



May 19, 2022

Aloha!

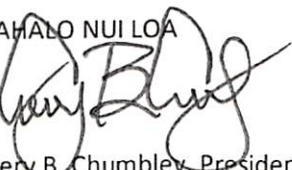
This letter provides important information concerning water delivery service by the Wailuku Water Company and the regulation of WWC as a public utility by the Hawaii Public Utilities Commission.

Regulation by the PUC reflects the ongoing evolution of the water system. Following formation of the Wailuku Sugar Company in 1862, the irrigation system has transitioned from primarily serving sugar cane to serving a variety of uses, including irrigation water for diversified agriculture, as a non-potable source for the County of Maui Department of Water Supply, and for native Hawaiian traditional and customary practices. WWC began owning and operating the irrigation system in 2005, and has taken great pride since then in operating a network that was built more than one hundred years ago – and that will continue to serve the convenience and needs of the public into the future.

The regulatory process before the PUC, largely inactive since 2009, is now resuming. As you may recall, on February 8, 2008, WWC filed an application with the PUC seeking certification as a public utility. As a public utility, WWC will own, operate, and maintain the non-potable water distribution system to deliver non-potable water to its customers and users. In exchange, like other public utilities WWC will be entitled to fees from utility customers to defray the cost of operation, provide capital for useful improvements to the system, and allow WWC the opportunity to earn a fair return on its investment. In January 2009, the PUC suspended the original application pending the completion of landmark proceedings before the Commission on Water Resource Management involving instream flow standards and use permits, which impact the WWC water delivery system and those who use it. Although these CWRM actions were expected to conclude within a relatively short time period, only recently have conditions been met to resume the PUC proceeding.

Accordingly, the purpose of this letter is to notify you about WWC's updated PUC filing, including proposed new rates, and the expected next steps in the restarted PUC proceeding. Due to the passage of time, WWC has amended its original application with updated data and information and the amended application was filed with the PUC on May 18, 2022. Like the original application, the amended application requests PUC approval to continue long-term contracts for certain existing customers. It also seeks to establish proposed new rates for other customers (see enclosed summary of proposed rates). We urge you to contribute to the PUC's process and to participate in the public hearing expected to be scheduled by the PUC in the future. For your convenience, a copy of WWC's amended application filed on May 18, 2022 is available on the PUC's Document Management Services website (under Docket No. 2008-0025) at <https://dms.puc.hawaii.gov/dms/index.jsp> or on WWC's website at [www.wailukuwater.com](http://www.wailukuwater.com).

We look forward to serving you in the future.

MAHALO NUI LOA  
  
Avery B. Chumbley, President  
WAILUKU WATER COMPANY, LLC

Enclosure

**WAILUKU WATER COMPANY, LLC  
PROPOSED RATE SCHEDULE**

*DISCLAIMER:* The following summarizes the rates proposed by the Wailuku Water Company, LLC (“WWC”) pursuant to its Amended Application filed in Docket No. 2008-0025 before the State of Hawaii Public Utilities Commission. This summary identifies broadly applicable categories. To further determine potentially applicable proposed rates, the Amended Application should be consulted. A copy is available at [www.wailukuwater.com](http://www.wailukuwater.com).

<i>Category</i>	<i>Proposed Rate</i>
<p><b>As proposed, a Customer:</b></p> <ul style="list-style-type: none"> <li>• Holds a Surface Water Use Permit (“SWUP”) issued by the Commission on Water Resource Management (“CWRM”); and</li> <li>• Is not a User.</li> </ul>	\$1.8395 per thousand gallons
<p><b>As proposed, a Contract Customer:</b></p> <ul style="list-style-type: none"> <li>• Holds a SWUP issued by CWRM</li> <li>• Holds an existing Customer Contract (not terminable on short notice without cause), in effect as of May 1, 2022, for non-potable water delivery from WWC; and</li> <li>• Is not a User.</li> </ul>	Charges based on terms of Customer Contract, as approved by the Hawaii Public Utilities Commission; if contract terminates Customer rate shall apply
<p><b>As proposed, a User:</b></p> <ul style="list-style-type: none"> <li>• Holds a SWUP issued by CWRM; and</li> <li>• Has been found by CWRM for all or part of its allocation to hold appurtenant rights, and/or to use the non-potable water in the exercise of native Hawaiian Traditional and Customary rights, at the SWUP-authorized location.</li> </ul>	\$0.000 per thousand gallons