

Final Report

2013 Equity Management Plan



September 2013

SAIC



September 25, 2013

Mrs. Karissa Jonas
Financial Vice Present and Chief Financial Officer
Kaua'i Island Utility Cooperative
4463 Pahe'e Street, Suite 1
Lihue, Hawai'i 96766-2032

Subject: **2013 Equity Management Plan Report**

Dear Mrs. Jonas:

SAIC Energy, Environment & Infrastructure, LLC, is pleased to submit this final report on the 2013 Equity Management Plan for Kaua'i Island Utility Cooperative. This report sets forth and summarizes the methodology, assumptions and results of the 2013 Equity Management Plan analysis.

The preparation of the 2013 Equity Management Plan and this report was a collaborative effort by KIUC staff and our project team. On behalf of SAIC, we wish to express our appreciation for your assistance on this effort along with the assistance of other KIUC staff members who provided the timely information and review necessary for the successful completion of this project.

Thank you for the opportunity to be of service to KIUC.

Sincerely,

SAIC Energy, Environment & Infrastructure, LLC

A handwritten signature in black ink that reads "Laurie A. Tomczyk". The signature is written in a cursive, flowing style.

Laurie A. Tomczyk
Senior Financial and Rates Consultant

Final Report

2013 Equity Management Plan



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2013 Equity Management Plan

Kaua'i Island Utility Cooperative

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2013 EQUITY MANAGEMENT PLAN

Introduction

Kaua'i Island Utility Cooperative (KIUC) retained SAIC Energy, Environment and Infrastructure, LLC (SAIC) in May 2012 to assist KIUC staff with the development of a 2013 Equity Management Plan (2013 EMP). The 2013 EMP is a spreadsheet-based model that contains several elements designed to help KIUC evaluate its projected financial performance under various scenarios over a ten-year planning period from 2013 through 2022.

A critical element of the 2013 EMP was the projection of annual operating results under various financial and operational assumptions. As part of the development of the 2013 EMP, several factors were considered to be of significant importance in KIUC's financial planning efforts. These factors include:

- Building equity levels to increase KIUC's equity ratio,
- Meeting or exceeding minimum loan covenant requirements including Times Interest Earned ratios (TIER) and Debt Service Coverage (DSC) ratios,
- Balancing borrowing needs and equity levels to fund KIUC's capital needs,
- Maintaining general consistency with KIUC's strategic plan and resource planning,
- Achieving the Hawai'i Renewable Portfolio Standard requirements,
- Maintaining appropriate cash reserve levels, and
- Evaluating future revenue requirement and future rate adjustment needs.

KIUC's prior EMP was finalized in June 2009 (2009 EMP). This 2009 EMP included consideration of a baseline financial projection and three alternative scenarios. The 2009 EMP was developed in the context of helping KIUC determine an appropriate TIER level to be used for rate setting purposes and to demonstrate KIUC's ability to maintain financial strength to KIUC's lenders.

The purposes set by KIUC for the 2013 EMP were to update the 2009 EMP to reflect KIUC's new capital financing plans and updated load forecast projections, and to test the sensitivity of various factors on KIUC's operating results. A Base Case EMP analysis was prepared to show projected financial results associated with KIUC's planned renewable energy capital development program. This Base Case Scenario included a realistic but aggressive build out of KIUC renewables generation portfolio and the assumed continuation of KIUC's current ratemaking practices.

This Base Case Scenario was compared with several alternative scenarios that included: (1) a scenario that showed the impacts of implementing a decoupling rate

mechanism based on KIUC's achieving an average 1.80 TIER¹ each year throughout the projection period, (2) a scenario designed to show the sensitivity of projected results to lower load growth, (3) a scenario that assumed no additional KIUC renewables projects were developed, and (4) a scenario that showed the sensitivity of projected results to no fuel price increases.

Approach

According to KIUC Board policies, the KIUC EMP should set forth a plan for optimizing members' equity investment in the cooperative that also facilitates providing electricity to the members at the lowest reasonable cost and maintaining KIUC's financial strength. Consistent with this direction, the development of the 2013 EMP involved discussions of various financial management and other issues that included KIUC management and staff, SAIC staff, and input from the KIUC Board of Directors. The KIUC Board participated in a workshop that addressed the EMP process and analysis results.

A detailed financial spreadsheet model was developed as part of the 2013 EMP process. This model includes projections of annual revenues and expenditures for the 10-year study period of 2013 through 2022. Year-end balance sheet projections were also developed in the model as were supporting schedules for plant investment, funding requirements and sources, and existing and new debt service payments.

SAIC worked with KIUC management to identify several financial-related variables to be reviewed in the EMP process and used the EMP model to analyze the impact of these variables on KIUC's projected financial results. The interrelationships of these variables in the EMP required that numerous planning assumptions be considered conjointly.

Based on the results of these analyses and input from the KIUC staff and Board of Directors, the key elements of the Base Case Scenario were selected to represent a status quo financial course of action for KIUC to take that balances the needs of its members, lenders, and regulators, while achieving KIUC's financial and strategic goals based on current operating and financial assumptions. The Base Case Scenario was designed to meet the following goals included in KIUC's 2013-2025 Strategic Plan:

- Decrease average residential energy bills by 10 percent, after adjusting for oil prices, over the next 10 years through implementation of KIUC's renewable energy plan, assertive cost control measures, and innovative efficiency solutions for members.
- Generate at least 50 percent of energy using renewable resources by 2023.
- Target a TIER of 1.80 to 2.00 annually and an equity-to-assets ratio of approximately 35 percent.

¹ TIER = (Patronage Capital or Margins + Interest on Long-Term Debt)/Interest on Long-Term Debt

Some key assumptions used in the Base Case Scenario include (1) commercial operation of two new 12 MW solar projects developed through KIUC subsidiaries in 2014, (2) purchase of power from a new 6.7 MW biomass plant beginning in 2014, (3) development of approximately 17 MW of new KIUC-owned hydroelectric power starting commercial operation in 2018, (4) continued use of a 2.27 regulatory TIER² for rate setting purposes, and (5) no base rate increases during the projection period. A full discussion of the key assumptions used in the EMP Base Case is provided later in this report.

The results of the Base Case Scenario as well as four alternative scenarios are presented in this report. These alternative scenario results are presented to show the sensitivity of projected results to variations in selected key discrete variables. The alternative scenarios are as follows:

- **Alternative Scenario 1 – Decoupling:** Another goal in KIUC’s 2013-2025 Strategic Plan is to develop a decoupling mechanism for KIUC’s ratemaking process. This decoupling mechanism would be designed to protect the cooperative from financial degradation resulting from downward trends in sales volumes caused by conservation and energy efficiency efforts, continued expansion of customer-sited generation, and down economic cycles. In this alternative scenario, the assumption was made that the decoupling mechanism would allow KIUC to achieve an average TIER of 1.80 each year beginning in 2014 instead of the current 2.27 regulatory TIER.
- **Alternative Scenario 2 – Lower Sales:** Projected sales were assumed to be equal to the Low Case Energy Sales from KIUC’s 2012 Load Forecast, which results in little or no sales growth during the projection period. Projected sales in 2022 are 8.8 percent lower in Alternative Scenario 2 as compared to the Base Case Scenario.
- **Alternative Scenario 3 – No Renewables Additions:** KIUC was assumed to obtain all of its energy requirements over the projection period from existing generating plants and purchased power resources without development of any of the new solar, biomass, or hydroelectric projects included in the Base Case Scenario.
- **Alternative Scenario 4 – Flat Fuel Prices:** Fuel prices were assumed to remain at 2013 levels throughout the projection period.

The 2013 EMP, like any financial plan, is expected to be adjusted periodically as conditions change and as each year’s operating results become known. Given the significant changes envisioned over the projection period, possible modifications to plans as new information or opportunities become available, and the potential for further decline of KIUC’s energy sales, it is recommended that KIUC review and update this EMP annually during the next several years as part of its ongoing financial planning process.

² The amortization of KIUC’s acquisition adjustment was removed from operating expenses for purposes of calculating the regulatory TIER level as required in the PUC’s Decision and Order No. 19658 issued in Docket No. 02-0060 for the purposes of establishing rates.

Financial Goals

KIUC's vision is to improve the quality of life for its members and for Kaua'i by achieving its mission of being an energy solutions leader by: (1) safely providing reliable power that is fairly and competitively priced, (2) practicing conservation and efficient use of energy resources, and (3) increasing sustainable power supply and environmental stewardship.

In order to accomplish this mission, it is important for KIUC to achieve the following key financial goals.

- **Equity Levels:** KIUC has established a minimum long-term equity ratio goal of 35 percent. Preferably this goal would be achieved with a gradual but steady increase in its equity ratio during the EMP projection period. KIUC began operations as a completely debt financed cooperative with no equity at the time of the Kaua'i Electric acquisition in November 2002. Although KIUC is not required to maintain a specific equity ratio, its lenders and regulators have expectations regarding KIUC's build-up of equity to establish financial strength over time. In addition, a 30 percent equity level is required for KIUC to be relieved of costly loan accommodation requirements and to allow KIUC to make unrestricted retirements of patronage capital without the approval of its lender, the Rural Utilities Service (RUS).
- **TIER and DSC Levels:** KIUC's lenders have minimum TIER and DSC requirements to ensure the security of debt service payments. However, the results of the EMP analyses show these minimum levels are not sufficient for KIUC to meet its financial goals and are not consistent with the cooperative electric industry in general. Higher levels for TIER and DSC are necessary to provide adequate cash reserve levels, for equity funding of capital improvements, and accumulation of equity to maintain and increase the equity ratio. Therefore, KIUC has established an annual target achieved TIER range of 1.80 to 2.00.
- **Funding of Capital Expenditures:** Significant capital expenditures, particularly for generating resources, will be required during the ten-year projection in order for KIUC to provide efficient and reliable service to its members and meet KIUC's renewable energy goals. KIUC's 2013-2025 Strategic Plan calls for meeting 50 percent of KIUC's annual kilowatt-hour (kWh) sales with eligible renewable resources by 2023, and reducing greenhouse gases to 1990 levels. This renewables goal exceeds the requirements established by Act 234, the 2007 law establishing the framework to reduce greenhouse gas emissions emitted in 2020 to the 1990 emission level. It also surpasses the requirements set by Act 73 in 2010, the Hawai'i Clean Energy Initiative, which calls for 70 percent clean energy by 2030, with 40 percent of that amount coming from renewable sources. It is important for KIUC to maintain strong financial performance levels to assure its access to low cost capital to fund these capital expenditures, to protect the investment of its members in the KIUC system, and to keep its rates for electric service at reasonable levels in the future. KIUC will need to continue to balance its borrowing needs with equity financing out of rates throughout the projection period.

- **Cash Levels:** Consistent with the 2009 EMP and its 2009 general rate case filing, KIUC has determined that minimum levels of cash or cash equivalents, such as established lines of credit, equal to approximately thirty days of operating expenses (i.e., operations, maintenance, and interest expenses) are necessary for maintaining sufficient liquidity for cash transaction requirements and unforeseen events. This is consistent with the cash levels requested in other general rate case filings before the PUC.
- **Rate Stability and Competitiveness:** KIUC's 2013-2025 Strategic Plan calls for decreasing the average residential energy bill by 10 percent, after adjusting for oil prices, over the next 10 years through implementation of their renewable energy plan, assertive cost control measures, and innovative efficiency solutions for members. In developing the 2013 EMP, KIUC worked diligently to balance this goal with the goals of developing more efficient and renewable generating resources and accumulation of equity.

Key Base Case Scenario Assumptions

Various assumptions were made in developing the 2013 EMP Base Case Scenario projections. In general terms, the principal assumptions used in the 2013 EMP Base Case Scenario are as follows:

- **Renewables Additions:** Two new solar facilities are scheduled to be commercially operational in 2014. They are both being developed through KIUC subsidiaries. In addition, a new biomass facility owned and operated by a third party is expected to become operational in mid-2014 and to sell power to KIUC. Also, KIUC is planning to add additional hydroelectric generation to its resource mix during the projection period. Assumptions used for these renewables additions are as follows:
 - *KIUC Renewable Energy Solutions One LLC (KRS1)* – A 12 MW solar facility owned and operated by KRS1, a KIUC subsidiary; commercially operational in the fourth quarter of 2014; KIUC will borrow the funds necessary to construct the facility and then loan them to KRS1; gross capital cost of \$57.2 million; federal grant funds of \$16.3 million used to offset construction costs; one-time state tax refund of \$5.3 million; purchase power agreement payments by KIUC to KRS1 set at the level necessary for KRS1 to annually achieve a 1.25 TIER; and annual cash disbursements from KRS1 to KIUC above a minimum KRS1 cash level.
 - *KIUC Renewable Energy Solutions Two LLC (KRS2)* – A 12 MW solar facility developed and operated by KRS2, a KIUC subsidiary; commercially operational in the third quarter of 2014; KRS2 will borrow the funds necessary to construct the facility; gross capital cost of \$41.3 million; initial equity investment of \$27.2 million by a separate tax entity established by KIUC to take advantage of the tax benefits associated with KRS2; initial one percent ownership of KRS2 by KIUC and 99 percent ownership by the tax entity until an equity flip occurs in year 2020 at which time KIUC will have

95 percent ownership of KRS2; purchase power agreement payments by KIUC to KRS2 equal to \$125 per MWh; and annual cash disbursements from KRS2 to KIUC above a minimum KRS2 cash level.

- *Green Energy* – A 6.7 MW biomass plant owned and operated by a third party, power sold to KIUC through a purchase power agreement, and commercially operational in the third quarter of 2014.
- *New Hydroelectric* – Four facilities with a total of 16.8 MW of capacity, owned and operated by KIUC, commercially operational by 2018, and total capital cost of \$81.5 million excluding capitalized interest.

It is anticipated that modifications to the timing, costs, and even the resource mix presented herein may occur over the study period, as conditions change and additional information and opportunities becomes available.

- **Additional Capital Expenditures:** Additional capital improvement expenditures were projected to be \$208.3 million over the 10-year study period including \$38.1 million for other generation projects, \$144.6 million for transmission and distribution projects, and \$25.6 million for other general projects. Large new capital projects include the North Shore transmission line at \$16.0 million, the Anahola Service Center at \$4.9 million, the Waiahi upper powerhouse expansion at \$3.5 million, and the Lihue substation transformer upgrades at \$3.3 million. The projected capital costs also include the costs for completing projects already under construction including the AEPO substation project with \$5.6 million of remaining costs for completion and the advanced metering infrastructure project with \$2.5 million of remaining costs for completion. Projected capital expenditures were provided by KIUC and primarily based on KIUC's five-year construction plan and long range plan.
- **RUS Cushion of Credit:** A withdrawal from the RUS cushion of credit account in the amount of \$5.5 million was assumed to be made in 2015 and used to fund capital expenditures.
- **Capital Credit Retirements:** Consistent with the final outcome of KIUC's 2009 general rate case filing, the amount of regular capital credit retirements was assumed to be those amounts of excess margins resulting from a TIER exceeding 2.00 in the prior calendar year.
- **Load Forecast:** The projected customer sales, numbers of customers, and load requirements are based on KIUC's adopted 2012 Load Forecast. Sales are projected to decrease by 2.2 percent in 2013 and 1.0 percent in 2014, and then increase on average 1.3 percent per year from 2015 through 2022.
- **No Base Rate Increases:** No changes to base rates were assumed throughout the projection period. Continued use of a 2.27 regulatory TIER for rate setting purposes was assumed.
- **Fuel and Purchased Power Cost Recovery:** Fuel and purchased power costs were projected by KIUC consistent with the load forecast projections and assumed additions of new generating capacity presented above. Fuel prices assumed by KIUC are from Stillwater Associates projections based on the most

recent Energy Information Administration report. Continued use of the Energy Rate Adjustment Clause (ERAC) was assumed including the fuel efficiency premium portion in which KIUC is allowed to recover fuel costs calculated based on a target sales heat rate of 9,850 Btu/kWh and actual per Btu fuel prices, provided the actual sales heat rate is equal to or less than the target sales heat rate. Purchased power agreement payments by KIUC to KRS1 and KRS2 were included as purchased power in the calculation of the ERAC charges, and power from KIUC's existing and new hydroelectric plants were included as KIUC generated power in the calculation of the ERAC charges.

Key Alternative Scenario Assumptions

The assumptions in the Base Case and Alternative Scenarios are the same except as follows:

- **Alternative Scenario 1 – Decoupling:** Assumptions that differ from those in the Base Case Scenario include the following:
 - Annual average TIER achieved through implementation of a decoupling rate mechanism is equal to 1.80 beginning in 2014.
 - No regular capital credit payments are made to members beginning in 2014.
 - The efficiency premium portion of the ERAC charge calculation is discontinued in 2014 as part of the implementation of the decoupling mechanism.
- **Alternative Scenario 2 – Lower Sales:** Assumptions that differ from those in the Base Case Scenario include the following:
 - The low case projections from the adopted KIUC 2012 Load Forecast were used in place of the Base Case projections from the 2012 Load Forecast.
 - A 1.5 percent base rate increase was necessary in 2016 in order for KIUC to meet its financial targets for the rest of the projection period.
- **Alternative Scenario 3 – No Renewables Additions:** Assumptions that differ from those in the Base Case Scenario include the following:
 - All of KIUC's energy requirements over the projection period were assumed to be supplied from existing generating plants and purchased power resources without development of any of the new solar, biomass, or hydroelectric projects included in the Base Case Scenario.
 - A 4.0 percent base rate increase was necessary in 2017 in order for KIUC to meet its financial targets for the rest of the projection period.
- **Alternative Scenario 4 – Flat Fuel Prices:** The only assumption that differs from those in the Base Case Scenario is that fuel prices were assumed to remain at 2013 price levels throughout the projection period.

Overview of EMP Model Results

The following table provides an outline of the detailed 2013 EMP model results as provided in the appendices to this report. The Base Case Scenario results are provided in Appendix A. The alternative scenario results are presented in Appendices B through E. All information is presented in nominal dollars, as applicable. Separate results are provided for KIUC, KRS1, and KRS2.

Table 1
Kaua'i Island Utility Cooperative
Outline of 2013 EMP Model Results

Table	Description
Table 1 – Summary of Results	Key results including average unit revenues, margins, equity ratio, year-end cash balances, TIER and DSC ratio levels
Table 2 – Summary of Assumptions	Basic financial assumptions, capital credit retirement assumptions, target days of working cash, KRS1 and KRS2 capital costs, debt terms, operation dates
Table 3 – Projected Revenues at Existing Rates	Projected energy sales by customer class; projected revenues from energy sales at rate levels that became effective in October 2010 by customer class
Table 4 – Income Statement	Projected operating revenues and expenses, operating margins and total margins, unit revenues from energy sales
Table 5 – Pro forma Balance Sheet	Projected year end assets, equities and liabilities; financial ratios
Table 6 – Statement of Operations – Cash Basis	Projected cash from operations, annual debt service payments, uses of cash margins, TIER, DSC, capital credits balance
Table 7 – General Funds Summary	Projected general fund balances; sources and uses of general funds
Table 8 – Plant Investment and Depreciation Expense	Additions and replacements to utility plant; depreciation expense
Table 9 – Long-term Debt Service	Long-term debt; new debt incurred; annual debt service payment obligations; funding requirements for capital additions
Table 10 – Projected ERAC Revenues	Total projected KIUC energy requirements; projected energy resources; estimated cost of purchased power and power production; fuel costs

Base Case Scenario Results

A summary of key financial indicators for the Base Case Scenario is presented in Table 2 and discussed below. Detailed results are presented in Appendix A. The components and results of the 2013 EMP Base Case Scenario are based on the financial and operational objectives and assumptions defined previously.

Table 2
Kaua'i Island Utility Cooperative
Summary of Results: Base Case Scenario

Line	Actual	Projected									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 Unit Revenues (\$/kWh)											
2 Non-Fuel & Purchased Power Charges											
3 Base Rates Without Fuel & Purchased Power	16.65	16.73	16.79	16.44	16.44	16.44	16.44	16.45	16.45	16.45	16.46
4 Efficiency Premium in ERAC	0.82	0.49	0.89	0.59	0.60	0.62	4.45	4.61	4.72	4.88	5.07
5 Subtotal Non-Fuel & Purchased Power Charges	17.47	17.23	17.68	17.03	17.03	17.06	20.90	21.05	21.16	21.34	21.52
6											
7 Fuel and Purchased Power Charges											
8 Fuel & Purchased Power in Base Rates	18.95	18.81	18.77	19.13	19.12	19.11	19.11	19.10	19.10	19.09	19.09
9 Fuel & Purchased Power in ERAC	7.05	6.49	3.49	0.39	1.01	1.74	(1.19)	(0.57)	(0.06)	0.66	1.45
10 Fuel and Purchased Power Charges	26.00	25.30	22.27	19.51	20.14	20.85	17.92	18.53	19.04	19.75	20.54
11											
12 Average Unit Revenues (\$/kWh) (Lines 5 + 10)	43.48	42.53	39.95	36.54	37.17	37.91	38.81	39.58	40.20	41.09	42.06
13 % Change from 2012	na	-2.2%	-8.1%	-15.9%	-14.5%	-12.8%	-10.7%	-9.0%	-7.5%	-5.5%	-3.3%
14											
15 Rate Increase as a % of Base Rate Revenues	na	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
16											
17 Long-Term Interest Expense	8,335	7,770	8,005	8,834	10,432	11,263	13,001	12,376	11,713	11,033	10,460
18 Margins	11,091	8,409	9,651	8,028	6,984	6,438	15,003	15,995	17,032	18,155	19,218
19											
20 Equity to Total Assets	24.9%	26.2%	27.1%	28.8%	27.0%	25.6%	28.9%	32.1%	35.3%	38.5%	41.2%
21											
22 Cash Balance(\$000)	\$3,762	\$7,765	\$3,640	\$2,908	\$4,000	\$4,000	\$6,842	\$10,604	\$10,694	\$10,199	\$9,766
23 Days of Operating Cash on Hand	8	17	9	7	10	10	17	26	25	23	21
24 RUS TIER	2.33	2.08	2.21	1.91	1.67	1.57	2.15	2.29	2.45	2.65	2.84
25 Regulatory TIER	2.61	2.37	2.49	2.16	1.89	1.77	2.33	2.48	2.65	2.85	3.05
26 RUS Debt Service Coverage - 1.25 Minimum	na	1.66	1.66	1.49	1.39	1.33	1.61	1.63	1.65	1.68	1.69
27 CFC Debt Service Coverage - 1.35 Minimum	na	1.65	1.64	1.46	1.36	1.31	1.59	1.61	1.63	1.65	1.67
28 Percent of Previous Year's Patronage Capital Retired	na	25%	8%	17%	0%	0%	0%	13%	23%	31%	39%
29											
30 Annual Capital Expenditures (\$000)	na	\$23,997	\$28,397	\$18,359	\$64,488	\$63,675	\$16,752	\$14,552	\$18,249	\$18,098	\$23,239
31 Cap Ex Paid With Debt (\$000)	na	10,000	13,322	1,646	55,863	54,707	-	-	-	-	6,485
32 Cap Ex Paid with Grant Funds/CIAC/Customer Adv (\$000)	na	9,191	662	728	800	880	967	1,063	1,168	1,284	1,411
33 Cap Ex Paid With RUS Cushion of Credit (\$000)	na	0	0	5,500	0	0	0	0	0	0	0
34 Cash Used to Pay for Plant (\$000)	na	4,806	14,413	10,485	7,825	8,088	15,785	13,489	17,081	16,814	15,343
35											
36 Debt Borrowed (\$000)	na	\$20,000	\$23,322	\$11,646	\$55,863	\$54,707	\$85,208	\$0	\$0	\$0	\$6,485
37 Debt Used to Repay Short-Term Debt (\$000)	na	10,000	10,000	10,000	0	0	85,208	0	0	0	0
38 Debt Used for Working Capital (\$000)	na	0	0	0	0	0	0	0	0	0	0
39 Debt Used for Cap Ex (\$000)	na	10,000	13,322	1,646	55,863	54,707	0	0	0	0	6,485
40											
41 Monthly Residential Bill (500 kWh per month usage)	\$224	\$219	\$206	\$189	\$192	\$196	\$201	\$204	\$208	\$212	\$217
42 % Change from 2012	na	-2.3%	-8.1%	-15.7%	-14.3%	-12.6%	-10.6%	-8.9%	-7.5%	-5.5%	-3.4%
43											
44 Approx Annual Pat Cap Retired for 500 kWh Res Customer	na	\$39.04	\$9.13	\$23.11	\$0.00	\$0.00	\$0.00	\$26.69	\$47.67	\$69.14	\$91.32
45											
46 Renewable Power (% of total power requirements)											
47 KIUC-Owned	2%	2%	6%	12%	12%	12%	28%	28%	28%	27%	27%
48 Purchased	8%	12%	17%	25%	25%	24%	24%	24%	24%	23%	23%
49 Total	10%	13%	23%	37%	37%	36%	52%	52%	51%	51%	50%

Figure 1 presents historical and projected effective achieved TIER levels for KIUC. TIER levels reach their lowest levels in 2016 and 2017 when the new hydroelectric plants are assumed to be constructed. The highest levels are achieved beginning in 2018 and beyond when the amount of the ERAC efficiency premium increases as a result of including the power from the new hydroelectric plants in the calculation of the fuel efficiency premium amount.

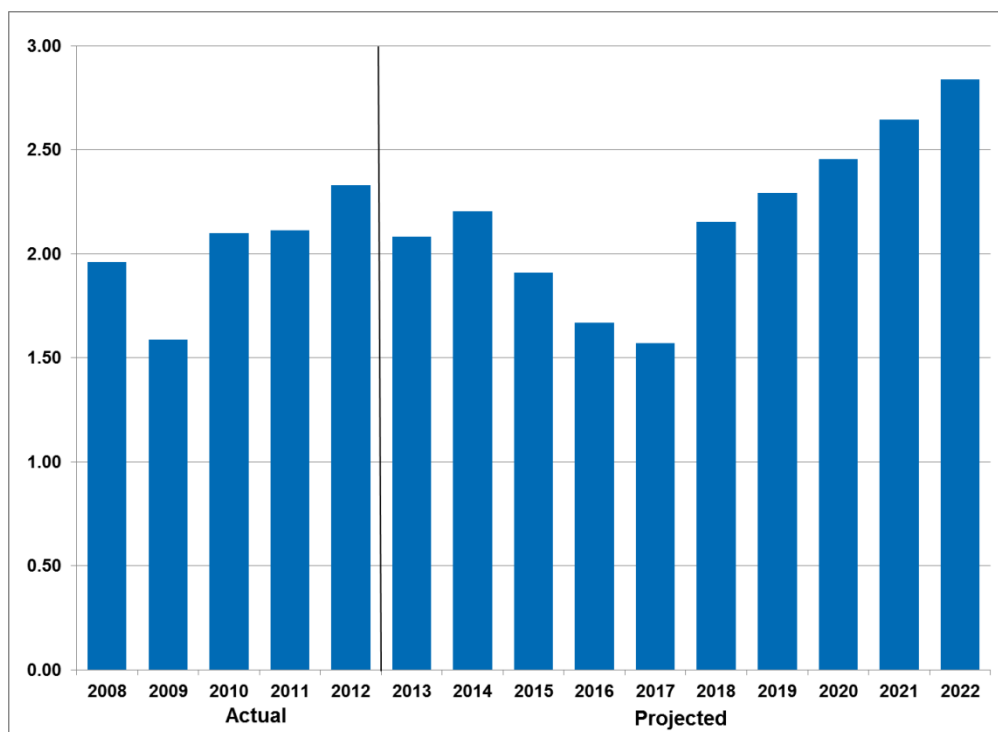


Figure 1: Total Effective Achieved TIER Levels

Total KIUC annual capital expenditures and sources of funding are shown in Figure 2. It is projected that KIUC will have approximately \$272 million of capital expenditures from 2013 through 2022. Of this amount, it is projected that \$142 million will be paid with borrowed funds and the remaining \$130 million will be funded with equity from rate revenues recovered over the 10-year study period and the \$5.5 million RUS cushion of credit withdrawal assumed in 2015 that is shown as cash in Figure 2. The largest amount of these expenditures is projected to occur during the 2016 and 2017 time period when the new hydroelectric plants are being constructed. The projected amount that will be borrowed to construct the new hydroelectric plants is \$85 million including capitalized interest.

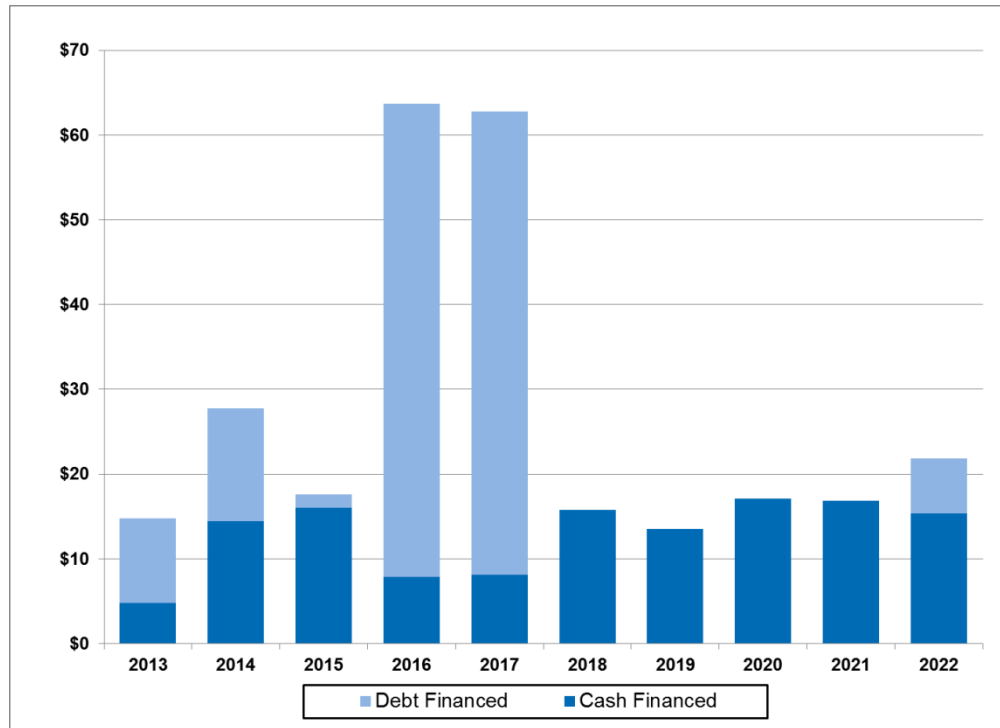


Figure 2: Annual Capital Expenditures and Funding (\$000)

The capital expenditures shown in Figure 2 exclude expenditures for development of the KRS1 and KRS2 solar facilities through KIUC's subsidiary companies. The projected amount of construction financing required for KRS1 and KRS2 is \$99 million, and the projected amount of long-term financing is \$50 million.

Total assets are projected to increase from \$315 million in 2012 to approximately \$450 million in 2022. These assets include KIUC's investments in KRS1 and KRS2.

A significant portion of the investment in new generation will assist KIUC in developing higher levels of renewable resources to meet the renewable standard portfolio requirements in Hawai'i and KIUC's strategic goal of 50 percent by 2023, as well as decrease KIUC's exposure to higher oil costs as a fuel expense component of rates. Figure 3 illustrates the percent of generation that will be from renewable resources over the 10-year study period. As shown in Figure 3, the projected amount of power from renewables in 2022 is 50 percent, which exceeds the renewable standard portfolio requirements in Hawai'i and KIUC's strategic goal.

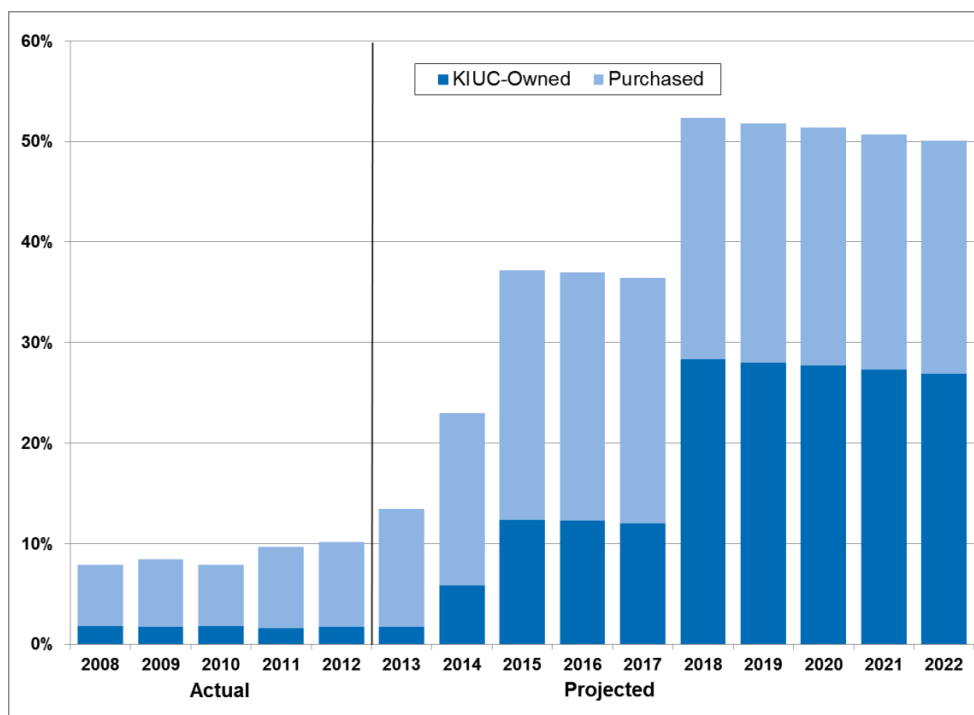


Figure 3: Percent Renewable Generation

Figure 4 shows historical and projected fuel and purchased power costs. As shown in this figure, fuel costs for thermal generation are expected to drop significantly until 2015 when they are projected to increase on average 4 percent per year through 2022. Other purchased power costs are projected to drop significantly when KIUC begins purchasing energy from the Green Energy biomass plant in the third quarter of 2014. The gross purchased power costs shown for KRS1 and KRS2 in Figure 4 represent the assumed purchased power agreement prices. The net KRS1 and KRS2 costs shown are the projected purchased price less cash disbursements. Overall, fuel and purchased power costs are projected to be 2.3 percent lower in 2022 than in 2012.

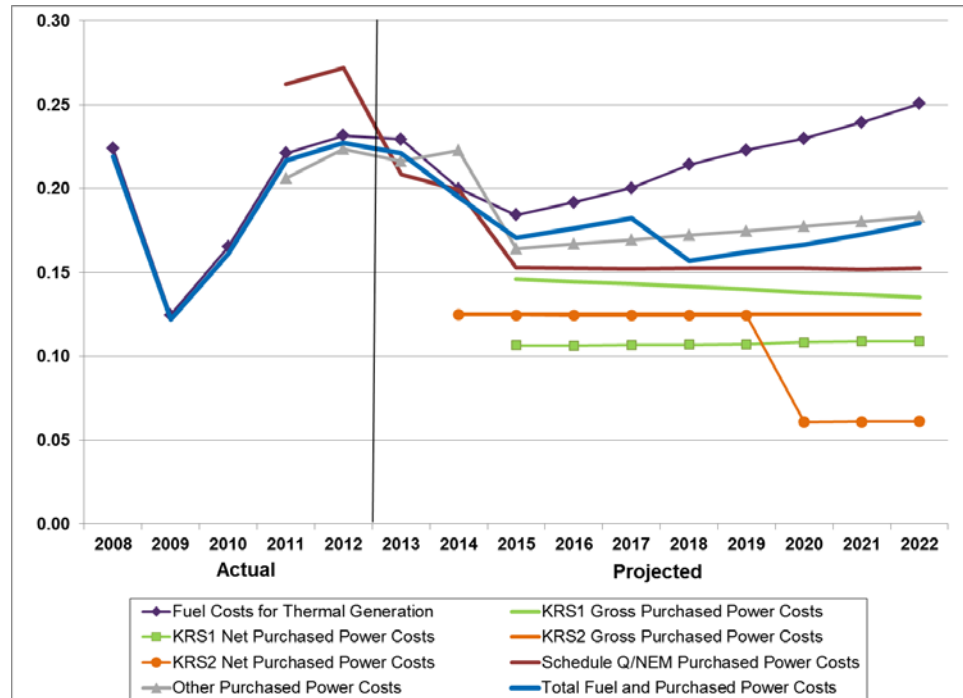


Figure 4: Fuel and Purchased Power Costs (\$/kWh)

The 2013 EMP was developed in part to review KIUC's ability to balance its borrowing needs with the need to increase its equity ratio. The ratio of equity to total assets is projected to be approximately 26.2 percent by the end of 2013, and then gradually increase to 41.2 percent by the end of 2022 as shown in Figure 5. This exceeds KIUC's targeted equity-to-assets ratio of approximately 35 percent.

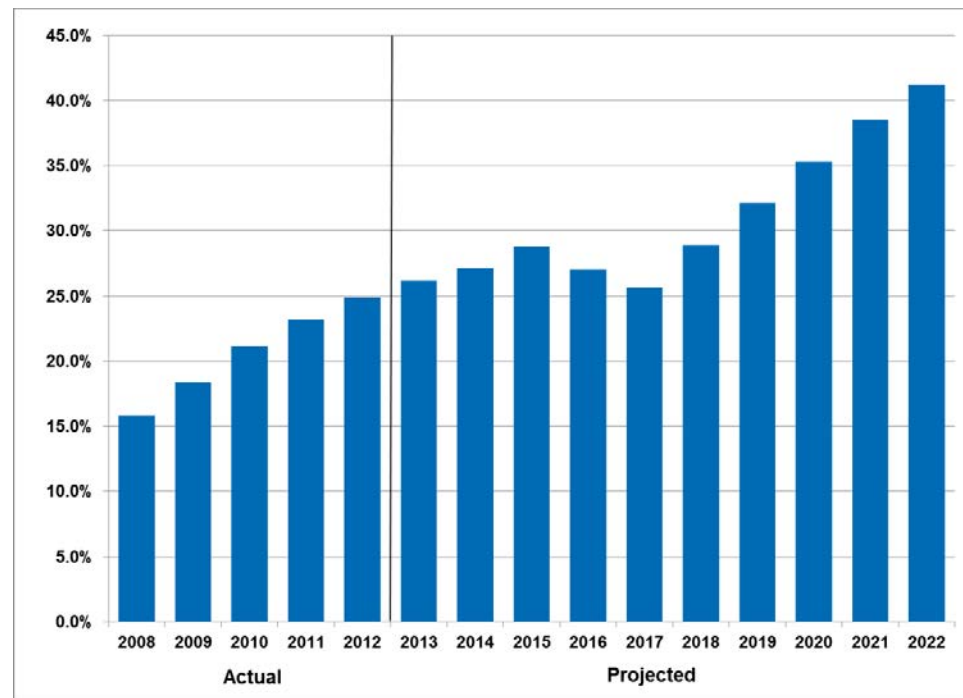


Figure 5: Equity to Total Assets Ratio

As shown in Figure 6, KIUC's revenues on a nominal per kWh basis are projected in 2022 to be approximately 3.3 percent lower than 2012 level. On average, average per kWh revenues are projected to decrease by 0.3 percent per year, with the largest decreases during 2014 and 2015 primarily due to projected drops in fuel prices and the startup of KRS1, KRS2, and the Green Energy biomass plant. If revenues were to be adjusted for inflation, the decrease would be even more significant.

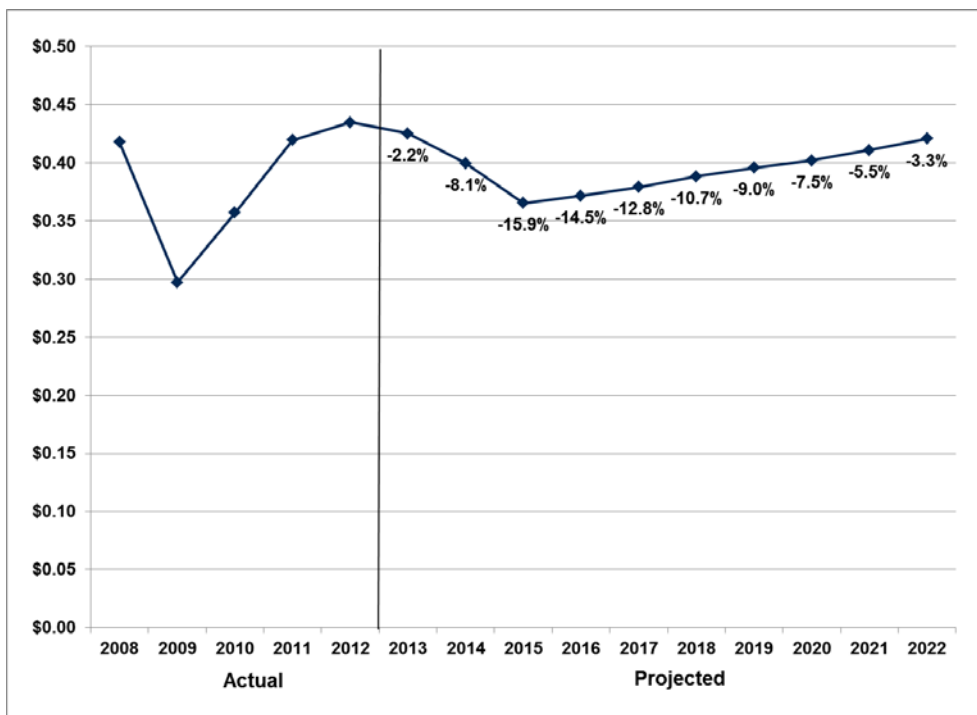


Figure 6: Average Unit Revenues (¢/kWh)
(Percent Change from 2012)

The results of the 2013 EMP Base Case Scenario show that the projected monthly residential bill on a nominal bill basis (based on an average consumption level of 500 kWh per month) will remain lower than the actual 2012 level of \$224 throughout the projection period as shown in Figure 7. The highest projected bill is \$217 in 2022. If the projected monthly bills were to be adjusted for inflation, the decrease would be even more significant.

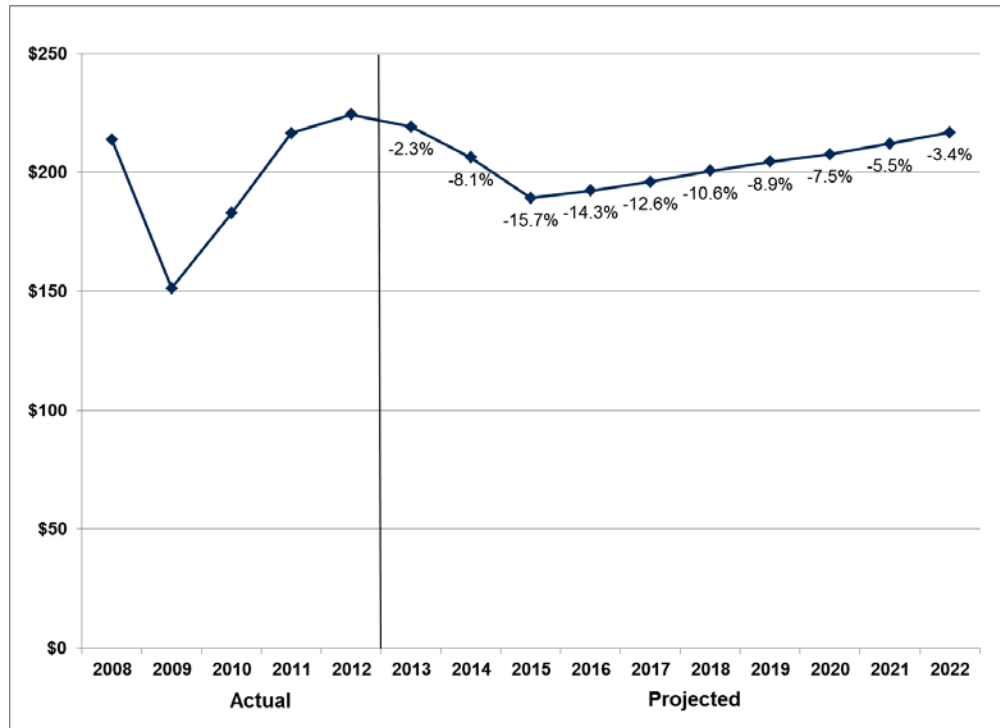


Figure 7: Monthly Residential Bill
(500 kWh per month usage, Percentage Change from 2012)

Alternative Scenario Results

As discussed previously, the results of four alternative EMP scenarios are also presented in this report. The results for the alternative scenarios are presented to show the sensitivity of projected results to variations in selected key discrete variables. The alternative scenarios are as follows:

- Alternative Scenario 1 – Decoupling
- Alternative Scenario 2 – Lower Sales
- Alternative Scenario 3 – No Renewables Additions
- Alternative Scenario 4 – Flat Fuel Prices

Summary results for these alternative scenarios are also presented in Tables 3 through 6 and discussed below. Detailed results are presented in Appendices B through E.

