

SCHNEIDER TANAKA RADOVICH

ANDREW & TANAKA

A Limited Liability Law Company

David F. Andrew  
Kent D. Morihara  
Diane Yuen Praywell  
Scott D. Radovich  
Robert F. Schneider  
Tod Z. Tanaka  
Tracy D. Tanaka

Counsel:  
Lianna L. Figueroa  
Jamie C. Yoshikane

1100 Alakea St., Suite 2100, Honolulu, Hawaii 96813  
Telephone: 808.792.4200 Facsimile: 808.792.3920  
Website: [www.stratlaw.com](http://www.stratlaw.com)

\_\_\_\_\_  
Rio H. Kwon

March 27, 2023

The Honorable Chair and Members of the  
Hawaii Public Utilities Commission  
465 South King Street  
Kekuanaoa Building, Room 103  
Honolulu, Hawaii 96813  
Attention: Ashley K. L. Agcaoili, Esq.

RE: Docket No. 2022-0208 (In the Matter of the Application of Kauai Island Utility Cooperative For Approval of Rate Changes and Increases, Revised Rate Schedules and Rules, and Other Matters) – Kauai Island Utility Cooperative’s Notice of Public Hearing and Compliance with Hawaii Revised Statutes § 269-12(c)

Dear Commissioners and Commission Staff:

Pursuant to Hawaii Revised Statutes § 269-12(c), Kauai Island Utility Cooperative (“KIUC”) reports to the Commission that its members and customers were duly notified of KIUC’s proposed change in rates and of the time and place of the Commission’s upcoming March 28, 2023 public hearing, by among other means, a notice dated March 18, 2023 and sent by U.S. mail on March 20, 2023 to each of KIUC’s members and customers at their mailing addresses on record (“Customer Notice”). For your information, enclosed as Attachment 1 please find a copy of the Customer Notice.

In addition to the above, KIUC also provided notice of the Commission’s upcoming public hearing through several other mediums, which are listed below.

1. On March 9, 2023, KIUC issued a news release with information about the public hearing (<https://www.kiuc.coop/hawaii-public-utilities-commission-schedules-public-hearing-kiuc-rate-case>), including the date, time and location. The news release also included a link to KIUC’s Rate Case Website (discussed further below). A copy of the news release is enclosed as Attachment 2.
2. On March 9, 2023, KIUC also posted a notice of the public hearing on its Facebook page and sent an email out to KIUC’s online subscribers.

Enclosed as Attachment 3 is a copy of the March 9 Facebook post and email message to KIUC's online subscribers.

3. On March 19, 2023, KIUC published a notice of the public hearing in The Garden Island newspaper. Enclosed as Attachment 4 is a copy of the notice.
4. On March 21, 2023, and in response to the Commission's March 20, 2023 letter providing options to participate in the public hearing virtually, KIUC posted a notice on its Facebook page providing notice of the public hearing and the virtual option. Enclosed as Attachment 5 is a copy of the Facebook post. In addition, KIUC placed a copy of the Commission's March 20, 2023 letter on KIUC's Rate Case Website (discussed below).
5. On March 22, 2023, KIUC published a second notice of the public hearing in The Garden Island newspaper, which is the same notice provided in Attachment 4 referenced above.

KIUC also notes that it has created a page on its website containing various information and documents relating to this proceeding, located at <https://www.kiuc.coop/ratecase> ("Rate Case Website"). Under the "News and Updates" section of the Rate Case Website, the website provides links to, among other things, the Commission's Notice of Public Hearing and the Commission's March 20, 2023 letter providing options to participate in the public hearing virtually. In addition, under the "Public Utilities Commission (PUC) Filing Documents" section of the Rate Case Website, links are also provided to KIUC's rate case application filed with the Commission in the subject docket and to the Commission's Document Management System.

Thank you for your consideration in this matter. Should have any questions, please do not hesitate to contact the undersigned.

Very truly yours,

/s/ Lianna L. Figueroa  
KENT D. MORIHARA  
LIANNA L. FIGUEROA  
JAMIE C. YOSHIKANE

Schneider Tanaka Radovich Andrew &  
Tanaka, LLLC  
Attorneys for Kauai Island Utility  
Cooperative

c: Division of Consumer Advocacy (w/encls.)

