

**Lāna‘i Water Company
Agricultural Customer Information
July 6, 2023**

Consumers engaged in “Agricultural Activities” and verified by the Lāna‘i Water Company (“Company”) shall be entitled to Agricultural water rates consistent with the requirements set forth under Act 169 Session Laws of Hawai‘i 2008. This new customer classification was approved by the Hawai‘i Public Utilities Commission (“PUC”) for the Lāna‘i Water Company in its recent rate application. The primary reason for establishing the Agricultural Potable Water Rate is to benefit the residents of the island of Lāna‘i by, among other things, promoting diversified types of agricultural activities that would provide affordable fresh produce to island residents.

The agricultural water rates are proposed to commence on August 15, 2023 (the Company is awaiting PUC approval for the effective date of the increase). These rates shall increase each year thereafter as reflected below:

Agricultural Monthly Water Charges

PROPOSED RATES	Step 1	Step 2	Step 3	Step 4	Step 5
Monthly billing cycle	8/15/2023	** 8/15/2024	8/15/2025	8/15/2026	8/15/2027
Monthly Usage Charge					
First 200,000 gallons	1.10	1.10	1.10	1.10	1.10
200,001 - 400,000 gallons	2.21	3.13	4.38	6.03	8.20
Over 400,000 gallons	2.32	3.41	4.89	6.84	9.41
Monthly Fixed Fee					
5/8 inch	3.09	4.02	5.28	6.93	9.11
3/4 inch	3.09	4.02	5.28	6.93	9.11
1 inch	6.60	9.09	12.46	16.91	22.77
1-1/2 inch	8.65	14.32	22.02	32.16	45.53
2 inch	17.93	26.38	37.85	52.93	72.85
3 inch	35.04	50.67	71.87	99.77	136.60
4 inch	54.61	81.24	117.37	164.91	227.66

** We are waiting on PUC approval on the 8/15/2023 effective date. If this date is changed, the subsequent steps will change accordingly, so that there is one year between each step.

To qualify for Agricultural Water Rates, the Consumer must be engaged in “Agricultural Activities” as defined below and shall complete an Application for Agricultural Rates and submit the required documentation. The Company shall verify the Consumer’s qualification annually and approve the use of the Agricultural water rates.

“Agricultural Activities” shall mean uses of water by a Consumer for a commercial agricultural, silvicultural, or aquacultural facility or pursuit conducted, in whole or in part, including the care and production of livestock and livestock products, poultry and poultry products, apiary products, and plant and animal production for nonfood uses; the planting, cultivating, harvesting, and processing of crops; and the farming or ranching of any plant or animal species in a controlled salt, brackish, or freshwater environment. “Agricultural Activities” does not include canneries, mills, markets or establishments engaged in the conversion, treatment or packaging of agricultural products or similar activities, or the incorporation of plants with commercial value into the domestic landscaping.

Lāna‘i Water Company, Inc.
P.O. Box 630310
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Telephone (808) 565-3664

APPLICATION FOR AGRICULTURAL WATER RATES

In accordance with the provisions of Lāna‘i Water Company, Inc.’s (“Company”) Rules and Regulations Covering the Supply of Potable Water to Consumers (“Rules and Regulations”), I hereby apply for the Agricultural Potable Rate for all water used each billing period through the account below. I understand that information submitted as part of this application shall be held in confidence by the Company.

Account Holder Name: _____ Account No.: _____

Service Location: _____

Mailing Address: _____ Business Phone # _____

City, State, Zip Code: _____ Residence Phone # _____

Acres Under Cultivation: _____ Cell Phone # _____

Type of Crop or Stock (Please specify – i.e. trees, plants, animals) _____

Age of Crop or Stock: _____

Estimated Annual Gross Revenues: _____

Anticipated Water Usage: _____ (gallons)

General Excise Tax License No. _____

I certify that I am actively engaged on a commercial basis in Agricultural Activities as defined in the Company’s Rules and Regulations and that this activity averaged \$1,000 per year, average over the last three (3) years. I understand that the Company shall perform this verification each year prior to June 30. In addition, the Consumer may be subject to periodic inspection and or inquiries. If the Consumer fails to timely provide a written update by June 30, the Consumer may no longer qualify for the Agricultural Potable Rate.

Date

Signature of Service Holder

Attached one copy of each of the following:

1. State of Hawai‘i, Department of Taxation Form G-45 General Excise/Use Tax Return, Form G-49 Annual Return & Reconciliation, sales receipts and/or other forms/verification as approved by the Company.
2. Proof that the Agricultural Activities are commercially viable, which means, at the very minimum, that the total gross revenues derived from the uses of water for Agricultural Activities at the property/meter in question are or can be reasonably demonstrated at full establishment of the Agricultural Activity to be at least \$1,000 per year, averaged over the last three (3) years.
3. Written verification (including maps, drawings, or plans) demonstrating to the Company’s satisfaction that the Consumer’s commercial agricultural irrigation system is or will be used solely for Agricultural Activities.
4. The commercial agricultural irrigation system shall be separately metered.
5. The Consumer must demonstrate that a minimum of 50% of the total usable area of the lot or 1.5 acres, whichever is less, shall be used for Agricultural Activities. Usable area include areas that are less than 15% in grade and are not subject to any drainage easements.

FOR OFFICE USE ONLY:	
Approved By:	_____
Print Name:	_____
Date:	_____