Table 3
Kaua'i Island Utility Cooperative
Summary of Results: Alternative Scenario 1 – Decoupling

Line	Actual	Projected									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 Unit Revenues (¢/kWh)											
2 Non-Fuel & Purchased Power Charges											
3 Base Rates Without Fuel & Purchased Power	16.65	16.73	16.84	16.81	17.42	17.69	19.75	19.58	19.39	19.31	19.30
4 Efficiency Premium in ERAC	0.82	0.49	-	-	-	-	-	-	-	-	-
5 Subtotal Non-Fuel & Purchased Power Charges	17.47	17.23	16.84	16.81	17.42	17.69	19.75	19.58	19.39	19.31	19.30
6											
7 Fuel and Purchased Power Charges											
8 Fuel & Purchased Power in Base Rates	18.95	18.81	18.77	19.13	19.12	19.11	19.11	19.10	19.10	19.09	19.09
9 Fuel & Purchased Power in ERAC	7.05	6.49	3.49	0.39	1.01	1.74	(1.19)	(0.57)	(0.06)	0.66	1.45
10 Fuel and Purchased Power Charges	26.00	25.30	22.27	19.51	20.14	20.85	17.92	18.53	19.04	19.75	20.54
11											
12 Average Unit Revenues (¢/kWh) (Lines 5 + 10)	43.48	42.53	39.10	36.33	37.55	38.54	37.66	38.11	38.43	39.07	39.83
13 % Change from 2012	na	-2.2%	-10.1%	-16.4%	-13.6%	-11.3%	-13.4%	-12.3%	-11.6%	-10.1%	-8.4%
14											
15 Rate Increase as a % of Base Rate Revenues	na	0.0%	0.1%	1.0%	2.8%	3.5%	9.3%	8.8%	8.3%	8.0%	0.0%
16											
17 Long-Term Interest Expense	8,335	7,770	8,005	8,897	10,522	11,252	12,972	12,398	11,877	11,487	11,215
18 Margins	11,091	8,409	6,404	7,118	8,417	9,002	10,377	9,919	9,501	9,190	8,972
19											
20 Equity to Total Assets	24.9%	26.2%	26.3%	28.1%	26.8%	26.0%	28.4%	31.0%	33.2%	35.4%	37.2%
21											
22 Cash Balance(\$000)	\$3,762	\$7,765	\$3,640	\$2,909	\$4,000	\$4,000	\$4,000	\$4,000	\$5,476	\$7,646	\$9,766
23 Days of Operating Cash on Hand	8	17	9	7	10	10	10	10	13	17	21
24 RUS TIER	2.33	2.08	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80
25 Regulatory TIER	2.61	2.37	2.08	2.05	2.02	2.00	1.97	1.98	1.99	2.00	2.00
26 RUS Debt Service Coverage - 1.25 Minimum	na	1.66	1.50	1.44	1.44	1.43	1.45	1.42	1.39	1.35	1.32
27 CFC Debt Service Coverage - 1.35 Minimum	na	1.65	1.48	1.41	1.42	1.41	1.43	1.40	1.36	1.33	1.30
28 Percent of Previous Year's Patronage Capital Retired	na	25%	8%	0%	0%	0%	0%	0%	0%	0%	0%
29											
30 Annual Capital Expenditures (\$000)	na	\$23,997	\$28,397	\$18,359	\$64,488	\$63,675	\$16,752	\$14,552	\$18,249	\$18,098	\$23,239
31 Cap Ex Paid With Debt (\$000)	na	10,000	16,569	929	54,457	52,142	1,778	323	5,349	6,451	12,403
32 Cap Ex Paid with Grant Funds/CIAC/Customer Adv (\$000)	na	9,191	662	728	800	880	967	1,063	1,168	1,284	1,411
33 Cap Ex Paid With RUS Cushion of Credit (\$000)	na	0	0	5,500	0	0	0	0	0	0	0
34 Cash Used to Pay for Plant (\$000)	na	4,806	11,166	11,202	9,231	10,653	14,007	13,166	11,733	10,363	9,425
35											
36 Debt Borrowed (\$000)	na	\$20,000	\$23,322	\$14,176	\$54,457	\$52,142	\$86,986	\$323	\$5,349	\$6,451	\$12,403
37 Debt Used to Repay Short-Term Debt (\$000)	na	10,000	6,753	13,247	0	0	85,208	0	0	0	0
38 Debt Used for Working Capital (\$000)	na	0	0	0	0	0	0	0	0	0	0
39 Debt Used for Cap Ex (\$000)	na	10,000	16,569	929	54,457	52,142	1,778	323	5,349	6,451	12,403
40											
41 Monthly Residential Bill (500 kWh per month usage)	\$224	\$219	\$202	\$188	\$194	\$199	\$195	\$198	\$199	\$202	\$206
42 % Change from 2012	na	-2.3%	-10.0%	-16.2%	-13.4%	-11.1%	-12.9%	-11.9%	-11.2%	-9.8%	-8.1%
43											
44 Approx Annual Pat Cap Retired for 500 kWh Res Customer	na	\$38.18	\$9.06	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
45											
46 Renewable Power (% of total power requirements)											
47 KIUC-Owned	2%	2%	6%	12%	12%	12%	28%	28%	28%	27%	27%
48 Purchased	8%	12%	17%	25%	25%	24%	24%	24%	24%	23%	23%
49 Total	10%	13%	23%	37%	37%	36%	52%	52%	51%	51%	50%

Figure 8 compares the projected total effective TIER levels for the Base Case Scenario and the alternative scenarios. As shown in this figure, TIER levels for the Base Case Scenario reach their lowest levels in 2016 and 2017 when the new hydroelectric plants are assumed to be constructed, and the highest levels are achieved beginning in 2018 and beyond when the amount of the ERAC efficiency premium increases as a result of including the new hydroelectric plants in the calculation of the fuel efficiency premium amount. In Alternative Scenario 1, the assumption is made that the decoupling mechanism allows KIUC to achieve annual average TIER levels of 1.80, which is significantly lower than the projected TIER levels for the other scenarios beginning in 2018 when the new hydroelectric plants begin operation.. The depressed sales assumed in Alternative Scenario 2 cause the TIER levels to continue to erode until 2016 when a base rate increase of one percent was assumed. Similarly in Alternative Scenario 3, the TIER levels continue to erode until 2017 when a base rate increase of 4 percent was assumed.

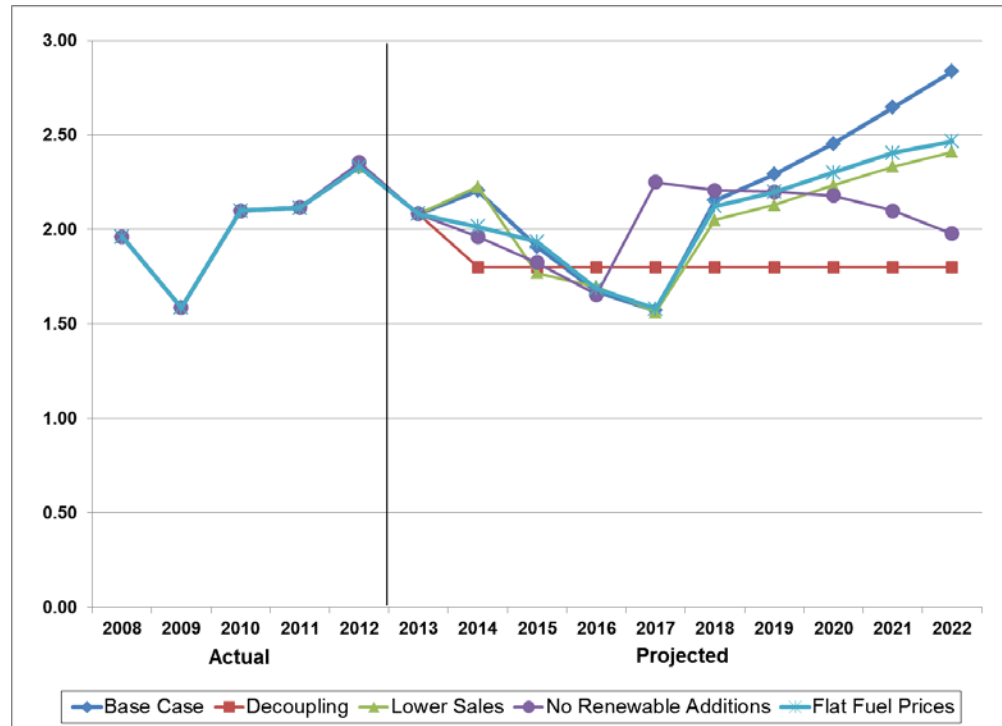


Figure 8: Comparison of Total TIER Levels

Table 4
Kaua'i Island Utility Cooperative
Summary of Results: Alternative Scenario 2 – Lower Sales

Line	Actual 2012	Projected									
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 Unit Revenues (\$/kWh)											
2 Non-Fuel & Purchased Power Charges											
3 Base Rates Without Fuel & Purchased Power	16.65	16.73	16.79	16.45	16.99	16.99	16.99	17.00	17.01	17.01	17.02
4 Efficiency Premium in ERAC	0.82	0.49	0.89	0.63	0.63	0.67	4.63	4.83	4.99	5.19	5.41
5 Subtotal Non-Fuel & Purchased Power Charges	17.47	17.23	17.68	17.07	17.62	17.66	21.62	21.83	22.00	22.20	22.43
6											
7 Fuel and Purchased Power Charges											
8 Fuel & Purchased Power in Base Rates	18.95	18.81	18.77	19.13	19.13	19.13	19.13	19.13	19.12	19.12	19.12
9 Fuel & Purchased Power in ERAC	7.05	6.49	3.49	0.26	0.88	1.54	(1.26)	(0.66)	(0.22)	0.39	1.06
10 Fuel and Purchased Power Charges	26.00	25.30	22.27	19.39	20.02	20.67	17.87	18.46	18.90	19.51	20.17
11											
12 Average Unit Revenues (\$/kWh) (Lines 5 + 10)	43.48	42.53	39.95	36.47	37.64	38.33	39.49	40.29	40.90	41.71	42.60
13 % Change from 2012	na	-2.2%	-8.1%	-16.1%	-13.4%	-11.8%	-9.2%	-7.3%	-5.9%	-4.1%	-2.0%
14											
15 Rate Increase as a % of Base Rate Revenues	na	0.0%	0.0%	0.0%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
16											
17 Long-Term Interest Expense	8,335	7,770	8,005	8,865	10,484	11,309	13,049	12,422	11,759	11,095	10,624
18 Margins	11,091	8,409	9,824	6,815	7,323	6,351	13,704	14,028	14,502	14,783	14,994
19											
20 Equity to Total Assets	24.9%	26.2%	27.2%	28.5%	26.8%	25.4%	28.5%	31.6%	34.7%	37.8%	40.1%
21											
22 Cash Balance(\$000)	\$3,762	\$7,765	\$3,813	\$2,908	\$4,000	\$4,000	\$5,527	\$8,650	\$8,206	\$7,605	\$9,708
23 Days of Operating Cash on Hand	8	17	9	8	10	10	14	22	20	18	22
24 RUS TIER	2.33	2.08	2.23	1.77	1.70	1.56	2.05	2.13	2.23	2.33	2.41
25 Regulatory TIER	2.61	2.37	2.51	2.02	1.91	1.76	2.22	2.31	2.43	2.54	2.62
26 RUS Debt Service Coverage - 1.25 Minimum	na	1.66	1.67	1.43	1.40	1.33	1.56	1.56	1.56	1.56	1.54
27 CFC Debt Service Coverage - 1.35 Minimum	na	1.65	1.65	1.40	1.37	1.30	1.54	1.54	1.54	1.53	1.52
28 Percent of Previous Year's Patronage Capital Retired	na	25%	8%	19%	0%	0%	0%	5%	11%	19%	25%
29											
30 Annual Capital Expenditures (\$000)	na	\$23,997	\$28,397	\$18,359	\$64,488	\$63,675	\$16,752	\$14,552	\$18,249	\$18,098	\$23,239
31 Cap Ex Paid With Debt (\$000)	na	10,000	13,322	2,868	55,540	54,809	-	-	-	715	9,867
32 Cap Ex Paid with Grant Funds/CIAC/Customer Adv (\$000)	na	9,191	662	728	800	880	967	1,063	1,168	1,284	1,411
33 Cap Ex Paid With RUS Cushion of Credit (\$000)	na	0	0	5,500	0	0	0	0	0	0	0
34 Cash Used to Pay for Plant (\$000)	na	4,806	14,413	9,263	8,148	7,986	15,785	13,489	17,081	16,099	11,961
35											
36 Debt Borrowed (\$000)	na	\$20,000	\$23,322	\$12,868	\$55,540	\$54,809	\$85,208	\$0	\$0	\$715	\$9,867
37 Debt Used to Repay Short-Term Debt (\$000)	na	10,000	10,000	10,000	0	0	85,208	0	0	0	0
38 Debt Used for Working Capital (\$000)	na	0	0	0	0	0	0	0	0	0	0
39 Debt Used for Cap Ex (\$000)	na	10,000	13,322	2,868	55,540	54,809	0	0	0	715	9,867
40											
41 Monthly Residential Bill (500 kWh per month usage)	\$224	\$219	\$206	\$189	\$195	\$198	\$204	\$208	\$211	\$215	\$219
42 % Change from 2012	na	-2.3%	-8.1%	-15.9%	-13.2%	-11.7%	-9.1%	-7.3%	-6.0%	-4.2%	-2.2%
43											
44 Approx Annual Pat Cap Retired for 500 kWh Res Customer	na	\$38.18	\$9.06	\$25.99	\$0.00	\$0.00	\$0.00	\$9.32	\$22.77	\$38.82	\$52.03
45											
46 Renewable Power (% of total power requirements)											
47 KIUC-Owned	2%	2%	6%	13%	13%	13%	30%	30%	30%	30%	29%
48 Purchased	8%	12%	17%	25%	26%	25%	25%	25%	25%	25%	25%
49 Total	10%	13%	23%	38%	38%	38%	55%	55%	55%	55%	55%

Figure 9 compares the projected ratio of equity to total assets for the Base Case Scenario and the alternative scenarios. As shown in this figure, the 35 percent equity goal is reached in all the scenarios by the end of the projection period. The accumulation of equity is greatest under Alternative Scenario 3 primarily because the capital expenditures are the least under this scenario. As shown in Figure 9, the TIER earned under the Alternative Scenario 2 with decoupling is lower than in the other scenarios, so the accumulation of equity is the lowest under this scenario. In the other scenarios, the equity to assets ratio reached by 2022 is approximately equivalent at around 40 percent.

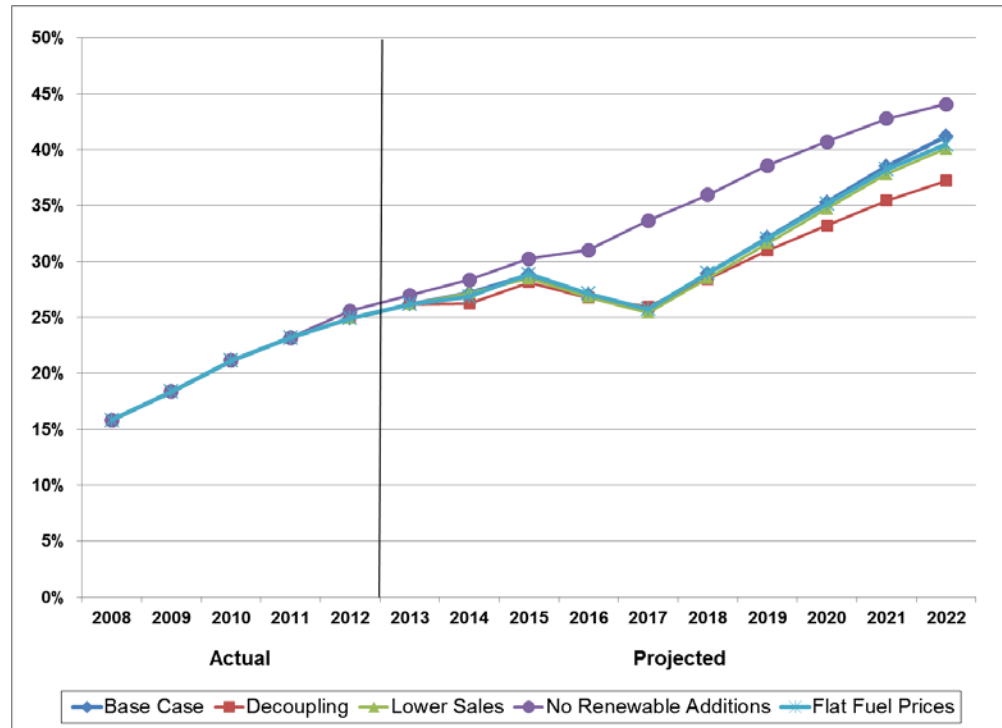


Figure 9: Comparison of Equity to Total Asset Ratios

KIUC's projected borrowing needs are higher for each of the alternative scenarios as compared with the Base Case Scenario, with the exception of Alternative Scenario 3 that assumes no renewables additions. Projected borrowing needs to pay for capital expenditures during the study period under the Base Case Scenario and the alternative scenarios, including the borrowing required for KRS1 and KRS2, are as follows:

Base Case Scenario:	\$192 million
Alternative Scenario 1 – Decoupling	\$210 million
Alternative Scenario 2 – Lower Sales	\$197 million
Alternative Scenario 3 – No Renewables Additions	\$93 million
Alternative Scenario 4 – Flat Fuel Prices	\$195 million

Projected borrowing needs are highest under the Alternative Scenario 1 with decoupling because a lower amount of accumulated margins is available to fund capital expenditures in this scenario. Projected borrowing needs are lowest under Alternative Scenario 3 with no renewables additions because funds are not needed to construct the new solar and hydroelectric projects assumed in the other scenarios. In the Alternative Scenario 2 with lower sales, the borrowing needs are similar to those for Alternative Scenario 4 with flat fuel prices.

Table 5
Kaua'i Island Utility Cooperative
Summary of Results: Alternative Scenario 3 – No Renewables Additions

Line	Actual	Projected									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 Unit Revenues (¢/kWh)											
2 Non-Fuel & Purchased Power Charges											
3 Base Rates Without Fuel & Purchased Power	16.65	16.73	16.47	16.69	16.68	18.10	18.10	18.10	18.11	18.11	18.11
4 Efficiency Premium in ERAC	0.82	0.49	0.87	0.49	0.47	0.42	0.39	0.34	0.26	0.16	0.06
5 Subtotal Non-Fuel & Purchased Power Charges	17.47	17.23	17.34	17.17	17.15	18.52	18.50	18.44	18.36	18.27	18.16
6											
7 Fuel and Purchased Power Charges											
8 Fuel & Purchased Power in Base Rates	18.95	18.81	19.09	18.88	18.88	18.87	18.87	18.87	18.86	18.86	18.86
9 Fuel & Purchased Power in ERAC	7.05	6.49	3.50	2.56	3.38	4.37	5.31	6.36	7.26	8.50	9.87
10 Fuel and Purchased Power Charges	26.00	25.30	22.60	21.44	22.26	23.25	24.18	25.23	26.13	27.36	28.73
11											
12 Average Unit Revenues (¢/kWh) (Lines 5 + 10)	43.48	42.53	39.94	38.62	39.40	41.77	42.67	43.67	44.49	45.63	46.90
13 % Change from 2012	na	-2.2%	-8.1%	-11.2%	-9.4%	-3.9%	-1.8%	0.4%	2.3%	4.9%	7.9%
14											
15 Rate Increase as a % of Base Rate Revenues	na	0.0%	0.0%	0.0%	0.0%	4.0%	0.0%	0.0%	0.0%	0.0%	0.0%
16											
17 Long-Term Interest Expense	8,335	7,770	7,721	7,744	7,972	8,051	7,853	7,562	7,297	7,143	7,100
18 Margins	11,289	8,409	7,429	6,397	5,217	10,076	9,480	9,078	8,606	7,859	6,939
19											
20 Equity to Total Assets	25.6%	27.0%	28.4%	30.3%	31.0%	33.7%	36.0%	38.6%	40.7%	42.7%	44.0%
21											
22 Cash Balance(\$000)	\$3,762	\$7,563	\$2,342	\$950	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
23 Days of Operating Cash on Hand	8	17	6	2	9	9	8	8	8	7	7
24 RUS TIER	2.35	2.08	1.96	1.83	1.65	2.25	2.21	2.20	2.18	2.10	1.98
25 Regulatory TIER	2.63	2.37	2.26	2.12	1.94	2.53	2.50	2.50	2.49	2.42	2.30
26 RUS Debt Service Coverage - 1.25 Minimum	na	1.66	1.58	1.50	1.41	1.61	1.57	1.52	1.47	1.41	1.34
27 CFC Debt Service Coverage - 1.35 Minimum	na	1.65	1.57	1.49	1.40	1.60	1.56	1.51	1.47	1.40	1.33
28 Percent of Previous Year's Patronage Capital Retired	na	26%	8%	0%	0%	0%	20%	17%	17%	15%	9%
29											
30 Annual Capital Expenditures (\$000)	na	\$23,997	\$28,397	\$18,359	\$22,260	\$20,694	\$16,752	\$14,552	\$18,249	\$18,098	\$23,239
31 Cap Ex Paid With Debt (\$000)	na	10,000	13,322	1,646	16,770	7,437	6,119	4,163	8,695	9,415	15,442
32 Cap Ex Paid with Grant Funds/CIAC/Customer Adv (\$000)	na	9,191	662	728	800	880	967	1,063	1,168	1,284	1,411
33 Cap Ex Paid With RUS Cushion of Credit (\$000)	na	0	0	5,500	0	0	0	0	0	0	0
34 Cash Used to Pay for Plant (\$000)	na	4,806	14,413	10,485	4,690	12,378	9,666	9,326	8,386	7,399	6,386
35											
36 Debt Borrowed (\$000)	na	\$20,000	\$23,322	\$11,646	\$16,770	\$7,437	\$6,119	\$4,163	\$8,695	\$9,415	\$15,442
37 Debt Used to Repay Short-Term Debt (\$000)	na	10,000	10,000	10,000	0	0	0	0	0	0	0
38 Debt Used for Working Capital (\$000)	na	0	0	0	0	0	0	0	0	0	0
39 Debt Used for Cap Ex (\$000)	na	10,000	13,322	1,646	16,770	7,437	6,119	4,163	8,695	9,415	15,442
40											
41 Monthly Residential Bill (500 kWh per month usage)	\$224	\$219	\$206	\$200	\$204	\$216	\$220	\$225	\$229	\$235	\$241
42 % Change from 2012	na	-2.3%	-8.1%	-11.1%	-9.3%	-3.9%	-1.9%	0.3%	2.2%	4.7%	7.5%
43											
44 Approx Annual Pat Cap Retired for 500 kWh Res Customer	na	\$40.93	\$9.06	\$0.00	\$0.00	\$0.00	\$27.68	\$21.97	\$20.22	\$17.24	\$9.30
45											
46 Renewable Power (% of total power requirements)											
47 KIUC-Owned	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
48 Purchased	8%	12%	13%	13%	13%	13%	13%	13%	13%	13%	13%
49 Total	10%	13%	15%	15%	15%	15%	15%	15%	15%	14%	14%

Figure 10 shows projected percentages of renewable power available to KIUC for each scenario. Projected percentages are lowest under Alternative Scenario 3 with no renewables additions. Under this scenario, the amount of renewable power does not exceed 15 percent throughout the projection period. Under all the other scenarios, the percentage of renewable power exceeds the 50 percent goal beginning in 2018.

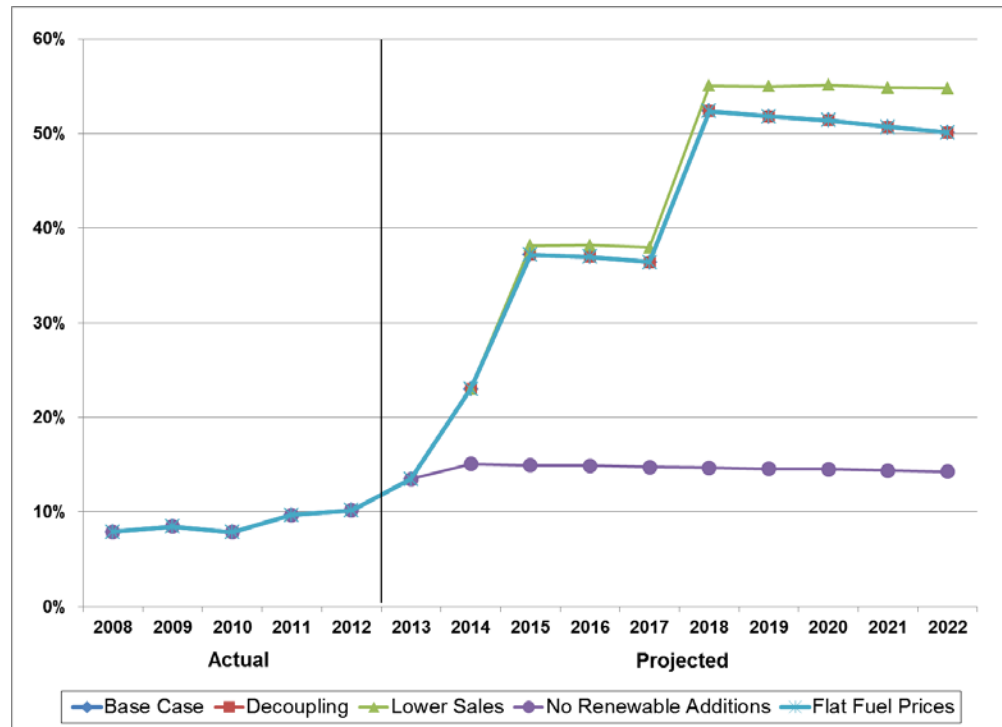


Figure 10: Renewable Power (% of Total Power Requirements)

Figure 11 shows a comparison of projected fuel and purchased power costs for the Base Case Scenario and the alternative scenarios. Projected fuel and purchased power costs are significantly higher for Alternative Scenario 3 with no renewables additions than for the other scenarios. Because fuel prices in the Base Case Scenario are assumed to drop below 2013 levels until 2019 when they start to exceed 2013 levels, projected fuel and purchased power costs are higher until 2018 under the Alternative Scenario 4 with flat fuel prices as compared to the Base Case Scenario, but then lower beginning in 2019. Except for Alternative Scenario 3 with the no renewable projects, projected fuel and purchased power costs for the other scenarios are generally similar throughout the projection period and show that the renewable resource investments result in significant fuel cost hedging over the study period.

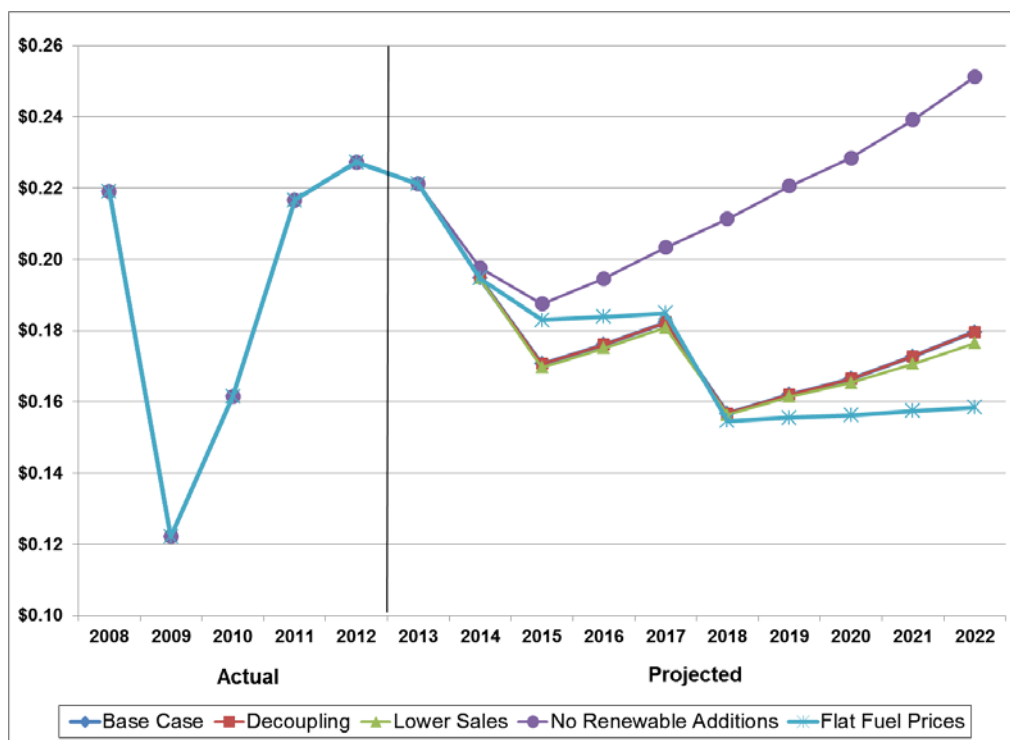


Figure 11: Comparison of Fuel and Purchased Power Costs (\$ per kWh)

Figure 12 shows a comparison of projected average unit sales revenues or rate levels for the Base Case Scenario and the alternative scenarios. Projected average unit sales revenues are highest for Alternative Scenario 3 with no renewables additions, primarily because of the projected high costs for fuel and purchased power. This shows that the additional investment in renewables assumed in all the other scenarios is more than offset by savings in fuel and purchased costs. The projected average level of rates is generally lowest in Alternative Scenario 1 because of the lower margins resulting from decoupling. The difference of projected net revenues from customers (i.e., equal to gross revenues from customers less patronage capital returns) between the Base Case Scenario and Alternative Scenario 1 with decoupling shows that the savings from the proposed decoupling mechanism over the projection period would be approximately \$20 million.

The difference in the projected rate levels between the Base Case Scenario and Alternative Scenario 2 with lower sales is less than 2 percent throughout the projection period. The rate levels in Alternative Scenario 4 with flat fuel prices drop lower than those for the other scenarios, except for Alternative Scenario 1 with decoupling, beginning around 2018 when fuel prices begin to exceed 2013 levels for those other scenarios.

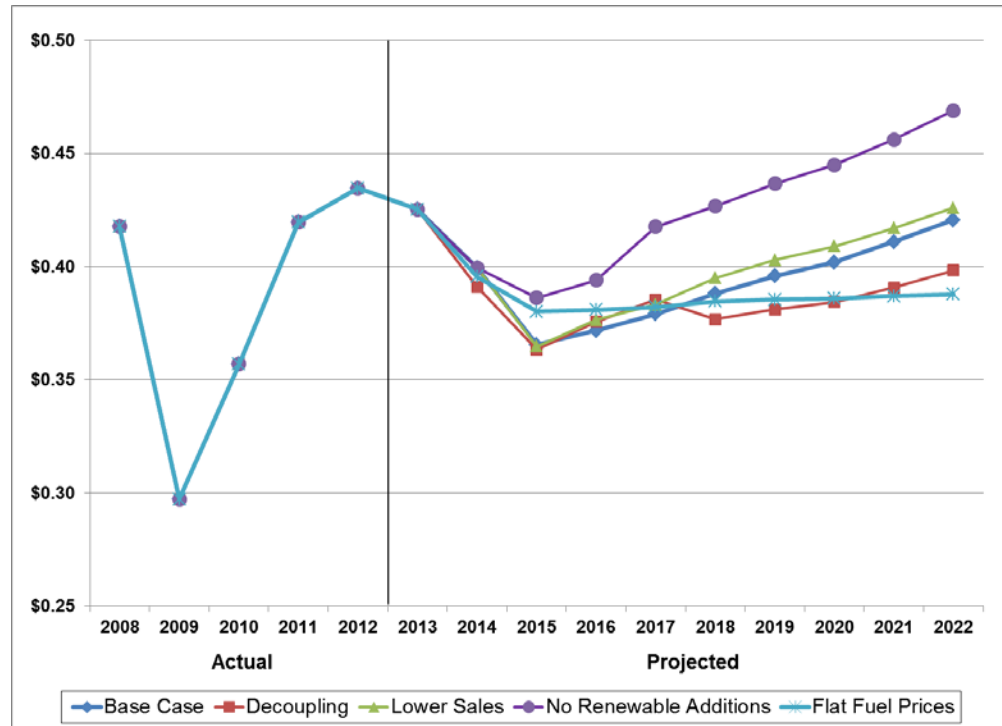


Figure 12: Comparison of Average Unit Sales Revenues (\$ per kWh)

Figure 13 shows a comparison of projected average residential monthly bill levels (based on usage of 500 kWh per month) for the Base Case and the alternative scenarios. Projected monthly bill levels reach \$219 in 2022 for Alternative Scenarios 2 and 3 (with lower sales and no renewables addition scenarios). The lowest bills beginning in 2018 are projected for Alternative Scenario 4 with flat fuel prices. By the year 2022, the projected monthly bill with assumed flat fuel prices would be \$200 while the bill under the Base Case Scenario assumption is \$217. This shows the projected significant impact on rates and customer bills that will result from KIUC's investment in renewable energy resources.

In 2012, the average bill for a residential customer based on 500 kWh per month of usage was \$224 dollars. In the Base Case Scenario and all four of the alternative scenarios, the projected average residential bill is more than 10 percent below the 2012 levels beginning in 2015, and remains lower than the 2012 amount throughout the projection period. Therefore, this analysis indicates that KIUC's strategic goal of decreasing average residential energy bills by 10 percent after adjusting for fuel prices is projected to be met in 2015.

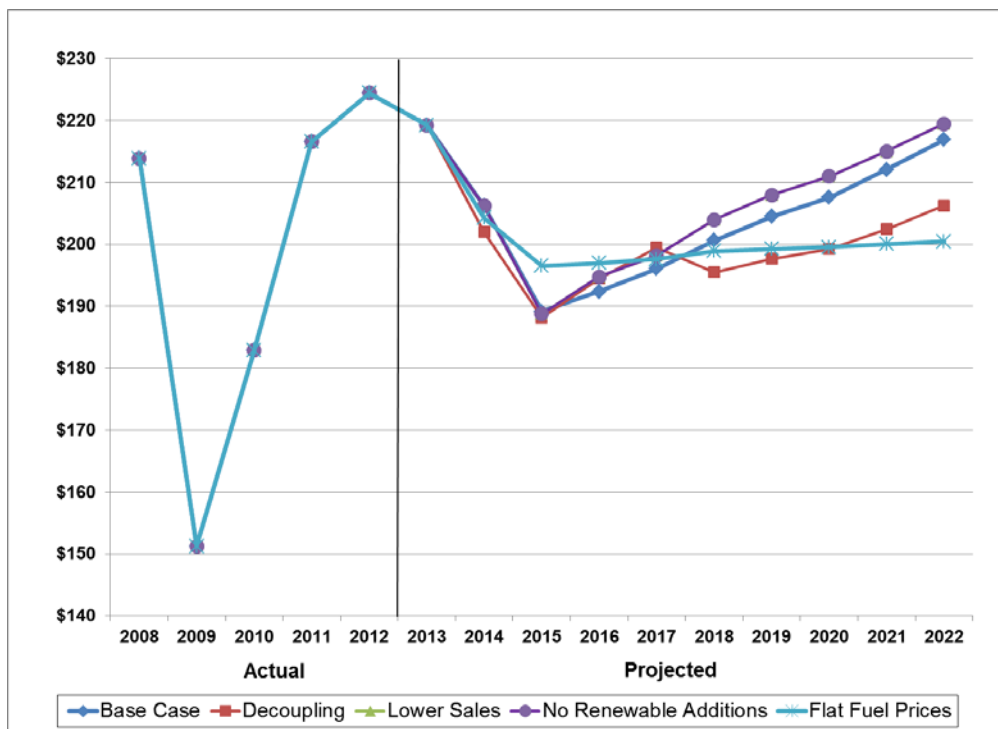


Figure 13: Comparison of Monthly Residential Bills
(based on 500 kWh per month usage)

Table 6
Kaua'i Island Utility Cooperative
Summary of Results: Alternative Scenario 4 – Flat Fuel Prices

Line	Actual	Projected									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 Unit Revenues (\$/kWh)											
2 Non-Fuel & Purchased Power Charges											
3 Base Rates Without Fuel & Purchased Power	16.65	16.73	16.31	16.44	16.44	16.44	16.44	16.45	16.45	16.45	16.46
4 Efficiency Premium in ERAC	0.82	0.49	0.98	0.65	0.63	0.63	4.35	4.31	4.27	4.24	4.20
5 Subtotal Non-Fuel & Purchased Power Charges	17.47	17.23	17.29	17.09	17.07	17.07	20.79	20.76	20.72	20.69	20.66
6											
7 Fuel and Purchased Power Charges											
8 Fuel & Purchased Power in Base Rates	18.95	18.81	19.26	19.13	19.12	19.11	19.11	19.10	19.10	19.09	19.09
9 Fuel & Purchased Power in ERAC	7.05	6.49	3.01	1.80	1.91	2.03	(1.43)	(1.32)	(1.23)	(1.09)	(0.97)
10 Fuel and Purchased Power Charges	26.00	25.30	22.27	20.93	21.03	21.15	17.68	17.78	17.87	18.00	18.11
11											
12 Average Unit Revenues (\$/kWh) (Lines 5 + 10)	43.48	42.53	39.56	38.01	38.10	38.21	38.47	38.54	38.59	38.69	38.77
13 % Change from 2012	na	-2.2%	-9.0%	-12.6%	-12.4%	-12.1%	-11.5%	-11.4%	-11.2%	-11.0%	-10.8%
14											
15 Rate Increase as a % of Base Rate Revenues		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
16											
17 Long-Term Interest Expense	8,335	7,770	8,005	8,834	10,422	11,240	12,976	12,351	11,689	11,013	10,536
18 Margins	11,091	8,409	8,136	8,260	7,165	6,526	14,585	14,793	15,218	15,475	15,454
19											
20 Equity to Total Assets	24.9%	26.2%	26.8%	28.9%	27.1%	25.7%	29.0%	32.0%	35.1%	38.2%	40.5%
21											
22 Cash Balance(\$000)	\$3,762	\$7,765	\$2,125	\$3,141	\$4,000	\$4,000	\$6,432	\$9,393	\$8,856	\$7,642	\$9,761
23 Days of Operating Cash on Hand	8	17	5	8	10	9	16	23	21	18	23
24 RUS TIER	2.33	2.08	2.02	1.94	1.69	1.58	2.12	2.20	2.30	2.41	2.47
25 Regulatory TIER	2.61	2.37	2.30	2.19	1.90	1.78	2.30	2.38	2.50	2.61	2.68
26 RUS Debt Service Coverage - 1.25 Minimum	na	1.66	1.59	1.50	1.39	1.33	1.60	1.59	1.59	1.59	1.56
27 CFC Debt Service Coverage - 1.35 Minimum	na	1.65	1.56	1.47	1.37	1.31	1.58	1.57	1.56	1.56	1.54
28 Percent of Previous Year's Patronage Capital Retired	na	25%	8%	2%	0%	0%	0%	11%	17%	23%	29%
29											
30 Annual Capital Expenditures (\$000)	na	\$23,997	\$28,397	\$18,359	\$64,488	\$63,675	\$16,752	\$14,552	\$18,249	\$18,098	\$23,239
31 Cap Ex Paid With Debt (\$000)	na	10,000	13,322	1,646	55,447	54,611	-	-	-	162	10,161
32 Cap Ex Paid with Grant Funds/CIAC/Customer Adv (\$000)	na	9,191	662	728	800	880	967	1,063	1,168	1,284	1,411
33 Cap Ex Paid With RUS Cushion of Credit (\$000)	na	0	0	5,500	0	0	0	0	0	0	0
34 Cash Used to Pay for Plant (\$000)	na	4,806	14,413	10,485	8,241	8,184	15,785	13,489	17,081	16,652	11,667
35											
36 Debt Borrowed (\$000)	na	\$20,000	\$23,322	\$11,646	\$55,447	\$54,611	\$85,208	\$0	\$0	\$162	\$10,161
37 Debt Used to Repay Short-Term Debt (\$000)	na	10,000	10,000	10,000	0	0	85,208	0	0	0	0
38 Debt Used for Working Capital (\$000)	na	0	0	0	0	0	0	0	0	0	0
39 Debt Used for Cap Ex (\$000)	na	10,000	13,322	1,646	55,447	54,611	0	0	0	162	10,161
40											
41 Monthly Residential Bill (500 kWh per month usage)	\$224	\$219	\$204	\$197	\$197	\$198	\$199	\$199	\$200	\$200	\$200
42 % Change from 2012		-2.3%	-9.0%	-12.4%	-12.2%	-12.0%	-11.4%	-11.2%	-11.1%	-10.9%	-10.7%
43											
44 Approx Annual Pat Cap Retired for 500 kWh Res Customer	na	\$39.91	\$10.83	\$3.66	\$1.75	\$1.73	\$1.71	\$23.42	\$34.23	\$48.13	\$59.63
45											
46 Renewable Power (% of total power requirements)											
47 KIUC-Owned	2%	2%	6%	12%	12%	12%	28%	28%	28%	27%	27%
48 Purchased	8%	12%	17%	25%	25%	24%	24%	24%	24%	23%	23%
49 Total	10%	13%	23%	37%	37%	36%	52%	52%	51%	51%	50%

Conclusion

As discussed previously, the components of the Base Case Scenario of the 2013 EMP were selected as representing KIUC's status quo financial course of action for balancing the needs of its members, lenders, and regulators, and achieving KIUC's financial goals. The Base Case Scenario shows that KIUC is able to fund the planned significant levels of capital expenditures necessary to meet KIUC's renewable energy goals and to provide efficient and reliable service to KIUC's members. Additionally the Base Case Scenario results indicate that:

- Average unit rate revenues will decline over the next three years and not exceed the 2012 rate levels until after the end of the study period.
- Equity levels will exceed the targeted 35 percent of total assets beginning in year 2020.
- The goal of having average residential energy bills, after adjusting for oil prices, more than 10 percent lower than 2012 levels will be achieved beginning in 2015.

- The percentage of renewable power will exceed the 50 percent goal beginning in 2018.
- Sufficient cash reserve levels for cash transaction requirements and unforeseen events will be available throughout the study period.

The alternative scenarios reviewed in this 2013 EMP indicate that:

- Average unit rate revenues will be lower if KIUC is successful in implementing its planned rate decoupling procedure to be presented for consideration to the Hawai'i Public Utility Commission. Projected net savings to customers is approximately \$20 million during the study period.
- Average unit rate revenues will remain at acceptable levels if load growth is consistent with the low case 2012 Load Forecast results. The projected impact to rate revenues from lower sales is less than 2 percent in any year.
- Average unit rate revenues will be significantly lower with the planned renewable energy resources than they would have been had KIUC elected not to invest in its renewable energy resources. Projected savings will rise to approximately 12 percent by the end of the study period.
- Average unit rate revenues based on flat fuel prices are initially somewhat higher than those projected in the base case, but by the end of the study period they are approximately 8 percent lower. KIUC's strategic goal of decreasing average residential energy bills by 10 percent, after adjusting for fuel prices, is projected to be met beginning in 2015.
- Equity levels will exceed the targeted 35 percent of total assets by the end of the study period in all of the alternative scenarios reviewed in the 2013 EMP.
- The percentage of renewable power will exceed the 50 percent goal beginning in 2018 in all scenarios except the one with no renewables additions.
- Sufficient cash reserve levels for cash transaction requirements and unforeseen events will be available throughout the study period in all the scenarios.

The KIUC Board of Directors approved the 2013 KIUC EMP on Tuesday, September 24, 2013. A copy of the Board Resolution approving this EMP is provided in Appendix F of this report.