# ATTACHMENT 1



**Notification of Public Hearing**  
Tuesday, March 28, 2023  
King Kaumuali'i Elementary School Cafeteria  
6:00 p.m.

March 18, 2023

Dear Member/Customer:

Pursuant to Hawai'i Revised Statutes Section 269-12(c), the purpose of this letter is to inform you that the Hawai'i Public Utilities Commission (PUC) has scheduled a public hearing on KIUC's proposed rate increase and application that was filed with the PUC on December 28, 2022 in Docket No. 2022-0208. KIUC's members/customers are invited to attend this public hearing to find out more about the proposed rate increase and application, and to have an opportunity to provide or submit public comments. The PUC's public hearing will be held as follows:

**DATE:** Tuesday, March 28, 2023  
**LOCATION:** King Kaumuali'i Elementary School Cafeteria  
4380 Hanamā'ulu Road  
Līhu'e, Hawai'i 96766  
**TIME:** 6:00 p.m.

KIUC's application seeks approval of rate changes and increases, revised rate schedules and rules, and other ratemaking matters (collectively, proposed rate increase). The application requests, among other things, PUC approval of:

- A net increase in KIUC's electric revenues, based on a 2023 test year, of \$16.7 million. This amounts to a proposed revenue requirement of \$193.7 million, which represents an approximate 9.42% increase over the pro forma total electric revenue amount of \$177.0 million at present rates for the 2023 test year. If approved, the proposed increase would provide KIUC with a Debt Service Coverage Ratio under its loan indenture for the 2023 test year of 1.75. KIUC seeks to allocate the increase amongst its customer classes through rate changes and increases that are listed in the PUC's Notice of Public Hearing (copy attached to this letter), as well as in Exhibit 5 of KIUC's application. Exhibit 5 may be found at [www.kiuc.coop/ratecase/exhibit5](http://www.kiuc.coop/ratecase/exhibit5).
- Revisions to KIUC's existing tariff to effectuate the proposed rate increase, to change and update KIUC's depreciation rates and its existing Energy Rate Adjustment Clause mechanism, and to combine Large Power rate Schedules "L" and "P" into a single customer class referred to as Schedule "LP".

4463 Pahe'e Street, Suite 1, Lihu'e, Hawai'i 96766-2000 • tel: 808.246.4300 • [www.kiuc.coop](http://www.kiuc.coop)  
*KIUC is an equal opportunity employer and provider.*




- The recovery over a 10-year amortization period of the balance of the lost gross margins regulatory asset established by the PUC in Decision and Order No. 37252 issued on July 31, 2020 in Docket No. 2020-0088.
- The recovery over a 10-year amortization period of the balance of the regulatory asset resulting from the pension tracking mechanism established during KIUC's last rate case proceeding by PUC Decision and Order issued on September 9, 2010 in Docket No. 2009-0050.

Please note, however, that the increases in KIUC's rates and charges that are ultimately approved by the PUC, if any, may be higher or lower than the proposed rates and charges noted in the application. Additional details of the proposed rate increase and a copy of the application filed with the PUC are available on KIUC's website: [www.kiuc.coop/ratecase](http://www.kiuc.coop/ratecase), as well as on the PUC's Document Management System at <https://dms.puc.hawaii.gov/dms/> under Docket No. 2022-0208.

This is KIUC's second requested base rate increase over its 20-year history, with the last increase approved in 2010. This rate adjustment is necessary to assure the cooperative's financial stability. As noted in the materials submitted as part of the application, while KIUC's electricity sales have remained relatively flat over the last 12 years since the last rate increase, inflation has cumulatively increased by about 37% during this period, as measured by the Consumer Price Index. While KIUC has undertaken many cost control measures over the years including restructuring debt, reducing employee head count, and reducing the amount of diesel used and replacing it with fixed-price renewable generation, the gap in sales growth versus inflation is unfortunately no longer sustainable. Spread out over the 12-year period since the last increase, KIUC's proposed rate adjustment is the equivalent of less than 1% per year.

