

cc: Division of Consumer Advocacy (via email)



HAWAII WATER SERVICE

P.O. Box 384809 Waikoloa, HI 96738 *Tel*: (877) 886-7784 toll-free

March 31, 2023

RE: Decision and Order No. 37665, Condition of Approval No. 2, Annual Report on OMAs

Pursuant to Decision and Order No. 37665, Hawaii Water Service Company (Hawaii Water) submits the following annual report required by condition of approval (COA) No. 2. Specifically, COA No. 2 requires Hawaii Water to submit an annual report on March 31 for each preceding year, accounting for each expense it incurred under the operations and maintenance agreements (OMAs) for Kapalua wells and ditch and a justification of the system need and cost reasonableness, and any revenues received by the OMAs. Table 1 summarizes the revenues and expenses collected and incurred in 2022 under the OMAs and Table 2 summarizes the expenses incurred and explains the need for each expense.

Table 1. Summary of OMA Revenues and Expenses.

	We	Ditc	Ditch OMA	
Revenues	\$	93,671	\$	209,162
Expenses	\$	43,720	\$	213,812
Net Income	\$	49,951	\$	(4,650)

Table 2. OMA Expense Detail and Justification.

Expenses Incurred	We	lls O&M	Ditch O&M		Justification
Labor and benefits	\$	26,319	\$	36,403	labor and benefits required to execute work described in contract
Production and Distribution	\$	26	\$	-	
Customer Accounts	\$	-	\$	•	
A&G	\$	8,932	\$	12,698	cost allocations for administrative support: accounting, finance, customer service, engineering
Maintenance	\$	1,116	\$	149,496	contracted maintenance for ditch parts and equipment for wells
TOTIT	\$	7,326	\$	15,215	taxes other than income taxes
Total	\$	43,720	\$	213,812	



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PUBLIC UTILITIES COMMISSION

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