Appendix A
DETAILED RESULTS – EMP BASE CASE ANALYSIS

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 1 - Summary of Results

Base Case Scenario												Average Annual Change
Line	Actual 2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2012-2022
1 Unit Revenues (\$/kWh)												
2 Non-Fuel & Purchased Power Charges												
3 Base Rates Without Fuel & Purchased Power	16.65	16.73	16.79	16.44	16.44	16.44	16.44	16.45	16.45	16.45	16.46	
4 Efficiency Premium in ERAC	0.82	0.49	0.89	0.59	0.60	0.62	4.45	4.61	4.72	4.88	5.07	
5 Subtotal Non-Fuel & Purchased Power Charges	17.47	17.23	17.68	17.03	17.03	17.06	20.90	21.05	21.16	21.34	21.52	2.1%
6												
7 Fuel and Purchased Power Charges												
8 Fuel & Purchased Power in Base Rates	18.95	18.81	18.77	19.13	19.12	19.11	19.11	19.10	19.10	19.09	19.09	
9 Fuel & Purchased Power in ERAC	7.05	6.49	3.49	0.39	1.01	1.74	(1.19)	(0.57)	(0.06)	0.66	1.45	
10 Fuel and Purchased Power Charges	26.00	25.30	22.27	19.51	20.14	20.85	17.92	18.53	19.04	19.75	20.54	-2.3%
11												
12 Average Unit Revenues (\$/kWh) (Lines 5 + 10)	43.48	42.53	39.95	36.54	37.17	37.91	38.81	39.58	40.20	41.09	42.06	-0.3%
13 % Change from 2012	na	-2.2%	-8.1%	-15.9%	-14.5%	-12.8%	-10.7%	-9.0%	-7.5%	-5.5%	-3.3%	
14												
15 Rate Increase as a % of Base Rate Revenues	na	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
16												
17 Long-Term Interest Expense	8,335	7,770	8,005	8,834	10,432	11,263	13,001	12,376	11,713	11,033	10,460	
18 Margins	11,091	8,409	9,651	8,028	6,984	6,438	15,003	15,995	17,032	18,155	19,218	5.7%
19												
20 Equity to Total Assets	24.9%	26.2%	27.1%	28.8%	27.0%	25.6%	28.9%	32.1%	35.3%	38.5%	41.2%	
21												
22 Cash Balance(\$000)	\$3,762	\$7,765	\$3,640	\$2,908	\$4,000	\$4,000	\$6,842	\$10,604	\$10,694	\$10,199	\$9,766	
23 Days of Operating Cash on Hand	8	17	9	7	10	10	17	26	25	23	21	
24 RUS TIER	2.33	2.08	2.21	1.91	1.67	1.57	2.15	2.29	2.45	2.65	2.84	
25 Regulatory TIER	2.61	2.37	2.49	2.16	1.89	1.77	2.33	2.48	2.65	2.85	3.05	
26 RUS Debt Service Coverage - 1.25 Minimum	na	1.66	1.66	1.49	1.39	1.33	1.61	1.63	1.65	1.68	1.69	
27 CFC Debt Service Coverage - 1.35 Minimum	na	1.65	1.64	1.46	1.36	1.31	1.59	1.61	1.63	1.65	1.67	
28 Percent of Previous Year's Patronage Capital Retired	na	25%	8%	17%	0%	0%	0%	13%	23%	31%	39%	
29												
30 Annual Capital Expenditures (\$000)	na	\$23,997	\$28,397	\$18,359	\$64,488	\$63,675	\$16,752	\$14,552	\$18,249	\$18,098	\$23,239	
31 Cap Ex Paid With Debt (\$000)	na	10,000	13,322	1,646	55,863	54,707	-	-	-	-	6,485	
32 Cap Ex Paid with Grant Funds/CIAC/Customer Adv (\$000)	na	9,191	662	728	800	880	967	1,063	1,168	1,284	1,411	
33 Cap Ex Paid With RUS Cushion of Credit (\$000)	na	0	0	5,500	0	0	0	0	0	0	0	
34 Cash Used to Pay for Plant (\$000)	na	4,806	14,413	10,485	7,825	8,088	15,785	13,489	17,081	16,814	15,343	
35												
36 Debt Borrowed (\$000)	na	\$20,000	\$23,322	\$11,646	\$55,863	\$54,707	\$85,208	\$0	\$0	\$0	\$6,485	
37 Debt Used to Repay Short-Term Debt (\$000)	na	10,000	10,000	10,000	0	0	85,208	0	0	0	0	
38 Debt Used for Working Capital (\$000)	na	0	0	0	0	0	0	0	0	0	0	
39 Debt Used for Cap Ex (\$000)	na	10,000	13,322	1,646	55,863	54,707	0	0	0	0	6,485	
40												
41 Monthly Residential Bill (500 kWh per month usage)	\$224	\$219	\$206	\$189	\$192	\$196	\$201	\$204	\$208	\$212	\$217	-0.3%
42 % Change from 2012	na	-2.3%	-8.1%	-15.7%	-14.3%	-12.6%	-10.6%	-8.9%	-7.5%	-5.5%	-3.4%	
43												
44 Approx Annual Pat Cap Retired for 500 kWh Res Customer	na	\$39.04	\$9.13	\$23.11	\$0.00	\$0.00	\$0.00	\$26.69	\$47.67	\$69.14	\$91.32	
45												
46 Renewable Power (% of total power requirements)												
47 KIUC-Owned	2%	2%	6%	12%	12%	12%	28%	28%	28%	27%	27%	
48 Purchased	8%	12%	17%	25%	25%	24%	24%	24%	24%	23%	23%	
49 Total	10%	13%	23%	37%	37%	36%	52%	52%	51%	51%	50%	

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 2 - Assumptions

Line	KIUC Assumptions	Data Input	KIUC Assumptions	Data Input
1	Inflation		Other Assumptions	
2	General Inflation	2.5%	Investment Return	0.125%
3	Distribution O&M	2.5%	Taxes - ERAC	9.8%
4				
5	ERAC Efficiency Premium ("Y"=Yes, "N"=No)	<div style="border: 1px solid black; padding: 2px; text-align: center;">Y</div>	Efficiency Factor Heat Rate (Btu/kWh)	9,850
6				
7	Debt Assumptions		Revenue Tax Multiplier	1.09751
8	New Debt Thru 2014 - Interest Rates	3.5%		
9	New DebtAfter 2014 - Interest Rates	5.0%	Number of Days of Cash Working Capital in Rate Base	
10	New Debt - Construction Interest Rate	3.5%	O&M	61
11	New Debt - Repayment Period (Years)	25	Fuel	15
12				
13	Patronage Capital		Interest	30
14	Non-Operating Margins Allocated to Patronage Cap	100.0%		
15	Minimum RUS TIER for Capital Credit Retirements	2.00	Inventory as Percentage of Gross Plant	3.0%
16	Early Retirements (\$000/year not discounted)	\$125		
17	Beginning Year for Early Retirements	2012	Target RUS TIER for Decoupling Mechanism	NA
18	Discount Rate for Capital Credit Purchases	5.0%		
19	Blended Term for Capital Credit Purchases	20	Scenario	Base Case Scenario
20				
21	Percent of Customer Advances to CIAC	67%		

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 2 - Assumptions

Line	KIUC Renewable Solutions Assumptions	Data Input	KIUC Renewable Solutions Assumptions	Data Input
22	Base Year	2013	Debt Assumptions	
23	Inflation		Construction Interest Rate	3.0%
24	General Inflation	2.5%	KRS1 Long Term Interest Rate	3.1%
25	O&M Escalation	1.5%	KRS2 Long Term Interest Rate	5.7%
26			KRS1 and KRS2- Repayment Period/Useful Life (Years)	25
27				
28	Inventory as a Percent of Gross Plant	3.0%	KRS1 Target TIER	1.25
29				
30	KRS1 Cap Ex		Operation Date	
31	2011 Expenditures	\$4,953,692	KRS1	Oct-14
32	2012 Expenditures	2,852,145	KRS2	Jul-14
33	2013 Expenditures	1,694,163		
34	2014 Expenditures	47,672,192	Long-Term Financing Date	
35	Total Capital Cost	57,172,192	KRS1	Oct-14
36	Less Federal Grant	16,335,640	KRS2	Jul-14
37	Closed to Plant	40,836,552		
38	Less State Tax Refund	5,250,000	Market Value Energy (\$/MWh)	
39	Cash Requirement	\$35,586,552	KRS1 and KRS2	\$200
40				
41	KRS2 Cap Ex		Land Lease Expenses	
42	2012 Expenditures	\$0	KRS1 \$/Sq Ft (2012 \$)	\$0.04207
43	2013 Expenditures	6,000,000	KRS1 Square Feet	2,395,800
44	2014 Expenditures	35,313,994	KRS2 \$/Acre Used (2014 \$)	\$900
45	Closed to Plant	\$ 41,313,994	KRS2 \$/Acre Unused (2014 \$)	\$600
46	Less Equity Investment	27,217,659	KRS2 Acres Used	31.42
47	Debt Requirement	\$14,096,335	KRS2 Acres Unused	35.79
48	State Tax Refund	\$4,987,188		
49			Lease Escalation Rate	3.00%
50	KIUC % Ownership of KRS2		KRS2 GET on KRS2 Land Lease	4.17%
51	Pre-Flip	1%		
52	Post-Flip	95%	KIUC MSA (2012 \$)	
53	Post-Buyout	100%	KRS1	\$50,000
54			KRS2	\$50,000
55	KRS2 Buyout Amount			
56	Amount	\$15,810,964		
57	Year	7		
58	Term Remaining	19		
59	Proceeds	5.0%		

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 2 - Assumptions

Line	KIUC Renewable Solutions Assumptions	Data Input	KIUC Renewable Solutions Assumptions	Data Input
60	Investment Return	0.125%	Insurance	
61			KRS1	\$37,410
62	Federal Tax Rate	35%	KRS2	\$31,350
63	Alternative Minimum Tax Rate	20%		
64			Target Cash Balance	
65	COD Lease Payment		KRS1	\$10,000
66	KRS1	\$150,000		
67	KRS2	\$0	KRS2 PPA Rate (\$/MWh)	\$125
68				
69	O&M Expenses (2014 \$)			
70	KRS1	\$206,617		
71	KRS2	\$197,733		
72				
73	Real Property Taxes (2014 \$)			
74	KRS1	\$11,592		
75	KRS2	\$542		

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 3 - Projected Revenues at Existing Rates

Base Case Scenario

Line			Actual					Projected									
			2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1	Sales (MWh)																
2	Residential	D	160,479	161,946	159,426	159,071	157,278	161,520	162,200	164,482	165,690	168,856	170,942	173,604	175,952	177,924	179,923
3	Small Commercial	G	61,763	58,776	59,481	59,790	59,664	56,017	56,504	57,296	57,803	58,083	58,202	58,349	58,540	59,048	59,674
4	Large Commercial	J	57,561	54,388	53,236	51,859	51,607	48,389	49,241	49,931	50,373	50,616	50,721	50,848	51,015	51,457	52,004
5	Large Power-Primary	L	52,083	42,639	44,991	44,379	46,286	42,968	44,023	45,156	46,138	47,037	47,838	48,652	49,503	50,426	51,355
6	Large Power-Secondary	P	118,083	114,413	114,522	116,824	115,389	112,104	105,831	108,555	110,916	113,078	115,003	116,961	119,007	121,225	123,458
7	Street Lights	SL	2,637	2,702	2,730	2,716	2,760	2,481	2,235	1,981	1,719	1,450	1,467	1,485	1,502	1,519	1,536
8	Irrigation	IRR	1,184	1,410	148	105	175	105	105	105	105	105	105	105	105	105	105
9	Total		453,791	436,273	434,533	434,745	433,159	423,584	420,139	427,506	432,744	439,225	444,278	450,004	455,624	461,704	468,055
10																	
11	Yearly Change Percentage		-2.8%	-3.9%	-0.4%	0.0%	-0.4%	-2.2%	-0.8%	1.8%	1.2%	1.5%	1.2%	1.3%	1.2%	1.3%	1.4%
12																	
13	Customer Accounts																
14	Residential	D	27,301	27,629	27,793	28,010	28,169	28,762	29,197	29,860	30,328	30,808	31,298	31,800	32,313	32,821	33,342
15	Small Commercial	G	4,305	4,208	4,221	4,198	4,195	4,242	4,303	4,397	4,462	4,529	4,596	4,665	4,735	4,802	4,871
16	Large Commercial	J	357	346	337	330	326	330	336	343	348	353	359	364	369	375	380
17	Large Power-Primary	L	16	16	15	15	15	15	15	15	16	16	16	16	17	17	17
18	Large Power-Secondary	P	109	114	112	115	113	116	117	123	124	126	128	130	131	133	135
19	Street Lights (Number of Fixtures)	SL	3,461	3,519	3,553	3,575	3,587	3,630	3,667	3,720	3,757	3,795	3,833	3,871	3,910	3,949	3,989
20	Irrigation	IRR	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
21	Total		35,552	35,835	36,033	36,246	36,408	37,098	37,637	38,461	39,038	39,630	40,233	40,849	41,478	42,100	42,737
22																	
23	Yearly Change Percentage		1.5%	0.8%	0.6%	0.6%	0.4%	1.9%	1.5%	2.2%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
24																	
25	Billed Demand (kW)																
26	Residential	D	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
27	Small Commercial	G	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
28	Large Commercial	J	191,155	182,082	175,673	172,507	173,385	159,701	157,957	160,170	161,588	162,369	162,703	163,113	163,647	165,066	166,819
29	Large Power-Primary	L	117,658	109,666	108,187	105,996	103,274	98,261	96,372	98,853	101,003	102,972	104,725	106,508	108,371	110,391	112,424
30	Large Power-Secondary	P	289,572	294,915	289,910	290,516	289,383	283,492	262,867	269,634	275,498	280,867	285,649	290,512	295,593	301,103	306,650
31	Street Lights	SL	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
32	Irrigation	IRR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
33																	
34	Existing Rates - Customer Charge (\$/customer/month)																
35	Residential	D	\$9.72	\$9.72	\$10.22	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58
36	Small Commercial	G	21.89	21.89	23.01	23.82	23.82	23.82	23.82	23.82	23.82	23.82	23.82	23.82	23.82	23.82	23.82
37	Large Commercial	J	36.48	36.48	38.35	39.69	39.69	39.69	39.69	39.69	39.69	39.69	39.69	39.69	39.69	39.69	39.69
38	Large Power-Primary	L	334.35	334.35	346.18	355.08	355.08	355.08	355.08	355.08	355.08	355.08	355.08	355.08	355.08	355.08	355.08
39	Large Power-Secondary	P	346.51	346.51	359.78	369.38	369.38	369.38	369.38	369.38	369.38	369.38	369.38	369.38	369.38	369.38	369.38
40	Street Lights (Fixture Charge)	SL	5.78	5.78	6.06	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29
41	Irrigation	IRR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
42																	

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 3 - Projected Revenues at Existing Rates

Base Case Scenario

Line			Actual					Projected									
			2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
43	Existing Rates - Energy Base Rates (\$/kWh)																
44	Residential	D	\$0.17022	\$0.17374	\$0.27270	\$0.34919	\$0.34893	\$0.34743	\$0.34743	\$0.34743	\$0.34743	\$0.34743	\$0.34743	\$0.34743	\$0.34743	\$0.34743	\$0.34743
45	Small Commercial	G	0.18804	0.19125	0.28867	0.35960	0.35968	0.35769	0.35769	0.35769	0.35769	0.35769	0.35769	0.35769	0.35769	0.35769	0.35769
46	Large Commercial	J	0.15697	0.16041	0.25551	0.32647	0.32552	0.32390	0.32390	0.32390	0.32390	0.32390	0.32390	0.32390	0.32390	0.32390	0.32390
47	Large Power-Primary	L	0.13341	0.13643	0.22311	0.29131	0.28770	0.28823	0.28901	0.28901	0.28901	0.28901	0.28901	0.28901	0.28901	0.28901	0.28901
48	Large Power-Secondary	P	0.14329	0.14658	0.23579	0.30351	0.30289	0.30153	0.30198	0.30198	0.30198	0.30198	0.30198	0.30198	0.30198	0.30198	0.30198
49	Street Lights	SL	0.22913	0.23330	0.33710	0.41758	0.41940	0.41530	0.41530	0.41530	0.41530	0.41530	0.41530	0.41530	0.41530	0.41530	0.41530
50	Irrigation	IRR	0.35085	0.18735	0.24215	0.32090	0.33100	0.31935	0.33100	0.33100	0.33100	0.33100	0.33100	0.33100	0.33100	0.33100	0.33100
51																	
52	Existing Rates - Demand Base Rates (\$/KW)																
53	Residential	D	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
54	Small Commercial	G	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
55	Large Commercial	J	\$6.08	\$6.08	\$6.41	\$6.62	6.62	\$6.62	\$6.62	\$6.62	\$6.62	\$6.62	\$6.62	\$6.62	\$6.62	\$6.62	\$6.62
56	Large Power-Primary	L	13.13	13.13	\$13.61	13.94	13.94	13.94	13.94	13.94	13.94	13.94	13.94	13.94	13.94	13.94	13.94
57	Large Power-Secondary	P	10.45	10.45	\$10.86	11.14	11.14	11.14	11.14	11.14	11.14	11.14	11.14	11.14	11.14	11.14	11.14
58	Street Lights	SL	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
59	Irrigation	IRR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
60																	
61	Revenues at Existing Rates (\$000)																
62	Residential	D	\$30,501	\$31,359	\$46,884	\$59,103	\$58,456	\$59,768	\$60,060	\$60,937	\$61,416	\$62,577	\$63,364	\$64,353	\$65,233	\$65,983	\$66,744
63	Small Commercial	G	12,745	12,346	18,336	22,701	22,659	21,249	21,441	21,751	21,951	22,070	22,132	22,204	22,292	22,493	22,737
64	Large Commercial	J	10,354	9,983	14,883	18,230	18,102	16,888	17,155	17,396	17,551	17,638	17,676	17,723	17,783	17,938	18,129
65	Large Power-Primary	L	8,557	7,321	11,574	14,470	14,820	13,818	14,129	14,494	14,809	15,097	15,354	15,615	15,888	16,184	16,482
66	Large Power-Secondary	P	20,399	20,327	30,637	39,203	38,675	37,474	35,405	36,328	37,114	37,835	38,477	39,130	39,813	40,552	41,296
67	Street Lights	SL	844	874	1,179	1,404	1,428	1,304	1,205	1,103	997	888	898	909	919	929	939
68	Irrigation	IRR	415	264	36	34	58	34	35	35	35	35	35	35	35	35	35
69	Total		\$83,816	\$82,475	\$123,529	\$155,143	\$154,198	\$150,535	\$149,430	\$152,044	\$153,873	\$156,140	\$157,936	\$159,968	\$161,962	\$164,113	\$166,362
70																	
71	Fuel and ERAC Revenues (\$000)																
72	Residential	D	\$37,021	\$17,401	\$11,715	\$9,929	\$12,330	\$11,283	\$7,110	\$1,609	\$2,668	\$3,978	\$5,578	\$7,003	\$8,191	\$9,871	\$11,723
73	Small Commercial	G	14,354	6,393	4,201	3,768	4,695	3,914	2,478	561	931	1,368	1,899	2,354	2,725	3,276	3,888
74	Large Commercial	J	13,404	5,879	3,826	3,255	4,067	3,381	2,159	489	811	1,192	1,655	2,051	2,375	2,855	3,388
75	Large Power-Primary	L	12,382	4,678	3,322	2,769	3,668	3,002	1,931	442	743	1,108	1,561	1,963	2,304	2,797	3,346
76	Large Power-Secondary	P	27,861	12,389	8,300	7,377	9,123	7,833	4,641	1,062	1,786	2,664	3,752	4,718	5,540	6,725	8,044
77	Street Lights	SL	613	286	203	170	219	173	98	19	28	34	48	60	70	84	100
78	Irrigation	IRR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
79	Total		\$105,635	\$47,025	\$31,566	\$27,268	\$34,101	\$29,587	\$18,417	\$4,182	\$6,966	\$10,345	\$14,493	\$18,149	\$21,204	\$25,608	\$30,490
80																	

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 3 - Projected Revenues at Existing Rates

Base Case Scenario

Line		Actual					Projected									
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
81	Total Revenues at Existing Rates including Fuel and ERAC (\$000)															
82	Residential D	\$67,522	\$48,760	\$58,600	\$69,032	\$70,785	\$71,051	\$67,170	\$62,546	\$64,084	\$66,555	\$68,942	\$71,356	\$73,424	\$75,854	\$78,467
83	Small Commercial G	27,099	18,739	22,537	26,469	27,354	25,163	23,919	22,312	22,882	23,438	24,031	24,558	25,017	25,769	26,625
84	Large Commercial J	23,758	15,862	18,709	21,485	22,169	20,269	19,314	17,885	18,362	18,830	19,331	19,774	20,158	20,793	21,517
85	Large Power-Primary L	20,940	11,999	14,896	17,239	18,488	16,820	16,060	14,936	15,552	16,205	16,915	17,578	18,192	18,981	19,828
86	Large Power-Secondary P	48,260	32,716	38,937	46,579	47,798	45,307	40,046	37,390	38,900	40,499	42,229	43,848	45,353	47,277	49,340
87	Street Lights SL	1,458	1,161	1,381	1,574	1,647	1,478	1,303	1,123	1,025	923	946	969	989	1,013	1,039
88	Irrigation IRR	415	264	36	34	58	34	35	35	35	35	35	35	35	35	36
89	Total	\$189,451	\$129,500	\$155,095	\$182,411	\$188,299	\$180,122	\$167,846	\$156,226	\$160,839	\$166,485	\$172,429	\$178,118	\$183,167	\$189,721	\$196,852
90																
91	Average Residential Bill Calculation															
92	Avg. Monthly kWh	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
93	Base without Increases	\$97.17	\$97.17	\$146.57	\$185.18	\$185.05	\$184.30	\$184.30	\$184.30	\$184.30	\$184.30	\$184.30	\$184.30	\$184.30	\$184.30	\$184.30
94	Base with Increases	97.17	97.17	146.57	185.18	185.05	184.30	184.30	184.30	184.30	184.30	184.30	184.30	184.30	184.30	184.30
95	ERAC	116.70	54.07	36.33	31.37	39.38	34.93	21.92	4.89	8.05	11.78	16.31	20.17	23.27	27.74	32.58
96	Total Bill	\$213.86	\$151.23	\$182.91	\$216.55	224.42	\$219.23	\$206.22	\$189.19	\$192.35	\$196.07	\$200.61	\$204.47	\$207.57	\$212.03	\$216.87

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 4 - Income Statement (\$000)

Base Case Scenario		Actual					Projected									
Line		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1	Operating Revenue															
2	Base Rate Revenue at Existing Rates	\$83,816	\$82,475	\$123,529	\$155,143	\$154,198	\$150,535	\$149,430	\$152,044	\$153,873	\$156,140	\$157,936	\$159,968	\$161,962	\$164,113	\$166,362
3	ERAC Revenues at Target Heat Rate	105,635	47,025	31,566	27,268	34,101	29,587	18,417	4,182	6,966	10,345	14,493	18,149	21,204	25,608	30,489
4	% of Base															
5	Year Sales Revenue															
6	2013 0.0%						0									
7	2014 0.0%							0								
8	2015 0.0%								0							
9	2016 0.0%									0						
10	2017 0.0%										0					
11	2018 0.0%											0				
12	2019 0.0%												0			
13	2020 0.0%													0		
14	2021 0.0%														0	
15	2022 0.0%															0
16	Rate Revenue from Rate Increases Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Other Operating Revenues	174	161	159	168	153	153	162	162	162	162	162	162	162	162	162
18	Total Operating Revenues	\$189,625	\$129,661	\$155,254	\$182,579	\$188,452	\$180,275	\$168,009	\$156,388	\$161,001	\$166,647	\$172,591	\$178,280	\$183,329	\$189,883	\$197,013
19																
20	Operating Expenses															
21	Purchased Power															
22	KRS-1	\$0	\$0	\$0	\$0	\$0	\$0	\$969	\$3,460	\$3,425	\$3,390	\$3,353	\$3,315	\$3,277	\$3,236	\$3,195
23	KRS-2	-	-	-	-	-	-	1,473	2,956	2,968	2,958	2,934	2,940	2,948	2,946	2,948
24	Other	5,961	3,724	4,212	7,650	8,644	10,017	15,396	18,060	18,455	18,761	18,997	19,352	19,768	20,072	20,439
25	Power Production - Fuel	98,148	51,952	68,900	90,533	94,033	87,605	67,385	51,511	54,530	58,311	47,227	50,347	53,028	56,831	60,978
26	Power Production - Non-Fuel - Existing	14,415	12,917	13,701	14,917	15,426	14,751	13,920	13,403	13,840	14,328	13,581	14,004	14,442	14,887	15,355
27	Power Production - Non-Fuel - New	0	0	0	0	0	0	0	0	0	0	1,735	1,774	1,813	1,853	1,895
28	Transmission O&M	947	1,030	1,071	1,046	900	1,066	1,066	1,123	1,194	1,224	1,277	1,342	1,376	1,410	1,445
29	Distribution O&M	3,642	3,645	3,857	4,055	3,672	3,964	4,063	4,165	4,269	4,376	4,485	4,597	4,712	4,830	4,951
30	Consumer Accounts and Sales	3,320	3,196	3,218	3,161	3,348	3,230	3,311	3,393	3,478	3,565	3,654	3,746	3,839	3,935	4,034
31	Regulatory Commission Expenses - HPUC Fees	947	648	775	912	942	901	840	782	805	833	863	891	917	949	985
32	Administrative and General															
33	KRS-1	0	0	0	0	5	5	13	50	50	50	50	50	50	50	50
34	KRS-2	0	0	0	0	0	0	25	50	50	50	50	50	50	50	50
35	Other	11,239	10,620	13,377	13,855	13,012	13,547	13,853	14,137	14,493	14,858	15,232	15,615	16,008	16,411	16,824
36	Depreciation and Amortization	16,450	16,736	14,595	13,372	13,435	14,213	14,731	15,336	15,796	16,267	18,423	18,663	18,901	19,216	19,560
37	Franchise & PSC Taxes	15,923	10,861	13,003	15,289	15,783	15,181	14,148	13,170	13,558	14,034	14,534	15,013	15,439	15,991	16,591
38	Other Taxes	104	77	45	(0)	0	0	0	0	0	0	0	0	0	0	0
39	Interest Expense on Long-Term Debt															
40	Existing Debt	9,941	9,502	9,061	8,669	8,335	7,605	7,194	6,765	6,325	5,849	5,360	4,856	4,328	3,778	3,198
41	KRS-1	0	0	0	0	0	0	284	1,091	1,061	1,030	998	965	931	896	860
42	Other New Debt	0	0	0	0	0	165	527	979	3,046	4,385	6,643	6,554	6,454	6,358	6,401
43	Other Interest Expense															
44	KRS-1	0	0	0	7	194	264	870	0	0	0	0	0	0	0	0
45	Other	65	82	164	124	354	349	390	101	102	104	106	107	109	110	112
46	Capitalized Interest	0	0	0	0	0	0	0	0	(1,478)	(2,230)	0	0	0	0	0
47	Contributions and Other Deductions	97	77	121	86	103	69	69	69	69	69	69	69	69	69	69
48	Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
49	Total Operating Expenses	\$181,198	\$125,069	\$146,101	\$173,675	\$178,185	\$172,932	\$160,527	\$150,601	\$156,038	\$162,210	\$159,573	\$164,253	\$168,458	\$173,880	\$179,941
50																

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 4 - Income Statement (\$000)

Base Case Scenario

Line	Actual					Projected									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
51 Patronage Capital and Operating Margins	\$8,427	\$4,593	\$9,153	\$8,904	\$10,267	\$7,343	\$7,482	\$5,787	\$4,963	\$4,437	\$13,019	\$14,027	\$14,871	\$16,003	\$17,072
52 Income (Loss) from KRS 1	0	0	0	(32)	(198)	(5)	161	273	265	257	249	241	233	224	215
53 Income (Loss) from KRS 2	0	0	0	0	0	0	1	2	2	2	2	2	217	231	248
54 Capital Credits & Patronage Dividends	59	40	40	30	34	40	40	40	40	40	40	40	40	40	40
55 A&G Income - KRS1	0	0	0	0	5	5	13	50	50	50	50	50	50	50	50
56 A&G Income - KRS2	0	0	0	0	0	0	25	50	50	50	50	50	50	50	50
57 Interest Income - KRS1	0	0	0	7	194	264	1,154	1,091	1,061	1,030	998	965	931	896	860
58 Interest Income - Other	909	786	20	36	39	21	6	4	4	3	5	9	7	3	0
59 Interest Income COC	0	0	618	517	546	574	603	565	383	402	423	444	467	491	516
60 Other Revenue and Expense	159	156	125	195	205	167	167	167	167	167	167	167	167	167	167
61 Total Margins	\$9,554	\$5,574	\$9,956	\$9,657	\$11,091	\$8,409	\$9,651	\$8,028	\$6,984	\$6,438	\$15,003	\$15,995	\$17,032	\$18,155	\$19,218
62															
63 <u>RUS</u>															
64 Total TIER	1.96	1.59	2.10	2.11	2.33	2.08	2.21	1.91	1.67	1.57	2.15	2.29	2.45	2.65	2.84
65															
66 <u>Regulatory</u>															
67 Total TIER	2.19	1.83	2.35	2.38	2.61	2.37	2.49	2.16	1.89	1.77	2.33	2.48	2.65	2.85	3.05
68															
69 <u>KRS1</u>															
70															
71 Revenue from KIUC				\$0	\$0	\$0	\$969	\$3,460	\$3,425	\$3,390	\$3,353	\$3,315	\$3,277	\$3,236	\$3,195
72 Expenses (Revenues)															
73 O&M				\$25	\$0	\$0	\$52	\$210	\$213	\$216	\$219	\$223	\$226	\$229	\$233
74 Insurance							9	37	37	37	37	37	37	37	37
75 Land Lease				0	0	0	25	101	101	101	101	101	101	101	101
76 Depreciation				0	0	0	408	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633
77 HBA				0	0	0	12	47	47	47	47	47	47	47	47
78 Amortized HBA				0	0	0	1	6	6	6	6	6	6	6	6
79 Real Property Tax				0	0	0	3	12	12	12	12	12	12	12	12
80 Other Expenses (KIUC MSA)				0	5	5	13	50	50	50	50	50	50	50	50
81 Long-Term Interest Expense				0	0	0	284	1,091	1,061	1,030	998	965	931	896	860
82 Other Interest Expense				7	194	264	870	0	0	0	0	0	0	0	0
83 IDC				0	0	(264)	(870)	0	0	0	0	0	0	0	0
84 Interest Income				0	0	0	0	0	0	0	0	0	0	0	0
85 Net Margin				(\$32)	(\$198)	(\$5)	\$161	\$273	\$265	\$257	\$249	\$241	\$233	\$224	\$215
86															
87 KRS1 DSC and TIER Calculation															
88 Net Margin				(\$32)	(\$198)	(\$5)	\$161	\$273	\$265	\$257	\$249	\$241	\$233	\$224	\$215
89 Interest				0	0	0	284	1,091	1,061	1,030	998	965	931	896	860
90 Depreciation				0	0	0	408	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633
91 Total				(\$32)	(\$198)	(\$5)	\$854	\$2,997	\$2,959	\$2,921	\$2,881	\$2,840	\$2,797	\$2,754	\$2,709
92															
93 LT Interest Payments				\$0	\$0	\$0	\$284	\$1,091	\$1,061	\$1,030	\$998	\$965	\$931	\$896	\$860
94 LT Principal Payments				0	0	0	232	972	1,002	1,033	1,065	1,098	1,132	1,167	1,203
95 Total					\$0	\$0	\$516	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063
96															
97 DSC				na	na	na	1.66	1.45	1.43	1.42	1.40	1.38	1.36	1.33	1.31
98 TIER				na	na	na	1.57	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
99															
100 Gross KRS1 Energy Payments by KIUC (cents/kWh)				na	na	na	na	14.62	14.43	14.33	14.17	14.01	13.80	13.68	13.50
101 KRS1 Cash Payments to KIUC (cents/kWh)				na	na	na	na	(3.97)	(3.80)	(3.65)	(3.48)	(3.31)	(2.96)	(2.79)	(2.60)
102 Net KRS1 Energy Payments by KIUC (cents/kWh)				na	na	na	na	10.65	10.63	10.68	10.69	10.70	10.84	10.89	10.90
103															

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 4 - Income Statement (\$000)

Base Case Scenario																
Line		Actual				Projected										
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
104	KRS2															
105	Revenue from KIUC					\$0	\$0	\$1,473	\$2,956	\$2,968	\$2,958	\$2,934	\$2,940	\$2,948	\$2,946	\$2,948
106	Expenses (Revenues)															
107	O&M					\$0	\$0	\$99	\$201	\$204	\$207	\$210	\$213	\$216	\$219	\$223
108	Insurance					0	0	16	31	31	31	31	31	31	31	31
109	Land Lease					0	0	25	51	53	54	56	58	59	61	63
110	4.167% GET On Land Lease					0	0	1	2	2	2	2	2	2	3	3
111	Depreciation					0	0	826	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653
112	HBA					0	0	0	0	0	0	0	0	0	0	0
113	Amortized HBA					0	0	0	0	0	0	0	0	0	0	0
114	Real Property Tax					0	0	0	1	1	1	1	1	1	1	1
115	Other Expenses (KIUC MSA)					0	0	25	50	50	50	50	50	50	50	50
116	Long-Term Interest					0	0	402	803	788	772	755	737	718	698	676
117	Other Interest Expense					0	41	429	0	0	0	0	0	0	0	0
118	IDC					0	(41)	(429)	0	0	0	0	0	0	0	0
119	Interest Income					0	0	0	0	0	0	0	0	0	0	0
120	Net Margin					\$0	\$0	\$79	\$164	\$186	\$188	\$176	\$195	\$217	\$231	\$248
121																
122	KRS2 DSC and TIER Calculation															
123	Net Margin					\$0	\$0	\$79	\$164	\$186	\$188	\$176	\$195	\$217	\$231	\$248
124	Interest					0	0	402	803	788	772	755	737	718	698	676
125	Depreciation					0	0	826	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653
126	Total					\$0	\$0	\$1,307	\$2,620	\$2,627	\$2,612	\$2,584	\$2,585	\$2,588	\$2,581	\$2,577
127																
128	Interest Payments					\$0	\$0	\$402	\$803	\$788	\$772	\$755	\$737	\$718	\$698	\$676
129	Principal Payments					0	0	0	268	283	299	316	335	354	374	395
130	Total					\$0	\$0	\$402	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071
131																
132	DSC					na	na	3.25	2.45	2.45	2.44	2.41	2.41	2.41	2.41	2.41
133	TIER					na	na	1.20	1.20	1.24	1.24	1.23	1.27	1.30	1.33	1.37
134																
135	Gross KRS2 Energy Payments by KIUC (cents/kWh)					na	na	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50
136	KRS2 Cash Payments to KIUC (cents/kWh)					na	na	(0.02)	(0.04)	(0.07)	(0.07)	(0.06)	(0.06)	(6.43)	(6.41)	(6.39)
137	Net KRS2 Energy Payments by KIUC (cents/kWh)					na	na	12.48	12.46	12.43	12.43	12.44	12.44	6.07	6.09	6.11

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 5 - Pro-Forma Balance Sheet as of December 31st (\$000)

Base Case Scenario

Line	Actual					Projected									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 ASSETS AND OTHER DEBITS															
2 Total Utility Plant	\$438,705	\$453,415	\$462,666	\$478,307	\$494,066	\$504,284	\$527,275	\$539,943	\$598,476	\$656,033	\$665,414	\$672,426	\$682,987	\$693,225	\$708,379
3 Accumulated Provision for Depr and Amort	(198,672)	(211,674)	(221,234)	(230,027)	(238,616)	(248,303)	(258,247)	(268,555)	(279,108)	(290,022)	(301,898)	(313,909)	(326,080)	(338,473)	(351,144)
4 Net Utility Plant in Service	\$240,033	\$241,741	\$241,431	\$248,279	\$255,450	\$255,981	\$269,028	\$271,388	\$319,369	\$366,011	\$363,516	\$358,517	\$356,906	\$354,752	\$357,236
5															
6 Other Property and Investments															
7 Non-Utility Property	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 Investment in KRS1	0	0	0	5,593	8,052	9,847	41,114	40,414	39,677	38,901	38,085	37,228	36,329	35,387	34,399
9 Investment in KRS2	0	0	0	0	0	0	270	262	249	235	222	209	(930)	(2,208)	(3,466)
10 Other Investments	1,000	1,261	1,247	1,193	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501
11 Total Other Property and Investments	\$1,000	\$1,261	\$1,247	\$6,787	\$9,554	\$11,349	\$42,885	\$42,178	\$41,427	\$40,637	\$39,808	\$38,938	\$36,901	\$34,680	\$32,434
12															
13 Current Assets															
14 Cash															
15 KRS1	\$0	\$0	\$0	\$0	\$0	\$0	(\$695)	\$244	\$1,147	\$2,010	\$2,834	\$3,617	\$4,320	\$4,979	\$5,594
16 KRS2	0	0	0	0	0	0	(269)	(260)	(244)	(229)	(214)	(199)	1,156	2,666	4,172
17 Other	26,001	2,919	6,096	3,437	3,762	7,765	4,604	2,924	3,098	2,219	4,221	7,186	5,218	2,554	0
18 Accounts Receivable	9,576	10,849	9,695	12,164	13,868	13,868	13,868	13,868	13,868	13,868	13,868	13,868	13,868	13,868	13,868
19 Inventory	13,157	13,320	14,217	14,033	14,788	15,094	15,782	16,162	17,914	19,636	19,917	20,127	20,443	20,750	21,203
20 Prepaids	1,110	1,196	955	987	1,221	1,221	1,221	1,221	1,221	1,221	1,221	1,221	1,221	1,221	1,221
21 Other Current Assets	7,302	7,275	8,167	8,059	9,394	9,394	9,394	9,394	9,394	9,394	9,394	9,394	9,394	9,394	9,394
22 Total Current Assets	57,145	35,559	39,131	38,679	43,033	47,342	43,905	43,552	46,396	48,119	51,241	55,213	55,620	55,432	55,452
23 Regulatory Assets	4,338	5,559	5,914	5,357	6,966	6,674	6,381	6,089	5,797	5,505	5,212	4,920	4,628	4,335	4,116
24 Deferred Debits	82	331	421	89	121	121	121	121	121	121	121	121	121	121	121
25 Total Assets and Other Debits	\$302,598	\$284,451	\$288,144	\$299,191	\$315,124	\$321,467	\$362,321	\$363,329	\$413,109	\$460,393	\$459,899	\$457,710	\$454,176	\$449,320	\$449,359
26															
27 EQUITIES AND LIABILITIES															
28 Margins and Equities															
29 Memberships	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30 Patronage Capital															
31 KRS1	0	0	0	(32)	(230)	(234)	5,177	5,450	5,715	5,972	6,222	6,463	6,696	6,920	7,135
32 KRS2	0	0	0	0	0	0	1	2	4	6	8	10	227	458	706
33 Other	48,144	51,316	59,756	68,415	78,601	84,134	92,859	98,841	105,433	111,487	126,113	139,738	152,576	164,832	176,339
34 Other Margins and Equities	0	952	1,162	963	174	252	330	408	486	564	642	720	798	876	954
35 Unrealized Gain(Loss) on Investments	(306)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
36 Total Margins and Equities	\$47,838	\$52,268	\$60,919	\$69,347	\$78,546	\$84,153	\$98,368	\$104,702	\$111,639	\$118,030	\$132,985	\$146,932	\$160,298	\$173,086	\$185,135
37 Non-Current Liabilities															
38 Long-Term Debt															
39 KRS1	\$0	\$0	\$0	\$0	\$0	\$0	\$34,382	\$33,380	\$32,347	\$31,282	\$30,184	\$29,052	\$27,885	\$26,682	\$25,442
40 Other	216,855	207,935	198,675	189,015	188,916	187,583	185,707	184,817	185,210	182,152	251,983	235,980	219,332	201,942	190,406
41 Cushion of Credit	(9,404)	(15,115)	(10,155)	(10,724)	(11,270)	(11,845)	(12,448)	(7,513)	(7,896)	(8,298)	(8,720)	(9,165)	(9,632)	(10,122)	(10,638)
42 Post-Retirement Benefit Obligation	3,858	2,384	1,981	1,881	2,382	2,382	2,382	2,382	2,382	2,382	2,382	2,382	2,382	2,382	2,382
43 Total Non-Current Liabilities	\$211,308	\$195,204	\$190,501	\$180,172	\$180,028	\$178,121	\$210,024	\$213,067	\$212,044	\$207,518	\$275,829	\$258,249	\$239,968	\$220,884	\$207,592
44 Current Liabilities															
45 Current Portion of Long-Term Liab															
46 KRS1	\$0	\$0	\$0	\$0	\$0	\$0	\$972	\$1,002	\$1,033	\$1,065	\$1,098	\$1,132	\$1,167	\$1,203	\$1,240
47 Other	8,487	8,876	9,261	9,661	10,395	11,239	11,875	12,536	13,242	14,785	15,377	16,003	16,647	17,390	18,022
48 Accounts Payable	5,665	7,439	7,338	7,981	6,251	6,251	6,251	6,251	6,251	6,251	6,251	6,251	6,251	6,251	6,251
49 Notes Payable to KRS1	0	0	0	0	0	0	(695)	244	1,147	2,010	2,834	3,617	4,320	4,979	5,594
50 Notes Payable - KRS 1	0	0	0	5,000	7,500	9,500	0	0	0	0	0	0	0	0	0
51 Notes Payable - Other	0	2,000	0	3,700	6,678	6,678	10,000	0	42,228	85,208	0	0	0	0	0
52 Consumer Deposits	884	1,138	1,049	1,248	1,273	1,273	1,273	1,273	1,273	1,273	1,273	1,273	1,273	1,273	1,273
53 Interest Accrued Debt KRS1	0	0	0	7	200	0	0	0	0	0	0	0	0	0	0
54 Other Liabilities	15,351	7,146	9,448	12,432	12,471	12,471	12,471	12,471	12,471	12,471	12,471	12,471	12,471	12,471	12,471
55 Total Current Liabilities	\$30,388	\$26,598	\$27,096	\$40,028	\$44,768	\$47,412	\$42,147	\$33,778	\$77,644	\$123,064	\$39,304	\$40,747	\$42,129	\$43,567	\$44,851

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 5 - Pro-Forma Balance Sheet as of December 31st (\$000)

Base Case Scenario																
Line	Actual					Projected										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
56	Regulatory Liabilities	4,019	3,726	3,434	3,142	2,849	2,849	2,849	2,849	2,849	2,849	2,849	2,849	2,849	2,849	
57	Deferred Credits	9,045	6,654	6,194	6,502	8,932	8,932	8,932	8,932	8,932	8,932	8,932	8,932	8,932	8,932	
58	Total Liabilities	\$254,760	\$232,182	\$227,225	\$229,844	\$236,578	\$237,314	\$263,953	\$258,626	\$301,470	\$342,363	\$326,914	\$310,777	\$293,878	\$276,233	\$264,224
59																
60	Total Equities and Liabilities	\$302,598	\$284,451	\$288,144	\$299,191	\$315,124	\$321,467	\$362,320	\$363,328	\$413,109	\$460,393	\$459,899	\$457,709	\$454,176	\$449,319	\$449,359
61																
62																
63	FINANCIAL RATIOS															
64	Equity to Total Assets	15.81%	18.38%	21.14%	23.18%	24.93%	26.18%	27.15%	28.82%	27.02%	25.64%	28.92%	32.10%	35.29%	38.52%	41.20%
65	Working Capital (Days of Operating Expenses)	55	9	16	8	8	17	9	7	10	10	17	26	25	23	21
66																
67																
68	KRS1															
69	<u>Utility Plant</u>															
70	Electric Plant in Service				\$0	\$0	\$0	\$40,837	\$40,837	\$40,837	\$40,837	\$40,837	\$40,837	\$40,837	\$40,837	\$40,837
71	Accumulated Depreciation and Amortization				0	0	0	(408)	(2,042)	(3,675)	(5,309)	(6,942)	(8,576)	(10,209)	(11,843)	(13,476)
72	Net Electric Plant in Service				\$0	\$0	\$0	\$40,428	\$38,795	\$37,161	\$35,528	\$33,894	\$32,261	\$30,627	\$28,994	\$27,360
73	Construction Work in Progress				4,954	7,806	9,500	0	0	0	0	0	0	0	0	0
74	Net Electric Utility Plant				\$4,954	\$7,806	\$9,500	\$40,428	\$38,795	\$37,161	\$35,528	\$33,894	\$32,261	\$30,627	\$28,994	\$27,360
75																
76	<u>Current Assets</u>															
77	Cash				\$640	\$249	\$197	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10
78	Accounts/Notes Receivable				0	0	0	(695)	244	1,147	2,010	2,834	3,617	4,320	4,979	5,594
79	Prepaid Lease						150	148	142	136	130	124	118	112	106	100
80	Inventories						0	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222
81	Total Current Assets				\$640	\$249	\$347	\$685	\$1,619	\$2,515	\$3,373	\$4,191	\$4,968	\$5,665	\$6,318	\$6,927
82																
83	Deferred Tax Benefit				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$37	\$74	\$111
84																
85	<u>Total Assets</u>				\$5,593	\$8,055	\$9,847	\$41,114	\$40,414	\$39,677	\$38,901	\$38,085	\$37,228	\$36,329	\$35,387	\$34,399
86																
87																
88	<u>Equity and Margins</u>				(\$32)	(\$230)	(\$234)	\$5,177	\$5,450	\$5,715	\$5,972	\$6,222	\$6,463	\$6,696	\$6,920	\$7,135
89																
90	<u>Advances from KIUC</u>															
91	Cash				\$618	\$582	\$582	\$582	\$582	\$582	\$582	\$582	\$582	\$582	\$582	\$582
92	Loans				5,000	7,500	9,500	35,355	34,382	33,380	32,347	31,282	30,184	29,052	27,885	26,682
93	Total Advances				\$5,618	\$8,082	\$10,082	\$35,936	\$34,964	\$33,962	\$32,928	\$31,863	\$30,765	\$29,633	\$28,467	\$27,264
94																
95	<u>Accounts Payable - KRS1</u>				\$0	\$3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96																
97	<u>Interest Accrued - KRS1</u>				\$7	\$200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
98																
99	<u>Deferred Taxes</u>				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
100																
101	<u>Total Liabilities, Equities, and Margins</u>				\$5,593	\$8,055	\$9,847	\$41,114	\$40,414	\$39,677	\$38,901	\$38,085	\$37,228	\$36,329	\$35,387	\$34,399
102																
103																