If you have questions about the proposed rate increase or any questions about KIUC in general, please call us at (808) 246-4300 or email us at [dbissellrc22@kiuc.coop](mailto:dbissellrc22@kiuc.coop). If you would like to submit written statements or comments regarding the application directly to the PUC, the PUC's Notice of Public Hearing attached to this letter sets forth the instructions to do so.

Mahalo!

  
David J. Bissell  
President and Chief Executive Officer

Enc: PUC Notice of Public Hearing

**NOTICE OF PUBLIC HEARING**

KAUAI ISLAND UTILITY COOPERATIVE  
FOR APPROVAL OF RATE CHANGES AND INCREASES,  
REVISED RATE SCHEDULES AND RULES, AND OTHER MATTERS

**Docket No. 2022-0208**

The STATE OF HAWAII PUBLIC UTILITIES COMMISSION ("Commission"), pursuant to Hawaii Revised Statutes §§ 269-12 and 269-16, HEREBY GIVES NOTICE that it will hold a public hearing relating to the Application of Kauai Island Utility Cooperative ("KIUC"), filed on December 28, 2022, for Commission approval of rate changes and increases, revised rate schedules, and changes to its tariff. The public hearing will be held as follows:

Tuesday, March 28, 2023, at 6:00 p.m.  
King Kaumuali'i Elementary School Cafeteria  
4380 Hanamaulu Road  
Lihue, Hawaii 96766

KIUC is a not-for-profit electric cooperative engaged in the production, transmission, distribution, purchase, and sale of electric energy on the island of Kauai, Hawaii.

KIUC seeks Commission approval of an increase of \$16.7 million in its electric revenues, or approximately 9.42% over the pro forma total electric revenue amount of \$177.0 million at present rates, based on a 2023 test year. If approved, the proposed revenue increase will provide KIUC with a Debt Service Coverage (DSC) Ratio under its loan indenture for the 2023 test year of 1.75.

KIUC proposes to allocate the proposed revenue increase among its customer classes through rate changes and increases as summarized below:

<b>CUSTOMER CLASS</b>	<b>DESCRIPTION</b>	<b>PRESENT RATES</b>	<b>PROPOSED RATES</b>
<b>SCHEDULE "D" - Residential Service</b>			
Customer Charge	per customer per month	\$10.58	\$13.50
Energy Charge		per kWh	per kWh
Non-Fuel Energy Charge (Non-Fuel and Non-Purchased Power Energy Cost only)	per kWh (all kWh)	\$0.15600	\$0.21019
Fuel and Purchased Power Energy Charge	per kWh (all kWh)	\$0.19143	\$0.20188
Minimum Charge	per customer per month	\$13.50	\$13.50
<b>SCHEDULE "G" - General Light and Power Service</b>			
Customer Charge	per customer per month	\$23.82	\$25.00
Energy Charge		per kWh	per kWh
Non-Fuel Energy Charge (Non-Fuel and Non-Purchased Power Energy Cost only)	per kWh (all kWh)	\$0.16626	\$0.22599
Fuel and Purchased Power Energy Charge	per kWh (all kWh)	\$0.19143	\$0.20188
Minimum Charge	per customer per month	\$26.45	\$25.00
<b>SCHEDULE "J" - General Light and Power Service</b>			
Customer Charge	per customer per month	\$39.69	\$40.00
Demand Charge	per kW of monthly demand	\$6.62	\$8.28
Energy Charge		per kWh	per kWh
Non-Fuel Energy Charge (Non-Fuel and Non-Purchased Power Energy Cost only)	per kWh (all kWh)	\$0.13247	\$0.18456
Fuel and Purchased Power Energy Charge	per kWh (all kWh)	\$0.19143	\$0.20188