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 5 - Pro-Forma Balance Sheet as of December 31st (\$000)

Base Case Scenario																
Line		Actual					Projected									
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
104	KRS2															
105	<u>Utility Plant</u>															
106	Electric Plant in Service					\$0	\$0	\$41,314	\$41,314	\$41,314	\$41,314	\$41,314	\$41,314	\$41,314	\$41,314	\$41,314
107	Accumulated Depreciation and Amortization					0	0	(826)	(2,479)	(4,131)	(5,784)	(7,437)	(9,089)	(10,742)	(12,394)	(14,047)
108	Net Electric Plant in Service					\$0	\$0	\$40,488	\$38,835	\$37,183	\$35,530	\$33,877	\$32,225	\$30,572	\$28,920	\$27,267
109	Construction Work in Progress					0	6,000	0	0	0	0	0	0	0	0	0
110	Net Electric Utility Plant					\$0	\$6,000	\$40,488	\$38,835	\$37,183	\$35,530	\$33,877	\$32,225	\$30,572	\$28,920	\$27,267
111																
112	<u>Current Assets</u>															
113	Cash					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
114	Accounts/Notes Receivable					0	0	0	0	0	0	0	0	0	0	0
115	Prepaid Lease					0	0	0	0	0	0	0	0	0	0	0
116	Inventories							618	1,237	1,237	1,237	1,237	1,237	1,237	1,237	1,237
117	Total Current Assets					\$0	\$0	\$618	\$1,237	\$1,237	\$1,237	\$1,237	\$1,237	\$1,237	\$1,237	\$1,237
118																
119	<u>Deferred Tax Benefit</u>					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
120																
121	<u>Total Assets</u>					\$0	\$6,000	\$41,106	\$40,072	\$38,419	\$36,767	\$35,114	\$33,462	\$31,809	\$30,156	\$28,504
122																
123	<u>Equity and Margins</u>															
124	KIUC Equity					\$0	\$0	\$270	\$262	\$249	\$235	\$222	\$209	\$19,568	\$18,289	\$17,031
125	Equity Investor Equity					0	0	26,740	25,981	24,625	23,286	21,963	20,658	0	0	0
126	Total Equity					\$0	\$0	\$27,010	\$26,243	\$24,874	\$23,521	\$22,185	\$20,867	\$19,568	\$18,289	\$17,031
127																
128	<u>Long-Term Debt</u>					\$0	\$6,000	\$14,096	\$13,828	\$13,545	\$13,246	\$12,929	\$12,595	\$12,241	\$11,867	\$11,472
129																
130	<u>Other Current and Accrued Liabilities</u>					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
131																
132	<u>Deferred Taxes</u>					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
133																
134	<u>Total Liabilities, Equities, and Margins</u>					\$0	\$6,000	\$41,106	\$40,072	\$38,419	\$36,767	\$35,114	\$33,462	\$31,809	\$30,156	\$28,504
135																
136	<u>Equity Detail</u>															
137																
138	<u>Total Equity</u>															
139	Beginning Equity					\$0	\$0	\$0	\$27,010	\$26,243	\$24,874	\$23,521	\$22,185	\$20,867	\$19,568	\$18,289
140	Retained Earnings					0	0	79	164	186	188	176	195	217	231	248
141	Equity Investment					0	0	27,218	0	0	0	0	0	0	0	0
142	Distributions					0	0	(287)	(930)	(1,555)	(1,541)	(1,512)	(1,514)	(1,516)	(1,510)	(1,506)
143	Ending Equity					\$0	\$0	\$27,010	\$26,243	\$24,874	\$23,521	\$22,185	\$20,867	\$19,568	\$18,289	\$17,031
144																
145	<u>KIUC Equity</u>															
146	% Ownership					1%	1%	1%	1%	1%	1%	1%	1%	100%	100%	100%
147	Beginning Equity					0	0	0	270	262	249	235	222	209	19,568	18,289
148	Retained Earnings					0	0	1	2	2	2	2	2	217	231	248
149	Equity Investment					0	0	272	0	0	0	0	0	0	0	0
150	Distributions					0	0	(3)	(9)	(16)	(15)	(15)	(15)	(1,516)	(1,510)	(1,506)
151	Change in Ownership													20,658		
152	Ending Equity					\$0	\$0	\$270	\$262	\$249	\$235	\$222	\$209	\$19,568	\$18,289	\$17,031
153																
154	<u>Equity Investor Equity</u>															
155	% Ownership					99%	99%	99%	99%	99%	99%	99%	99%	0%	0%	0%
156	Beginning Equity					0	0	0	26,740	25,981	24,625	23,286	21,963	20,658	0	0
157	Retained Earnings					0	0	78	163	184	186	174	194	0	0	0
158	Equity Investment					0	0	26,945	0	0	0	0	0	0	0	0
159	Distributions					0	0	(284)	(921)	(1,540)	(1,525)	(1,497)	(1,498)	0	0	0
160	Change in Ownership					0	0	0	0	0	0	0	0	(20,658)	0	0
161	Ending Equity					\$0	\$0	\$26,740	\$25,981	\$24,625	\$23,286	\$21,963	\$20,658	\$0	\$0	\$0

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 5 - Pro-Forma Balance Sheet as of December 31st (\$000)

Base Case Scenario		Actual					Projected									
Line		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
162																
163	<u>KIUC Portion of KRS2</u>															
164																
165	<u>Assets</u>															
166	Beginning Investment in KRS2					\$0	\$0	\$0	\$270	\$262	\$249	\$235	\$222	\$209	(\$930)	(\$2,208)
167	KRS2 Net Income					0	0	1	2	2	2	2	2	217	231	248
168	KRS2 Capital Investment					0	0	272	0	0	0	0	0	161	0	0
169	KRS2 Distributions					0	0	(3)	(9)	(16)	(15)	(15)	(15)	(1,516)	(1,510)	(1,506)
170	Ending Investment in KRS2					\$0	\$0	\$270	\$262	\$249	\$235	\$222	\$209	(\$930)	(\$2,208)	(\$3,466)
171																
172	Beginning Cash					\$0	\$0	\$0	(\$269)	(\$260)	(\$244)	(\$229)	(\$214)	(\$199)	\$1,156	\$2,666
173	KRS2 Capital Investment					0	0	(272)	0	0	0	0	0	(161)	0	0
174	KRS2 Distributions					0	0	3	9	16	15	15	15	1,516	1,510	1,506
175	Ending Cash					\$0	\$0	(\$269)	(\$260)	(\$244)	(\$229)	(\$214)	(\$199)	\$1,156	\$2,666	\$4,172
176																
177	Total Assets					\$0	\$0	\$1	\$2	\$4	\$6	\$8	\$10	\$227	\$458	\$706
178																
179	<u>Equity & Liabilities</u>															
180	Beginning Patronage Capital - KRS2					\$0	\$0	\$0	\$1	\$2	\$4	\$6	\$8	\$10	\$227	\$458
181	KRS2 Net Income					0	0	1	2	2	2	2	2	217	231	248
182	Ending Patronage Capital - KRS2					\$0	\$0	\$1	\$2	\$4	\$6	\$8	\$10	\$227	\$458	\$706
183																
184	Total Equity & Liabilities					\$0	\$0	\$1	\$2	\$4	\$6	\$8	\$10	\$227	\$458	\$706

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 6 - Statement of Operations - Cash Basis (\$000)

Base Case Scenario		Projected									
Line		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1	Total Accrual Margins	\$8,409	\$9,651	\$8,028	\$6,984	\$6,438	\$15,003	\$15,995	\$17,032	\$18,155	\$19,218
2	Add: Depreciation and Amortization	14,677	15,195	15,800	16,260	16,731	18,886	19,127	19,365	19,680	20,024
3	Add: Interest Exp - Existing Long-Term Debt	7,605	7,194	6,765	6,325	5,849	5,360	4,856	4,328	3,778	3,198
4	Add: Interest Exp - KRS1 Long-Term Debt	0	284	1,091	1,061	1,030	998	965	931	896	860
5	Add: Interest Exp - Other New Long-Term Debt	165	527	979	3,046	4,385	6,643	6,554	6,454	6,358	6,401
6	Less: Capital Credits, Pat Cap, and KRS1/KRS2 Income (Loss)	(35)	(202)	(314)	(307)	(299)	(291)	(283)	(490)	(495)	(503)
7	Less: COC Interest Income	(574)	(603)	(565)	(383)	(402)	(423)	(444)	(467)	(491)	(516)
8	Less: Capitalized Interest	0	0	0	(1,478)	(2,230)	0	0	0	0	0
9	Cash from Operations	\$30,245	\$32,045	\$31,782	\$31,508	\$31,500	\$46,176	\$46,770	\$47,153	\$47,881	\$48,682
10											
11	Debt Service - Long Term										
12	Existing - Interest	\$7,605	\$7,194	\$6,765	\$6,325	\$5,849	\$5,360	\$4,856	\$4,328	\$3,778	\$3,198
13	Existing - Principal	10,396	10,925	11,353	11,792	12,266	12,752	13,255	13,782	14,330	14,907
14	KRS1 Interest	0	284	1,091	1,061	1,030	998	965	931	896	860
15	KRS1 Principal	0	232	972	1,002	1,033	1,065	1,098	1,132	1,167	1,203
16	Other New - Interest	165	527	979	3,046	4,385	6,643	6,554	6,454	6,358	6,401
17	New - Principal	93	314	523	744	976	2,033	2,122	2,222	2,318	2,483
18	Other - Interest	0	0	0	0	0	0	0	0	0	0
19	Total Debt Service	\$18,259	\$19,476	\$21,682	\$23,971	\$25,538	\$28,852	\$28,850	\$28,848	\$28,847	\$29,053
20											
21	Cash Margins After Debt Service	\$11,987	\$12,569	\$10,100	\$7,537	\$5,962	\$17,325	\$17,920	\$18,305	\$19,035	\$19,629
22											
23	Additional Sources of Cash										
24	Proceeds from Long-Term Debt	\$10,000	\$10,000	\$11,646	\$13,635	\$11,727	\$85,208	\$0	\$0	\$0	\$6,485
25	Proceeds from Short-Term Debt	10,000	13,322	0	42,228	42,980	0	0	0	0	0
26	Proceeds from RUS Cushion of Credit	0	0	5,500	0	0	0	0	0	0	0
27	Free Cash Flow From										
28	KRS1	0	(695)	940	902	864	824	783	703	660	615
29	KRS2	0	(269)	9	16	15	15	15	1,355	1,510	1,506
30	Principal Income from KRS1	0	232	972	1,002	1,033	1,065	1,098	1,132	1,167	1,203
31	CIAC/Grant Funds/Advances	9,191	662	728	800	880	967	1,063	1,168	1,284	1,411
32	Patronage Capital Paid in Cash	40	40	40	40	40	40	40	40	40	40
33											
34	Additional Uses of Cash										
35	Total Additions and Replacements	(23,997)	(28,397)	(18,359)	(63,010)	(61,444)	(16,752)	(14,552)	(18,249)	(18,098)	(23,239)
36	Refund of Customer Advances	(109)	(215)	(236)	(260)	(286)	(315)	(346)	(381)	(419)	(461)
37	Inventory Buildup	(306)	(688)	(379)	(1,752)	(1,723)	(281)	(210)	(316)	(306)	(454)
38	Repayment of Short-Term Debt	(10,000)	(10,000)	(10,000)	0	0	(85,208)	0	0	0	0
39	Regular Capital Credit Retirements	(2,755)	(639)	(1,646)	0	0	0	(2,001)	(3,619)	(5,319)	(7,122)
40	Early Retirement of Capital Credits	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)
41											
42	Total Additional Sources and Uses of Cash	(\$7,983)	(\$16,695)	(\$10,832)	(\$6,446)	(\$5,962)	(\$14,483)	(\$14,158)	(\$18,214)	(\$19,529)	(\$20,063)

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 6 - Statement of Operations - Cash Basis (\$000)

Base Case Scenario		Projected									
Line		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
43											
44	Net Change in Cash Including KRS1/KRS2-Related	\$4,003	(\$4,125)	(\$732)	\$1,092	\$0	\$2,842	\$3,762	\$90	(\$495)	(\$433)
45	Less KRS1/KRS2-Related Net Change In Cash	0	965	(949)	(918)	(879)	(839)	(798)	(2,058)	(2,169)	(2,120)
46	Total Net Change in Cash	\$4,003	(\$3,161)	(\$1,681)	\$174	(\$879)	\$2,003	\$2,964	(\$1,968)	(\$2,664)	(\$2,554)
47											
48	TIER Calculation										
49	Long-Term Interest Payment	\$7,770	\$8,005	\$8,834	\$10,432	\$11,263	\$13,001	\$12,376	\$11,713	\$11,033	\$10,460
50	Total TIER	2.08	2.21	1.91	1.67	1.57	2.15	2.29	2.45	2.65	2.84
51											
52	RUS Debt Service Coverage Ratio										
53	Net Margins	\$8,409	\$9,651	\$8,028	\$6,984	\$6,438	\$15,003	\$15,995	\$17,032	\$18,155	\$19,218
54	Interest on Long Term Debt	7,770	8,005	8,834	10,432	11,263	13,001	12,376	11,713	11,033	10,460
55	Depreciation and Amortization Expense	14,213	14,731	15,336	15,796	16,267	18,423	18,663	18,901	19,216	19,560
56	Adjusted Margins	\$ 30,392	\$ 32,387	\$ 32,198	\$ 33,212	\$ 33,968	\$ 46,427	\$ 47,034	\$ 47,646	\$ 48,403	\$ 49,238
57											
58	Debt Service	\$ 18,259	\$ 19,476	\$ 21,682	\$ 23,971	\$ 25,538	\$ 28,852	\$ 28,850	\$ 28,848	\$ 28,847	\$ 29,053
59	RUS DSC Ratio	1.66	1.66	1.49	1.39	1.33	1.61	1.63	1.65	1.68	1.69
60											
61	CFC Debt Service Coverage Ratio										
62	Operating Margins	\$7,343	\$7,482	\$5,787	\$4,963	\$4,437	\$13,019	\$14,027	\$14,871	\$16,003	\$17,072
63	Non-Operating Margins - Interest	860	1,763	1,659	1,447	1,435	1,426	1,418	1,405	1,390	1,376
64	Interest on Long Term Debt	7,770	8,005	8,834	10,432	11,263	13,001	12,376	11,713	11,033	10,460
65	Depreciation and Amortization Expense	14,213	14,731	15,336	15,796	16,267	18,423	18,663	18,901	19,216	19,560
66	Capital Credits Received	0	0	0	0	0	0	0	0	0	0
67	Adjusted Margins	\$ 30,185	\$ 31,981	\$ 31,617	\$ 32,638	\$ 33,402	\$ 45,869	\$ 46,484	\$ 46,890	\$ 47,642	\$ 48,468
68											
69	Debt Service	\$ 18,259	\$ 19,476	\$ 21,682	\$ 23,971	\$ 25,538	\$ 28,852	\$ 28,850	\$ 28,848	\$ 28,847	\$ 29,053
70	CFC DSC Ratio	1.65	1.64	1.46	1.36	1.31	1.59	1.61	1.63	1.65	1.67
71											
72	Patronage Refund Over 2.0 RUS TIER	(\$2,755)	(\$639)	(\$1,646)	\$0	\$0	\$0	(\$2,001)	(\$3,619)	(\$5,319)	(\$7,122)
73											
74	Capital Credits Balance - Excluding KRS1 and KRS2										
75	Balance (Beg Yr)	\$78,601	\$84,134	\$92,859	\$98,841	\$105,433	\$111,487	\$126,113	\$139,738	\$152,576	\$164,832
76	Retirements	(2,755)	(639)	(1,646)	0	0	0	(2,001)	(3,619)	(5,319)	(7,122)
77	Early Retirements	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)
78	Additions	8,413	9,489	7,753	6,717	6,178	14,751	15,752	16,582	17,700	18,755
79	Balance (End Yr)	\$84,134	\$92,859	\$98,841	\$105,433	\$111,487	\$126,113	\$139,738	\$152,576	\$164,832	\$176,339
80											

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 6 - Statement of Operations - Cash Basis (\$000)

Base Case Scenario		Projected									
Line		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
81	KRS1										
82	Cash Flows from Operating Activities										
83	Margins	(\$5)	\$161	\$273	\$265	\$257	\$249	\$241	\$233	\$224	\$215
84	Depreciation and Amortization	0	410	1,639	1,639	1,639	1,639	1,639	1,639	1,639	1,639
85	Capitalized Interest	(264)	(870)	0	0	0	0	0	0	0	0
86	Taxes Paid	0	0	0	0	0	0	0	(37)	(37)	(37)
87	Changes in Prepayments	(150)	0	0	0	0	0	0	0	0	0
88	Changes in Accounts Payable	(3)	0	0	0	0	0	0	0	0	0
89	Changes in Accrued Interest	(200)	0	0	0	0	0	0	0	0	0
90	Changes in Inventories	0	(1,222)	0	0	0	0	0	0	0	0
91	Net Cash from Operating Activities	(\$622)	(\$1,521)	\$1,912	\$1,905	\$1,897	\$1,889	\$1,881	\$1,835	\$1,826	\$1,818
92											
93	Cash Flows from Investing Activities										
94	Additions to Utility Plant	(\$1,430)	(\$46,802)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
95											
96	Cash Flows from Financing Activities										
97	Loan Amounts	\$2,000	\$47,672	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
98	Principal Paid on Debt	0	(232)	(972)	(1,002)	(1,033)	(1,065)	(1,098)	(1,132)	(1,167)	(1,203)
99	Grants/Tax Incentives Received	0	21,586	0	0	0	0	0	0	0	0
100	Grants/Tax Incentives Paid On Debt	0	(21,586)	0	0	0	0	0	0	0	0
101	Note Receivable to Parent	0	695	(940)	(902)	(864)	(824)	(783)	(703)	(660)	(615)
102	Net Cash from Financing Activities	\$2,000	\$48,136	(\$1,912)	(\$1,905)	(\$1,897)	(\$1,889)	(\$1,881)	(\$1,835)	(\$1,826)	(\$1,818)
103											
104	Net Change in Cash	(\$52)	(\$187)	(\$0)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
105											
106	RUS Debt Service Coverage Ratio										
107	Net Margins	(\$5)	\$161	\$273	\$265	\$257	\$249	\$241	\$233	\$224	\$215
108	Interest on Long Term Debt	0	284	1,091	1,061	1,030	998	965	931	896	860
109	Depreciation and Amortization Expense	0	408	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633
110	Adjusted Margins	(\$5)	\$854	\$2,997	\$2,959	\$2,921	\$2,881	\$2,840	\$2,797	\$2,754	\$2,709
111											
112	Debt Service	\$0	\$516	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063
113	RUS DSC Ratio	NA	1.66	1.45	1.43	1.42	1.40	1.38	1.36	1.33	1.31
114											
115	CFC Debt Service Coverage Ratio										
116	Operating Margins	(\$5)	\$161	\$273	\$265	\$257	\$249	\$241	\$233	\$224	\$215
117	on-Operating Margins - Interest	0	0	0	0	0	0	0	0	0	0
118	Interest on Long Term Debt	0	284	1,091	1,061	1,030	998	965	931	896	860
119	Depreciation and Amortization Expense	0	408	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633
120	Capital Credits Received	0	0	0	0	0	0	0	0	0	1
121	Adjusted Margins	(\$5)	\$854	\$2,997	\$2,959	\$2,921	\$2,881	\$2,840	\$2,797	\$2,754	\$2,710
122											
123	Debt Service	\$0	\$516	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063
124	CFC DSC Ratio	NA	1.66	1.45	1.43	1.42	1.40	1.38	1.36	1.33	1.31
125											

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 6 - Statement of Operations - Cash Basis (\$000)

Base Case Scenario											
Line		Projected									
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
126	KRS2										
127	Cash Flows from Operating Activities										
128	Margins	\$0	\$79	\$164	\$186	\$188	\$176	\$195	\$217	\$231	\$248
129	Depreciation and Amortization	0	826	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653
130	Capitalized Interest	(41)	(429)	0	0	0	0	0	0	0	0
131	Taxes Paid	0	0	0	0	0	0	0	0	0	0
132	Changes in Accrued Interest	0	0	0	0	0	0	0	0	0	0
133	Changes in Prepayments	0	0	0	0	0	0	0	0	0	0
134	Changes in Inventories	0	(618)	(618)	0	0	0	0	0	0	0
135	Net Cash from Operating Activities	(\$41)	(\$142)	\$1,198	\$1,839	\$1,840	\$1,829	\$1,848	\$1,870	\$1,883	\$1,901
136											
137	Cash Flows from Investing Activities										
138	Additions to Utility Plant	(\$5,959)	(\$34,885)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
139											
140	Cash Flows from Financing Activities										
141	Loan Amounts	\$6,000	\$35,314	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
142	Principal Paid on Debt	0	0	(268)	(283)	(299)	(316)	(335)	(354)	(374)	(395)
143	State Tax Refund	0	4,987	0	0	0	0	0	0	0	0
144	Distributions	0	(5,274)	(930)	(1,555)	(1,541)	(1,512)	(1,514)	(1,516)	(1,510)	(1,506)
145	Net Cash from Financing Activities	\$6,000	\$35,027	(\$1,198)	(\$1,839)	(\$1,840)	(\$1,829)	(\$1,848)	(\$1,870)	(\$1,883)	(\$1,901)
146											
147	Net Change in Cash	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
148											
149	RUS Debt Service Coverage Ratio										
150	Net Margins	na	\$ 79	\$ 164	\$ 186	\$ 188	\$ 176	\$ 195	\$ 217	\$ 231	\$ 248
151	Interest on Long Term Debt	0	402	803	788	772	755	737	718	698	676
152	Depreciation and Amortization Expense	0	826	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653
153	Adjusted Margins	\$0	\$1,307	\$2,620	\$2,627	\$2,612	\$2,584	\$2,585	\$2,588	\$2,581	\$2,577
154											
155	Debt Service	\$0	\$536	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071
156	RUS DSC Ratio	NA	2.44	2.45	2.45	2.44	2.41	2.41	2.41	2.41	2.41
157											
158	CFC Debt Service Coverage Ratio										
159	Operating Margins	na	\$79	\$164	\$186	\$188	\$176	\$195	\$217	\$231	\$248
160	on-Operating Margins - Interest	na	0	0	0	0	0	0	0	0	0
161	Interest on Long Term Debt	0	402	803	788	772	755	737	718	698	676
162	Depreciation and Amortization Expense	0	826	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653
163	Capital Credits Received	0	0	0	0	0	0	0	0	0	1
164	Adjusted Margins	\$0	\$1,307	\$2,620	\$2,627	\$2,612	\$2,584	\$2,585	\$2,588	\$2,581	\$2,578
165											
166	Debt Service	\$0	\$536	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071
167	CFC DSC Ratio	NA	2.44	2.45	2.45	2.44	2.41	2.41	2.41	2.41	2.41

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 7 - General Funds Summary (\$000)

Base Case Scenario

Line	Projected									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 KIUC NET GENERAL FUNDS - BEGINNING OF YEAR	\$3,762	\$7,765	\$3,640	\$2,908	\$4,000	\$4,000	\$6,842	\$10,604	\$10,694	\$10,199
2										
3 SOURCES OF GENERAL FUNDS										
4 Cash Margins after Debt Service	\$11,987	\$12,569	\$10,100	\$7,537	\$5,962	\$17,325	\$17,920	\$18,305	\$19,035	\$19,629
5 Long Term Debt Loan Proceeds	10,000	10,000	11,646	13,635	11,727	85,208	0	0	0	6,485
6 Patronage Capital Paid in Cash	40	40	40	40	40	40	40	40	40	40
7 Principal Income from KRS1	0	232	972	1,002	1,033	1,065	1,098	1,132	1,167	1,203
8 Proceeds from Short-Term Debt	10,000	13,322	0	42,228	42,980	0	0	0	0	0
9 Cushion of Credit	0	0	5,500	0	0	0	0	0	0	0
10 Change in KRS1-Related Cash	0	(695)	940	902	864	824	783	703	660	615
11 Change in KRS2-Related Cash	0	(269)	9	16	15	15	15	1,355	1,510	1,506
12 Total Sources of General Funds	\$32,027	\$35,198	\$29,208	\$65,360	\$62,621	\$104,477	\$19,856	\$21,535	\$22,411	\$29,478
13										
14 USES OF GENERAL FUNDS										
15 Regular Capital Credit Retirements	(\$2,755)	(\$639)	(\$1,646)	\$0	\$0	\$0	(\$2,001)	(\$3,619)	(\$5,319)	(\$7,122)
16 Early Retirement of Capital Credits	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)
17 Net Additions and Replacements	(14,806)	(27,735)	(17,631)	(62,210)	(60,565)	(15,785)	(13,489)	(17,081)	(16,814)	(21,828)
18 Refund of Customer Advances	(109)	(215)	(236)	(260)	(286)	(315)	(346)	(381)	(419)	(461)
19 Inventory Buildup	(306)	(688)	(379)	(1,752)	(1,723)	(281)	(210)	(316)	(306)	(454)
20 Repayment of Short-Term Debt	(10,000)	(10,000)	(10,000)	0	0	(85,208)	0	0	0	0
21 Total Uses of General Funds	(\$28,023)	(\$39,324)	(\$29,939)	(\$64,269)	(\$62,621)	(\$101,635)	(\$16,094)	(\$21,444)	(\$22,905)	(\$29,911)
22										
23 KIUC NET GENERAL FUNDS - END OF YEAR	\$7,765	\$3,640	\$2,908	\$4,000	\$4,000	\$6,842	\$10,604	\$10,694	\$10,199	\$9,766

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 8 - Plant Investment and Depreciation Expense (\$000)

Base Case Scenario		Projected									
Line		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1	UTILITY PLANT										
2	Plant-in-Service - BOY	\$420,312	\$443,717	\$465,254	\$484,541	\$494,386	\$601,180	\$610,561	\$617,574	\$625,934	\$638,372
3	Acquisition Adjustment - BOY	54,852	54,852	54,852	54,852	54,852	54,852	54,852	54,852	54,852	54,852
4	CWIP - BOY	18,902	5,715	7,169	550	49,238	0	0	0	2,200	0
5	Total Utility Plant - BOY	\$494,066	\$504,284	\$527,275	\$539,943	\$598,476	\$656,032	\$665,413	\$672,426	\$682,986	\$693,224
6											
7											
8	ADDITIONS AND REPLACEMENTS										
9	Generation										
10	Hydropower	\$0	\$0	\$0	\$40,750	\$40,750	\$0	\$0	\$0	\$0	\$0
11	Hydropower Capitalized Interest	0	0	0	1,478	2,230	0	0	0	0	0
12	SWD CO Catalysts Install	150	0	0	0	0	0	0	0	0	0
13	EMD CO Catalysts Install	300	0	0	0	0	0	0	0	0	0
14	HRSG MCC Replacement	100	0	0	0	0	0	0	0	0	0
15	Waiahi Upper Powerhouse Expansion	0	3,489	0	0	0	0	0	0	0	0
16	Waiahi Lower Powerhouse Upgrade	0	0	0	0	0	0	0	0	0	0
17	LFG	0	0	0	0	0	0	0	0	0	0
18	Titan or Alternative	0	0	0	0	0	0	0	0	0	0
19	Other Non-Recurring Projects	5,130	1,928	0	0	0	5,050	2,000	2,000	2,000	2,000
20	Other Recurring Projects	925	950	850	850	850	850	950	1,600	1,600	850
21	Transmission and Distribution										
22	North Shore Transmission Line Capital Expenditures	0	0	0	7,010	9,000	0	0	0	0	0
23	Anahola Service Center	200	4,692	0	0	0	0	0	0	0	0
24	Princeville Substation Upgrade	152	0	0	0	0	0	0	0	0	0
25	Replacement GIS Mapping System	250	50	0	0	0	0	0	0	0	0
26	Kipu 12 kV Reroute	100	300	0	0	0	0	0	0	0	0
27	Wailua Corridor Undergrounding	1,666	834	0	0	0	0	0	0	0	0
28	RUS Standards Compliance	50	75	0	0	0	0	0	0	0	0
29	Hanalei Tap Reconfiguration	0	50	500	1,000	0	0	0	0	0	0
30	New T&D Warehouse and Field Offices	0	0	1,500	0	0	0	0	0	0	0
31	HCP - C2 Waiakea Canal Crossing	245	147	0	0	0	0	0	0	0	0
32	Kapaia to Hanahanapuni	0	0	0	0	0	0	0	0	0	0
33	Convert Hanahanapuni Tap to Switching Station	0	0	0	0	0	0	0	0	0	0
34	Kilohana Switching Station	0	0	0	0	0	0	0	0	0	0
35	Lihue Station - Upgraded Transformers (3 @ \$850)	0	0	0	0	0	0	0	2,200	1,122	0
36	Other Non-Recurring Projects										
37	Transmission	2,401	1,945	4,398	1,581	1,040	0	0	0	0	6,000
38	Distribution	0	0	0	0	0	0	0	0	0	0

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 8 - Plant Investment and Depreciation Expense (\$000)

Base Case Scenario		Projected									
Line		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
39	Other Recurring Projects										
40	Transmission	840	710	620	3,231	542	479	468	482	498	514
41	Distribution	5,934	6,492	7,375	6,076	7,184	7,759	8,389	9,080	9,837	10,667
42	Other	40	44	48	53	59	64	71	78	86	94
43	Other Projects										
44	Non-Recurring Projects	535	1,305	555	1,055	500	1,000	1,100	1,210	1,331	1,464
45	Recurring Projects	1,730	1,467	1,401	1,405	1,520	1,549	1,574	1,599	1,625	1,651
46	Carryover Projects										
47	AEPO Substation (Kumanu)	530	3,920	1,112	0	0	0	0	0	0	0
48	SPCC Substation Compliance	220	0	0	0	0	0	0	0	0	0
49	AMI/Advanced Metering Infrastructure	2,500	0	0	0	0	0	0	0	0	0
50	Battery Energy Storage	0	0	0	0	0	0	0	0	0	0
51	Other Carryover Projects	0	0	0	0	0	0	0	0	0	0
52	Total Additions and Replacements	\$23,997	\$28,397	\$18,359	\$64,488	\$63,675	\$16,752	\$14,552	\$18,249	\$18,098	\$23,239
53	Less Customer Advances	(2,880)	(651)	(716)	(788)	(867)	(953)	(1,049)	(1,153)	(1,269)	(1,395)
54	Less CIAC	(9)	(11)	(12)	(12)	(13)	(14)	(14)	(15)	(15)	(16)
55	Less AMI Funding	(6,302)	0	0	0	0	0	0	0	0	0
56	Total Cap Ex Cash Requirements	\$14,806	\$27,735	\$17,631	\$63,688	\$62,795	\$15,785	\$13,489	\$17,081	\$16,814	\$21,828
57											
58	CONSTRUCTION WORK IN PROGRESS										
59	Hydropower	\$0	\$0	\$0	\$40,750	\$0	\$0	\$0	\$0	\$0	\$0
60	Hydropower Capitalized Interest	0	0	0	1,478	0	0	0	0	0	0
61	SWD CO Catalysts Install	0	0	0	0	0	0	0	0	0	0
62	EMD CO Catalysts Install	0	0	0	0	0	0	0	0	0	0
63	HRSR MCC Replacement	0	0	0	0	0	0	0	0	0	0
64	Waiahi Upper Powerhouse Expansion	0	0	0	0	0	0	0	0	0	0
65	Waiahi Lower Powerhouse Upgrade	0	0	0	0	0	0	0	0	0	0
66	LFG	0	0	0	0	0	0	0	0	0	0
67	Titan or Alternative	0	0	0	0	0	0	0	0	0	0
68	North Shore Transmission Line Capital Expenditures	0	0	0	7,010	0	0	0	0	0	0
69	Anahola Service Center	200	0	0	0	0	0	0	0	0	0
70	Princeville Substation Upgrade	0	0	0	0	0	0	0	0	0	0
71	Repace GIS Mapping System	250	0	0	0	0	0	0	0	0	0
72	Kipu 12 kV Reroute	100	0	0	0	0	0	0	0	0	0
73	Wailua Corridor Undergrounding	1,666	0	0	0	0	0	0	0	0	0
74	RUS Standards Compliance	50	0	0	0	0	0	0	0	0	0
75	Hanalei Tap Reconfiguration	0	50	550	0	0	0	0	0	0	0
76	New T&D Warehouse and Field Offices	0	0	0	0	0	0	0	0	0	0
77	HCP - C2 Waiakea Canal Crossing	250	0	0	0	0	0	0	0	0	0
78	Kapaia to Hanahanapuni	0	0	0	0	0	0	0	0	0	0
79	Convert Hanahanapuni Tap to Switching Station	0	0	0	0	0	0	0	0	0	0
80	Kilohana Switching Station	0	0	0	0	0	0	0	0	0	0
81	Lihue Station - Upgraded Transformers (3 @ \$850)	0	0	0	0	0	0	0	2,200	0	0
82	AEPO Substation (Kumanu)	3,199	7,119	0	0	0	0	0	0	0	0

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 8 - Plant Investment and Depreciation Expense (\$000)

Base Case Scenario			Projected									
Line			2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
83	SPCC Substation Compliance		0	0	0	0	0	0	0	0	0	0
84	AMI/Advanced Metering Infrastructure		0	0	0	0	0	0	0	0	0	0
85	Battery Energy Storage		0	0	0	0	0	0	0	0	0	0
86	Other Carryover Projects		0	0	0	0	0	0	0	0	0	0
87	Total CWIP		\$5,715	\$7,169	\$550	\$49,238	\$0	\$0	\$0	\$2,200	\$0	\$0
88												
89	TOTAL PLANT IN SERVICE - BOY		\$420,312	\$443,717	\$465,254	\$484,541	\$494,386	\$601,180	\$610,561	\$617,574	\$625,934	\$638,372
90	Total Additions and Replacements		23,997	28,397	18,359	64,488	63,675	16,752	14,552	18,249	18,098	23,239
91	Carryover Closed to Plant		16,228	2,516	7,119	550	49,238	0	0	0	2,200	0
92	Less CIAC and Funding		(9,082)	(447)	(492)	(540)	(594)	(652)	(717)	(787)	(865)	(951)
93	Less Cap Ex to CWIP		(3,041)	(3,970)	(500)	(49,238)	0	0	0	(2,200)	0	0
94	Less Retirements		(4,697)	(4,958)	(5,199)	(5,415)	(5,525)	(6,718)	(6,823)	(6,901)	(6,995)	(7,134)
95	TOTAL PLANT IN SERVICE - EOY		\$443,717	\$465,254	\$484,541	\$494,386	\$601,180	\$610,561	\$617,574	\$625,934	\$638,372	\$653,527
96	Closed to Plant		\$28,102	\$26,496	\$24,486	\$15,260	\$112,319	\$16,099	\$13,835	\$15,262	\$19,433	\$22,288
97												
98	FUNDING											
99	Debt		\$10,000	\$13,322	\$1,646	\$55,863	\$54,707	\$0	\$0	\$0	\$0	\$0
100	Customer Advances		2,880	651	716	788	867	953	1,049	1,153	1,269	1,395
101	Cash		4,806	14,413	10,485	7,825	8,088	15,785	13,489	17,081	16,814	0
102	CIAC/AMI Funding		6,311	11	12	12	13	14	14	15	15	16
103	Total		\$23,997	\$28,397	\$18,359	\$64,488	\$63,675	\$16,752	\$14,552	\$18,249	\$18,098	\$23,239
104												
105	DEPRECIATION EXPENSE											
106		Depr Rate										
107	Existing 2012 Plant	2.73%	\$11,398	\$11,266	\$11,128	\$10,983	\$10,834	\$10,667	\$10,482	\$10,295	\$10,106	\$9,913
108	Balance of 2102 CWIP	2.73%	53	105	105	105	105	105	105	105	105	105
109	Generation											
110	Hydropower	2.00%	0	0	0	0	0	1,630	1,630	1,630	1,630	1,630
111	Hydropower Capitalized Interest	2.00%	0	0	0	0	0	74	74	74	74	74
112	SWD CO Catalysts Install	2.10%	10	20	20	20	20	20	20	20	20	20
113	EMD CO Catalysts Install	2.10%	8	16	16	16	16	16	16	16	16	16
114	HRSB MCC Replacement	2.10%	1	3	3	3	3	3	3	3	3	3
115	Waiahi Upper Powerhouse Expansion	2.00%	0	35	70	70	70	70	70	70	70	70
116	Waiahi Lower Powerhouse Upgrade	2.00%	0	0	0	0	0	0	0	0	0	0
117	LFG	6.67%	0	0	0	0	0	0	0	0	0	0
118	Titan or Alternative	2.10%	0	0	0	0	0	0	0	0	0	0
119	Other Non-Recurring Projects	2.10%	54	128	148	148	148	202	276	318	360	402
120	Other Recurring Projects	2.10%	10	29	48	66	84	102	121	148	181	207
121	Transmission and Distribution											
122	North Shore Transmission Line Capital Expenditures	2.82%	0	0	0	0	226	452	452	452	452	452
123	Anahola Service Center	2.82%	0	69	138	138	138	138	138	138	138	138
124	Princeville Substation Upgrade	3.33%	13	25	25	25	25	25	25	25	25	25
125	Replacement GIS Mapping System	3.33%	0	5	10	10	10	10	10	10	10	10

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 8 - Plant Investment and Depreciation Expense (\$000)

Base Case Scenario

Line			Projected									
			2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
126	Kipu 12 kV Reroute	2.82%	0	6	11	11	11	11	11	11	11	11
127	Wailua Corridor Undergrounding	2.82%	0	35	71	71	71	71	71	71	71	71
128	RUS Standards Compliance	2.82%	0	2	4	4	4	4	4	4	4	4
129	Hanalei Tap Reconfiguration	2.82%	0	0	0	22	44	44	44	44	44	44
130	New T&D Warehouse and Field Offices	2.82%	0	0	21	42	42	42	42	42	42	42
131	HCP - C2 Waiakea Canal Crossing	2.70%	0	5	11	11	11	11	11	11	11	11
132	Kapaia to Hanahanapuni	2.82%	0	0	0	0	0	0	0	0	0	0
133	Convert Hanahanapuni Tap to Switching Station	2.82%	0	0	0	0	0	0	0	0	0	0
134	Kilohana Switching Station	2.82%	0	0	0	0	0	0	0	0	0	0
135	Lihue Station - Upgraded Transformers (3 @ \$850)	2.82%	0	0	0	0	0	0	0	0	47	94
136	Other Non-Recurring Projects											
137	Transmission	2.82%	34	95	185	269	306	321	321	321	321	406
138	Distribution	3.33%	0	0	0	0	0	0	0	0	0	0
139	Other Recurring Projects											
140	Transmission	2.82%	12	34	53	107	160	175	188	201	215	229
141	Distribution	3.33%	99	305	536	760	980	1,229	1,498	1,788	2,103	2,444
142	Other	2.73%	1	2	3	4	6	8	9	11	14	16
143	Other Projects											
144	Non-Recurring Projects	2.73%	7	32	58	80	101	121	150	181	216	254
145	Recurring Projects	2.73%	24	67	106	145	184	226	269	312	356	401
146	Carryover Projects											
147	AEPO Substation (Kumanu)	3.33%	0	0	137	274	274	274	274	274	274	274
148	SPCC Substation Compliance	3.33%	10	20	20	20	20	20	20	20	20	20
149	AMI/Advanced Metering Infrastructure	8.00%	504	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008
150	Battery Energy Storage	5.00%	0	0	0	0	0	0	0	0	0	0
151	Total		\$12,236	\$13,314	\$13,934	\$14,412	\$14,902	\$17,078	\$17,341	\$17,604	\$17,946	\$18,394
152	Less AMI Funding	8.00%	0	(507)	(507)	(507)	(507)	(507)	(507)	(507)	(507)	(507)
153	Less CIAC	3.33%	(46)	(99)	(115)	(132)	(151)	(171)	(194)	(219)	(247)	(277)
154	Total Deprec and Amort Accrual		\$12,190	\$12,708	\$13,313	\$13,773	\$14,244	\$16,400	\$16,641	\$16,878	\$17,193	\$17,610
155	Less Depreciation in Other Accounts		(463)	(463)	(463)	(463)	(463)	(463)	(463)	(463)	(463)	(463)
156	Net Depr and Amort Expense		\$11,727	\$12,245	\$12,850	\$13,310	\$13,781	\$15,936	\$16,177	\$16,415	\$16,730	\$17,147
157												
158	Net Depreciation and Amortization Expense		\$11,727	\$12,245	\$12,850	\$13,310	\$13,781	\$15,936	\$16,177	\$16,415	\$16,730	\$17,147
159	Amortization of Regulatory Asset - Iniki		292	292	292	292	292	292	292	292	292	219
160	Amortization of Acquisition Adjustment		2,194	2,194	2,194	2,194	2,194	2,194	2,194	2,194	2,194	2,194
161	Total Depreciation & Amortization Expense		\$14,213	\$14,731	\$15,336	\$15,796	\$16,267	\$18,423	\$18,663	\$18,901	\$19,216	\$19,560
162	Plus Depreciation in Other Accounts		463	463	463	463	463	463	463	463	463	463
163	Total Depr and Amort Accrual		\$14,677	\$15,195	\$15,800	\$16,260	\$16,731	\$18,886	\$19,127	\$19,365	\$19,680	\$20,024
164												
165												

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 8 - Plant Investment and Depreciation Expense (\$000)

Base Case Scenario

Line	Projected									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
166 <u>KRS1</u>										
167 BOY CWIP	\$7,806	\$9,500								
168 Capital Expenditures	1,694	47,672								
169 Federal Grant	0	(16,336)								
170 EOY CWIP	9,500									
171 Closed to Plant	\$0	\$40,837								
172										
173 <u>KRS2</u>										
174 BOY CWIP	\$0	\$6,000								
175 Capital Expenditures	6,000	35,314								
176 Buyout Amount	0	0								
177 EOY CWIP	6,000	0								
178 Closed to Plant	\$0	\$41,314								

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 9 - Long-Term Debt Service (\$000)

Base Case Scenario

Line	Projected									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 EXISTING LONG TERM DEBT										
2 Balance (Beg Yr)	\$199,311	\$188,915	\$177,990	\$166,638	\$154,845	\$142,579	\$129,828	\$116,573	\$102,791	\$88,462
3 Existing Loan Advances	0	0	0	0	0	0	0	0	0	0
4 Principal Repayments	10,396	10,925	11,353	11,792	12,266	12,752	13,255	13,782	14,330	14,907
5 Balance (End Yr)	\$188,915	\$177,990	\$166,638	\$154,845	\$142,579	\$129,828	\$116,573	\$102,791	\$88,462	\$73,555
6										
7 EXISTING DEBT INTEREST AND PRINCIPAL PAYMENTS										
8 Interest										
9 RUS - A41-1B010	\$297	\$282	\$265	\$248	\$230	\$212	\$192	\$173	\$152	\$130
10 RUS - A41-1B011	594	563	530	496	460	423	385	345	303	260
11 RUS - A41-1B012	474	447	420	391	362	332	301	269	235	201
12 RUS - A41-1B013	375	352	328	304	279	254	229	203	177	150
13 RUS - A41-1B014	691	655	618	580	539	497	453	407	358	308
14 RUS - A41-1B015	3,909	3,715	3,512	3,299	3,075	2,840	2,593	2,334	2,062	1,776
15 CFC - HI001-9005	133	122	110	99	86	74	61	48	34	20
16 FFB B8 - H0010	154	141	128	116	101	86	72	58	42	26
17 FFB B8 - H0015	224	206	188	171	150	129	109	87	65	40
18 FFB B8 - H0020	501	463	423	385	338	292	246	197	147	92
19 FFB C8 - F0025	211	207	202	198	190	184	180	174	169	162
20 FFB C8 - F0030	42	41	40	39	38	37	36	35	34	32
21 Total Interest	\$7,605	\$7,194	\$6,765	\$6,325	\$5,849	\$5,360	\$4,856	\$4,328	\$3,778	\$3,198
22 Principal										
23 RUS - A41-1B010	\$402	\$417	\$434	\$451	\$469	\$487	\$507	\$526	\$547	\$569
24 RUS - A41-1B011	803	834	867	901	937	974	1,012	1,052	1,094	1,137
25 RUS - A41-1B012	840	866	894	922	951	981	1,013	1,045	1,078	1,112
26 RUS - A41-1B013	1,430	1,453	1,477	1,501	1,526	1,551	1,576	1,602	1,628	1,655
27 RUS - A41-1B014	795	831	868	906	947	989	1,033	1,079	1,128	1,178
28 RUS - A41-1B015	3,883	4,076	4,279	4,492	4,717	4,952	5,199	5,458	5,730	6,016
29 CFC - HI001-9005	406	418	430	443	455	468	482	496	510	525
30 FFB B8 - H0010	442	455	467	479	493	507	520	535	549	564
31 FFB B8 - H0015	428	442	460	479	498	518	539	561	584	608
32 FFB B8 - H0020	846	883	921	959	1,005	1,049	1,094	1,141	1,190	1,244
33 FFB C8 - F0025	104	212	216	220	227	233	237	243	247	254
34 FFB C8 - F0030	19	38	39	40	41	42	43	44	45	46
35 Total Principal	\$10,396	\$10,925	\$11,353	\$11,792	\$12,266	\$12,752	\$13,255	\$13,782	\$14,330	\$14,907
36										
37 FUNDING REQUIREMENTS										
38 Capital Funding Requirements	\$14,806	\$27,735	\$17,631	\$63,688	\$62,795	\$15,785	\$13,489	\$17,081	\$16,814	\$21,828
39 Refinancing Requirements	10,000	10,000	10,000	0	0	85,208	0	0	0	0
40 Total Funding Requirements	\$24,806	\$37,735	\$27,631	\$63,688	\$62,795	\$100,993	\$13,489	\$17,081	\$16,814	\$21,828
41										
42 Short-Term Long Funds Advanced	\$10,000	\$13,322	\$0	\$42,228	\$42,980	\$0	\$0	\$0	\$0	\$0
43 Long-Term Loan Funds Advanced	10,000	10,000	11,646	13,635	11,727	85,208	0	0	0	6,485
44 Total Debt Advances	\$20,000	\$23,322	\$11,646	\$55,863	\$54,707	\$85,208	\$0	\$0	\$0	\$6,485
45										

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 9 - Long-Term Debt Service (\$000)

Base Case Scenario

Line							Projected									
							2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
46	FFB C8 Add'l Draws	Amount	Per	Rate	Term	Per Yr										
47		\$31,646	na	na	na	na										
48	BOY Balance						\$0	\$9,907	\$19,592	\$30,716	\$30,072	\$29,388	\$28,676	\$27,942	\$27,178	\$26,394
49	Loan Funds Advanced						10,000	10,000	11,646	0	0	0	0	0	0	0
50	Principal Payment						93	314	523	644	683	713	734	763	785	825
51	Interest Payment						165	527	979	1,228	1,189	1,159	1,137	1,108	1,086	1,046
52	Total Debt Service						\$258	\$841	\$1,501	\$1,872	\$1,872	\$1,872	\$1,871	\$1,871	\$1,871	\$1,870
53	EOY Balance						\$9,907	\$19,592	\$30,716	\$30,072	\$29,388	\$28,676	\$27,942	\$27,178	\$26,394	\$25,569
54																
55	2014 Loan	Amount	Per	Rate	Term	Per Yr										
56		\$0	3	3.5%	30	4										
57	BOY Balance							\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
58	Loan Funds Advanced							0	0	0	0	0	0	0	0	0
59	Principal Payment							0	0	0	0	0	0	0	0	0
60	Interest Payment							0	0	0	0	0	0	0	0	0
61	Total Debt Service							\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
62	EOY Balance							\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
63																
64	2015 Loan	Amount	Per	Rate	Term	Per Yr										
65		\$0	3	5.0%	30	4										
66	BOY Balance								\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
67	Loan Funds Advanced								0	0	0	0	0	0	0	0
68	Principal Payment								0	0	0	0	0	0	0	0
69	Interest Payment								0	0	0	0	0	0	0	0
70	Total Debt Service								\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
71	EOY Balance								\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
72																
73	New Hydro Loans	Amount	Const Rate	LT Rate	Term	Per Yr										
74		\$85,208	3.5%	5.0%	35	4				ST Debt	ST Debt	LT Debt	LT Debt	LT Debt	LT Debt	LT Debt
75	BOY Balance									\$0	\$42,228	\$85,208	\$84,283	\$83,311	\$82,289	\$81,215
76	Loan Funds Advanced									42,228	42,980	0	0	0	0	0
77	Principal Payment									0	0	925	972	1,022	1,074	1,128
78	Interest Payment									1,478	2,230	4,243	4,196	4,147	4,095	4,040
79	Total Debt Service									\$1,478	\$2,230	\$5,168	\$5,168	\$5,168	\$5,168	\$5,168
80	EOY Balance									\$42,228	\$85,208	\$84,283	\$83,311	\$82,289	\$81,215	\$80,087
81																
82	2016 Loan	Amount	Per	Rate	Term	Per Yr										
83		\$13,635	3	5.0%	30	4										
84	BOY Balance									\$0	\$13,535	\$13,328	\$13,111	\$12,882	\$12,642	\$12,389
85	Loan Funds Advanced									13,635	0	0	0	0	0	0
86	Principal Payment									100	207	218	229	240	253	265
87	Interest Payment									340	673	662	651	640	627	615
88	Total Debt Service									\$440	\$880	\$880	\$880	\$880	\$880	\$880
89	EOY Balance									\$13,535	\$13,328	\$13,111	\$12,882	\$12,642	\$12,389	\$12,124
90																

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 9 - Long-Term Debt Service (\$000)

Base Case Scenario

Line	Projected															
91	2017 Loan	Amount	Per	Rate	Term	Per Yr	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
92		\$11,727	3	5.0%	30	4										
93	BOY Balance										\$0	\$11,641	\$11,463	\$11,276	\$11,079	\$10,872
94	Loan Funds Advanced										11,727	0	0	0	0	0
95	Principal Payment										86	178	187	197	207	217
96	Interest Payment										293	579	570	560	550	540
97	Total Debt Service										\$378	\$757	\$757	\$757	\$757	\$757
98	EOY Balance										\$11,641	\$11,463	\$11,276	\$11,079	\$10,872	\$10,655
99																
100	2018 Loan	Amount	Per	Rate	Term	Per Yr										
101		\$0	3	5.0%	30	4										
102	BOY Balance											\$0	\$0	\$0	\$0	\$0
103	Loan Funds Advanced											0	0	0	0	0
104	Principal Payment											0	0	0	0	0
105	Interest Payment											0	0	0	0	0
106	Total Debt Service											0	0	0	0	0
107	EOY Balance											\$0	\$0	\$0	\$0	\$0
108												\$0	\$0	\$0	\$0	\$0
109	2019 Loan	Amount	Per	Rate	Term	Per Yr										
110		\$0	3	5.0%	30	4										
111	BOY Balance												\$0	\$0	\$0	\$0
112	Loan Funds Advanced												0	0	0	0
113	Principal Payment												0	0	0	0
114	Interest Payment												0	0	0	0
115	Total Debt Service												0	0	0	0
116	EOY Balance												\$0	\$0	\$0	\$0
117													\$0	\$0	\$0	\$0
118	2020 Loan	Amount	Per	Rate	Term	Per Yr										
119		\$0	3	5.0%	30	4										
120	BOY Balance													\$0	\$0	\$0
121	Loan Funds Advanced													0	0	0
122	Principal Payment													0	0	0
123	Interest Payment													0	0	0
124	Total Debt Service													0	0	0
125	EOY Balance													\$0	\$0	\$0
126														\$0	\$0	\$0
127	2021 Loan	Amount	Per	Rate	Term	Per Yr										
128		\$0	3	5.0%	30	4										
129	BOY Balance														\$0	\$0
130	Loan Funds Advanced														0	0
131	Principal Payment														0	0
132	Interest Payment														0	0
133	Total Debt Service														0	0
134	EOY Balance														\$0	\$0
135															\$0	\$0

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 9 - Long-Term Debt Service (\$000)

Base Case Scenario

Line							Projected									
	2022 Loan	Amount	Per	Rate	Term	Per Yr	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
136																
137		\$6,485	3	5.0%	30	4										
138	BOY Balance															\$0
139	Loan Funds Advanced															6,485
140	Principal Payment															47
141	Interest Payment															162
142	Total Debt Service															\$209
143	EOY Balance															\$6,438
144																
145	TOTAL LONG TERM DEBT SERVICE															
146	Interest															
147	Existing Debt						\$7,605	\$7,194	\$6,765	\$6,325	\$5,849	\$5,360	\$4,856	\$4,328	\$3,778	\$3,198
148	New Debt (Excl Hydro Loan Capitalized Interest)						165	527	979	3,046	4,385	6,643	6,554	6,454	6,358	6,401
149	Total Interest						\$7,770	\$7,721	\$7,744	\$9,371	\$10,233	\$12,003	\$11,411	\$10,782	\$10,136	\$9,600
150	Principal															
151	Existing Debt						\$10,396	\$10,925	\$11,353	\$11,792	\$12,266	\$12,752	\$13,255	\$13,782	\$14,330	\$14,907
152	New Debt						93	314	523	744	976	2,033	2,122	2,222	2,318	2,483
153	Total Principal						\$10,489	\$11,239	\$11,875	\$12,536	\$13,242	\$14,785	\$15,377	\$16,003	\$16,647	\$17,390
154	Total Debt Service						\$18,259	\$18,960	\$19,619	\$21,908	\$23,475	\$26,788	\$26,787	\$26,785	\$26,784	\$26,990
155																
156	TOTAL LONG TERM DEBT															
157	Balance (Beg Yr)						\$199,311	\$198,822	\$197,583	\$197,353	\$198,452	\$196,937	\$267,360	\$251,983	\$235,980	\$219,332
158	Loan Funds Advanced						10,000	10,000	11,646	13,635	11,727	85,208	0	0	0	6,485
159	Less Principal Repayments						10,489	11,239	11,875	12,536	13,242	14,785	15,377	16,003	16,647	17,390
160	Balance (End Yr)						\$198,822	\$197,583	\$197,353	\$198,452	\$196,937	\$267,360	\$251,983	\$235,980	\$219,332	\$208,427
161																
162	Current Portion of Long Term Debt - EOY															
163	Existing Debt						\$10,925	\$11,353	\$11,792	\$12,266	\$12,752	\$13,255	\$13,782	\$14,330	\$14,907	\$15,370
164	New Debt						314	523	744	976	2,033	2,122	2,222	2,318	2,483	2,652
165	Total Current Portion						\$11,239	\$11,875	\$12,536	\$13,242	\$14,785	\$15,377	\$16,003	\$16,647	\$17,390	\$18,022
166																
167	SHORT TERM DEBT															
168																
169	\$20 M LOC/Other LOC	Amount	Per	Rate	Term	Per Yr										
170	BOY Balance			3.0%			\$6,678	\$6,678	\$10,000							
171	Loan Funds Advanced						10,000	13,322	0							
172	Less Principal Repayments						(10,000)	(10,000)	(10,000)							
173	Balance (End Yr)						\$6,678	\$10,000	\$0							
174																
175	Interest Expense						\$252	\$292	\$0							
176	Est Average Balance						\$8,385	\$9,725	\$0							
177																
178	\$5 M LOC	Amount	Per	Rate	Term	Per Yr										
179	BOY Balance			3.0%			\$0	\$0	\$0							
180	Loan Funds Advanced						0	0	0							
181	Less Principal Repayments						0	0	0							
182	Balance (End Yr)						\$0	\$0	\$0							
183																
184	Interest Expense						\$0	\$0	\$0							
185	Est Average Balance						\$0	\$0	\$0							
186																

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 9 - Long-Term Debt Service (\$000)

Base Case Scenario

							Projected									
Line							2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
187	KRS1															
188		Long-Term	Const	LT												
189		Amount	Rate	Rate	Yr	Per Yr										
190		\$35,587	3.0%	3.1%	25	1										
191	BOY Balance						\$7,500	\$9,500	\$35,355	\$34,382	\$33,380	\$32,347	\$31,282	\$30,184	\$29,052	\$27,885
192	Short-Term Debt															
193	Funds Advanced						2,000	47,672	0	0	0	0	0	0	0	0
194	Short-Term Interest						264	870	0	0	0	0	0	0	0	0
195	Federal Grant/State Tax Credit							21,586	0	0	0	0	0	0	0	0
196	Long-Term Debt															
197	Principal Payment						0	232	972	1,002	1,033	1,065	1,098	1,132	1,167	1,203
198	Interest Payment						0	284	1,091	1,061	1,030	998	965	931	896	860
199	Debt Service						\$0	\$516	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063
200	EOY Balance						\$9,500	\$35,355	\$34,382	\$33,380	\$32,347	\$31,282	\$30,184	\$29,052	\$27,885	\$26,682
201																
202	KRS2															
203		Long-Term	Const	LT												
204		Amount	Rate	Rate	Yr	Per Yr										
205		\$14,096	3.0%	5.7%	25	1										
206	BOY Balance						\$0	\$6,000	\$14,096	\$13,828	\$13,545	\$13,246	\$12,929	\$12,595	\$12,241	\$11,867
207	Short-Term Debt															
208	Funds Advanced						6,000	35,314	0	0	0	0	0	0	0	0
209	Short-Term Interest						41	429	0	0	0	0	0	0	0	0
210	Equity Investment							27,218	0	0	0	0	0	0	0	0
211	Long-Term Debt															
212	Principal Payment						0	0	268	283	299	316	335	354	374	395
213	Interest Payment						0	402	803	788	772	755	737	718	698	676
214	Debt Service						\$0	\$536	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071
215	EOY Balance						\$6,000	\$14,096	\$13,828	\$13,545	\$13,246	\$12,929	\$12,595	\$12,241	\$11,867	\$11,472

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 10 - Projected ERAC Revenues

Base Case Scenario

Line	Actual					Projected									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 KIUC Thermal Generated (MWh)	437,819	417,224	417,117	409,392	405,946	381,990	337,000	279,670	284,270	291,020	220,390	225,890	230,670	237,150	243,310
2 KIUC Hydro Generated (MWh)	8,386	7,788	8,227	7,270	7,918	7,437	7,770	7,770	7,800	7,770	83,950	83,950	84,230	83,950	83,950
3 KRS1 Generated (MWh)	0	0	0	0	0	0	5,870	23,660	23,740	23,660	23,660	23,660	23,740	23,660	23,660
4 KRS2 Generated (MWh)	0	0	0	0	0	0	11,780	23,650	23,740	23,660	23,470	23,520	23,580	23,570	23,580
5 Purchased Power MWh - NEM & Sched Q	9	0	0	1,741	3,321	5,700	6,140	6,600	7,120	7,590	7,390	7,840	8,300	8,740	9,170
6 Purchased Power (MWh) - Other	29,090	30,796	27,414	34,855	34,633	46,303	69,120	103,860	104,150	103,860	103,860	103,860	104,150	103,860	103,860
7 Total MWh	475,305	455,808	452,758	453,259	451,818	441,430	437,680	445,210	450,820	457,560	462,720	468,720	474,670	480,930	487,530
8															
9 KIUC Sales (MWh)	453,791	436,273	434,533	434,745	433,159	423,584	420,139	427,506	432,744	439,225	444,278	450,004	455,624	461,704	468,055
10															
11 Losses (%)	4.5%	4.3%	4.0%	4.1%	4.1%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
12															
13 KIUC Generated Sales (MWh)	426,044	406,694	408,185	399,686	396,771	372,828	335,661	276,010	280,359	286,817	292,210	297,468	302,265	308,263	314,187
14															
15 Fuel Consumed (MMBtu)	4,208,477	3,913,866	3,868,068	3,870,223	3,778,090	3,594,303	3,146,933	2,602,489	2,647,640	2,710,031	2,083,065	2,130,652	2,174,595	2,230,236	2,285,237
16															
17 Actual Sales Heat Rate (Btu/kWh)	9,878	9,624	9,476	9,683	9,522	9,641	9,375	9,429	9,444	9,449	7,129	7,163	7,194	7,235	7,273
18															
19 Effective Sales Heat Rate for ERAC (Btu/kWh)	11,230	11,230	10,442	9,850	9,850	9,850	9,850	9,850	9,850	9,850	9,850	9,850	9,850	9,850	9,850
20															
21 Adj Fuel Consumed for Efficiency Factor (MMBtu)	4,784,479	4,567,169	4,262,385	3,936,904	3,908,195	3,672,352	3,306,265	2,718,697	2,761,538	2,825,149	2,878,272	2,930,061	2,977,308	3,036,395	3,094,744
22 Actual Fuel Cost (\$/MMBtu)	\$23.32	\$13.23	\$17.80	\$23.36	\$24.89	\$24.37	\$21.41	\$19.79	\$20.60	\$21.52	\$22.67	\$23.63	\$24.39	\$25.48	\$26.68
23															
24 Equivalent Base Fuel Cost (\$/MMBtu)	\$4.31	\$4.31	\$11.33	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36
25 Equivalent Purchased Power Cost (\$/kWh)	\$0.046	\$0.046	\$0.110	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174
26															
27 ERAC Revenue Components (\$000)															
28 KIUC Fuel Costs	\$98,148	\$51,952	\$68,900	\$90,533	\$94,033	\$87,605	\$67,385	\$51,511	\$54,530	\$58,311	\$47,227	\$50,347	\$53,028	\$56,831	\$60,978
29 KIUC Purch Power Costs - Excl NEM, Sched Q, KRS1, and KRS2	5,959	3,724	4,212	7,194	7,741	10,017	15,395	17,050	17,368	17,607	17,868	18,157	18,502	18,744	19,041
30 KIUC Purchased Power Costs - KRS1	0	0	0	0	0	0	969	3,460	3,425	3,390	3,353	3,315	3,277	3,236	3,195
31 KIUC Purchased Power Costs - KRS2	0	0	0	0	0	0	1,473	2,956	2,968	2,958	2,934	2,940	2,948	2,946	2,948
32 ERAC Excess	13,633	8,493	6,965	1,429	3,246	1,902	3,412	2,300	2,346	2,477	18,029	18,890	19,574	20,543	21,600
33 Fuel and Purchased Power in Base Rates	(21,929)	(21,071)	(51,336)	(74,396)	(73,859)	(72,566)	(71,852)	(73,467)	(74,290)	(75,316)	(76,205)	(77,113)	(78,008)	(78,968)	(79,982)
34 Tax on Fuel and Purchased Power	8,446	3,098	2,146	2,370	2,624	2,444	1,304	147	390	678	(470)	(230)	(25)	272	603
35 Tax on ERAC Excess	1,380	828	679	139	317	186	333	224	229	242	1,758	1,842	1,909	2,004	2,107
36 Total	\$105,636	\$47,025	\$31,566	\$27,268	\$34,101	\$29,587	\$18,417	\$4,182	\$6,966	\$10,345	\$14,493	\$18,149	\$21,204	\$25,608	\$30,489
37															
38 Revenue from Efficiency Factor (\$000)															
39 ERAC Efficiency Adjustment	\$13,633	\$8,493	\$6,965	\$1,429	\$3,246	\$1,902	\$3,412	\$2,300	\$2,346	\$2,477	\$18,029	\$18,890	\$19,574	\$20,543	\$21,600
40 Tax on Efficiency Adjustment	1,380	828	679	139	317	186	333	224	229	242	1,758	1,842	1,909	2,004	2,107
41 Total	\$15,013	\$9,321	\$7,645	\$1,568	\$3,562	\$2,088	\$3,745	\$2,524	\$2,575	\$2,719	\$19,787	\$20,732	\$21,483	\$22,546	\$23,707
42															
43 ERAC Rate Components (\$/kWh)															
44 KIUC Fuel Costs	\$0.217	\$0.119	\$0.159	\$0.208	\$0.217	\$0.207	\$0.160	\$0.121	\$0.126	\$0.133	\$0.106	\$0.112	\$0.116	\$0.123	\$0.130
45 KIUC Purchased Power Costs - Existing	\$0.013	\$0.009	\$0.010	\$0.017	\$0.018	\$0.024	\$0.037	\$0.040	\$0.040	\$0.040	\$0.040	\$0.040	\$0.041	\$0.041	\$0.041
46 KIUC Purchased Power Costs - KRS1	NA	NA	NA	NA	\$0.000	\$0.000	\$0.002	\$0.008	\$0.008	\$0.008	\$0.008	\$0.007	\$0.007	\$0.007	\$0.007
47 KIUC Purchased Power Costs - KRS2	NA	NA	NA	NA	\$0.000	\$0.000	\$0.004	\$0.007	\$0.007	\$0.007	\$0.007	\$0.007	\$0.006	\$0.006	\$0.006
48 ERAC Efficiency Adjustment	\$0.030	\$0.020	\$0.016	\$0.003	\$0.007	\$0.004	\$0.008	\$0.005	\$0.005	\$0.006	\$0.041	\$0.042	\$0.043	\$0.045	\$0.046
49 Fuel and purchased power in base rates	(\$0.048)	(\$0.048)	(\$0.118)	(\$0.171)	(\$0.171)	(\$0.171)	(\$0.171)	(\$0.172)	(\$0.172)	(\$0.172)	(\$0.172)	(\$0.171)	(\$0.171)	(\$0.171)	(\$0.171)
50 Tax on Fuel and Purchased Power	\$0.019	\$0.007	\$0.005	\$0.005	\$0.006	\$0.006	\$0.003	\$0.000	\$0.001	\$0.002	(\$0.001)	(\$0.001)	(\$0.000)	\$0.001	\$0.001
51 Tax on Efficiency Adjustment	\$0.003	\$0.002	\$0.002	\$0.000	\$0.001	\$0.000	\$0.001	\$0.001	\$0.001	\$0.001	\$0.004	\$0.004	\$0.004	\$0.004	\$0.005
52 Total (before other adjustments)	\$0.233	\$0.108	\$0.073	\$0.063	\$0.079	\$0.070	\$0.044	\$0.010	\$0.016	\$0.024	\$0.033	\$0.040	\$0.047	\$0.055	\$0.065

Appendix B
DETAILED RESULTS – EMP ALTERNATIVE SCENARIO 1

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 1 - Summary of Results

Alternative Scenario 1 - Decoupling												Average Annual Change
Line	Actual 2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2012-2022
1 Unit Revenues (\$/kWh)												
2 Non-Fuel & Purchased Power Charges												
3 Base Rates Without Fuel & Purchased Power	16.65	16.73	16.84	16.81	17.42	17.69	19.75	19.58	19.39	19.31	19.30	
4 Efficiency Premium in ERAC	0.82	0.49	-	-	-	-	-	-	-	-	-	
5 Subtotal Non-Fuel & Purchased Power Charges	17.47	17.23	16.84	16.81	17.42	17.69	19.75	19.58	19.39	19.31	19.30	1.0%
6												
7 Fuel and Purchased Power Charges												
8 Fuel & Purchased Power in Base Rates	18.95	18.81	18.77	19.13	19.12	19.11	19.11	19.10	19.10	19.09	19.09	
9 Fuel & Purchased Power in ERAC	7.05	6.49	3.49	0.39	1.01	1.74	(1.19)	(0.57)	(0.06)	0.66	1.45	
10 Fuel and Purchased Power Charges	26.00	25.30	22.27	19.51	20.14	20.85	17.92	18.53	19.04	19.75	20.54	-2.3%
11												
12 Average Unit Revenues (\$/kWh) (Lines 5 + 10)	43.48	42.53	39.10	36.33	37.55	38.54	37.66	38.11	38.43	39.07	39.83	-0.9%
13 % Change from 2012	na	-2.2%	-10.1%	-16.4%	-13.6%	-11.3%	-13.4%	-12.3%	-11.6%	-10.1%	-8.4%	
14												
15 Rate Increase as a % of Base Rate Revenues	na	0.0%	0.1%	1.0%	2.8%	3.5%	9.3%	8.8%	8.3%	8.0%	0.0%	
16												
17 Long-Term Interest Expense	8,335	7,770	8,005	8,897	10,522	11,252	12,972	12,398	11,877	11,487	11,215	
18 Margins	11,091	8,409	6,404	7,118	8,417	9,002	10,377	9,919	9,501	9,190	8,972	-2.1%
19												
20 Equity to Total Assets	24.9%	26.2%	26.3%	28.1%	26.8%	26.0%	28.4%	31.0%	33.2%	35.4%	37.2%	
21												
22 Cash Balance(\$000)	\$3,762	\$7,765	\$3,640	\$2,909	\$4,000	\$4,000	\$4,000	\$4,000	\$5,476	\$7,646	\$9,766	
23 Days of Operating Cash on Hand	8	17	9	7	10	10	10	10	13	17	21	
24 RUS TIER	2.33	2.08	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	
25 Regulatory TIER	2.61	2.37	2.08	2.05	2.02	2.00	1.97	1.98	1.99	2.00	2.00	
26 RUS Debt Service Coverage - 1.25 Minimum	na	1.66	1.50	1.44	1.44	1.43	1.45	1.42	1.39	1.35	1.32	
27 CFC Debt Service Coverage - 1.35 Minimum	na	1.65	1.48	1.41	1.42	1.41	1.43	1.40	1.36	1.33	1.30	
28 Percent of Previous Year's Patronage Capital Retired	na	25%	8%	0%	0%	0%	0%	0%	0%	0%	0%	
29												
30 Annual Capital Expenditures (\$000)	na	\$23,997	\$28,397	\$18,359	\$64,488	\$63,675	\$16,752	\$14,552	\$18,249	\$18,098	\$23,239	
31 Cap Ex Paid With Debt (\$000)	na	10,000	16,569	929	54,457	52,142	1,778	323	5,349	6,451	12,403	
32 Cap Ex Paid with Grant Funds/CIAC/Customer Adv (\$000)	na	9,191	662	728	800	880	967	1,063	1,168	1,284	1,411	
33 Cap Ex Paid With RUS Cushion of Credit (\$000)	na	0	0	5,500	0	0	0	0	0	0	0	
34 Cash Used to Pay for Plant (\$000)	na	4,806	11,166	11,202	9,231	10,653	14,007	13,166	11,733	10,363	9,425	
35												
36 Debt Borrowed (\$000)	na	\$20,000	\$23,322	\$14,176	\$54,457	\$52,142	\$86,986	\$323	\$5,349	\$6,451	\$12,403	
37 Debt Used to Repay Short-Term Debt (\$000)	na	10,000	6,753	13,247	0	0	85,208	0	0	0	0	
38 Debt Used for Working Capital (\$000)	na	0	0	0	0	0	0	0	0	0	0	
39 Debt Used for Cap Ex (\$000)	na	10,000	16,569	929	54,457	52,142	1,778	323	5,349	6,451	12,403	
40												
41 Monthly Residential Bill (500 kWh per month usage)	\$224	\$219	\$202	\$188	\$194	\$199	\$195	\$198	\$199	\$202	\$206	-0.8%
42 % Change from 2012	na	-2.3%	-10.0%	-16.2%	-13.4%	-11.1%	-12.9%	-11.9%	-11.2%	-9.8%	-8.1%	
43												
44 Approx Annual Pat Cap Retired for 500 kWh Res Customer	na	\$38.18	\$9.06	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
45												
46 Renewable Power (% of total power requirements)												
47 KIUC-Owned	2%	2%	6%	12%	12%	12%	28%	28%	28%	27%	27%	
48 Purchased	8%	12%	17%	25%	25%	24%	24%	24%	24%	23%	23%	
49 Total	10%	13%	23%	37%	37%	36%	52%	52%	51%	51%	50%	

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 2 - Assumptions

Line	KIUC Assumptions	Data Input	KIUC Assumptions	Data Input
1	Inflation		Other Assumptions	
2	General Inflation	2.5%	Investment Return	0.125%
3	Distribution O&M	2.5%	Taxes - ERAC	9.8%
4				
5	ERAC Efficiency Premium ("Y"=Yes, "N"=No)	N	Efficiency Factor Heat Rate (Btu/kWh)	9,850
6				
7	Debt Assumptions		Revenue Tax Multiplier	1.09751
8	New Debt Thru 2014 - Interest Rates	3.5%		
9	New DebtAfter 2014 - Interest Rates	5.0%	Number of Days of Cash Working Capital in Rate Base	
10	New Debt - Construction Interest Rate	3.5%	O&M	61
11	New Debt - Repayment Period (Years)	25	Fuel	15
12				
13	Patronage Capital		Interest	30
14	Non-Operating Margins Allocated to Patronage Cap	100.0%		
15	Minimum RUS TIER for Capital Credit Retirements	2.00	Inventory as Percentage of Gross Plant	3.0%
16	Early Retirements (\$000/year not discounted)	\$125		
17	Beginning Year for Early Retirements	2012	Target RUS TIER for Decoupling Mechanism	1.80
18	Discount Rate for Capital Credit Purchases	5.0%		
19	Blended Term for Capital Credit Purchases	20	Scenario	Alternative Scenario 1 - Decoupling
20				
21	Percent of Customer Advances to CIAC	67%		

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 2 - Assumptions

Line	KIUC Renewable Solutions Assumptions	Data Input	KIUC Renewable Solutions Assumptions	Data Input
22	Base Year	2013	Debt Assumptions	
23	Inflation		Construction Interest Rate	3.0%
24	General Inflation	2.5%	KRS1 Long Term Interest Rate	3.1%
25	O&M Escalation	1.5%	KRS2 Long Term Interest Rate	5.7%
26			KRS1 and KRS2- Repayment Period/Useful Life (Years)	25
27				
28	Inventory as a Percent of Gross Plant	3.0%	KRS1 Target TIER	1.25
29				
30	KRS1 Cap Ex		Operation Date	
31	2011 Expenditures	\$4,953,692	KRS1	Oct-14
32	2012 Expenditures	2,852,145	KRS2	Jul-14
33	2013 Expenditures	1,694,163		
34	2014 Expenditures	47,672,192	Long-Term Financing Date	
35	Total Capital Cost	57,172,192	KRS1	Oct-14
36	Less Federal Grant	16,335,640	KRS2	Jul-14
37	Closed to Plant	40,836,552		
38	Less State Tax Refund	5,250,000	Market Value Energy (\$/MWh)	
39	Cash Requirement	\$35,586,552	KRS1 and KRS2	\$200
40				
41	KRS2 Cap Ex		Land Lease Expenses	
42	2012 Expenditures	\$0	KRS1 \$/Sq Ft (2012 \$)	\$0.04207
43	2013 Expenditures	6,000,000	KRS1 Square Feet	2,395,800
44	2014 Expenditures	35,313,994	KRS2 \$/Acre Used (2014 \$)	\$900
45	Closed to Plant	\$ 41,313,994	KRS2 \$/Acre Unused (2014 \$)	\$600
46	Less Equity Investment	27,217,659	KRS2 Acres Used	31.42
47	Debt Requirement	\$14,096,335	KRS2 Acres Unused	35.79
48	State Tax Refund	\$4,987,188		
49			Lease Escalation Rate	3.00%
50	KIUC % Ownership of KRS2		KRS2 GET on KRS2 Land Lease	4.17%
51	Pre-Flip	1%		
52	Post-Flip	95%	KIUC MSA (2012 \$)	
53	Post-Buyout	100%	KRS1	\$50,000
54			KRS2	\$50,000
55	KRS2 Buyout Amount			
56	Amount	\$15,810,964		
57	Year	7		
58	Term Remaining	19		
59	Proceeds	5.0%		

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 2 - Assumptions

Line	KIUC Renewable Solutions Assumptions	Data Input	KIUC Renewable Solutions Assumptions	Data Input
60	Investment Return	0.125%	Insurance	
61			KRS1	\$37,410
62	Federal Tax Rate	35%	KRS2	\$31,350
63	Alternative Minimum Tax Rate	20%		
64			Target Cash Balance	
65	COD Lease Payment		KRS1	\$10,000
66	KRS1	\$150,000		
67	KRS2	\$0	KRS2 PPA Rate (\$/MWh)	\$125
68				
69	O&M Expenses (2014 \$)			
70	KRS1	\$206,617		
71	KRS2	\$197,733		
72				
73	Real Property Taxes (2014 \$)			
74	KRS1	\$11,592		
75	KRS2	\$542		

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 3 - Projected Revenues at Existing Rates

Alternative Scenario 1 - Decoupling

Line	Actual						Projected										
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
1	Sales (MWh)																
2	Residential	D	160,479	161,946	159,426	159,071	157,278	161,520	162,200	164,482	165,690	168,856	170,942	173,604	175,952	177,924	179,923
3	Small Commercial	G	61,763	58,776	59,481	59,790	59,664	56,017	56,504	57,296	57,803	58,083	58,202	58,349	58,540	59,048	59,674
4	Large Commercial	J	57,561	54,388	53,236	51,859	51,607	48,389	49,241	49,931	50,373	50,616	50,721	50,848	51,015	51,457	52,004
5	Large Power-Primary	L	52,083	42,639	44,991	44,379	46,286	42,968	44,023	45,156	46,138	47,037	47,838	48,652	49,503	50,426	51,355
6	Large Power-Secondary	P	118,083	114,413	114,522	116,824	115,389	112,104	105,831	108,555	110,916	113,078	115,003	116,961	119,007	121,225	123,458
7	Street Lights	SL	2,637	2,702	2,730	2,716	2,760	2,481	2,235	1,981	1,719	1,450	1,467	1,485	1,502	1,519	1,536
8	Irrigation	IRR	1,184	1,410	148	105	175	105	105	105	105	105	105	105	105	105	105
9	Total		453,791	436,273	434,533	434,745	433,159	423,584	420,139	427,506	432,744	439,225	444,278	450,004	455,624	461,704	468,055
10																	
11	Yearly Change Percentage		-2.8%	-3.9%	-0.4%	0.0%	-0.4%	-2.2%	-0.8%	1.8%	1.2%	1.5%	1.2%	1.3%	1.2%	1.3%	1.4%
12																	
13	Customer Accounts																
14	Residential	D	27,301	27,629	27,793	28,010	28,169	28,762	29,197	29,860	30,328	30,808	31,298	31,800	32,313	32,821	33,342
15	Small Commercial	G	4,305	4,208	4,221	4,198	4,195	4,242	4,303	4,397	4,462	4,529	4,596	4,665	4,735	4,802	4,871
16	Large Commercial	J	357	346	337	330	326	330	336	343	348	353	359	364	369	375	380
17	Large Power-Primary	L	16	16	15	15	15	15	15	15	16	16	16	16	17	17	17
18	Large Power-Secondary	P	109	114	112	115	113	116	117	123	124	126	128	130	131	133	135
19	Street Lights (Number of Fixtures)	SL	3,461	3,519	3,553	3,575	3,587	3,630	3,667	3,720	3,757	3,795	3,833	3,871	3,910	3,949	3,989
20	Irrigation	IRR	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
21	Total		35,552	35,835	36,033	36,246	36,408	37,098	37,637	38,461	39,038	39,630	40,233	40,849	41,478	42,100	42,737
22																	
23	Yearly Change Percentage		1.5%	0.8%	0.6%	0.6%	0.4%	1.9%	1.5%	2.2%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
24																	
25	Billed Demand (kW)																
26	Residential	D	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
27	Small Commercial	G	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
28	Large Commercial	J	191,155	182,082	175,673	172,507	173,385	159,701	157,957	160,170	161,588	162,369	162,703	163,113	163,647	165,066	166,819
29	Large Power-Primary	L	117,658	109,666	108,187	105,996	103,274	98,261	96,372	98,853	101,003	102,972	104,725	106,508	108,371	110,391	112,424
30	Large Power-Secondary	P	289,572	294,915	289,910	290,516	289,383	283,492	262,867	269,634	275,498	280,867	285,649	290,512	295,593	301,103	306,650
31	Street Lights	SL	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
32	Irrigation	IRR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
33																	
34	Existing Rates - Customer Charge (\$/customer/month)																
35	Residential	D	\$9.72	\$9.72	\$10.22	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58
36	Small Commercial	G	21.89	21.89	23.01	23.82	23.82	23.82	23.82	23.82	23.82	23.82	23.82	23.82	23.82	23.82	23.82
37	Large Commercial	J	36.48	36.48	38.35	39.69	39.69	39.69	39.69	39.69	39.69	39.69	39.69	39.69	39.69	39.69	39.69
38	Large Power-Primary	L	334.35	334.35	346.18	355.08	355.08	355.08	355.08	355.08	355.08	355.08	355.08	355.08	355.08	355.08	355.08
39	Large Power-Secondary	P	346.51	346.51	359.78	369.38	369.38	369.38	369.38	369.38	369.38	369.38	369.38	369.38	369.38	369.38	369.38
40	Street Lights (Fixture Charge)	SL	5.78	5.78	6.06	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29
41	Irrigation	IRR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
42																	

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 3 - Projected Revenues at Existing Rates

Alternative Scenario 1 - Decoupling

Line	Actual						Projected									
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
43	Existing Rates - Energy Base Rates (\$/kWh)															
44	Residential D	\$0.17022	\$0.17374	\$0.27270	\$0.34919	\$0.34893	\$0.34743	\$0.34743	\$0.34743	\$0.34743	\$0.34743	\$0.34743	\$0.34743	\$0.34743	\$0.34743	\$0.34743
45	Small Commercial G	0.18804	0.19125	0.28867	0.35960	0.35968	0.35769	0.35769	0.35769	0.35769	0.35769	0.35769	0.35769	0.35769	0.35769	0.35769
46	Large Commercial J	0.15697	0.16041	0.25551	0.32647	0.32552	0.32390	0.32390	0.32390	0.32390	0.32390	0.32390	0.32390	0.32390	0.32390	0.32390
47	Large Power-Primary L	0.13341	0.13643	0.22311	0.29131	0.28770	0.28823	0.28901	0.28901	0.28901	0.28901	0.28901	0.28901	0.28901	0.28901	0.28901
48	Large Power-Secondary P	0.14329	0.14658	0.23579	0.30351	0.30289	0.30153	0.30198	0.30198	0.30198	0.30198	0.30198	0.30198	0.30198	0.30198	0.30198
49	Street Lights SL	0.22913	0.23330	0.33710	0.41758	0.41940	0.41530	0.41530	0.41530	0.41530	0.41530	0.41530	0.41530	0.41530	0.41530	0.41530
50	Irrigation IRR	0.35085	0.18735	0.24215	0.32090	0.33100	0.31935	0.33100	0.33100	0.33100	0.33100	0.33100	0.33100	0.33100	0.33100	0.33100
51																
52	Existing Rates - Demand Base Rates (\$/KW)															
53	Residential D	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
54	Small Commercial G	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
55	Large Commercial J	\$6.08	\$6.08	\$6.41	\$6.62	6.62	\$6.62	\$6.62	\$6.62	\$6.62	\$6.62	\$6.62	\$6.62	\$6.62	\$6.62	\$6.62
56	Large Power-Primary L	13.13	13.13	\$13.61	13.94	13.94	13.94	13.94	13.94	13.94	13.94	13.94	13.94	13.94	13.94	13.94
57	Large Power-Secondary P	10.45	10.45	\$10.86	11.14	11.14	11.14	11.14	11.14	11.14	11.14	11.14	11.14	11.14	11.14	11.14
58	Street Lights SL	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
59	Irrigation IRR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
60																
61	Revenues at Existing Rates (\$000)															
62	Residential D	\$30,501	\$31,359	\$46,884	\$59,103	\$58,456	\$59,768	\$60,060	\$60,937	\$61,416	\$62,577	\$63,364	\$64,353	\$65,233	\$65,983	\$66,744
63	Small Commercial G	12,745	12,346	18,336	22,701	22,659	21,249	21,441	21,751	21,951	22,070	22,132	22,204	22,292	22,493	22,737
64	Large Commercial J	10,354	9,983	14,883	18,230	18,102	16,888	17,155	17,396	17,551	17,638	17,676	17,723	17,783	17,938	18,129
65	Large Power-Primary L	8,557	7,321	11,574	14,470	14,820	13,818	14,129	14,494	14,809	15,097	15,354	15,615	15,888	16,184	16,482
66	Large Power-Secondary P	20,399	20,327	30,637	39,203	38,675	37,474	35,405	36,328	37,114	37,835	38,477	39,130	39,813	40,552	41,296
67	Street Lights SL	844	874	1,179	1,404	1,428	1,304	1,205	1,103	997	888	898	909	919	929	939
68	Irrigation IRR	415	264	36	34	58	34	35	35	35	35	35	35	35	35	35
69	Total	\$83,816	\$82,475	\$123,529	\$155,143	\$154,198	\$150,535	\$149,430	\$152,044	\$153,873	\$156,140	\$157,936	\$159,968	\$161,962	\$164,113	\$166,362
70																
71	Fuel and ERAC Revenues (\$000)															
72	Residential D	\$37,021	\$17,401	\$11,715	\$9,929	\$12,330	\$11,283	\$7,110	\$638	\$1,682	\$2,933	(\$2,037)	(\$997)	(\$108)	\$1,180	\$2,608
73	Small Commercial G	14,354	6,393	4,201	3,768	4,695	3,914	2,478	222	587	1,009	(694)	(335)	(36)	392	865
74	Large Commercial J	13,404	5,879	3,826	3,255	4,067	3,381	2,159	194	511	879	(605)	(292)	(31)	341	754
75	Large Power-Primary L	12,382	4,678	3,322	2,769	3,668	3,002	1,931	175	468	817	(570)	(279)	(30)	334	744
76	Large Power-Secondary P	27,861	12,389	8,300	7,377	9,123	7,833	4,641	421	1,126	1,964	(1,371)	(672)	(73)	804	1,789
77	Street Lights SL	613	286	203	170	219	173	98	8	17	25	(17)	(9)	(1)	10	22
78	Irrigation IRR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
79	Total	\$105,635	\$47,025	\$31,566	\$27,268	\$34,101	\$29,587	\$18,417	\$1,658	\$4,391	\$7,626	(\$5,294)	(\$2,583)	(\$279)	\$3,062	\$6,783
80																

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 3 - Projected Revenues at Existing Rates

Alternative Scenario 1 - Decoupling

Line		Actual					Projected									
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
81	Total Revenues at Existing Rates including Fuel and ERAC (\$000)															
82	Residential D	\$67,522	\$48,760	\$58,600	\$69,032	\$70,785	\$71,051	\$67,170	\$61,575	\$63,098	\$65,510	\$61,327	\$63,356	\$65,125	\$67,163	\$69,352
83	Small Commercial G	27,099	18,739	22,537	26,469	27,354	25,163	23,919	21,973	22,538	23,079	21,438	21,869	22,256	22,885	23,602
84	Large Commercial J	23,758	15,862	18,709	21,485	22,169	20,269	19,314	17,590	18,062	18,517	17,071	17,431	17,752	18,279	18,883
85	Large Power-Primary L	20,940	11,999	14,896	17,239	18,488	16,820	16,060	14,669	15,277	15,914	14,784	15,336	15,858	16,518	17,226
86	Large Power-Secondary P	48,260	32,716	38,937	46,579	47,798	45,307	40,046	36,749	38,240	39,799	37,106	38,458	39,740	41,356	43,085
87	Street Lights SL	1,458	1,161	1,381	1,574	1,647	1,478	1,303	1,111	1,015	914	881	900	918	939	961
88	Irrigation IRR	415	264	36	34	58	34	35	35	35	35	35	35	35	35	36
89	Total	\$189,451	\$129,500	\$155,095	\$182,411	\$188,299	\$180,122	\$167,846	\$153,702	\$158,264	\$163,767	\$152,642	\$157,385	\$161,683	\$167,175	\$173,144
90																
91	Average Residential Bill Calculation															
92	Avg. Monthly kWh	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
93	Base without Increases	\$97.17	\$97.17	\$146.57	\$185.18	\$185.05	\$184.30	\$184.30	\$184.30	\$184.30	\$184.30	\$184.30	\$184.30	\$184.30	\$184.30	\$184.30
94	Base with Increases	97.17	97.17	146.57	185.18	185.05	184.30	184.52	186.23	189.38	190.81	201.43	200.53	199.54	199.12	199.01
95	ERAC	116.70	54.07	36.33	31.37	39.38	34.93	17.47	1.94	5.07	8.68	(5.96)	(2.87)	(0.31)	3.32	7.25
96	Total Bill	\$213.86	\$151.23	\$182.91	\$216.55	224.42	\$219.23	\$201.98	\$188.17	\$194.46	\$199.50	\$195.47	\$197.66	\$199.24	\$202.44	\$206.26

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 4 - Income Statement (\$000)