<b>CUSTOMER CLASS</b>	<b>DESCRIPTION</b>	<b>PRESENT RATES</b>	<b>PROPOSED RATES</b>
<b>SCHEDULE "L" - Large Power Primary Service*</b>			
Customer Charge	per customer per month	\$355.08	\$355.00
Demand Charge	per kW of monthly demand	\$13.94	\$14.90
Energy Charge		per kWh	per kWh
Non-Fuel Energy Charge (Non-Fuel and Non-Purchased Power Energy Cost only)			
First	400 kWh per kW demand	\$0.11273	\$0.16549
All Over	400 kWh per kW demand	\$0.08998	\$0.16549
Fuel and Purchased Power Energy Charge	per kWh (all kWh)	\$0.19143	\$0.20188
<b>SCHEDULE "P" - Large Power Secondary Service*</b>			
Customer Charge	per customer per month	\$369.38	\$355.00
Demand Charge	per kW of monthly demand	\$11.14	\$14.90
Energy Charge		per kWh	per kWh
Non-Fuel Energy Charge (Non-Fuel and Non-Purchased Power Energy Cost only)			
First	400 kWh per kW demand	\$0.12236	\$0.16549
All Over	400 kWh per kW demand	\$0.09834	\$0.16549
Fuel and Purchased Power Energy Charge	per kWh (all kWh)	\$0.19143	\$0.20188

<b>CUSTOMER CLASS</b>	<b>DESCRIPTION</b>	<b>PRESENT RATES</b>	<b>PROPOSED RATES</b>
<b>SCHEDULE "SL" - Street Lighting</b>			
Fixture Charge			
Standard incandescent fixtures <= 4,000 lumens	per fixture per month	\$3.63	\$4.54
Standard mercury vapor fixtures <= 21,000 lumens	per fixture per month	\$6.25	\$7.81
Standard high pressure sodium vapor fixtures <= 100 watt	per fixture per month	\$6.25	\$7.81
101-150 watt	per fixture per month	\$6.25	\$7.81
151-200 watt	per fixture per month	\$6.47	\$8.09
201-250 watt	per fixture per month	\$6.47	\$8.09
251-400 watt	per fixture per month	\$6.75	\$8.44
Standard light emitting diode (LED) fixtures <= 45 watt	per fixture per month	\$8.18	\$10.23
46-98 watt	per fixture per month	\$8.48	\$10.60
99-130 watt	per fixture per month	\$8.57	\$10.71
Energy Charge		per kWh	per kWh
Non-Fuel Energy Charge (Non-Fuel and Non-Purchased Power Energy Cost only)	per kWh (all kWh)	\$0.22387	\$0.31166
Fuel and Purchased Power Energy Charge	per kWh (all kWh)	\$0.19143	\$0.20188

\*Note: KIUC proposes to combine Schedules "L" and "P" into a new Schedule "LP."

As part of its Application, KIUC also requests, among other things, that the Commission: (1) approve changes to its existing tariff (KIUC Tariff No. 1) to effectuate its proposed rate changes and increases, as well as changes to its depreciation rates and to its existing Energy Rate Adjustment Clause mechanism; (2) approve the recovery over

a 10-year amortization period of the balance of the lost gross margins regulatory asset established by Decision and Order No. 37252, filed on July 31, 2020, in Docket No. 2020-0088; (3) approve the recovery over a 10-year amortization period of the balance of the regulatory asset resulting from the pension tracking mechanism established by the Decision and Order, filed on September 9, 2010, in Docket No. 2009-0050; and (4) grant such other relief, including any interim rate increase, as may be applicable, required, just, and/or reasonable under the circumstances and/or in order for KIUC to implement its proposed revenue and rate increases.


The Commission will investigate whether the proposals in the Application, including revisions to KIUC's rate schedules, are just and reasonable.

The foregoing is a brief summary of the requests included in KIUC's Application. Copies of KIUC's Application are available for public review through the Commission's electronic Document Management System, accessible at <http://dms.puc.hawaii.gov/dms/>, Docket Quick Link 2022-0208. In addition, copies of KIUC's Application are also available for review by contacting the Commission's Kauai District Office [(808) 274-3232] or Honolulu Office [(808) 586-2020], or the Division of Consumer Advocacy [(808) 586-2800].

All interested persons are invited to attend the public hearing to state their views on KIUC's Application. Written statements may also be mailed to the Public Utilities Commission, 465 South King Street, Room No. 103, Honolulu, Hawaii 96813, or e-mailed to [puc.comments@hawaii.gov](mailto:puc.comments@hawaii.gov). All written statements should reference

Docket No. 2022-0208 and include the author's name and the entity or organization that the author represents, if any.