Alternative Scenario 1 - Decoupling

Line	Actual					Projected									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 Operating Revenue															
2 Base Rate Revenue at Existing Rates	\$83,816	\$82,475	\$123,529	\$155,143	\$154,198	\$150,535	\$149,430	\$152,044	\$153,873	\$156,140	\$157,936	\$159,968	\$161,962	\$164,113	\$166,362
3 ERAC Revenues at Target Heat Rate	105,635	47,025	31,566	27,268	34,101	29,587	14,673	1,658	4,391	7,626	(5,294)	(2,583)	(279)	3,062	6,782
4 % of Base Sales Revenue															
5 Year															
6 2013 0.0%						0									
7 2014 0.1%							179								
8 2015 1.0%								1,595							
9 2016 2.8%									4,247						
10 2017 3.5%										5,522					
11 2018 9.3%											14,680				
12 2019 8.8%												14,095			
13 2020 8.3%													13,402		
14 2021 8.0%														13,206	
15 2022 8.0%															13,286
16 Rate Revenue from Rate Increases Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$179	\$1,595	\$4,247	\$5,522	\$14,680	\$14,095	\$13,402	\$13,206	\$13,286
17 Other Operating Revenues	174	161	159	168	153	153	162	162	162	162	162	162	162	162	162
18 Total Operating Revenues	\$189,625	\$129,661	\$155,254	\$182,579	\$188,452	\$180,275	\$164,444	\$155,459	\$162,673	\$169,451	\$167,484	\$171,642	\$175,247	\$180,543	\$186,592
19															
20 Operating Expenses															
21 Purchased Power															
22 KRS-1	\$0	\$0	\$0	\$0	\$0	\$0	\$969	\$3,460	\$3,425	\$3,390	\$3,353	\$3,315	\$3,277	\$3,236	\$3,195
23 KRS-2	-	-	-	-	-	-	1,473	2,956	2,968	2,958	2,934	2,940	2,948	2,946	2,948
24 Other	5,961	3,724	4,212	7,650	8,644	10,017	15,396	18,060	18,455	18,761	18,997	19,352	19,768	20,072	20,439
25 Power Production - Fuel	98,148	51,952	68,900	90,533	94,033	87,605	67,385	51,511	54,530	58,311	47,227	50,347	53,028	56,831	60,978
26 Power Production - Non-Fuel - Existing	14,415	12,917	13,701	14,917	15,426	14,751	13,920	13,403	13,840	14,328	13,581	14,004	14,442	14,887	15,355
27 Power Production - Non-Fuel - New	0	0	0	0	0	0	0	0	0	0	1,735	1,774	1,813	1,853	1,895
28 Transmission O&M	947	1,030	1,071	1,046	900	1,066	1,066	1,123	1,194	1,224	1,277	1,342	1,376	1,410	1,445
29 Distribution O&M	3,642	3,645	3,857	4,055	3,672	3,964	4,063	4,165	4,269	4,376	4,485	4,597	4,712	4,830	4,951
30 Consumer Accounts and Sales	3,320	3,196	3,218	3,161	3,348	3,230	3,311	3,393	3,478	3,565	3,654	3,746	3,839	3,935	4,034
31 Regulatory Commission Expenses - HPUC Fees	947	648	775	912	942	901	822	777	813	847	837	858	876	903	933
32 Administrative and General															
33 KRS-1	0	0	0	0	5	5	13	50	50	50	50	50	50	50	50
34 KRS-2	0	0	0	0	0	0	25	50	50	50	50	50	50	50	50
35 Other	11,239	10,620	13,377	13,855	13,012	13,547	13,853	14,137	14,493	14,858	15,232	15,615	16,008	16,411	16,824
36 Depreciation and Amortization	16,450	16,736	14,595	13,372	13,435	14,213	14,731	15,336	15,796	16,267	18,423	18,663	18,901	19,216	19,560
37 Franchise & PSC Taxes	15,923	10,861	13,003	15,289	15,783	15,181	13,848	13,092	13,699	14,270	14,104	14,454	14,758	15,204	15,713
38 Other Taxes	104	77	45	(0)	0	0	0	0	0	0	0	0	0	0	0
39 Interest Expense on Long-Term Debt															
40 Existing Debt	9,941	9,502	9,061	8,669	8,335	7,605	7,194	6,765	6,325	5,849	5,360	4,856	4,328	3,778	3,198
41 KRS-1	0	0	0	0	0	0	284	1,091	1,061	1,030	998	965	931	896	860
42 Other New Debt	0	0	0	0	0	165	527	1,042	3,136	4,374	6,614	6,577	6,618	6,813	7,156
43 Other Interest Expense															
44 KRS-1	0	0	0	7	194	264	870	0	0	0	0	0	0	0	0
45 Other	65	82	164	124	354	349	390	101	102	104	106	107	109	110	112
46 Capitalized Interest	0	0	0	0	0	0	0	0	(1,478)	(2,230)	0	0	0	0	0
47 Contributions and Other Deductions	97	77	121	86	103	69	69	69	69	69	69	69	69	69	69
48 Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
49 Total Operating Expenses	\$181,198	\$125,069	\$146,101	\$173,675	\$178,185	\$172,932	\$160,209	\$150,581	\$156,277	\$162,450	\$159,087	\$163,684	\$167,901	\$173,502	\$179,766
50															

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 4 - Income Statement (\$000)

Alternative Scenario 1 - Decoupling

Line	Actual					Projected									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
51 Patronage Capital and Operating Margins	\$8,427	\$4,593	\$9,153	\$8,904	\$10,267	\$7,343	\$4,234	\$4,878	\$6,396	\$7,001	\$8,397	\$7,959	\$7,347	\$7,041	\$6,826
52 Income (Loss) from KRS 1	0	0	0	(32)	(198)	(5)	161	273	265	257	249	241	233	224	215
53 Income (Loss) from KRS 2	0	0	0	0	0	0	1	2	2	2	2	2	217	231	248
54 Capital Credits & Patronage Dividends	59	40	40	30	34	40	40	40	40	40	40	40	40	40	40
55 A&G Income - KRS1	0	0	0	0	5	5	13	50	50	50	50	50	50	50	50
56 A&G Income - KRS2	0	0	0	0	0	0	25	50	50	50	50	50	50	50	50
57 Interest Income - KRS1	0	0	0	7	194	264	1,154	1,091	1,061	1,030	998	965	931	896	860
58 Interest Income - Other	909	786	20	36	39	21	6	4	4	3	2	1	0	0	0
59 Interest Income COC	0	0	618	517	546	574	603	565	383	402	423	444	467	491	516
60 Other Revenue and Expense	159	156	125	195	205	167	167	167	167	167	167	167	167	167	167
61 Total Margins	\$9,554	\$5,574	\$9,956	\$9,657	\$11,091	\$8,409	\$6,404	\$7,118	\$8,417	\$9,002	\$10,377	\$9,919	\$9,501	\$9,190	\$8,972
62															
63 <u>RUS</u>															
64 Total TIER	1.96	1.59	2.10	2.11	2.33	2.08	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80
65															
66 <u>Regulatory</u>															
67 Total TIER	2.19	1.83	2.35	2.38	2.61	2.37	2.08	2.05	2.02	2.00	1.97	1.98	1.99	2.00	2.00
68															
69 <u>KRS1</u>															
70															
71 Revenue from KIUC				\$0	\$0	\$0	\$969	\$3,460	\$3,425	\$3,390	\$3,353	\$3,315	\$3,277	\$3,236	\$3,195
72 Expenses (Revenues)															
73 O&M				\$25	\$0	\$0	\$52	\$210	\$213	\$216	\$219	\$223	\$226	\$229	\$233
74 Insurance							9	37	37	37	37	37	37	37	37
75 Land Lease				0	0	0	25	101	101	101	101	101	101	101	101
76 Depreciation				0	0	0	408	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633
77 HBA				0	0	0	12	47	47	47	47	47	47	47	47
78 Amortized HBA				0	0	0	1	6	6	6	6	6	6	6	6
79 Real Property Tax				0	0	0	3	12	12	12	12	12	12	12	12
80 Other Expenses (KIUC MSA)				0	5	5	13	50	50	50	50	50	50	50	50
81 Long-Term Interest Expense				0	0	0	284	1,091	1,061	1,030	998	965	931	896	860
82 Other Interest Expense				7	194	264	870	0	0	0	0	0	0	0	0
83 IDC				0	0	(264)	(870)	0	0	0	0	0	0	0	0
84 Interest Income					0	0	0	0	0	0	0	0	0	0	0
85 Net Margin				(\$32)	(\$198)	(\$5)	\$161	\$273	\$265	\$257	\$249	\$241	\$233	\$224	\$215
86															
87 KRS1 DSC and TIER Calculation															
88 Net Margin				(\$32)	(\$198)	(\$5)	\$161	\$273	\$265	\$257	\$249	\$241	\$233	\$224	\$215
89 Interest				0	0	0	284	1,091	1,061	1,030	998	965	931	896	860
90 Depreciation				0	0	0	408	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633
91 Total				(\$32)	(\$198)	(\$5)	\$854	\$2,997	\$2,959	\$2,921	\$2,881	\$2,840	\$2,797	\$2,754	\$2,709
92															
93 LT Interest Payments				\$0	\$0	\$0	\$284	\$1,091	\$1,061	\$1,030	\$998	\$965	\$931	\$896	\$860
94 LT Principal Payments				0	0	0	232	972	1,002	1,033	1,065	1,098	1,132	1,167	1,203
95 Total					\$0	\$0	\$516	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063
96															
97 DSC				na	na	na	1.66	1.45	1.43	1.42	1.40	1.38	1.36	1.33	1.31
98 TIER				na	na	na	1.57	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
99															
100 Gross KRS1 Energy Payments by KIUC (cents/kWh)				na	na	na	na	14.62	14.43	14.33	14.17	14.01	13.80	13.68	13.50
101 KRS1 Cash Payments to KIUC (cents/kWh)				na	na	na	na	(3.97)	(3.80)	(3.65)	(3.48)	(3.31)	(2.96)	(2.79)	(2.60)
102 Net KRS1 Energy Payments by KIUC (cents/kWh)				na	na	na	na	10.65	10.63	10.68	10.69	10.70	10.84	10.89	10.90
103															

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 4 - Income Statement (\$000)

Alternative Scenario 1 - Decoupling

Line	Actual					Projected									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
104 KRS2															
105 Revenue from KIUC					\$0	\$0	\$1,473	\$2,956	\$2,968	\$2,958	\$2,934	\$2,940	\$2,948	\$2,946	\$2,948
106 Expenses (Revenues)					\$0	\$0	\$99	\$201	\$204	\$207	\$210	\$213	\$216	\$219	\$223
107 O&M					\$0	\$0	\$16	\$31	\$31	\$31	\$31	\$31	\$31	\$31	\$31
108 Insurance					0	0	25	51	53	54	56	58	59	61	63
109 Land Lease					0	0	1	2	2	2	2	2	2	3	3
110 4.167% GET On Land Lease					0	0	826	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653
111 Depreciation					0	0	0	0	0	0	0	0	0	0	0
112 HBA					0	0	0	0	0	0	0	0	0	0	0
113 Amortized HBA					0	0	0	0	0	0	0	0	0	0	0
114 Real Property Tax					0	0	0	1	1	1	1	1	1	1	1
115 Other Expenses (KIUC MSA)					0	0	25	50	50	50	50	50	50	50	50
116 Long-Term Interest					0	0	402	803	788	772	755	737	718	698	676
117 Other Interest Expense					0	41	429	0	0	0	0	0	0	0	0
118 IDC					0	(41)	(429)	0	0	0	0	0	0	0	0
119 Interest Income					0	0	0	0	0	0	0	0	0	0	0
120 Net Margin					\$0	\$0	\$79	\$164	\$186	\$188	\$176	\$195	\$217	\$231	\$248
121															
122 KRS2 DSC and TIER Calculation															
123 Net Margin					\$0	\$0	\$79	\$164	\$186	\$188	\$176	\$195	\$217	\$231	\$248
124 Interest					0	0	402	803	788	772	755	737	718	698	676
125 Depreciation					0	0	826	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653
126 Total					\$0	\$0	\$1,307	\$2,620	\$2,627	\$2,612	\$2,584	\$2,585	\$2,588	\$2,581	\$2,577
127															
128 Interest Payments					\$0	\$0	\$402	\$803	\$788	\$772	\$755	\$737	\$718	\$698	\$676
129 Principal Payments					0	0	0	268	283	299	316	335	354	374	395
130 Total					\$0	\$0	\$402	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071
131															
132 DSC					na	na	3.25	2.45	2.45	2.44	2.41	2.41	2.41	2.41	2.41
133 TIER					na	na	1.20	1.20	1.24	1.24	1.23	1.27	1.30	1.33	1.37
134															
135 Gross KRS2 Energy Payments by KIUC (cents/kWh)					na	na	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50
136 KRS2 Cash Payments to KIUC (cents/kWh)					na	na	(0.02)	(0.04)	(0.07)	(0.07)	(0.06)	(0.06)	(6.43)	(6.41)	(6.39)
137 Net KRS2 Energy Payments by KIUC (cents/kWh)					na	na	12.48	12.46	12.43	12.43	12.44	12.44	6.07	6.09	6.11

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 5 - Pro-Forma Balance Sheet as of December 31st (\$000)

Alternative Scenario 1 - Decoupling		Actual					Projected									
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Line																
1	ASSETS AND OTHER DEBITS															
2	Total Utility Plant	\$438,705	\$453,415	\$462,666	\$478,307	\$494,066	\$504,284	\$527,275	\$539,943	\$598,476	\$656,033	\$665,414	\$672,426	\$682,987	\$693,225	\$708,379
3	Accumulated Provision for Depr and Amort	(198,672)	(211,674)	(221,234)	(230,027)	(238,616)	(248,303)	(258,247)	(268,555)	(279,108)	(290,022)	(301,898)	(313,909)	(326,080)	(338,473)	(351,144)
4	Net Utility Plant in Service	\$240,033	\$241,741	\$241,431	\$248,279	\$255,450	\$255,981	\$269,028	\$271,388	\$319,369	\$366,011	\$363,516	\$358,517	\$356,906	\$354,752	\$357,236
5																
6	Other Property and Investments															
7	Non-Utility Property	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	Investment in KRS1	0	0	0	5,593	8,052	9,847	41,114	40,414	39,677	38,901	38,085	37,228	36,329	35,387	34,399
9	Investment in KRS2	0	0	0	0	0	0	270	262	249	235	222	209	(930)	(2,208)	(3,466)
10	Other Investments	1,000	1,261	1,247	1,193	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501
11	Total Other Property and Investments	\$1,000	\$1,261	\$1,247	\$6,787	\$9,554	\$11,349	\$42,885	\$42,178	\$41,427	\$40,637	\$39,808	\$38,938	\$36,901	\$34,680	\$32,434
12																
13	Current Assets															
14	Cash															
15	KRS1	\$0	\$0	\$0	\$0	\$0	\$0	(\$695)	\$244	\$1,147	\$2,010	\$2,834	\$3,617	\$4,320	\$4,979	\$5,594
16	KRS2	0	0	0	0	0	0	(269)	(260)	(244)	(229)	(214)	(199)	1,156	2,666	4,172
17	Other	26,001	2,919	6,096	3,437	3,762	7,765	4,604	2,925	3,098	2,219	1,380	582	0	0	0
18	Accounts Receivable	9,576	10,849	9,695	12,164	13,868	13,868	13,868	13,868	13,868	13,868	13,868	13,868	13,868	13,868	13,868
19	Inventory	13,157	13,320	14,217	14,033	14,788	15,094	15,782	16,162	17,914	19,636	19,917	20,127	20,443	20,750	21,203
20	Prepays	1,110	1,196	955	987	1,221	1,221	1,221	1,221	1,221	1,221	1,221	1,221	1,221	1,221	1,221
21	Other Current Assets	7,302	7,275	8,167	8,059	9,394	9,394	9,394	9,394	9,394	9,394	9,394	9,394	9,394	9,394	9,394
22	Total Current Assets	57,145	35,559	39,131	38,679	43,033	47,342	43,905	43,553	46,396	48,119	48,400	48,610	50,402	52,878	55,452
23	Regulatory Assets	4,338	5,559	5,914	5,357	6,966	6,674	6,381	6,089	5,797	5,505	5,212	4,920	4,628	4,335	4,116
24	Deferred Debits	82	331	421	89	121	121	121	121	121	121	121	121	121	121	121
25	Total Assets and Other Debits	\$302,598	\$284,451	\$288,144	\$299,191	\$315,124	\$321,467	\$362,321	\$363,329	\$413,110	\$460,393	\$457,058	\$451,107	\$448,959	\$446,766	\$449,360
26																
27	EQUITIES AND LIABILITIES															
28	Margins and Equities															
29	Memberships	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30	Patronage Capital															
31	KRS1	0	0	0	(32)	(230)	(234)	5,177	5,450	5,715	5,972	6,222	6,463	6,696	6,920	7,135
32	KRS2	0	0	0	0	0	0	1	2	4	6	8	10	227	458	706
33	Other	48,144	51,316	59,756	68,415	78,601	84,134	89,612	96,331	104,356	112,974	122,975	132,525	141,452	150,062	158,445
34	Other Margins and Equities	0	952	1,162	963	174	252	330	408	486	564	642	720	798	876	954
35	Unrealized Gain(Loss) on Investments	(306)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
36	Total Margins and Equities	\$47,838	\$52,268	\$60,919	\$69,347	\$78,546	\$84,153	\$95,121	\$102,192	\$110,562	\$119,517	\$129,847	\$139,719	\$149,173	\$158,316	\$167,241
37	Non-Current Liabilities															
38	Long-Term Debt															
39	KRS1	\$0	\$0	\$0	\$0	\$0	\$0	\$34,382	\$33,380	\$32,347	\$31,282	\$30,184	\$29,052	\$27,885	\$26,682	\$25,442
40	Other	216,855	207,935	198,675	189,015	188,916	187,583	185,689	187,300	186,288	180,670	252,270	236,538	225,098	213,919	208,003
41	Cushion of Credit	(9,404)	(15,115)	(10,155)	(10,724)	(11,270)	(11,845)	(12,448)	(7,513)	(7,896)	(8,298)	(8,720)	(9,165)	(9,632)	(10,122)	(10,638)
42	Post-Retirement Benefit Obligation	3,858	2,384	1,981	1,881	2,382	2,382	2,382	2,382	2,382	2,382	2,382	2,382	2,382	2,382	2,382
43	Total Non-Current Liabilities	\$211,308	\$195,204	\$190,501	\$180,172	\$180,028	\$178,121	\$210,006	\$215,550	\$213,121	\$206,037	\$276,116	\$258,808	\$245,734	\$232,861	\$225,190
44	Current Liabilities															
45	Current Portion of Long-Term Liab															
46	KRS1	\$0	\$0	\$0	\$0	\$0	\$0	\$972	\$1,002	\$1,033	\$1,065	\$1,098	\$1,132	\$1,167	\$1,203	\$1,240
47	Other	8,487	8,876	9,261	9,661	10,395	11,239	11,894	12,565	13,242	14,779	15,386	16,055	16,789	17,631	18,318
48	Accounts Payable	5,665	7,439	7,338	7,981	6,251	6,251	6,251	6,251	6,251	6,251	6,251	6,251	6,251	6,251	6,251
49	Notes Payable to KRS1	0	0	0	0	0	0	(695)	244	1,147	2,010	2,834	3,617	4,320	4,979	5,594
50	Notes Payable - KRS 1	0	0	0	5,000	7,500	9,500	0	0	0	0	0	0	0	0	0
51	Notes Payable - Other	0	2,000	0	3,700	6,678	6,678	13,247	0	42,228	85,208	0	0	0	0	0
52	Consumer Deposits	884	1,138	1,049	1,248	1,273	1,273	1,273	1,273	1,273	1,273	1,273	1,273	1,273	1,273	1,273
53	Interest Accrued Debt KRS1	0	0	0	7	200	0	0	0	0	0	0	0	0	0	0
54	Other Liabilities	15,351	7,146	9,448	12,432	12,471	12,471	12,471	12,471	12,471	12,471	12,471	12,471	12,471	12,471	12,471
55	Total Current Liabilities	\$30,388	\$26,598	\$27,096	\$40,028	\$44,768	\$47,412	\$45,413	\$33,806	\$77,645	\$123,058	\$39,313	\$40,798	\$42,270	\$43,808	\$45,147

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 5 - Pro-Forma Balance Sheet as of December 31st (\$000)

Alternative Scenario 1 - Decoupling																
Line	Actual					Projected										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
56	Regulatory Liabilities	4,019	3,726	3,434	3,142	2,849	2,849	2,849	2,849	2,849	2,849	2,849	2,849	2,849	2,849	
57	Deferred Credits	9,045	6,654	6,194	6,502	8,932	8,932	8,932	8,932	8,932	8,932	8,932	8,932	8,932	8,932	
58	Total Liabilities	\$254,760	\$232,182	\$227,225	\$229,844	\$236,578	\$237,314	\$267,200	\$261,138	\$302,547	\$340,876	\$327,210	\$311,387	\$299,785	\$288,450	\$282,118
59																
60	Total Equities and Liabilities	\$302,598	\$284,451	\$288,144	\$299,191	\$315,124	\$321,467	\$362,320	\$363,329	\$413,109	\$460,392	\$457,057	\$451,106	\$448,959	\$446,766	\$449,359
61																
62																
63	FINANCIAL RATIOS															
64	Equity to Total Assets	15.81%	18.38%	21.14%	23.18%	24.93%	26.18%	26.25%	28.13%	26.76%	25.96%	28.41%	30.97%	33.23%	35.44%	37.22%
65	Working Capital (Days of Operating Expenses)	55	9	16	8	8	17	9	7	10	10	10	10	13	17	21
66																
67																
68	KRS1															
69	<u>Utility Plant</u>															
70	Electric Plant in Service				\$0	\$0	\$0	\$40,837	\$40,837	\$40,837	\$40,837	\$40,837	\$40,837	\$40,837	\$40,837	\$40,837
71	Accumulated Depreciation and Amortization				0	0	0	(408)	(2,042)	(3,675)	(5,309)	(6,942)	(8,576)	(10,209)	(11,843)	(13,476)
72	Net Electric Plant in Service				\$0	\$0	\$0	\$40,428	\$38,795	\$37,161	\$35,528	\$33,894	\$32,261	\$30,627	\$28,994	\$27,360
73	Construction Work in Progress				4,954	7,806	9,500	0	0	0	0	0	0	0	0	0
74	Net Electric Utility Plant				\$4,954	\$7,806	\$9,500	\$40,428	\$38,795	\$37,161	\$35,528	\$33,894	\$32,261	\$30,627	\$28,994	\$27,360
75																
76	<u>Current Assets</u>															
77	Cash				\$640	\$249	\$197	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10
78	Accounts/Notes Receivable				0	0	0	(695)	244	1,147	2,010	2,834	3,617	4,320	4,979	5,594
79	Prepaid Lease						150	148	142	136	130	124	118	112	106	100
80	Inventories						0	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222
81	Total Current Assets				\$640	\$249	\$347	\$685	\$1,619	\$2,515	\$3,373	\$4,191	\$4,968	\$5,665	\$6,318	\$6,927
82																
83	Deferred Tax Benefit				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$37	\$74	\$111
84																
85	<u>Total Assets</u>				\$5,593	\$8,055	\$9,847	\$41,114	\$40,414	\$39,677	\$38,901	\$38,085	\$37,228	\$36,329	\$35,387	\$34,399
86																
87																
88	<u>Equity and Margins</u>				(\$32)	(\$230)	(\$234)	\$5,177	\$5,450	\$5,715	\$5,972	\$6,222	\$6,463	\$6,696	\$6,920	\$7,135
89																
90	<u>Advances from KIUC</u>															
91	Cash				\$618	\$582	\$582	\$582	\$582	\$582	\$582	\$582	\$582	\$582	\$582	\$582
92	Loans				5,000	7,500	9,500	35,355	34,382	33,380	32,347	31,282	30,184	29,052	27,885	26,682
93	Total Advances				\$5,618	\$8,082	\$10,082	\$35,936	\$34,964	\$33,962	\$32,928	\$31,863	\$30,765	\$29,633	\$28,467	\$27,264
94																
95	<u>Accounts Payable - KRS1</u>				\$0	\$3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96																
97	<u>Interest Accrued - KRS1</u>				\$7	\$200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
98																
99	<u>Deferred Taxes</u>				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
100																
101	<u>Total Liabilities, Equities, and Margins</u>				\$5,593	\$8,055	\$9,847	\$41,114	\$40,414	\$39,677	\$38,901	\$38,085	\$37,228	\$36,329	\$35,387	\$34,399
102																
103																

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 5 - Pro-Forma Balance Sheet as of December 31st (\$000)

Alternative Scenario 1 - Decoupling																
Line		Actual					Projected									
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
104	KRS2															
105	<u>Utility Plant</u>															
106	Electric Plant in Service					\$0	\$0	\$41,314	\$41,314	\$41,314	\$41,314	\$41,314	\$41,314	\$41,314	\$41,314	\$41,314
107	Accumulated Depreciation and Amortization					0	0	(826)	(2,479)	(4,131)	(5,784)	(7,437)	(9,089)	(10,742)	(12,394)	(14,047)
108	Net Electric Plant in Service					\$0	\$0	\$40,488	\$38,835	\$37,183	\$35,530	\$33,877	\$32,225	\$30,572	\$28,920	\$27,267
109	Construction Work in Progress					0	6,000	0	0	0	0	0	0	0	0	0
110	Net Electric Utility Plant					\$0	\$6,000	\$40,488	\$38,835	\$37,183	\$35,530	\$33,877	\$32,225	\$30,572	\$28,920	\$27,267
111																
112	<u>Current Assets</u>															
113	Cash					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
114	Accounts/Notes Receivable					0	0	0	0	0	0	0	0	0	0	0
115	Prepaid Lease					0	0	0	0	0	0	0	0	0	0	0
116	Inventories							618	1,237	1,237	1,237	1,237	1,237	1,237	1,237	1,237
117	Total Current Assets					\$0	\$0	\$618	\$1,237	\$1,237	\$1,237	\$1,237	\$1,237	\$1,237	\$1,237	\$1,237
118																
119	<u>Deferred Tax Benefit</u>					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
120																
121	<u>Total Assets</u>					\$0	\$6,000	\$41,106	\$40,072	\$38,419	\$36,767	\$35,114	\$33,462	\$31,809	\$30,156	\$28,504
122																
123	<u>Equity and Margins</u>															
124	KIUC Equity					\$0	\$0	\$270	\$262	\$249	\$235	\$222	\$209	\$19,568	\$18,289	\$17,031
125	Equity Investor Equity					0	0	26,740	25,981	24,625	23,286	21,963	20,658	0	0	0
126	Total Equity					\$0	\$0	\$27,010	\$26,243	\$24,874	\$23,521	\$22,185	\$20,867	\$19,568	\$18,289	\$17,031
127																
128	<u>Long-Term Debt</u>					\$0	\$6,000	\$14,096	\$13,828	\$13,545	\$13,246	\$12,929	\$12,595	\$12,241	\$11,867	\$11,472
129																
130	<u>Other Current and Accrued Liabilities</u>					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
131																
132	<u>Deferred Taxes</u>					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
133																
134	<u>Total Liabilities, Equities, and Margins</u>					\$0	\$6,000	\$41,106	\$40,072	\$38,419	\$36,767	\$35,114	\$33,462	\$31,809	\$30,156	\$28,504
135																
136	<u>Equity Detail</u>															
137																
138	<u>Total Equity</u>															
139	Beginning Equity					\$0	\$0	\$0	\$27,010	\$26,243	\$24,874	\$23,521	\$22,185	\$20,867	\$19,568	\$18,289
140	Retained Earnings					0	0	79	164	186	188	176	195	217	231	248
141	Equity Investment					0	0	27,218	0	0	0	0	0	0	0	0
142	Distributions					0	0	(287)	(930)	(1,555)	(1,541)	(1,512)	(1,514)	(1,516)	(1,510)	(1,506)
143	Ending Equity					\$0	\$0	\$27,010	\$26,243	\$24,874	\$23,521	\$22,185	\$20,867	\$19,568	\$18,289	\$17,031
144																
145	<u>KIUC Equity</u>															
146	% Ownership					1%	1%	1%	1%	1%	1%	1%	1%	100%	100%	100%
147	Beginning Equity					0	0	0	270	262	249	235	222	209	19,568	18,289
148	Retained Earnings					0	0	1	2	2	2	2	2	217	231	248
149	Equity Investment					0	0	272	0	0	0	0	0	0	0	0
150	Distributions					0	0	(3)	(9)	(16)	(15)	(15)	(15)	(1,516)	(1,510)	(1,506)
151	Change in Ownership													20,658		
152	Ending Equity					\$0	\$0	\$270	\$262	\$249	\$235	\$222	\$209	\$19,568	\$18,289	\$17,031
153																
154	<u>Equity Investor Equity</u>															
155	% Ownership					99%	99%	99%	99%	99%	99%	99%	99%	0%	0%	0%
156	Beginning Equity					0	0	0	26,740	25,981	24,625	23,286	21,963	20,658	0	0
157	Retained Earnings					0	0	78	163	184	186	174	194	0	0	0
158	Equity Investment					0	0	26,945	0	0	0	0	0	0	0	0
159	Distributions					0	0	(284)	(921)	(1,540)	(1,525)	(1,497)	(1,498)	0	0	0
160	Change in Ownership					0	0	0	0	0	0	0	0	(20,658)	0	0
161	Ending Equity					\$0	\$0	\$26,740	\$25,981	\$24,625	\$23,286	\$21,963	\$20,658	\$0	\$0	\$0

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 5 - Pro-Forma Balance Sheet as of December 31st (\$000)

Alternative Scenario 1 - Decoupling		Actual					Projected									
Line		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
162																
163	<u>KIUC Portion of KRS2</u>															
164																
165	<u>Assets</u>															
166	Beginning Investment in KRS2					\$0	\$0	\$0	\$270	\$262	\$249	\$235	\$222	\$209	(\$930)	(\$2,208)
167	KRS2 Net Income					0	0	1	2	2	2	2	2	217	231	248
168	KRS2 Capital Investment					0	0	272	0	0	0	0	0	161		
169	KRS2 Distributions					0	0	(3)	(9)	(16)	(15)	(15)	(15)	(1,516)	(1,510)	(1,506)
170	Ending Investment in KRS2					\$0	\$0	\$270	\$262	\$249	\$235	\$222	\$209	(\$930)	(\$2,208)	(\$3,466)
171																
172	Beginning Cash					\$0	\$0	\$0	(\$269)	(\$260)	(\$244)	(\$229)	(\$214)	(\$199)	\$1,156	\$2,666
173	KRS2 Capital Investment					0	0	(272)	0	0	0	0	0	(161)	0	0
174	KRS2 Distributions					0	0	3	9	16	15	15	15	1,516	1,510	1,506
175	Ending Cash					\$0	\$0	(\$269)	(\$260)	(\$244)	(\$229)	(\$214)	(\$199)	\$1,156	\$2,666	\$4,172
176																
177	Total Assets					\$0	\$0	\$1	\$2	\$4	\$6	\$8	\$10	\$227	\$458	\$706
178																
179	<u>Equity & Liabilities</u>															
180	Beginning Patronage Capital - KRS2					\$0	\$0	\$0	\$1	\$2	\$4	\$6	\$8	\$10	\$227	\$458
181	KRS2 Net Income					0	0	1	2	2	2	2	2	217	231	248
182	Ending Patronage Capital - KRS2					\$0	\$0	\$1	\$2	\$4	\$6	\$8	\$10	\$227	\$458	\$706
183																
184	Total Equity & Liabilities					\$0	\$0	\$1	\$2	\$4	\$6	\$8	\$10	\$227	\$458	\$706

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 6 - Statement of Operations - Cash Basis (\$000)

Alternative Scenario 1 - Decoupling		Projected									
Line		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1	Total Accrual Margins	\$8,409	\$6,404	\$7,118	\$8,417	\$9,002	\$10,377	\$9,919	\$9,501	\$9,190	\$8,972
2	Add: Depreciation and Amortization	14,677	15,195	15,800	16,260	16,731	18,886	19,127	19,365	19,680	20,024
3	Add: Interest Exp - Existing Long-Term Debt	7,605	7,194	6,765	6,325	5,849	5,360	4,856	4,328	3,778	3,198
4	Add: Interest Exp - KRS1 Long-Term Debt	0	284	1,091	1,061	1,030	998	965	931	896	860
5	Add: Interest Exp - Other New Long-Term Debt	165	527	1,042	3,136	4,374	6,614	6,577	6,618	6,813	7,156
6	Less: Capital Credits, Pat Cap, and KRS1/KRS2 Income (Loss)	(35)	(202)	(314)	(307)	(299)	(291)	(283)	(490)	(495)	(503)
7	Less: COC Interest Income	(574)	(603)	(565)	(383)	(402)	(423)	(444)	(467)	(491)	(516)
8	Less: Capitalized Interest	0	0	0	(1,478)	(2,230)	0	0	0	0	0
9	Cash from Operations	\$30,245	\$28,798	\$30,936	\$33,031	\$34,053	\$41,521	\$40,717	\$39,786	\$39,371	\$39,191
10											
11	Debt Service - Long Term										
12	Existing - Interest	\$7,605	\$7,194	\$6,765	\$6,325	\$5,849	\$5,360	\$4,856	\$4,328	\$3,778	\$3,198
13	Existing - Principal	10,396	10,925	11,353	11,792	12,266	12,752	13,255	13,782	14,330	14,907
14	KRS1 Interest	0	284	1,091	1,061	1,030	998	965	931	896	860
15	KRS1 Principal	0	232	972	1,002	1,033	1,065	1,098	1,132	1,167	1,203
16	Other New - Interest	165	527	1,042	3,136	4,374	6,614	6,577	6,618	6,813	7,156
17	New - Principal	93	314	541	772	976	2,027	2,132	2,273	2,459	2,724
18	Other - Interest	0	0	0	0	0	0	0	0	0	0
19	Total Debt Service	\$18,259	\$19,476	\$21,764	\$24,089	\$25,527	\$28,816	\$28,883	\$29,064	\$29,443	\$30,048
20											
21	Cash Margins After Debt Service	\$11,987	\$9,322	\$9,172	\$8,942	\$8,526	\$12,705	\$11,834	\$10,722	\$9,928	\$9,143
22											
23	Additional Sources of Cash										
24	Proceeds from Long-Term Debt	\$10,000	\$10,000	\$14,176	\$12,229	\$9,162	\$86,986	\$323	\$5,349	\$6,451	\$12,403
25	Proceeds from Short-Term Debt	10,000	13,322	0	42,228	42,980	0	0	0	0	0
26	Proceeds from RUS Cushion of Credit	0	0	5,500	0	0	0	0	0	0	0
27	Free Cash Flow From										
28	KRS1	0	(695)	940	902	864	824	783	703	660	615
29	KRS2	0	(269)	9	16	15	15	15	1,355	1,510	1,506
30	Principal Income from KRS1	0	232	972	1,002	1,033	1,065	1,098	1,132	1,167	1,203
31	CIAC/Grant Funds/Advances	9,191	662	728	800	880	967	1,063	1,168	1,284	1,411
32	Patronage Capital Paid in Cash	40	40	40	40	40	40	40	40	40	40
33											
34	Additional Uses of Cash										
35	Total Additions and Replacements	(23,997)	(28,397)	(18,359)	(63,010)	(61,444)	(16,752)	(14,552)	(18,249)	(18,098)	(23,239)
36	Refund of Customer Advances	(109)	(215)	(236)	(260)	(286)	(315)	(346)	(381)	(419)	(461)
37	Inventory Buildup	(306)	(688)	(379)	(1,752)	(1,723)	(281)	(210)	(316)	(306)	(454)
38	Repayment of Short-Term Debt	(10,000)	(6,753)	(13,247)	0	0	(85,208)	0	0	0	0
39	Regular Capital Credit Retirements	(2,755)	(639)	0	0	0	0	0	0	0	0
40	Early Retirement of Capital Credits	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)
41											
42	Total Additional Sources and Uses of Cash	(\$7,983)	(\$13,448)	(\$9,903)	(\$7,852)	(\$8,526)	(\$12,705)	(\$11,833)	(\$9,246)	(\$7,759)	(\$7,023)

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 6 - Statement of Operations - Cash Basis (\$000)

Alternative Scenario 1 - Decoupling

Line	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
43										
44 Net Change in Cash Including KRS1/KRS2-Related	\$4,003	(\$4,126)	(\$731)	\$1,091	(\$0)	\$0	\$1	\$1,476	\$2,169	\$2,120
45 Less KRS1/KRS2-Related Net Change In Cash	0	965	(949)	(918)	(879)	(839)	(798)	(2,058)	(2,169)	(2,120)
46 Total Net Change in Cash	\$4,003	(\$3,161)	(\$1,680)	\$173	(\$879)	(\$839)	(\$797)	(\$582)	(\$0)	(\$0)
47										
48 TIER Calculation										
49 Long-Term Interest Payment	\$7,770	\$8,005	\$8,897	\$10,522	\$11,252	\$12,972	\$12,398	\$11,877	\$11,487	\$11,215
50 Total TIER	2.08	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80
51										
52 RUS Debt Service Coverage Ratio										
53 Net Margins	\$8,409	\$6,404	\$7,118	\$8,417	\$9,002	\$10,377	\$9,919	\$9,501	\$9,190	\$8,972
54 Interest on Long Term Debt	7,770	8,005	8,897	10,522	11,252	12,972	12,398	11,877	11,487	11,215
55 Depreciation and Amortization Expense	14,213	14,731	15,336	15,796	16,267	18,423	18,663	18,901	19,216	19,560
56 Adjusted Margins	\$ 30,392	\$ 29,140	\$ 31,351	\$ 34,735	\$ 36,522	\$ 41,772	\$ 40,981	\$ 40,279	\$ 39,893	\$ 39,747
57										
58 Debt Service	\$ 18,259	\$ 19,476	\$ 21,764	\$ 24,089	\$ 25,527	\$ 28,816	\$ 28,883	\$ 29,064	\$ 29,443	\$ 30,048
59 RUS DSC Ratio	1.66	1.50	1.44	1.44	1.43	1.45	1.42	1.39	1.35	1.32
60										
61 CFC Debt Service Coverage Ratio										
62 Operating Margins	\$7,343	\$4,234	\$4,878	\$6,396	\$7,001	\$8,397	\$7,959	\$7,347	\$7,041	\$6,826
63 Non-Operating Margins - Interest	860	1,763	1,659	1,447	1,435	1,422	1,410	1,398	1,387	1,376
64 Interest on Long Term Debt	7,770	8,005	8,897	10,522	11,252	12,972	12,398	11,877	11,487	11,215
65 Depreciation and Amortization Expense	14,213	14,731	15,336	15,796	16,267	18,423	18,663	18,901	19,216	19,560
66 Capital Credits Received	0	0	0	0	0	0	0	0	0	0
67 Adjusted Margins	\$ 30,185	\$ 28,734	\$ 30,770	\$ 34,162	\$ 35,956	\$ 41,214	\$ 40,431	\$ 39,523	\$ 39,131	\$ 38,977
68										
69 Debt Service	\$ 18,259	\$ 19,476	\$ 21,764	\$ 24,089	\$ 25,527	\$ 28,816	\$ 28,883	\$ 29,064	\$ 29,443	\$ 30,048
70 CFC DSC Ratio	1.65	1.48	1.41	1.42	1.41	1.43	1.40	1.36	1.33	1.30
71										
72 Patronage Refund Over 2.0 RUS TIER	(\$2,755)	(\$639)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
73										
74 Capital Credits Balance - Excluding KRS1 and KRS2										
75 Balance (Beg Yr)	\$78,601	\$84,134	\$89,612	\$96,331	\$104,356	\$112,974	\$122,975	\$132,525	\$141,452	\$150,062
76 Retirements	(2,755)	(639)	0	0	0	0	0	0	0	0
77 Early Retirements	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)
78 Additions	8,413	6,242	6,844	8,150	8,743	10,126	9,675	9,052	8,735	8,508
79 Balance (End Yr)	\$84,134	\$89,612	\$96,331	\$104,356	\$112,974	\$122,975	\$132,525	\$141,452	\$150,062	\$158,445
80										

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 6 - Statement of Operations - Cash Basis (\$000)

Alternative Scenario 1 - Decoupling

		Projected									
Line		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
81	KRS1										
82	Cash Flows from Operating Activities										
83	Margins	(\$5)	\$161	\$273	\$265	\$257	\$249	\$241	\$233	\$224	\$215
84	Depreciation and Amortization	0	410	1,639	1,639	1,639	1,639	1,639	1,639	1,639	1,639
85	Capitalized Interest	(264)	(870)	0	0	0	0	0	0	0	0
86	Taxes Paid	0	0	0	0	0	0	0	(37)	(37)	(37)
87	Changes in Prepayments	(150)	0	0	0	0	0	0	0	0	0
88	Changes in Accounts Payable	(3)	0	0	0	0	0	0	0	0	0
89	Changes in Accrued Interest	(200)	0	0	0	0	0	0	0	0	0
90	Changes in Inventories	0	(1,222)	0	0	0	0	0	0	0	0
91	Net Cash from Operating Activities	(\$622)	(\$1,521)	\$1,912	\$1,905	\$1,897	\$1,889	\$1,881	\$1,835	\$1,826	\$1,818
92											
93	Cash Flows from Investing Activities										
94	Additions to Utility Plant	(\$1,430)	(\$46,802)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
95											
96	Cash Flows from Financing Activities										
97	Loan Amounts	\$2,000	\$47,672	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
98	Principal Paid on Debt	0	(232)	(972)	(1,002)	(1,033)	(1,065)	(1,098)	(1,132)	(1,167)	(1,203)
99	Grants/Tax Incentives Received	0	21,586	0	0	0	0	0	0	0	0
100	Grants/Tax Incentives Paid On Debt	0	(21,586)	0	0	0	0	0	0	0	0
101	Note Receivable to Parent	0	695	(940)	(902)	(864)	(824)	(783)	(703)	(660)	(615)
102	Net Cash from Financing Activities	\$2,000	\$48,136	(\$1,912)	(\$1,905)	(\$1,897)	(\$1,889)	(\$1,881)	(\$1,835)	(\$1,826)	(\$1,818)
103											
104	Net Change in Cash	(\$52)	(\$187)	(\$0)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
105											
106	RUS Debt Service Coverage Ratio										
107	Net Margins	(\$5)	\$161	\$273	\$265	\$257	\$249	\$241	\$233	\$224	\$215
108	Interest on Long Term Debt	0	284	1,091	1,061	1,030	998	965	931	896	860
109	Depreciation and Amortization Expense	0	408	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633
110	Adjusted Margins	(\$5)	\$854	\$2,997	\$2,959	\$2,921	\$2,881	\$2,840	\$2,797	\$2,754	\$2,709
111											
112	Debt Service	\$0	\$516	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063
113	RUS DSC Ratio	NA	1.66	1.45	1.43	1.42	1.40	1.38	1.36	1.33	1.31
114											
115	CFC Debt Service Coverage Ratio										
116	Operating Margins	(\$5)	\$161	\$273	\$265	\$257	\$249	\$241	\$233	\$224	\$215
117	on-Operating Margins - Interest	0	0	0	0	0	0	0	0	0	0
118	Interest on Long Term Debt	0	284	1,091	1,061	1,030	998	965	931	896	860
119	Depreciation and Amortization Expense	0	408	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633
120	Capital Credits Received	0	0	0	0	0	0	0	0	0	1
121	Adjusted Margins	(\$5)	\$854	\$2,997	\$2,959	\$2,921	\$2,881	\$2,840	\$2,797	\$2,754	\$2,710
122											
123	Debt Service	\$0	\$516	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063
124	CFC DSC Ratio	NA	1.66	1.45	1.43	1.42	1.40	1.38	1.36	1.33	1.31
125											

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 6 - Statement of Operations - Cash Basis (\$000)

Alternative Scenario 1 - Decoupling

Line	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
126 KRS2										
127 Cash Flows from Operating Activities										
128 Margins	\$0	\$79	\$164	\$186	\$188	\$176	\$195	\$217	\$231	\$248
129 Depreciation and Amortization	0	826	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653
130 Capitalized Interest	(41)	(429)	0	0	0	0	0	0	0	0
131 Taxes Paid	0	0	0	0	0	0	0	0	0	0
132 Changes in Accrued Interest	0	0	0	0	0	0	0	0	0	0
133 Changes in Prepayments	0	0	0	0	0	0	0	0	0	0
134 Changes in Inventories	0	(618)	(618)	0	0	0	0	0	0	0
135 Net Cash from Operating Activities	(\$41)	(\$142)	\$1,198	\$1,839	\$1,840	\$1,829	\$1,848	\$1,870	\$1,883	\$1,901
136										
137 Cash Flows from Investing Activities										
138 Additions to Utility Plant	(\$5,959)	(\$34,885)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
139										
140 Cash Flows from Financing Activities										
141 Loan Amounts	\$6,000	\$35,314	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
142 Principal Paid on Debt	0	0	(268)	(283)	(299)	(316)	(335)	(354)	(374)	(395)
143 State Tax Refund	0	4,987	0	0	0	0	0	0	0	0
144 Distributions	0	(5,274)	(930)	(1,555)	(1,541)	(1,512)	(1,514)	(1,516)	(1,510)	(1,506)
145 Net Cash from Financing Activities	\$6,000	\$35,027	(\$1,198)	(\$1,839)	(\$1,840)	(\$1,829)	(\$1,848)	(\$1,870)	(\$1,883)	(\$1,901)
146										
147 Net Change in Cash	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
148										
149 RUS Debt Service Coverage Ratio										
150 Net Margins	na	\$ 79	\$ 164	\$ 186	\$ 188	\$ 176	\$ 195	\$ 217	\$ 231	\$ 248
151 Interest on Long Term Debt	0	402	803	788	772	755	737	718	698	676
152 Depreciation and Amortization Expense	0	826	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653
153 Adjusted Margins	\$0	\$1,307	\$2,620	\$2,627	\$2,612	\$2,584	\$2,585	\$2,588	\$2,581	\$2,577
154										
155 Debt Service	\$0	\$536	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071
156 RUS DSC Ratio	NA	2.44	2.45	2.45	2.44	2.41	2.41	2.41	2.41	2.41
157										
158 CFC Debt Service Coverage Ratio										
159 Operating Margins	na	\$79	\$164	\$186	\$188	\$176	\$195	\$217	\$231	\$248
160 on-Operating Margins - Interest	na	0	0	0	0	0	0	0	0	0
161 Interest on Long Term Debt	0	402	803	788	772	755	737	718	698	676
162 Depreciation and Amortization Expense	0	826	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653
163 Capital Credits Received	0	0	0	0	0	0	0	0	0	1
164 Adjusted Margins	\$0	\$1,307	\$2,620	\$2,627	\$2,612	\$2,584	\$2,585	\$2,588	\$2,581	\$2,578
165										
166 Debt Service	\$0	\$536	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071
167 CFC DSC Ratio	NA	2.44	2.45	2.45	2.44	2.41	2.41	2.41	2.41	2.41

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 7 - General Funds Summary (\$000)

Alternative Scenario 1 - Decoupling

Line	Projected									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 KIUC NET GENERAL FUNDS - BEGINNING OF YEAR	\$3,762	\$7,765	\$3,640	\$2,909	\$4,000	\$4,000	\$4,000	\$4,000	\$5,476	\$7,646
2										
3 SOURCES OF GENERAL FUNDS										
4 Cash Margins after Debt Service	\$11,987	\$9,322	\$9,172	\$8,942	\$8,526	\$12,705	\$11,834	\$10,722	\$9,928	\$9,143
5 Long Term Debt Loan Proceeds	10,000	10,000	14,176	12,229	9,162	86,986	323	5,349	6,451	12,403
6 Patronage Capital Paid in Cash	40	40	40	40	40	40	40	40	40	40
7 Principal Income from KRS1	0	232	972	1,002	1,033	1,065	1,098	1,132	1,167	1,203
8 Proceeds from Short-Term Debt	10,000	13,322	0	42,228	42,980	0	0	0	0	0
9 Cushion of Credit	0	0	5,500	0	0	0	0	0	0	0
10 Change in KRS1-Related Cash	0	(695)	940	902	864	824	783	703	660	615
11 Change in KRS2-Related Cash	0	(269)	9	16	15	15	15	1,355	1,510	1,506
12 Total Sources of General Funds	\$32,027	\$31,951	\$30,810	\$65,360	\$62,620	\$101,635	\$14,093	\$19,301	\$19,755	\$24,909
13										
14 USES OF GENERAL FUNDS										
15 Regular Capital Credit Retirements	(\$2,755)	(\$639)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16 Early Retirement of Capital Credits	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)
17 Net Additions and Replacements	(14,806)	(27,735)	(17,631)	(62,210)	(60,565)	(15,785)	(13,489)	(17,081)	(16,814)	(21,828)
18 Refund of Customer Advances	(109)	(215)	(236)	(260)	(286)	(315)	(346)	(381)	(419)	(461)
19 Inventory Buildup	(306)	(688)	(379)	(1,752)	(1,723)	(281)	(210)	(316)	(306)	(454)
20 Repayment of Short-Term Debt	(10,000)	(6,753)	(13,247)	0	0	(85,208)	0	0	0	0
21 Total Uses of General Funds	(\$28,023)	(\$36,077)	(\$31,540)	(\$64,269)	(\$62,621)	(\$101,635)	(\$14,092)	(\$17,825)	(\$17,586)	(\$22,789)
22										
23 KIUC NET GENERAL FUNDS - END OF YEAR	\$7,765	\$3,640	\$2,909	\$4,000	\$4,000	\$4,000	\$4,000	\$5,476	\$7,646	\$9,766

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 8 - Plant Investment and Depreciation Expense (\$000)

Alternative Scenario 1 - Decoupling

Line	Projected									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 UTILITY PLANT										
2 Plant-in-Service - BOY	\$420,312	\$443,717	\$465,254	\$484,541	\$494,386	\$601,180	\$610,561	\$617,574	\$625,934	\$638,372
3 Acquisition Adjustment - BOY	54,852	54,852	54,852	54,852	54,852	54,852	54,852	54,852	54,852	54,852
4 CWIP - BOY	18,902	5,715	7,169	550	49,238	0	0	0	2,200	0
5 Total Utility Plant - BOY	\$494,066	\$504,284	\$527,275	\$539,943	\$598,476	\$656,032	\$665,413	\$672,426	\$682,986	\$693,224
6										
7										
8 ADDITIONS AND REPLACEMENTS										
9 Generation										
10 Hydropower	\$0	\$0	\$0	\$40,750	\$40,750	\$0	\$0	\$0	\$0	\$0
11 Hydropower Capitalized Interest	0	0	0	1,478	2,230	0	0	0	0	0
12 SWD CO Catalysts Install	150	0	0	0	0	0	0	0	0	0
13 EMD CO Catalysts Install	300	0	0	0	0	0	0	0	0	0
14 HRSG MCC Replacement	100	0	0	0	0	0	0	0	0	0
15 Waiahi Upper Powerhouse Expansion	0	3,489	0	0	0	0	0	0	0	0
16 Waiahi Lower Powerhouse Upgrade	0	0	0	0	0	0	0	0	0	0
17 LFG	0	0	0	0	0	0	0	0	0	0
18 Titan or Alternative	0	0	0	0	0	0	0	0	0	0
19 Other Non-Recurring Projects	5,130	1,928	0	0	0	5,050	2,000	2,000	2,000	2,000
20 Other Recurring Projects	925	950	850	850	850	850	950	1,600	1,600	850
21 Transmission and Distribution										
22 North Shore Transmission Line Capital Expenditures	0	0	0	7,010	9,000	0	0	0	0	0
23 Anahola Service Center	200	4,692	0	0	0	0	0	0	0	0
24 Princeville Substation Upgrade	152	0	0	0	0	0	0	0	0	0
25 Replacement GIS Mapping System	250	50	0	0	0	0	0	0	0	0
26 Kipu 12 kV Reroute	100	300	0	0	0	0	0	0	0	0
27 Wailua Corridor Undergrounding	1,666	834	0	0	0	0	0	0	0	0
28 RUS Standards Compliance	50	75	0	0	0	0	0	0	0	0
29 Hanalei Tap Reconfiguration	0	50	500	1,000	0	0	0	0	0	0
30 New T&D Warehouse and Field Offices	0	0	1,500	0	0	0	0	0	0	0
31 HCP - C2 Waiakea Canal Crossing	245	147	0	0	0	0	0	0	0	0
32 Kapaia to Hanahanapuni	0	0	0	0	0	0	0	0	0	0
33 Convert Hanahanapuni Tap to Switching Station	0	0	0	0	0	0	0	0	0	0
34 Kilohana Switching Station	0	0	0	0	0	0	0	0	0	0
35 Lihue Station - Upgraded Transformers (3 @ \$850)	0	0	0	0	0	0	0	2,200	1,122	0
36 Other Non-Recurring Projects										
37 Transmission	2,401	1,945	4,398	1,581	1,040	0	0	0	0	6,000
38 Distribution	0	0	0	0	0	0	0	0	0	0

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 8 - Plant Investment and Depreciation Expense (\$000)

Alternative Scenario 1 - Decoupling

Line		Projected									
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
39	Other Recurring Projects										
40	Transmission	840	710	620	3,231	542	479	468	482	498	514
41	Distribution	5,934	6,492	7,375	6,076	7,184	7,759	8,389	9,080	9,837	10,667
42	Other	40	44	48	53	59	64	71	78	86	94
43	Other Projects										
44	Non-Recurring Projects	535	1,305	555	1,055	500	1,000	1,100	1,210	1,331	1,464
45	Recurring Projects	1,730	1,467	1,401	1,405	1,520	1,549	1,574	1,599	1,625	1,651
46	Carryover Projects										
47	AEPO Substation (Kumanu)	530	3,920	1,112	0	0	0	0	0	0	0
48	SPCC Substation Compliance	220	0	0	0	0	0	0	0	0	0
49	AMI/Advanced Metering Infrastructure	2,500	0	0	0	0	0	0	0	0	0
50	Battery Energy Storage	0	0	0	0	0	0	0	0	0	0
51	Other Carryover Projects	0	0	0	0	0	0	0	0	0	0
52	Total Additions and Replacements	\$23,997	\$28,397	\$18,359	\$64,488	\$63,675	\$16,752	\$14,552	\$18,249	\$18,098	\$23,239
53	Less Customer Advances	(2,880)	(651)	(716)	(788)	(867)	(953)	(1,049)	(1,153)	(1,269)	(1,395)
54	Less CIAC	(9)	(11)	(12)	(12)	(13)	(14)	(14)	(15)	(15)	(16)
55	Less AMI Funding	(6,302)	0	0	0	0	0	0	0	0	0
56	Total Cap Ex Cash Requirements	\$14,806	\$27,735	\$17,631	\$63,688	\$62,795	\$15,785	\$13,489	\$17,081	\$16,814	\$21,828
57											
58	CONSTRUCTION WORK IN PROGRESS										
59	Hydropower	\$0	\$0	\$0	\$40,750	\$0	\$0	\$0	\$0	\$0	\$0
60	Hydropower Capitalized Interest	0	0	0	1,478	0	0	0	0	0	0
61	SWD CO Catalysts Install	0	0	0	0	0	0	0	0	0	0
62	EMD CO Catalysts Install	0	0	0	0	0	0	0	0	0	0
63	HRSR MCC Replacement	0	0	0	0	0	0	0	0	0	0
64	Waiahi Upper Powerhouse Expansion	0	0	0	0	0	0	0	0	0	0
65	Waiahi Lower Powerhouse Upgrade	0	0	0	0	0	0	0	0	0	0
66	LFG	0	0	0	0	0	0	0	0	0	0
67	Titan or Alternative	0	0	0	0	0	0	0	0	0	0
68	North Shore Transmission Line Capital Expenditures	0	0	0	7,010	0	0	0	0	0	0
69	Anahola Service Center	200	0	0	0	0	0	0	0	0	0
70	Princeville Substation Upgrade	0	0	0	0	0	0	0	0	0	0
71	Repace GIS Mapping System	250	0	0	0	0	0	0	0	0	0
72	Kipu 12 kV Reroute	100	0	0	0	0	0	0	0	0	0
73	Wailua Corridor Undergrounding	1,666	0	0	0	0	0	0	0	0	0
74	RUS Standards Compliance	50	0	0	0	0	0	0	0	0	0
75	Hanalei Tap Reconfiguration	0	50	550	0	0	0	0	0	0	0
76	New T&D Warehouse and Field Offices	0	0	0	0	0	0	0	0	0	0
77	HCP - C2 Waiakea Canal Crossing	250	0	0	0	0	0	0	0	0	0
78	Kapaia to Hanahanapuni	0	0	0	0	0	0	0	0	0	0
79	Convert Hanahanapuni Tap to Switching Station	0	0	0	0	0	0	0	0	0	0
80	Kilohana Switching Station	0	0	0	0	0	0	0	0	0	0
81	Lihue Station - Upgraded Transformers (3 @ \$850)	0	0	0	0	0	0	0	2,200	0	0
82	AEPO Substation (Kumanu)	3,199	7,119	0	0	0	0	0	0	0	0

Kaua'i Island Utility Cooperative
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Table 8 - Plant Investment and Depreciation Expense (\$000)

Alternative Scenario 1 - Decoupling

Line		Projected									
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
83	SPCC Substation Compliance	0	0	0	0	0	0	0	0	0	0
84	AMI/Advanced Metering Infrastructure	0	0	0	0	0	0	0	0	0	0
85	Battery Energy Storage	0	0	0	0	0	0	0	0	0	0
86	Other Carryover Projects	0	0	0	0	0	0	0	0	0	0
87	Total CWIP	\$5,715	\$7,169	\$550	\$49,238	\$0	\$0	\$0	\$2,200	\$0	\$0
88											
89	TOTAL PLANT IN SERVICE - BOY	\$420,312	\$443,717	\$465,254	\$484,541	\$494,386	\$601,180	\$610,561	\$617,574	\$625,934	\$638,372
90	Total Additions and Replacements	23,997	28,397	18,359	64,488	63,675	16,752	14,552	18,249	18,098	23,239
91	Carryover Closed to Plant	16,228	2,516	7,119	550	49,238	0	0	0	2,200	0
92	Less CIAC and Funding	(9,082)	(447)	(492)	(540)	(594)	(652)	(717)	(787)	(865)	(951)
93	Less Cap Ex to CWIP	(3,041)	(3,970)	(500)	(49,238)	0	0	0	(2,200)	0	0
94	Less Retirements	(4,697)	(4,958)	(5,199)	(5,415)	(5,525)	(6,718)	(6,823)	(6,901)	(6,995)	(7,134)
95	TOTAL PLANT IN SERVICE - EOY	\$443,717	\$465,254	\$484,541	\$494,386	\$601,180	\$610,561	\$617,574	\$625,934	\$638,372	\$653,527
96	Closed to Plant	\$28,102	\$26,496	\$24,486	\$15,260	\$112,319	\$16,099	\$13,835	\$15,262	\$19,433	\$22,288
97											
98	FUNDING										
99	Debt	\$10,000	\$16,569	\$929	\$54,457	\$52,142	\$1,778	\$323	\$5,349	\$6,451	\$0
100	Customer Advances	2,880	651	716	788	867	953	1,049	1,153	1,269	1,395
101	Cash	4,806	11,166	11,202	9,231	10,653	14,007	13,166	11,733	10,363	0
102	CIAC/AMI Funding	6,311	11	12	12	13	14	14	15	15	16
103	Total	\$23,997	\$28,397	\$18,359	\$64,488	\$63,675	\$16,752	\$14,552	\$18,249	\$18,098	\$23,239
104											
105	DEPRECIATION EXPENSE										
106											
	Depr Rate										
107	Existing 2012 Plant	2.73%	\$11,398	\$11,266	\$11,128	\$10,983	\$10,834	\$10,667	\$10,482	\$10,295	\$10,106
108	Balance of 2102 CWIP	2.73%	53	105	105	105	105	105	105	105	105
109	Generation										
110	Hydropower	2.00%	0	0	0	0	1,630	1,630	1,630	1,630	1,630
111	Hydropower Capitalized Interest	2.00%	0	0	0	0	74	74	74	74	74
112	SWD CO Catalysts Install	2.10%	10	20	20	20	20	20	20	20	20
113	EMD CO Catalysts Install	2.10%	8	16	16	16	16	16	16	16	16
114	HRSB MCC Replacement	2.10%	1	3	3	3	3	3	3	3	3
115	Waiahi Upper Powerhouse Expansion	2.00%	0	35	70	70	70	70	70	70	70
116	Waiahi Lower Powerhouse Upgrade	2.00%	0	0	0	0	0	0	0	0	0
117	LFG	6.67%	0	0	0	0	0	0	0	0	0
118	Titan or Alternative	2.10%	0	0	0	0	0	0	0	0	0
119	Other Non-Recurring Projects	2.10%	54	128	148	148	202	276	318	360	402
120	Other Recurring Projects	2.10%	10	29	48	66	84	102	121	148	207
121	Transmission and Distribution										
122	North Shore Transmission Line Capital Expenditures	2.82%	0	0	0	226	452	452	452	452	452
123	Anahola Service Center	2.82%	0	69	138	138	138	138	138	138	138
124	Princeville Substation Upgrade	3.33%	13	25	25	25	25	25	25	25	25
125	Replacement GIS Mapping System	3.33%	0	5	10	10	10	10	10	10	10

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 8 - Plant Investment and Depreciation Expense (\$000)

Alternative Scenario 1 - Decoupling

Line			Projected									
			2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
126	Kipu 12 kV Reroute	2.82%	0	6	11	11	11	11	11	11	11	11
127	Wailua Corridor Undergrounding	2.82%	0	35	71	71	71	71	71	71	71	71
128	RUS Standards Compliance	2.82%	0	2	4	4	4	4	4	4	4	4
129	Hanalei Tap Reconfiguration	2.82%	0	0	0	22	44	44	44	44	44	44
130	New T&D Warehouse and Field Offices	2.82%	0	0	21	42	42	42	42	42	42	42
131	HCP - C2 Waiakea Canal Crossing	2.70%	0	5	11	11	11	11	11	11	11	11
132	Kapaia to Hanahanapuni	2.82%	0	0	0	0	0	0	0	0	0	0
133	Convert Hanahanapuni Tap to Switching Station	2.82%	0	0	0	0	0	0	0	0	0	0
134	Kilohana Switching Station	2.82%	0	0	0	0	0	0	0	0	0	0
135	Lihue Station - Upgraded Transformers (3 @ \$850)	2.82%	0	0	0	0	0	0	0	0	47	94
136	Other Non-Recurring Projects											
137	Transmission	2.82%	34	95	185	269	306	321	321	321	321	406
138	Distribution	3.33%	0	0	0	0	0	0	0	0	0	0
139	Other Recurring Projects											
140	Transmission	2.82%	12	34	53	107	160	175	188	201	215	229
141	Distribution	3.33%	99	305	536	760	980	1,229	1,498	1,788	2,103	2,444
142	Other	2.73%	1	2	3	4	6	8	9	11	14	16
143	Other Projects											
144	Non-Recurring Projects	2.73%	7	32	58	80	101	121	150	181	216	254
145	Recurring Projects	2.73%	24	67	106	145	184	226	269	312	356	401
146	Carryover Projects											
147	AEPO Substation (Kumanu)	3.33%	0	0	137	274	274	274	274	274	274	274
148	SPCC Substation Compliance	3.33%	10	20	20	20	20	20	20	20	20	20
149	AMI/Advanced Metering Infrastructure	8.00%	504	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008
150	Battery Energy Storage	5.00%	0	0	0	0	0	0	0	0	0	0
151	Total		\$12,236	\$13,314	\$13,934	\$14,412	\$14,902	\$17,078	\$17,341	\$17,604	\$17,946	\$18,394
152	Less AMI Funding	8.00%	0	(507)	(507)	(507)	(507)	(507)	(507)	(507)	(507)	(507)
153	Less CIAC	3.33%	(46)	(99)	(115)	(132)	(151)	(171)	(194)	(219)	(247)	(277)
154	Total Deprec and Amort Accrual		\$12,190	\$12,708	\$13,313	\$13,773	\$14,244	\$16,400	\$16,641	\$16,878	\$17,193	\$17,610
155	Less Depreciation in Other Accounts		(463)	(463)	(463)	(463)	(463)	(463)	(463)	(463)	(463)	(463)
156	Net Depr and Amort Expense		\$11,727	\$12,245	\$12,850	\$13,310	\$13,781	\$15,936	\$16,177	\$16,415	\$16,730	\$17,147
157												
158	Net Depreciation and Amortization Expense		\$11,727	\$12,245	\$12,850	\$13,310	\$13,781	\$15,936	\$16,177	\$16,415	\$16,730	\$17,147
159	Amortization of Regulatory Asset - Iniki		292	292	292	292	292	292	292	292	292	219
160	Amortization of Acquisition Adjustment		2,194	2,194	2,194	2,194	2,194	2,194	2,194	2,194	2,194	2,194
161	Total Depreciation & Amortization Expense		\$14,213	\$14,731	\$15,336	\$15,796	\$16,267	\$18,423	\$18,663	\$18,901	\$19,216	\$19,560
162	Plus Depreciation in Other Accounts		463	463	463	463	463	463	463	463	463	463
163	Total Depr and Amort Accrual		\$14,677	\$15,195	\$15,800	\$16,260	\$16,731	\$18,886	\$19,127	\$19,365	\$19,680	\$20,024
164												
165												

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 8 - Plant Investment and Depreciation Expense (\$000)

Alternative Scenario 1 - Decoupling

Line	Projected									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
166 <u>KRS1</u>										
167 BOY CWIP	\$7,806	\$9,500								
168 Capital Expenditures	1,694	47,672								
169 Federal Grant	0	(16,336)								
170 EOY CWIP	9,500									
171 Closed to Plant	\$0	\$40,837								
172										
173 <u>KRS2</u>										
174 BOY CWIP	\$0	\$6,000								
175 Capital Expenditures	6,000	35,314								
176 Buyout Amount	0	0								
177 EOY CWIP	6,000	0								
178 Closed to Plant	\$0	\$41,314								

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 9 - Long-Term Debt Service (\$000)

Alternative Scenario 1 - Decoupling

Line	Projected									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 EXISTING LONG TERM DEBT										
2 Balance (Beg Yr)	\$199,311	\$188,915	\$177,990	\$166,638	\$154,845	\$142,579	\$129,828	\$116,573	\$102,791	\$88,462
3 Existing Loan Advances	0	0	0	0	0	0	0	0	0	0
4 Principal Repayments	10,396	10,925	11,353	11,792	12,266	12,752	13,255	13,782	14,330	14,907
5 Balance (End Yr)	\$188,915	\$177,990	\$166,638	\$154,845	\$142,579	\$129,828	\$116,573	\$102,791	\$88,462	\$73,555
6										
7 EXISTING DEBT INTEREST AND PRINCIPAL PAYMENTS										
8 Interest										
9 RUS - A41-1B010	\$297	\$282	\$265	\$248	\$230	\$212	\$192	\$173	\$152	\$130
10 RUS - A41-1B011	594	563	530	496	460	423	385	345	303	260
11 RUS - A41-1B012	474	447	420	391	362	332	301	269	235	201
12 RUS - A41-1B013	375	352	328	304	279	254	229	203	177	150
13 RUS - A41-1B014	691	655	618	580	539	497	453	407	358	308
14 RUS - A41-1B015	3,909	3,715	3,512	3,299	3,075	2,840	2,593	2,334	2,062	1,776
15 CFC - HI001-9005	133	122	110	99	86	74	61	48	34	20
16 FFB B8 - H0010	154	141	128	116	101	86	72	58	42	26
17 FFB B8 - H0015	224	206	188	171	150	129	109	87	65	40
18 FFB B8 - H0020	501	463	423	385	338	292	246	197	147	92
19 FFB C8 - F0025	211	207	202	198	190	184	180	174	169	162
20 FFB C8 - F0030	42	41	40	39	38	37	36	35	34	32
21 Total Interest	\$7,605	\$7,194	\$6,765	\$6,325	\$5,849	\$5,360	\$4,856	\$4,328	\$3,778	\$3,198
22 Principal										
23 RUS - A41-1B010	\$402	\$417	\$434	\$451	\$469	\$487	\$507	\$526	\$547	\$569
24 RUS - A41-1B011	803	834	867	901	937	974	1,012	1,052	1,094	1,137
25 RUS - A41-1B012	840	866	894	922	951	981	1,013	1,045	1,078	1,112
26 RUS - A41-1B013	1,430	1,453	1,477	1,501	1,526	1,551	1,576	1,602	1,628	1,655
27 RUS - A41-1B014	795	831	868	906	947	989	1,033	1,079	1,128	1,178
28 RUS - A41-1B015	3,883	4,076	4,279	4,492	4,717	4,952	5,199	5,458	5,730	6,016
29 CFC - HI001-9005	406	418	430	443	455	468	482	496	510	525
30 FFB B8 - H0010	442	455	467	479	493	507	520	535	549	564
31 FFB B8 - H0015	428	442	460	479	498	518	539	561	584	608
32 FFB B8 - H0020	846	883	921	959	1,005	1,049	1,094	1,141	1,190	1,244
33 FFB C8 - F0025	104	212	216	220	227	233	237	243	247	254
34 FFB C8 - F0030	19	38	39	40	41	42	43	44	45	46
35 Total Principal	\$10,396	\$10,925	\$11,353	\$11,792	\$12,266	\$12,752	\$13,255	\$13,782	\$14,330	\$14,907
36										
37 FUNDING REQUIREMENTS										
38 Capital Funding Requirements	\$14,806	\$27,735	\$17,631	\$63,688	\$62,795	\$15,785	\$13,489	\$17,081	\$16,814	\$21,828
39 Refinancing Requirements	10,000	6,753	13,247	0	0	85,208	0	0	0	0
40 Total Funding Requirements	\$24,806	\$34,488	\$30,878	\$63,688	\$62,795	\$100,993	\$13,489	\$17,081	\$16,814	\$21,828
41										
42 Short-Term Long Funds Advanced	\$10,000	\$13,322	\$0	\$42,228	\$42,980	\$0	\$0	\$0	\$0	\$0
43 Long-Term Loan Funds Advanced	10,000	10,000	14,176	12,229	9,162	86,986	323	5,349	6,451	12,403
44 Total Debt Advances	\$20,000	\$23,322	\$14,176	\$54,457	\$52,142	\$86,986	\$323	\$5,349	\$6,451	\$12,403
45										

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 9 - Long-Term Debt Service (\$000)

Alternative Scenario 1 - Decoupling

Line							Projected									
							2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
46	FFB C8 Add'l Draws	Amount	Per	Rate	Term	Per Yr										
47		\$31,646	na	na	na	na										
48	BOY Balance						\$0	\$9,907	\$19,592	\$30,716	\$30,072	\$29,388	\$28,676	\$27,942	\$27,178	\$26,394
49	Loan Funds Advanced						10,000	10,000	11,646	0	0	0	0	0	0	0
50	Principal Payment						93	314	523	644	683	713	734	763	785	825
51	Interest Payment						165	527	979	1,228	1,189	1,159	1,137	1,108	1,086	1,046
52	Total Debt Service						\$258	\$841	\$1,501	\$1,872	\$1,872	\$1,872	\$1,871	\$1,871	\$1,871	\$1,870
53	EOY Balance						\$9,907	\$19,592	\$30,716	\$30,072	\$29,388	\$28,676	\$27,942	\$27,178	\$26,394	\$25,569
54																
55	2014 Loan	Amount	Per	Rate	Term	Per Yr										
56		\$0	3	3.5%	30	4										
57	BOY Balance							\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
58	Loan Funds Advanced							0	0	0	0	0	0	0	0	0
59	Principal Payment							0	0	0	0	0	0	0	0	0
60	Interest Payment							0	0	0	0	0	0	0	0	0
61	Total Debt Service							\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
62	EOY Balance							\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
63																
64	2015 Loan	Amount	Per	Rate	Term	Per Yr										
65		\$2,530	3	5.0%	30	4										
66	BOY Balance								\$0	\$2,511	\$2,473	\$2,433	\$2,390	\$2,346	\$2,299	\$2,250
67	Loan Funds Advanced								2,530	0	0	0	0	0	0	0
68	Principal Payment								19	38	40	42	45	47	49	52
69	Interest Payment								63	125	123	121	119	116	114	112
70	Total Debt Service								\$82	\$163	\$163	\$163	\$163	\$163	\$163	\$163
71	EOY Balance								\$2,511	\$2,473	\$2,433	\$2,390	\$2,346	\$2,299	\$2,250	\$2,198
72			Const	LT												
73	New Hydro Loans	Amount	Rate	Rate	Term	Per Yr										
74		\$85,208	3.5%	5.0%	35	4				ST Debt	ST Debt	LT Debt	LT Debt	LT Debt	LT Debt	LT Debt
75	BOY Balance									\$0	\$42,228	\$85,208	\$84,283	\$83,311	\$82,289	\$81,215
76	Loan Funds Advanced									42,228	42,980	0	0	0	0	0
77	Principal Payment									0	0	925	972	1,022	1,074	1,128
78	Interest Payment									1,478	2,230	4,243	4,196	4,147	4,095	4,040
79	Total Debt Service									\$1,478	\$2,230	\$5,168	\$5,168	\$5,168	\$5,168	\$5,168
80	EOY Balance									\$42,228	\$85,208	\$84,283	\$83,311	\$82,289	\$81,215	\$80,087
81																
82	2016 Loan	Amount	Per	Rate	Term	Per Yr										
83		\$12,229	3	5.0%	30	4										
84	BOY Balance									\$0	\$12,140	\$11,954	\$11,759	\$11,554	\$11,338	\$11,112
85	Loan Funds Advanced									12,229	0	0	0	0	0	0
86	Principal Payment									89	186	195	205	215	226	238
87	Interest Payment									305	604	594	584	574	563	551
88	Total Debt Service									\$395	\$789	\$789	\$789	\$789	\$789	\$789
89	EOY Balance									\$12,140	\$11,954	\$11,759	\$11,554	\$11,338	\$11,112	\$10,874
90																

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 9 - Long-Term Debt Service (\$000)

Alternative Scenario 1 - Decoupling

Line							Projected									
91	2017 Loan	Amount	Per	Rate	Term	Per Yr	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
92		\$9,162	3	5.0%	30	4										
93	BOY Balance										\$0	\$9,095	\$8,956	\$8,810	\$8,656	\$8,495
94	Loan Funds Advanced										9,162	0	0	0	0	0
95	Principal Payment										67	139	146	154	161	170
96	Interest Payment										229	452	445	438	430	422
97	Total Debt Service										\$296	\$591	\$591	\$591	\$591	\$591
98	EOY Balance										\$9,095	\$8,956	\$8,810	\$8,656	\$8,495	\$8,325
99																
100	2018 Loan	Amount	Per	Rate	Term	Per Yr										
101		\$1,778	3	5.0%	30	4										
102	BOY Balance											\$0	\$1,765	\$1,738	\$1,710	\$1,680
103	Loan Funds Advanced											1,778	0	0	0	0
104	Principal Payment											13	27	28	30	31
105	Interest Payment											44	88	86	85	83
106	Total Debt Service											\$57	\$115	\$115	\$115	\$115
107	EOY Balance											\$1,765	\$1,738	\$1,710	\$1,680	\$1,648
108																
109	2019 Loan	Amount	Per	Rate	Term	Per Yr										
110		\$323	3	5.0%	30	4										
111	BOY Balance												\$0	\$321	\$316	\$311
112	Loan Funds Advanced												323	0	0	0
113	Principal Payment												2	5	5	5
114	Interest Payment												8	16	16	15
115	Total Debt Service												\$10	\$21	\$21	\$21
116	EOY Balance												\$321	\$316	\$311	\$305
117																
118	2020 Loan	Amount	Per	Rate	Term	Per Yr										
119		\$5,349	3	5.0%	30	4										
120	BOY Balance													\$0	\$5,309	\$5,228
121	Loan Funds Advanced													5,349	0	0
122	Principal Payment													39	81	85
123	Interest Payment													133	264	260
124	Total Debt Service													\$173	\$345	\$345
125	EOY Balance													\$5,309	\$5,228	\$5,143
126																
127	2021 Loan	Amount	Per	Rate	Term	Per Yr										
128		\$6,451	3	5.0%	30	4										
129	BOY Balance														\$0	\$6,404
130	Loan Funds Advanced														6,451	0
131	Principal Payment														47	98
132	Interest Payment														161	318
133	Total Debt Service														\$208	\$416
134	EOY Balance														\$6,404	\$6,306
135																

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 9 - Long-Term Debt Service (\$000)

Alternative Scenario 1 - Decoupling

Line							Projected									
	2022 Loan	Amount	Per	Rate	Term	Per Yr	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
136																
137		\$12,403	3	5.0%	30	4										
138	BOY Balance															\$0
139	Loan Funds Advanced															12,403
140	Principal Payment															91
141	Interest Payment															310
142	Total Debt Service															\$400
143	EOY Balance															\$12,312
144																
145	TOTAL LONG TERM DEBT SERVICE															
146	Interest															
147	Existing Debt						\$7,605	\$7,194	\$6,765	\$6,325	\$5,849	\$5,360	\$4,856	\$4,328	\$3,778	\$3,198
148	New Debt (Excl Hydro Loan Capitalized Interest)						165	527	1,042	3,136	4,374	6,614	6,577	6,618	6,813	7,156
149	Total Interest						\$7,770	\$7,721	\$7,807	\$9,461	\$10,223	\$11,974	\$11,433	\$10,946	\$10,591	\$10,354
150	Principal															
151	Existing Debt						\$10,396	\$10,925	\$11,353	\$11,792	\$12,266	\$12,752	\$13,255	\$13,782	\$14,330	\$14,907
152	New Debt						93	314	541	772	976	2,027	2,132	2,273	2,459	2,724
153	Total Principal						\$10,489	\$11,239	\$11,894	\$12,565	\$13,242	\$14,779	\$15,386	\$16,055	\$16,789	\$17,631
154	Total Debt Service						\$18,259	\$18,960	\$19,701	\$22,026	\$23,464	\$26,753	\$26,820	\$27,000	\$27,380	\$27,985
155																
156	TOTAL LONG TERM DEBT															
157	Balance (Beg Yr)						\$199,311	\$198,822	\$197,583	\$199,865	\$199,529	\$195,450	\$267,656	\$252,593	\$241,887	\$231,549
158	Loan Funds Advanced						10,000	10,000	14,176	12,229	9,162	86,986	323	5,349	6,451	12,403
159	Less Principal Repayments						10,489	11,239	11,894	12,565	13,242	14,779	15,386	16,055	16,789	17,631
160	Balance (End Yr)						\$198,822	\$197,583	\$199,865	\$199,529	\$195,450	\$267,656	\$252,593	\$241,887	\$231,549	\$226,322
161																
162	Current Portion of Long Term Debt - EOY															
163	Existing Debt						\$10,925	\$11,353	\$11,792	\$12,266	\$12,752	\$13,255	\$13,782	\$14,330	\$14,907	\$15,370
164	New Debt						314	541	772	976	2,027	2,132	2,273	2,459	2,724	2,949
165	Total Current Portion						\$11,239	\$11,894	\$12,565	\$13,242	\$14,779	\$15,386	\$16,055	\$16,789	\$17,631	\$18,318
166																
167	SHORT TERM DEBT															
168																
169	\$20 M LOC/Other LOC	Amount	Per	Rate	Term	Per Yr										
170	BOY Balance			3.0%			\$6,678	\$6,678	\$13,247							
171	Loan Funds Advanced						10,000	13,322	0							
172	Less Principal Repayments						(10,000)	(6,753)	(13,247)							
173	Balance (End Yr)						\$6,678	\$13,247	\$0							
174																
175	Interest Expense						\$252	\$292	\$0							
176	Est Average Balance						\$8,385	\$9,725	\$0							
177																
178	\$5 M LOC	Amount	Per	Rate	Term	Per Yr										
179	BOY Balance			3.0%			\$0	\$0	\$0							
180	Loan Funds Advanced						0	0	0							
181	Less Principal Repayments						0	0	0							
182	Balance (End Yr)						\$0	\$0	\$0							
183																
184	Interest Expense						\$0	\$0	\$0							
185	Est Average Balance						\$0	\$0	\$0							
186																

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 9 - Long-Term Debt Service (\$000)

Alternative Scenario 1 - Decoupling

Line							Projected									
							2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
187	KRS1															
188		Long-Term	Const	LT												
189		Amount	Rate	Rate	Yr	Per Yr										
190		\$35,587	3.0%	3.1%	25	1										
191	BOY Balance						\$7,500	\$9,500	\$35,355	\$34,382	\$33,380	\$32,347	\$31,282	\$30,184	\$29,052	\$27,885
192	Short-Term Debt															
193	Funds Advanced						2,000	47,672	0	0	0	0	0	0	0	0
194	Short-Term Interest						264	870	0	0	0	0	0	0	0	0
195	Federal Grant/State Tax Credit							21,586	0	0	0	0	0	0	0	0
196	Long-Term Debt															
197	Principal Payment						0	232	972	1,002	1,033	1,065	1,098	1,132	1,167	1,203
198	Interest Payment						0	284	1,091	1,061	1,030	998	965	931	896	860
199	Debt Service						\$0	\$516	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063
200	EOY Balance						\$9,500	\$35,355	\$34,382	\$33,380	\$32,347	\$31,282	\$30,184	\$29,052	\$27,885	\$26,682
201																
202	KRS2															
203		Long-Term	Const	LT												
204		Amount	Rate	Rate	Yr	Per Yr										
205		\$14,096	3.0%	5.7%	25	1										
206	BOY Balance						\$0	\$6,000	\$14,096	\$13,828	\$13,545	\$13,246	\$12,929	\$12,595	\$12,241	\$11,867
207	Short-Term Debt															
208	Funds Advanced						6,000	35,314	0	0	0	0	0	0	0	0
209	Short-Term Interest						41	429	0	0	0	0	0	0	0	0
210	Equity Investment							27,218	0	0	0	0	0	0	0	0
211	Long-Term Debt															
212	Principal Payment						0	0	268	283	299	316	335	354	374	395
213	Interest Payment						0	402	803	788	772	755	737	718	698	676
214	Debt Service						\$0	\$536	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071
215	EOY Balance						\$6,000	\$14,096	\$13,828	\$13,545	\$13,246	\$12,929	\$12,595	\$12,241	\$11,867	\$11,472

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 10 - Projected ERAC Revenues

Alternative Scenario 1 - Decoupling

Line	Actual					Projected									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 KIUC Thermal Generated (MWh)	437,819	417,224	417,117	409,392	405,946	381,990	337,000	279,670	284,270	291,020	220,390	225,890	230,670	237,150	243,310
2 KIUC Hydro Generated (MWh)	8,386	7,788	8,227	7,270	7,918	7,437	7,770	7,770	7,800	7,770	83,950	83,950	84,230	83,950	83,950
3 KRS1 Generated (MWh)	-	-	-	-	0	0	5,870	23,660	23,740	23,660	23,660	23,660	23,740	23,660	23,660
4 KRS2 Generated (MWh)	-	-	-	-	0	0	11,780	23,650	23,740	23,660	23,470	23,520	23,580	23,570	23,580
5 Purchased Power MWh - NEM & Sched Q	9	0	0	1,741	3,321	5,700	6,140	6,600	7,120	7,590	7,390	7,840	8,300	8,740	9,170
6 Purchased Power (MWh) - Other	29,090	30,796	27,414	34,855	34,633	46,303	69,120	103,860	104,150	103,860	103,860	103,860	104,150	103,860	103,860
7 Total MWh	475,305	455,808	452,758	453,259	451,818	441,430	437,680	445,210	450,820	457,560	462,720	468,720	474,670	480,930	487,530
8															
9 KIUC Sales (MWh)	453,791	436,273	434,533	434,745	433,159	423,584	420,139	427,506	432,744	439,225	444,278	450,004	455,624	461,704	468,055
10															
11 Losses (%)	4.5%	4.3%	4.0%	4.1%	4.1%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
12															
13 KIUC Generated Sales (MWh)	426,044	406,694	408,185	399,686	396,771	372,828	335,661	276,010	280,359	286,817	292,210	297,468	302,265	308,263	314,187
14															
15 Fuel Consumed (MMBtu)	4,208,477	3,913,866	3,868,068	3,870,223	3,778,090	3,594,303	3,146,933	2,602,489	2,647,640	2,710,031	2,083,065	2,130,652	2,174,595	2,230,236	2,285,237
16															
17 Actual Sales Heat Rate (Btu/kWh)	9,878	9,624	9,476	9,683	9,522	9,641	9,375	9,429	9,444	9,449	7,129	7,163	7,194	7,235	7,273
18															
19 Effective Sales Heat Rate for ERAC (Btu/kWh)	11,230	11,230	10,442	9,850	9,850	9,850	9,375	9,429	9,444	9,449	7,129	7,163	7,194	7,235	7,273
20															
21 Adj Fuel Consumed for Efficiency Factor (MMBtu)	4,784,479	4,567,169	4,262,385	3,936,904	3,908,195	3,672,352	3,146,933	2,602,489	2,647,640	2,710,031	2,083,065	2,130,652	2,174,595	2,230,236	2,285,237
22 Actual Fuel Cost (\$/MMBtu)	\$23.32	\$13.23	\$17.80	\$23.36	\$24.89	\$24.37	\$21.41	\$19.79	\$20.60	\$21.52	\$22.67	\$23.63	\$24.39	\$25.48	\$26.68
23															
24 Equivalent Base Fuel Cost (\$/MMBtu)	\$4.31	\$4.31	\$11.33	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36
25 Equivalent Purchased Power Cost (\$/kWh)	\$0.046	\$0.046	\$0.110	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174
26															
27 ERAC Revenue Components (\$000)															
28 KIUC Fuel Costs	\$98,148	\$51,952	\$68,900	\$90,533	\$94,033	\$87,605	\$67,385	\$51,511	\$54,530	\$58,311	\$47,227	\$50,347	\$53,028	\$56,831	\$60,978
29 KIUC Purch Power Costs - Excl NEM, Sched Q, KRS1, and KRS2	5,959	3,724	4,212	7,194	7,741	10,017	15,395	17,050	17,368	17,607	17,868	18,157	18,502	18,744	19,041
30 KIUC Purchased Power Costs - KRS1	0	0	0	0	0	0	969	3,460	3,425	3,390	3,353	3,315	3,277	3,236	3,195
31 KIUC Purchased Power Costs - KRS2	0	0	0	0	0	0	1,473	2,956	2,968	2,958	2,934	2,940	2,948	2,946	2,948
32 ERAC Excess	13,633	8,493	6,965	1,429	3,246	1,902	0	0	0	0	0	0	0	0	0
33 Fuel and Purchased Power in Base Rates	(21,929)	(21,071)	(51,336)	(74,396)	(73,859)	(72,566)	(71,852)	(73,467)	(74,290)	(75,316)	(76,205)	(77,113)	(78,008)	(78,968)	(79,982)
34 Tax on Fuel and Purchased Power	8,446	3,098	2,146	2,370	2,624	2,444	1,304	147	390	678	(470)	(230)	(25)	272	603
35 Tax on ERAC Excess	1,380	828	679	139	317	186	0	0	0	0	0	0	0	0	0
36 Total	\$105,636	\$47,025	\$31,566	\$27,268	\$34,101	\$29,587	\$14,673	\$1,658	\$4,391	\$7,626	(\$5,294)	(\$2,583)	(\$279)	\$3,062	\$6,782
37															
38 Revenue from Efficiency Factor (\$000)															
39 ERAC Efficiency Adjustment	\$13,633	\$8,493	\$6,965	\$1,429	\$3,246	\$1,902	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40 Tax on Efficiency Adjustment	1,380	828	679	139	317	186	0	0	0	0	0	0	0	0	0
41 Total	\$15,013	\$9,321	\$7,645	\$1,568	\$3,562	\$2,088	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
42															
43 ERAC Rate Components (\$/kWh)															
44 KIUC Fuel Costs	\$0.217	\$0.119	\$0.159	\$0.208	\$0.217	\$0.207	\$0.160	\$0.121	\$0.126	\$0.133	\$0.106	\$0.112	\$0.116	\$0.123	\$0.130
45 KIUC Purchased Power Costs - Existing	\$0.013	\$0.009	\$0.010	\$0.017	\$0.018	\$0.024	\$0.037	\$0.040	\$0.040	\$0.040	\$0.040	\$0.040	\$0.041	\$0.041	\$0.041
46 KIUC Purchased Power Costs - KRS1	NA	NA	NA	NA	\$0.000	\$0.000	\$0.002	\$0.008	\$0.008	\$0.008	\$0.008	\$0.007	\$0.007	\$0.007	\$0.007
47 KIUC Purchased Power Costs - KRS2	NA	NA	NA	NA	\$0.000	\$0.000	\$0.004	\$0.007	\$0.007	\$0.007	\$0.007	\$0.007	\$0.006	\$0.006	\$0.006
48 ERAC Efficiency Adjustment	\$0.030	\$0.020	\$0.016	\$0.003	\$0.007	\$0.004	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
49 Fuel and purchased power in base rates	(\$0.048)	(\$0.048)	(\$0.118)	(\$0.171)	(\$0.171)	(\$0.171)	(\$0.171)	(\$0.172)	(\$0.172)	(\$0.172)	(\$0.172)	(\$0.171)	(\$0.171)	(\$0.171)	(\$0.171)
50 Tax on Fuel and Purchased Power	\$0.019	\$0.007	\$0.005	\$0.005	\$0.006	\$0.006	\$0.003	\$0.000	\$0.001	\$0.002	(\$0.001)	(\$0.001)	(\$0.000)	\$0.001	\$0.001
51 Tax on Efficiency Adjustment	\$0.003	\$0.002	\$0.002	\$0.000	\$0.001	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
52 Total (before other adjustments)	\$0.233	\$0.108	\$0.073	\$0.063	\$0.079	\$0.070	\$0.035	\$0.004	\$0.010	\$0.017	(\$0.012)	(\$0.006)	(\$0.001)	\$0.007	\$0.014