Motions to Intervene or Participate in this proceeding shall comply with subchapter 4, Rules of Practice and Procedure Before the Public Utilities Commission, Hawaii Administrative Rules, Title 16, Chapter 601. A motion to intervene or participate in this proceeding shall be filed with the Commission's Honolulu Office by April 10, 2023.

  
Leodolfo R. Asuncion, Jr.  
Chair

The Garden Island: March 7, 14, 21, and 27, 2023

FILED

2023 Mar 08 AM 09:21

PUBLIC UTILITIES  
COMMISSION

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

# ATTACHMENT 2



# Hawai'i Public Utilities Commission Schedules Public Hearing for KIUC Rate Case

---

March 9, 2023

---

PUC   rate case   Public Hearing

Kaua'i Island Utility Cooperative (KIUC) has filed for a general rate increase with the Hawai'i Public Utilities Commission (PUC). With this rate filing KIUC is seeking approval of rate changes and increases, revised rate schedules and rules, and other ratemaking matters.

The PUC has scheduled a public hearing on KIUC's proposed rate increase and application to allow KIUC's members/customers to state their views. KIUC's members/customers are invited to attend this public hearing to find out more about the proposed rate increase and application, and to provide an opportunity for public comments.

The PUC's public hearing will be held as follows:

**Tuesday, March 28, 2023; 6:00 pm**

**King Kaumuali'i Elementary School Cafeteria**

**4380 Hanamā'ulu Road**

**Līhu'e, Hawai'i 96766**

A link to the PUC's Notice of Public Hearing, the rate case filing and additional information about the application can be found at [www.kiuc.coop/ratecase](http://www.kiuc.coop/ratecase) <http://www.kiuc.coop/ratecase>.

###



# ATTACHMENT 3



Kauai Island Utility Cooperative



kiuc.coop

Promote Website

Open now

Photos

See All Photos



Kauai Island Utility Cooperative

1m



NOTICE OF PUBLIC HEARING: Kaua'i Island Utility Cooperative has filed for a general rate increase with the Hawai'i Public Utilities Commission. With this rate filing KIUC is seeking approval of rate changes and increases, revised rate schedules and rules, and other ratemaking matters.

The PUC has scheduled a public hearing on KIUC's proposed rate increase and application to allow KIUC's members/customers to state their views. KIUC's members/customers are invited to attend this public hearing to find out more about the proposed rate increase and application, and to provide an opportunity for public comments.

The PUC's public hearing will be held as follows:

Tuesday, March 28, 2023; 6:00 pm  
King Kaumuali'i Elementary School Cafeteria  
4380 Hanamā'ulu Road  
Līhu'e, Hawai'i 96766

A link to the PUC's Notice of Public Hearing, the rate case filing and additional information about the application can be found at [www.kiuc.coop/ratecase](http://www.kiuc.coop/ratecase).

**Amaro, Beth**

---

**From:** Constant Contact <noreply@constantcontact.com>  
**Sent:** Thursday, March 9, 2023 8:32 AM  
**To:** Amaro, Beth  
**Subject:** Your campaign NOTICE OF PUBLIC HEARING has been sent

**CAUTION:** This email originated outside of the KIUC organization. Do not click links, open attachments or respond unless you recognize the sender and know the content is safe. Contact IT for help.



---

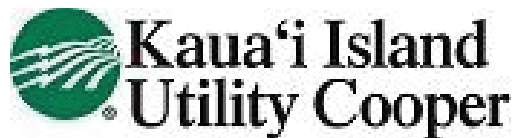
Dear Beth Tokioka,

Your campaign '**NOTICE OF PUBLIC HEARING**' was sent on 3/9/2023 around 1:30 PM EST.

Below is a copy of the message your subscribers received. See how your campaign is doing by visiting Reports [in your account](#) to get real-time results and stats.

---

**Subject:** NOTICE OF PUBLIC HEARING



## NOTICE OF PUBLIC HEARING

### ATTENTION KIUC MEMBERS AND CUSTOMERS

Kaua'i Island Utility Cooperative (KIUC) has filed for a general rate increase with the Hawai'i Public Utilities Commission (PUC). With this rate filing KIUC is seeking approval of rate changes and increases, revised rate schedules and rules, and other ratemaking matters.

The PUC has scheduled a public hearing on KIUC's proposed rate increase and application to allow KIUC's members/customers to state their views. KIUC's members/customers are invited to attend this public hearing to find out more about the

proposed rate increase and application, and to provide an opportunity for public comments.

The PUC's public hearing will be held as follows:

**Tuesday, March 28, 2023; 6:00 pm**  
**King Kaumuali'i Elementary School Cafeteria**  
**4380 Hanamā'ulu Road**  
**Līhu'e, Hawai'i 96766**

A link to the PUC's Notice of Public Hearing, the rate case filing and additional information about the application can be found at [www.kiuc.coop/ratecase](http://www.kiuc.coop/ratecase).

**KIUC** | [Website](#)



Kauai Island Utility Cooperative | 4463 Pahee Street, Suite 1, Lihue, HI 96766-2000

[Unsubscribe btokioka@kiuc.coop](mailto:btokioka@kiuc.coop)

[Update Profile](#) | [Constant Contact Data Notice](#)

Sent by info@kiuc.coop powered by



# ATTACHMENT 4



## Notification of Public Hearing

Kaua i Island Utility Cooperative (KIUC) filed an application for a general rate increase with the Hawai i Public Utilities Commission (PUC) on December 28, 2022. A summary of the rate changes, increases and requests that KIUC is seeking in the application are set forth in the PUC's Notice of Public Hearing, which can be viewed under the heading "News and Updates" at this link: [www.kiuc.coop/ratecase](http://www.kiuc.coop/ratecase).

The PUC has scheduled a public hearing on KIUC's proposed rate increase and application to allow any interested persons to state their views. All interested persons are invited to attend this public hearing to find out more about the proposed rate increase and application and to provide an opportunity for public comments.

The PUC's public hearing will be held as follows:

**DATE:** Tuesday, March 28, 2023

**LOCATION:** King Kaumuali'i Elementary School Cafeteria  
4380 Hanamā'ulu Road  
Līhu'e, Hawai'i 96766

**TIME:** 6:00 p.m.

More information on the rate case can be found at

**[www.kiuc.coop/ratecase](http://www.kiuc.coop/ratecase)**

ATTACHMENT 4

Page 1 of 1

# ATTACHMENT 5



Kauai Island Utility Cooperative

Intro

Local Electricity Cooperative. For general information or to report outages call (808) 246-4300.

Page · Public Service

4463 Pahee St, Ste 1, Lihue, HI, United States, Hawaii

(808) 246-4300

info@kiuc.coop

kiuc.coop

Open now

Photos

See all photos



Other posts

Kauai Island Utility Cooperative

NOTICE OF PUBLIC HEARING: Kauai Island Utility Cooperative has filed for a general rate increase with the Hawaii Public Utilities Commission. With this rate filing KIUC is seeking approval of rate changes and increases, revised rate schedules and rules, and other ratemaking matters.

The PUC has scheduled a public hearing on KIUC's proposed rate increase and application to allow KIUC's members/customers to state their views. KIUC's members/customers are invited to attend this public hearing to find out more about the proposed rate increase and application, and to provide an opportunity for public comments.

The PUC's public hearing will be held as follows: Tuesday, March 28, 2023: 6:00 pm King Kaumuali'i Elementary School Cafeteria 4380 Hanama'ulu Road Lihue, Hawaii 96766

A virtual option is also available. A link to the PUC's Notice of Public Hearing, the rate case filing and additional information about the application can be found under the "News and Updates" tab at www.kiuc.coop/ratecase.

Kauai Island Utility Cooperative

KIUC.COOP 2023 Rate Case Information | Kauai Island Utility Cooperative Send us your questions or comments!

Like Comment Share

Connect with Kauai Island Utility Cooperative on Facebook

Log In

or

Create new account