Appendix C
DETAILED RESULTS – EMP ALTERNATIVE SCENARIO 2

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 1 - Summary of Results

Alternative Scenario 2 - Lower Sales

Line	Actual 2012	Projected										Average Annual Change 2012-2022
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
1 Unit Revenues (\$/kWh)												
2 Non-Fuel & Purchased Power Charges												
3 Base Rates Without Fuel & Purchased Power	16.65	16.73	16.79	16.45	16.99	16.99	16.99	17.00	17.01	17.01	17.02	
4 Efficiency Premium in ERAC	0.82	0.49	0.89	0.63	0.63	0.67	4.63	4.83	4.99	5.19	5.41	
5 Subtotal Non-Fuel & Purchased Power Charges	17.47	17.23	17.68	17.07	17.62	17.66	21.62	21.83	22.00	22.20	22.43	2.5%
6												
7 Fuel and Purchased Power Charges												
8 Fuel & Purchased Power in Base Rates	18.95	18.81	18.77	19.13	19.13	19.13	19.13	19.13	19.12	19.12	19.12	
9 Fuel & Purchased Power in ERAC	7.05	6.49	3.49	0.26	0.88	1.54	(1.26)	(0.66)	(0.22)	0.39	1.06	
10 Fuel and Purchased Power Charges	26.00	25.30	22.27	19.39	20.02	20.67	17.87	18.46	18.90	19.51	20.17	-2.5%
11												
12 Average Unit Revenues (\$/kWh) (Lines 5 + 10)	43.48	42.53	39.95	36.47	37.64	38.33	39.49	40.29	40.90	41.71	42.60	-0.2%
13 % Change from 2012	na	-2.2%	-8.1%	-16.1%	-13.4%	-11.8%	-9.2%	-7.3%	-5.9%	-4.1%	-2.0%	
14												
15 Rate Increase as a % of Base Rate Revenues	na	0.0%	0.0%	0.0%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
16												
17 Long-Term Interest Expense	8,335	7,770	8,005	8,865	10,484	11,309	13,049	12,422	11,759	11,095	10,624	
18 Margins	11,091	8,409	9,824	6,815	7,323	6,351	13,704	14,028	14,502	14,783	14,994	3.1%
19												
20 Equity to Total Assets	24.9%	26.2%	27.2%	28.5%	26.8%	25.4%	28.5%	31.6%	34.7%	37.8%	40.1%	
21												
22 Cash Balance(\$000)	\$3,762	\$7,765	\$3,813	\$2,908	\$4,000	\$4,000	\$5,527	\$8,650	\$8,206	\$7,605	\$9,708	
23 Days of Operating Cash on Hand	8	17	9	8	10	10	14	22	20	18	22	
24 RUS TIER	2.33	2.08	2.23	1.77	1.70	1.56	2.05	2.13	2.23	2.33	2.41	
25 Regulatory TIER	2.61	2.37	2.51	2.02	1.91	1.76	2.22	2.31	2.43	2.54	2.62	
26 RUS Debt Service Coverage - 1.25 Minimum	na	1.66	1.67	1.43	1.40	1.33	1.56	1.56	1.56	1.56	1.54	
27 CFC Debt Service Coverage - 1.35 Minimum	na	1.65	1.65	1.40	1.37	1.30	1.54	1.54	1.54	1.53	1.52	
28 Percent of Previous Year's Patronage Capital Retired	na	25%	8%	19%	0%	0%	0%	5%	11%	19%	25%	
29												
30 Annual Capital Expenditures (\$000)	na	\$23,997	\$28,397	\$18,359	\$64,488	\$63,675	\$16,752	\$14,552	\$18,249	\$18,098	\$23,239	
31 Cap Ex Paid With Debt (\$000)	na	10,000	13,322	2,868	55,540	54,809	-	-	-	715	9,867	
32 Cap Ex Paid with Grant Funds/CIAC/Customer Adv (\$000)	na	9,191	662	728	800	880	967	1,063	1,168	1,284	1,411	
33 Cap Ex Paid With RUS Cushion of Credit (\$000)	na	0	0	5,500	0	0	0	0	0	0	0	
34 Cash Used to Pay for Plant (\$000)	na	4,806	14,413	9,263	8,148	7,986	15,785	13,489	17,081	16,099	11,961	
35												
36 Debt Borrowed (\$000)	na	\$20,000	\$23,322	\$12,868	\$55,540	\$54,809	\$85,208	\$0	\$0	\$715	\$9,867	
37 Debt Used to Repay Short-Term Debt (\$000)	na	10,000	10,000	10,000	0	0	85,208	0	0	0	0	
38 Debt Used for Working Capital (\$000)	na	0	0	0	0	0	0	0	0	0	0	
39 Debt Used for Cap Ex (\$000)	na	10,000	13,322	2,868	55,540	54,809	0	0	0	715	9,867	
40												
41 Monthly Residential Bill (500 kWh per month usage)	\$224	\$219	\$206	\$189	\$195	\$198	\$204	\$208	\$211	\$215	\$219	-0.2%
42 % Change from 2012	na	-2.3%	-8.1%	-15.9%	-13.2%	-11.7%	-9.1%	-7.3%	-6.0%	-4.2%	-2.2%	
43												
44 Approx Annual Pat Cap Retired for 500 kWh Res Customer	na	\$38.18	\$9.06	\$25.99	\$0.00	\$0.00	\$0.00	\$9.32	\$22.77	\$38.82	\$52.03	
45												
46 Renewable Power (% of total power requirements)												
47 KIUC-Owned	2%	2%	6%	13%	13%	13%	30%	30%	30%	30%	29%	
48 Purchased	8%	12%	17%	25%	26%	25%	25%	25%	25%	25%	25%	
49 Total	10%	13%	23%	38%	38%	38%	55%	55%	55%	55%	55%	

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 2 - Assumptions

Line	KIUC Assumptions	Data Input	KIUC Assumptions	Data Input
Line	Inflation		Other Assumptions	
1	General Inflation	2.5%	Investment Return	0.125%
2	Distribution O&M	2.5%	Taxes - ERAC	9.8%
3				
4	ERAC Efficiency Premium ("Y"=Yes, "N"=No)	Y	Efficiency Factor Heat Rate (Btu/kWh)	9,850
5				
6	Debt Assumptions		Revenue Tax Multiplier	1.09751
7	New Debt Thru 2014 - Interest Rates	3.5%		
8	New DebtAfter 2014 - Interest Rates	5.0%	Number of Days of Cash Working Capital in Rate Base	
9	New Debt - Construction Interest Rate	3.5%	O&M	61
10	New Debt - Repayment Period (Years)	25	Fuel	15
11				
12	Patronage Capital		Interest	30
13	Non-Operating Margins Allocated to Patronage Cap	100.0%		
14	Minimum RUS TIER for Capital Credit Retirements	2.00	Inventory as Percentage of Gross Plant	3.0%
15	Early Retirements (\$000/year not discounted)	\$125		
16	Beginning Year for Early Retirements	2012	Target RUS TIER for Decoupling Mechanism	na
17	Discount Rate for Capital Credit Purchases	5.0%		
18	Blended Term for Capital Credit Purchases	20	Scenario	Alternative Scenario 2 - Lower Sales
19				
20	Percent of Customer Advances to CIAC	67%		
21				

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 2 - Assumptions

KIUC Renewable Solutions Assumptions		Data Input	KIUC Renewable Solutions Assumptions		Data Input
Line	Base Year	2013	Debt Assumptions		
22	Inflation		Construction Interest Rate		3.0%
23	General Inflation	2.5%	KRS1 Long Term Interest Rate		3.1%
24	O&M Escalation	1.5%	KRS2 Long Term Interest Rate		5.7%
25			KRS1 and KRS2- Repayment Period/Useful Life (Years)		25
26					
27	Inventory as a Percent of Gross Plant	3.0%	KRS1 Target TIER		1.25
28					
29	KRS1 Cap Ex		Operation Date		
30	2011 Expenditures	\$4,953,692	KRS1		Oct-14
31	2012 Expenditures	2,852,145	KRS2		Jul-14
32	2013 Expenditures	1,694,163			
33	2014 Expenditures	47,672,192	Long-Term Financing Date		
34	Total Capital Cost	57,172,192	KRS1		Oct-14
35	Less Federal Grant	16,335,640	KRS2		Jul-14
36	Closed to Plant	40,836,552			
37	Less State Tax Refund	5,250,000	Market Value Energy (\$/MWh)		
38	Cash Requirement	\$35,586,552	KRS1 and KRS2		\$200
39					
40	KRS2 Cap Ex		Land Lease Expenses		
41	2012 Expenditures	\$0	KRS1 \$/Sq Ft (2012 \$)		\$0.04207
42	2013 Expenditures	6,000,000	KRS1 Square Feet		2,395,800
43	2014 Expenditures	35,313,994	KRS2 \$/Acre Used (2014 \$)		900
44	Closed to Plant	\$ 41,313,994	KRS2 \$/Acre Unused (2014 \$)		600
45	Less Equity Investment	27,217,659	KRS2 Acres Used		31.42
46	Debt Requirement	\$14,096,335	KRS2 Acres Unused		35.79
47	State Tax Refund	\$4,987,188			
48			Lease Escalation Rate		3.00%
49	KIUC % Ownership of KRS2		KRS2 GET on KRS2 Land Lease		4.17%
50	Pre-Flip	1%			
51	Post-Flip	95%	KIUC MSA (2012 \$)		
52	Post-Buyout	100%	KRS1		\$50,000
53			KRS2		\$50,000
54	KRS2 Buyout Amount				
55	Amount	\$15,810,964			
56	Year	7			
57	Term Remaining	19			
58	Proceeds	5.0%			
59	KIUC Renewable Solutions Assumptions	Data Input	KIUC Renewable Solutions Assumptions		
					Data Input

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 2 - Assumptions

Line	Investment Return	0.125%	Insurance	
60			KRS1	\$37,410
61	Federal Tax Rate	35%	KRS2	\$31,350
62	Alternative Minimum Tax Rate	20%		
63			Target Cash Balance	
64	COD Lease Payment		KRS1	10,000
65	KRS1	\$150,000		
66	KRS2	\$0	KRS2 PPA Rate (\$/MWh)	125
67				
68	O&M Expenses (2014 \$)			
69	KRS1	\$206,617		
70	KRS2	\$197,733		
71				
72	Real Property Taxes (2014 \$)			
73	KRS1	\$11,592		
74	KRS2	\$542		

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 3 - Projected Revenues at Existing Rates

Alternative Scenario 2 - Lower Sales

Line			Actual					Projected									
			2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1	Sales (MWh)																
2	Residential	D	160,479	161,946	159,426	159,071	157,278	161,520	162,200	158,125	157,409	158,458	158,434	158,893	158,989	158,656	158,279
3	Small Commercial	G	61,763	58,776	59,481	59,790	59,664	56,017	56,504	56,713	56,795	56,582	56,155	55,703	55,248	55,071	54,975
4	Large Commercial	J	57,561	54,388	53,236	51,859	51,607	48,389	49,241	49,423	49,494	49,309	48,936	48,543	48,146	47,992	47,908
5	Large Power-Primary	L	52,083	42,639	44,991	44,379	46,286	42,968	44,023	44,236	44,958	45,569	46,060	46,545	47,050	47,610	48,161
6	Large Power-Secondary	P	118,083	114,413	114,522	116,824	115,389	112,104	105,831	106,344	108,079	109,548	110,729	111,895	113,108	114,454	115,779
7	Street Lights	SL	2,637	2,702	2,730	2,716	2,760	2,481	2,235	1,972	1,707	1,436	1,448	1,460	1,472	1,483	1,494
8	Irrigation	IRR	1,184	1,410	148	105	175	105	105	105	105	105	105	105	105	105	105
9	Total		453,791	436,273	434,533	434,745	433,159	423,584	420,139	416,919	418,547	421,007	421,867	423,144	424,118	425,370	426,700
10																	
11	Yearly Change Percentage		-2.8%	-3.9%	-0.4%	0.0%	-0.4%	-2.2%	-0.8%	-0.8%	0.4%	0.6%	0.2%	0.3%	0.2%	0.3%	0.3%
12																	
13	Customer Accounts																
14	Residential	D	27,301	27,629	27,793	28,010	28,169	28,762	29,197	29,394	29,717	30,047	30,383	30,727	31,078	31,413	31,762
15	Small Commercial	G	4,305	4,208	4,221	4,198	4,195	4,242	4,303	4,332	4,375	4,418	4,462	4,506	4,551	4,594	4,636
16	Large Commercial	J	357	346	337	330	326	330	336	338	341	345	348	352	355	358	362
17	Large Power-Primary	L	16	16	15	15	15	15	15	15	15	15	16	16	16	16	16
18	Large Power-Secondary	P	109	114	112	115	113	116	117	120	122	123	124	125	126	127	128
19	Street Lights (Number of Fixtures)	SL	3,461	3,519	3,553	3,575	3,587	3,630	3,667	3,647	3,665	3,684	3,702	3,721	3,739	3,758	3,777
20	Irrigation	IRR	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
21	Total		35,552	35,835	36,033	36,246	36,408	37,098	37,637	37,849	38,238	38,634	39,038	39,449	39,868	40,269	40,684
22																	
23	Yearly Change Percentage		1.5%	0.8%	0.6%	0.6%	0.4%	1.9%	1.5%	0.6%	1.0%	1.0%	1.0%	1.1%	1.1%	1.0%	1.0%
24																	
25	Billed Demand (kW)																
26	Residential	D	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
27	Small Commercial	G	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
28	Large Commercial	J	191,155	182,082	175,673	172,507	173,385	159,701	157,957	158,541	158,769	158,175	156,979	155,717	154,444	153,949	153,680
29	Large Power-Primary	L	117,658	109,666	108,187	105,996	103,274	98,261	96,372	96,840	98,420	99,758	100,833	101,895	102,999	104,225	105,432
30	Large Power-Secondary	P	289,572	294,915	289,910	290,516	289,383	283,492	262,867	264,141	268,451	272,100	275,033	277,929	280,942	284,286	287,577
31	Street Lights	SL	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
32	Irrigation	IRR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
33																	
34	Existing Rates - Customer Charge (\$/customer/month)																
35	Residential	D	\$9.72	\$9.72	\$10.22	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58
36	Small Commercial	G	21.89	21.89	23.01	23.82	23.82	23.82	23.82	23.82	23.82	23.82	23.82	23.82	23.82	23.82	23.82
37	Large Commercial	J	36.48	36.48	38.35	39.69	39.69	39.69	39.69	39.69	39.69	39.69	39.69	39.69	39.69	39.69	39.69
38	Large Power-Primary	L	334.35	334.35	346.18	355.08	355.08	355.08	355.08	355.08	355.08	355.08	355.08	355.08	355.08	355.08	355.08
39	Large Power-Secondary	P	346.51	346.51	359.78	369.38	369.38	369.38	369.38	369.38	369.38	369.38	369.38	369.38	369.38	369.38	369.38
40	Street Lights (Fixture Charge)	SL	5.78	5.78	6.06	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29
41	Irrigation	IRR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
42																	

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 3 - Projected Revenues at Existing Rates

Alternative Scenario 2 - Lower Sales

Line	Actual						Projected									
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
43	Existing Rates - Energy Base Rates (\$/kWh)															
44	Residential D	\$0.17022	\$0.17374	\$0.27270	\$0.34919	\$0.34893	\$0.34743	\$0.34743	\$0.34743	\$0.34743	\$0.34743	\$0.34743	\$0.34743	\$0.34743	\$0.34743	\$0.34743
45	Small Commercial G	0.18804	0.19125	0.28867	0.35960	0.35968	0.35769	0.35769	0.35769	0.35769	0.35769	0.35769	0.35769	0.35769	0.35769	0.35769
46	Large Commercial J	0.15697	0.16041	0.25551	0.32647	0.32552	0.32390	0.32390	0.32390	0.32390	0.32390	0.32390	0.32390	0.32390	0.32390	0.32390
47	Large Power-Primary L	0.13341	0.13643	0.22311	0.29131	0.28770	0.28823	0.28901	0.28901	0.28901	0.28901	0.28901	0.28901	0.28901	0.28901	0.28901
48	Large Power-Secondary P	0.14329	0.14658	0.23579	0.30351	0.30289	0.30153	0.30198	0.30198	0.30198	0.30198	0.30198	0.30198	0.30198	0.30198	0.30198
49	Street Lights SL	0.22913	0.23330	0.33710	0.41758	0.41940	0.41530	0.41530	0.41530	0.41530	0.41530	0.41530	0.41530	0.41530	0.41530	0.41530
50	Irrigation IRR	0.35085	0.18735	0.24215	0.32090	0.33100	0.31935	0.33100	0.33100	0.33100	0.33100	0.33100	0.33100	0.33100	0.33100	0.33100
51																
52	Existing Rates - Demand Base Rates (\$/KW)															
53	Residential D	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
54	Small Commercial G	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
55	Large Commercial J	\$6.08	\$6.08	\$6.41	\$6.62	6.62	\$6.62	\$6.62	\$6.62	\$6.62	\$6.62	\$6.62	\$6.62	\$6.62	\$6.62	\$6.62
56	Large Power-Primary L	13.13	13.13	\$13.61	13.94	13.94	13.94	13.94	13.94	13.94	13.94	13.94	13.94	13.94	13.94	13.94
57	Large Power-Secondary P	10.45	10.45	\$10.86	11.14	11.14	11.14	11.14	11.14	11.14	11.14	11.14	11.14	11.14	11.14	11.14
58	Street Lights SL	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
59	Irrigation IRR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
60																
61	Revenues at Existing Rates (\$000)															
62	Residential D	\$30,501	\$31,359	\$46,884	\$59,103	\$58,456	\$59,768	\$60,060	\$58,669	\$58,461	\$58,868	\$58,902	\$59,105	\$59,183	\$59,110	\$59,023
63	Small Commercial G	12,745	12,346	18,336	22,701	22,659	21,249	21,441	21,524	21,565	21,502	21,361	21,213	21,063	21,011	20,989
64	Large Commercial J	10,354	9,983	14,883	18,230	18,102	16,888	17,155	17,219	17,245	17,183	17,055	16,921	16,786	16,734	16,707
65	Large Power-Primary L	8,557	7,321	11,574	14,470	14,820	13,818	14,129	14,199	14,430	14,626	14,784	14,939	15,101	15,281	15,457
66	Large Power-Secondary P	20,399	20,327	30,637	39,203	38,675	37,474	35,405	35,590	36,167	36,656	37,050	37,440	37,845	38,294	38,735
67	Street Lights SL	844	874	1,179	1,404	1,428	1,304	1,205	1,094	986	874	881	887	893	899	905
68	Irrigation IRR	415	264	36	34	58	34	35	35	35	35	35	35	35	35	35
69	Total	\$83,816	\$82,475	\$123,529	\$155,143	\$154,198	\$150,535	\$149,430	\$148,330	\$148,888	\$149,744	\$150,068	\$150,540	\$150,906	\$151,364	\$151,851
70																
71	Fuel and ERAC Revenues (\$000)															
72	Residential D	\$37,021	\$17,401	\$11,715	\$9,929	\$12,330	\$11,283	\$7,110	\$1,406	\$2,390	\$3,502	\$5,343	\$6,613	\$7,585	\$8,852	\$10,233
73	Small Commercial G	14,354	6,393	4,201	3,768	4,695	3,914	2,478	504	862	1,251	1,894	2,318	2,636	3,073	3,554
74	Large Commercial J	13,404	5,879	3,826	3,255	4,067	3,381	2,159	440	751	1,090	1,650	2,020	2,297	2,678	3,097
75	Large Power-Primary L	12,382	4,678	3,322	2,769	3,668	3,002	1,931	393	683	1,007	1,553	1,937	2,245	2,656	3,114
76	Large Power-Secondary P	27,861	12,389	8,300	7,377	9,123	7,833	4,641	946	1,641	2,421	3,734	4,657	5,396	6,386	7,486
77	Street Lights SL	613	286	203	170	219	173	98	18	26	32	49	61	70	83	97
78	Irrigation IRR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
79	Total	\$105,635	\$47,025	\$31,566	\$27,268	\$34,101	\$29,587	\$18,417	\$3,707	\$6,353	\$9,303	\$14,223	\$17,606	\$20,228	\$23,726	\$27,582
80																

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 3 - Projected Revenues at Existing Rates

Alternative Scenario 2 - Lower Sales

Line		Actual					Projected									
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
81	Total Revenues at Existing Rates including Fuel and ERAC (\$000)															
82	Residential D	\$67,522	\$48,760	\$58,600	\$69,032	\$70,785	\$71,051	\$67,170	\$60,075	\$60,851	\$62,370	\$64,245	\$65,718	\$66,768	\$67,962	\$69,256
83	Small Commercial G	27,099	18,739	22,537	26,469	27,354	25,163	23,919	22,028	22,427	22,753	23,255	23,531	23,699	24,084	24,543
84	Large Commercial J	23,758	15,862	18,709	21,485	22,169	20,269	19,314	17,659	17,996	18,273	18,705	18,941	19,083	19,412	19,804
85	Large Power-Primary L	20,940	11,999	14,896	17,239	18,488	16,820	16,060	14,592	15,113	15,633	16,337	16,876	17,346	17,937	18,571
86	Large Power-Secondary P	48,260	32,716	38,937	46,579	47,798	45,307	40,046	36,536	37,808	39,077	40,784	42,097	43,241	44,680	46,221
87	Street Lights SL	1,458	1,161	1,381	1,574	1,647	1,478	1,303	1,112	1,011	906	930	948	964	982	1,002
88	Irrigation IRR	415	264	36	34	58	34	35	35	35	35	35	35	35	35	36
89	Total	\$189,451	\$129,500	\$155,095	\$182,411	\$188,299	\$180,122	\$167,846	\$152,037	\$155,241	\$159,047	\$164,291	\$168,146	\$171,134	\$175,091	\$179,433
90																
91	Average Residential Bill Calculation															
92	Avg. Monthly kWh	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
93	Base without Increases	\$97.17	\$97.17	\$146.57	\$185.18	\$185.05	\$184.30	\$184.30	\$184.30	\$184.30	\$184.30	\$184.30	\$184.30	\$184.30	\$184.30	\$184.30
94	Base with Increases	97.17	97.17	146.57	185.18	185.05	184.30	184.30	184.30	187.13	187.13	187.13	187.13	187.13	187.13	187.13
95	ERAC	116.70	54.07	36.33	31.37	39.38	34.93	21.92	4.45	7.59	11.05	16.86	20.81	23.85	27.90	32.33
96	Total Bill	\$213.86	\$151.23	\$182.91	\$216.55	224.42	\$219.23	\$206.22	\$188.74	\$194.72	\$198.18	\$203.99	\$207.94	\$210.99	\$215.03	\$219.46

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 4 - Income Statement (\$000)

Alternative Scenario 2 - Lower Sales

Line	Actual					Projected									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 Operating Revenue															
2 Base Rate Revenue at Existing Rates	\$83,816	\$82,475	\$123,529	\$155,143	\$154,198	\$150,535	\$149,430	\$148,330	\$148,888	\$149,744	\$150,068	\$150,540	\$150,906	\$151,364	\$151,851
3 ERAC Revenues at Target Heat Rate	105,635	47,025	31,566	27,268	34,101	29,587	18,417	3,707	6,353	9,303	14,223	17,606	20,228	23,726	27,581
4 % of Base Sales Revenue															
5 Year															
6 2013 0.0%						0									
7 2014 0.0%							0								
8 2015 0.0%								0							
9 2016 1.5%									2,293	\$2,306	\$2,311	\$2,318	\$2,324	\$2,331	\$2,339
10 2017 0.0%										0					
11 2018 0.0%											0				
12 2019 0.0%												0			
13 2020 0.0%													0		
14 2021 0.0%														0	
15 2022 0.0%															0
16 Rate Revenue from Rate Increases Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,293	\$2,306	\$2,311	\$2,318	\$2,324	\$2,331	\$2,339
17 Other Operating Revenues	174	161	159	168	153	153	162	162	162	162	162	162	162	162	162
18 Total Operating Revenues	\$189,625	\$129,661	\$155,254	\$182,579	\$188,452	\$180,275	\$168,009	\$152,199	\$157,696	\$161,515	\$166,764	\$170,626	\$173,620	\$177,584	\$181,933
19															
20 Operating Expenses															
21 Purchased Power															
22 KRS-1	\$0	\$0	\$0	\$0	\$0	\$0	\$969	\$3,460	\$3,425	\$3,390	\$3,353	\$3,315	\$3,277	\$3,236	\$3,195
23 KRS-2	-	-	-	-	-	-	1,473	2,956	2,965	2,958	2,909	2,916	2,931	2,923	2,930
24 Other	5,961	3,724	4,212	7,650	8,644	10,017	15,396	18,061	18,450	18,757	18,943	19,287	19,697	19,991	20,339
25 Power Production - Fuel	98,148	51,952	68,900	90,533	94,033	87,605	67,385	49,175	51,484	54,161	43,467	45,641	47,114	49,457	51,952
26 Power Production - Non-Fuel - Existing	14,415	12,917	13,701	14,917	15,426	14,751	13,747	13,106	13,494	13,851	13,365	13,749	14,069	14,450	14,812
27 Power Production - Non-Fuel - New	0	0	0	0	0	0	0	0	0	0	1,735	1,774	1,813	1,853	1,895
28 Transmission O&M	947	1,030	1,071	1,046	900	1,066	1,066	1,123	1,194	1,224	1,277	1,342	1,376	1,410	1,445
29 Distribution O&M	3,642	3,645	3,857	4,055	3,672	3,964	4,063	4,165	4,269	4,376	4,485	4,597	4,712	4,830	4,951
30 Consumer Accounts and Sales	3,320	3,196	3,218	3,161	3,348	3,230	3,311	3,393	3,478	3,565	3,654	3,746	3,839	3,935	4,034
31 Regulatory Commission Expenses - HPUC Fees	947	648	775	912	942	901	840	761	788	808	834	853	868	888	910
32 Administrative and General															
33 KRS-1	0	0	0	0	5	5	13	50	50	50	50	50	50	50	50
34 KRS-2	0	0	0	0	0	0	25	50	50	50	50	50	50	50	50
35 Other	11,239	10,620	13,377	13,855	13,012	13,547	13,853	14,137	14,493	14,858	15,232	15,615	16,008	16,411	16,824
36 Depreciation and Amortization	16,450	16,736	14,595	13,372	13,435	14,213	14,731	15,336	15,796	16,267	18,423	18,663	18,901	19,216	19,560
37 Franchise & PSC Taxes	15,923	10,861	13,003	15,289	15,783	15,181	14,148	12,817	13,280	13,602	14,044	14,369	14,621	14,955	15,321
38 Other Taxes	104	77	45	(0)	0	0	0	0	0	0	0	0	0	0	0
39 Interest Expense on Long-Term Debt															
40 Existing Debt	9,941	9,502	9,061	8,669	8,335	7,605	7,194	6,765	6,325	5,849	5,360	4,856	4,328	3,778	3,198
41 KRS-1	0	0	0	0	0	0	284	1,091	1,061	1,030	998	965	931	896	860
42 Other New Debt	0	0	0	0	0	165	527	1,009	3,098	4,430	6,691	6,601	6,500	6,421	6,565
43 Other Interest Expense															
44 KRS-1	0	0	0	7	194	264	870	0	0	0	0	0	0	0	0
45 Other	65	82	164	124	354	349	390	99	100	101	102	103	105	106	107
46 Capitalized Interest	0	0	0	0	0	0	0	0	(1,478)	(2,230)	0	0	0	0	0
47 Contributions and Other Deductions	97	77	121	86	103	69	69	69	69	69	69	69	69	69	69
48 Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
49 Total Operating Expenses	\$181,198	\$125,069	\$146,101	\$173,675	\$178,185	\$172,932	\$160,354	\$147,624	\$152,394	\$157,165	\$155,042	\$158,564	\$161,259	\$164,926	\$169,067
50															

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 4 - Income Statement (\$000)

Alternative Scenario 2 - Lower Sales

Line	Actual					Projected									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
51 Patronage Capital and Operating Margins	\$8,427	\$4,593	\$9,153	\$8,904	\$10,267	\$7,343	\$7,655	\$4,575	\$5,302	\$4,350	\$11,722	\$12,063	\$12,361	\$12,658	\$12,865
52 Income (Loss) from KRS 1	0	0	0	(32)	(198)	(5)	161	273	265	257	249	241	233	224	215
53 Income (Loss) from KRS 2	0	0	0	0	0	0	1	2	2	2	2	2	201	207	231
54 Capital Credits & Patronage Dividends	59	40	40	30	34	40	40	40	40	40	40	40	40	40	40
55 A&G Income - KRS1	0	0	0	0	5	5	13	50	50	50	50	50	50	50	50
56 A&G Income - KRS2	0	0	0	0	0	0	25	50	50	50	50	50	50	50	50
57 Interest Income - KRS1	0	0	0	7	194	264	1,154	1,091	1,061	1,030	998	965	931	896	860
58 Interest Income - Other	909	786	20	36	39	21	6	4	4	3	4	7	3	0	0
59 Interest Income COC	0	0	618	517	546	574	603	565	383	402	423	444	467	491	516
60 Other Revenue and Expense	159	156	125	195	205	167	167	167	167	167	167	167	167	167	167
61 Total Margins	\$9,554	\$5,574	\$9,956	\$9,657	\$11,091	\$8,409	\$9,824	\$6,815	\$7,323	\$6,351	\$13,704	\$14,028	\$14,502	\$14,783	\$14,994
62															
63 <u>RUS</u>															
64 Total TIER	1.96	1.59	2.10	2.11	2.33	2.08	2.23	1.77	1.70	1.56	2.05	2.13	2.23	2.33	2.41
65															
66 <u>Regulatory</u>															
67 Total TIER	2.19	1.83	2.35	2.38	2.61	2.37	2.51	2.02	1.91	1.76	2.22	2.31	2.43	2.54	2.62
68															
69 <u>KRS1</u>															
70															
71 Revenue from KIUC				\$0	\$0	\$0	\$969	\$3,460	\$3,425	\$3,390	\$3,353	\$3,315	\$3,277	\$3,236	\$3,195
72 Expenses (Revenues)															
73 O&M				\$25	\$0	\$0	\$52	\$210	\$213	\$216	\$219	\$223	\$226	\$229	\$233
74 Insurance							9	37	37	37	37	37	37	37	37
75 Land Lease				0	0	0	25	101	101	101	101	101	101	101	101
76 Depreciation				0	0	0	408	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633
77 HBA				0	0	0	12	47	47	47	47	47	47	47	47
78 Amortized HBA				0	0	0	1	6	6	6	6	6	6	6	6
79 Real Property Tax				0	0	0	3	12	12	12	12	12	12	12	12
80 Other Expenses (KIUC MSA)				0	5	5	13	50	50	50	50	50	50	50	50
81 Long-Term Interest Expense				0	0	0	284	1,091	1,061	1,030	998	965	931	896	860
82 Other Interest Expense				7	194	264	870	0	0	0	0	0	0	0	0
83 IDC				0	0	(264)	(870)	0	0	0	0	0	0	0	0
84 Interest Income					0	0	0	0	0	0	0	0	0	0	0
85 Net Margin				(\$32)	(\$198)	(\$5)	\$161	\$273	\$265	\$257	\$249	\$241	\$233	\$224	\$215
86															
87 KRS1 DSC and TIER Calculation															
88 Net Margin				(\$32)	(\$198)	(\$5)	\$161	\$273	\$265	\$257	\$249	\$241	\$233	\$224	\$215
89 Interest				0	0	0	284	1,091	1,061	1,030	998	965	931	896	860
90 Depreciation				0	0	0	408	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633
91 Total				(\$32)	(\$198)	(\$5)	\$854	\$2,997	\$2,959	\$2,921	\$2,881	\$2,840	\$2,797	\$2,754	\$2,709
92															
93 LT Interest Payments				\$0	\$0	\$0	\$284	\$1,091	\$1,061	\$1,030	\$998	\$965	\$931	\$896	\$860
94 LT Principal Payments				0	0	0	232	972	1,002	1,033	1,065	1,098	1,132	1,167	1,203
95 Total					\$0	\$0	\$516	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063
96															
97 DSC				na	na	na	1.66	1.45	1.43	1.42	1.40	1.38	1.36	1.33	1.31
98 TIER				na	na	na	1.57	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
99															
100 Gross KRS1 Energy Payments by KIUC (cents/kWh)				na	na	na	na	14.62	14.43	14.33	14.17	14.01	13.80	13.68	13.50
101 KRS1 Cash Payments to KIUC (cents/kWh)				na	na	na	na	(3.97)	(3.80)	(3.65)	(3.48)	(3.31)	(2.96)	(2.79)	(2.60)
102 Net KRS1 Energy Payments by KIUC (cents/kWh)				na	na	na	na	10.65	10.63	10.68	10.69	10.70	10.84	10.89	10.90
103															

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 4 - Income Statement (\$000)

Alternative Scenario 2 - Lower Sales

Line	Actual					Projected									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
104 KRS2															
105 Revenue from KIUC					\$0	\$0	\$1,473	\$2,956	\$2,965	\$2,958	\$2,909	\$2,916	\$2,931	\$2,923	\$2,930
106 Expenses (Revenues)					\$0	\$0	\$99	\$201	\$204	\$207	\$210	\$213	\$216	\$219	\$223
107 O&M					\$0	\$0	16	31	31	31	31	31	31	31	31
108 Insurance					0	0	25	51	53	54	56	58	59	61	63
109 Land Lease					0	0	1	2	2	2	2	2	2	3	3
110 4.167% GET On Land Lease					0	0	826	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653
111 Depreciation					0	0	0	0	0	0	0	0	0	0	0
112 HBA					0	0	0	0	0	0	0	0	0	0	0
113 Amortized HBA					0	0	0	0	0	0	0	0	0	0	0
114 Real Property Tax					0	0	0	1	1	1	1	1	1	1	1
115 Other Expenses (KIUC MSA)					0	0	25	50	50	50	50	50	50	50	50
116 Long-Term Interest					0	0	402	803	788	772	755	737	718	698	676
117 Other Interest Expense					0	41	429	0	0	0	0	0	0	0	0
118 IDC					0	(41)	(429)	0	0	0	0	0	0	0	0
119 Interest Income					0	0	0	0	0	0	0	0	0	0	0
120 Net Margin					\$0	\$0	\$79	\$164	\$184	\$188	\$151	\$172	\$201	\$207	\$231
121															
122 KRS2 DSC and TIER Calculation															
123 Net Margin					\$0	\$0	\$79	\$164	\$184	\$188	\$151	\$172	\$201	\$207	\$231
124 Interest					0	0	402	803	788	772	755	737	718	698	676
125 Depreciation					0	0	826	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653
126 Total					\$0	\$0	\$1,307	\$2,620	\$2,624	\$2,612	\$2,559	\$2,561	\$2,571	\$2,557	\$2,560
127															
128 Interest Payments					\$0	\$0	\$402	\$803	\$788	\$772	\$755	\$737	\$718	\$698	\$676
129 Principal Payments					0	0	0	268	283	299	316	335	354	374	395
130 Total					\$0	\$0	\$402	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071
131															
132 DSC					na	na	3.25	2.45	2.45	2.44	2.39	2.39	2.40	2.39	2.39
133 TIER					na	na	1.20	1.20	1.23	1.24	1.20	1.23	1.28	1.30	1.34
134															
135 Gross KRS2 Energy Payments by KIUC (cents/kWh)					na	na	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50
136 KRS2 Cash Payments to KIUC (cents/kWh)					na	na	(0.02)	(0.04)	(0.07)	(0.07)	(0.06)	(0.06)	(6.40)	(6.36)	(6.35)
137 Net KRS2 Energy Payments by KIUC (cents/kWh)					na	na	12.48	12.46	12.43	12.43	12.44	12.44	6.10	6.14	6.15

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 5 - Pro-Forma Balance Sheet as of December 31st (\$000)

Alternative Scenario 2 - Lower Sales

Line	Actual					Projected									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 ASSETS AND OTHER DEBITS															
2 Total Utility Plant	\$438,705	\$453,415	\$462,666	\$478,307	\$494,066	\$504,284	\$527,275	\$539,943	\$598,476	\$656,033	\$665,414	\$672,426	\$682,987	\$693,225	\$708,379
3 Accumulated Provision for Depr and Amort	(198,672)	(211,674)	(221,234)	(230,027)	(238,616)	(248,303)	(258,247)	(268,555)	(279,108)	(290,022)	(301,898)	(313,909)	(326,080)	(338,473)	(351,144)
4 Net Utility Plant in Service	\$240,033	\$241,741	\$241,431	\$248,279	\$255,450	\$255,981	\$269,028	\$271,388	\$319,369	\$366,011	\$363,516	\$358,517	\$356,906	\$354,752	\$357,236
5															
6 Other Property and Investments															
7 Non-Utility Property	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 Investment in KRS1	0	0	0	5,593	8,052	9,847	41,114	40,414	39,677	38,901	38,085	37,228	36,329	35,387	34,399
9 Investment in KRS2	0	0	0	0	0	0	270	262	249	235	222	209	(930)	(2,208)	(3,466)
10 Other Investments	1,000	1,261	1,247	1,193	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501
11 Total Other Property and Investments	\$1,000	\$1,261	\$1,247	\$6,787	\$9,554	\$11,349	\$42,885	\$42,178	\$41,427	\$40,637	\$39,808	\$38,938	\$36,901	\$34,680	\$32,434
12															
13 Current Assets															
14 Cash															
15 KRS1	\$0	\$0	\$0	\$0	\$0	\$0	(\$695)	\$244	\$1,147	\$2,010	\$2,834	\$3,617	\$4,320	\$4,979	\$5,594
16 KRS2	0	0	0	0	0	0	(269)	(260)	(244)	(229)	(214)	(199)	1,140	2,626	4,114
17 Other	26,001	2,919	6,096	3,437	3,762	7,765	4,778	2,924	3,098	2,219	2,907	5,233	2,746	0	0
18 Accounts Receivable	9,576	10,849	9,695	12,164	13,868	13,868	13,868	13,868	13,868	13,868	13,868	13,868	13,868	13,868	13,868
19 Inventory	13,157	13,320	14,217	14,033	14,788	15,094	15,782	16,162	17,914	19,636	19,917	20,127	20,443	20,750	21,203
20 Prepaids	1,110	1,196	955	987	1,221	1,221	1,221	1,221	1,221	1,221	1,221	1,221	1,221	1,221	1,221
21 Other Current Assets	7,302	7,275	8,167	8,059	9,394	9,394	9,394	9,394	9,394	9,394	9,394	9,394	9,394	9,394	9,394
22 Total Current Assets	57,145	35,559	39,131	38,679	43,033	47,342	44,078	43,553	46,396	48,119	49,926	53,260	53,132	52,837	55,394
23 Regulatory Assets	4,338	5,559	5,914	5,357	6,966	6,674	6,381	6,089	5,797	5,505	5,212	4,920	4,628	4,335	4,116
24 Deferred Debits	82	331	421	89	121	121	121	121	121	121	121	121	121	121	121
25 Total Assets and Other Debits	\$302,598	\$284,451	\$288,144	\$299,191	\$315,124	\$321,467	\$362,494	\$363,329	\$413,110	\$460,393	\$458,585	\$455,756	\$451,688	\$446,725	\$449,302
26															
27 EQUITIES AND LIABILITIES															
28 Margins and Equities															
29 Memberships	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30 Patronage Capital															
31 KRS1	0	0	0	(32)	(230)	(234)	5,177	5,450	5,715	5,972	6,222	6,463	6,696	6,920	7,135
32 KRS2	0	0	0	0	0	0	1	2	4	6	8	9	210	417	648
33 Other	48,144	51,316	59,756	68,415	78,601	84,134	93,032	97,629	104,560	110,526	123,855	136,859	149,198	160,681	171,416
34 Other Margins and Equities	0	952	1,162	963	174	252	330	408	486	564	642	720	798	876	954
35 Unrealized Gain(Loss) on Investments	(306)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
36 Total Margins and Equities	\$47,838	\$52,268	\$60,919	\$69,347	\$78,546	\$84,153	\$98,541	\$103,489	\$110,766	\$117,070	\$130,727	\$144,053	\$156,902	\$168,895	\$180,154
37 Non-Current Liabilities															
38 Long-Term Debt															
39 KRS1	\$0	\$0	\$0	\$0	\$0	\$0	\$34,382	\$33,380	\$32,347	\$31,282	\$30,184	\$29,052	\$27,885	\$26,682	\$25,442
40 Other	216,855	207,935	198,675	189,015	188,916	187,583	185,698	186,014	186,069	183,095	252,909	236,887	220,215	203,483	195,244
41 Cushion of Credit	(9,404)	(15,115)	(10,155)	(10,724)	(11,270)	(11,845)	(12,448)	(7,513)	(7,896)	(8,298)	(8,720)	(9,165)	(9,632)	(10,122)	(10,638)
42 Post-Retirement Benefit Obligation	3,858	2,384	1,981	1,881	2,382	2,382	2,382	2,382	2,382	2,382	2,382	2,382	2,382	2,382	2,382
43 Total Non-Current Liabilities	\$211,308	\$195,204	\$190,501	\$180,172	\$180,028	\$178,121	\$210,015	\$214,264	\$212,903	\$208,462	\$276,755	\$259,156	\$240,850	\$222,425	\$212,431
44 Current Liabilities															
45 Current Portion of Long-Term Liab															
46 KRS1	\$0	\$0	\$0	\$0	\$0	\$0	\$972	\$1,002	\$1,033	\$1,065	\$1,098	\$1,132	\$1,167	\$1,203	\$1,240
47 Other	8,487	8,876	9,261	9,661	10,395	11,239	11,884	12,553	13,257	14,802	15,394	16,022	16,672	17,447	18,106
48 Accounts Payable	5,665	7,439	7,338	7,981	6,251	6,251	6,251	6,251	6,251	6,251	6,251	6,251	6,251	6,251	6,251
49 Notes Payable to KRS1	0	0	0	0	0	0	(695)	244	1,147	2,010	2,834	3,617	4,320	4,979	5,594
50 Notes Payable - KRS 1	0	0	0	5,000	7,500	9,500	0	0	0	0	0	0	0	0	0
51 Notes Payable - Other	0	2,000	0	3,700	6,678	6,678	10,000	0	42,228	85,208	0	0	0	0	0
52 Consumer Deposits	884	1,138	1,049	1,248	1,273	1,273	1,273	1,273	1,273	1,273	1,273	1,273	1,273	1,273	1,273
53 Interest Accrued Debt KRS1	0	0	0	7	200	0	0	0	0	0	0	0	0	0	0
54 Other Liabilities	15,351	7,146	9,448	12,432	12,471	12,471	12,471	12,471	12,471	12,471	12,471	12,471	12,471	12,471	12,471
55 Total Current Liabilities	\$30,388	\$26,598	\$27,096	\$40,028	\$44,768	\$47,412	\$42,156	\$33,794	\$77,660	\$123,081	\$39,322	\$40,766	\$42,154	\$43,624	\$44,935

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 5 - Pro-Forma Balance Sheet as of December 31st (\$000)

Alternative Scenario 2 - Lower Sales

Line	Actual					Projected									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
56 Regulatory Liabilities	4,019	3,726	3,434	3,142	2,849	2,849	2,849	2,849	2,849	2,849	2,849	2,849	2,849	2,849	2,849
57 Deferred Credits	9,045	6,654	6,194	6,502	8,932	8,932	8,932	8,932	8,932	8,932	8,932	8,932	8,932	8,932	8,932
58 Total Liabilities	\$254,760	\$232,182	\$227,225	\$229,844	\$236,578	\$237,314	\$263,953	\$259,839	\$302,344	\$343,323	\$327,857	\$311,703	\$294,785	\$277,830	\$269,147
59															
60 Total Equities and Liabilities	\$302,598	\$284,451	\$288,144	\$299,191	\$315,124	\$321,467	\$362,494	\$363,329	\$413,109	\$460,393	\$458,584	\$455,756	\$451,688	\$446,725	\$449,301
61															
62															
63 FINANCIAL RATIOS															
64 Equity to Total Assets	15.81%	18.38%	21.14%	23.18%	24.93%	26.18%	27.18%	28.48%	26.81%	25.43%	28.51%	31.61%	34.74%	37.81%	40.10%
65 Working Capital (Days of Operating Expenses)	55	9	16	8	8	17	9	8	10	10	14	22	20	18	22
66															
67															
68 KRS1															
69 <u>Utility Plant</u>															
70 Electric Plant in Service				\$0	\$0	\$0	\$40,837	\$40,837	\$40,837	\$40,837	\$40,837	\$40,837	\$40,837	\$40,837	\$40,837
71 Accumulated Depreciation and Amortization				0	0	0	(408)	(2,042)	(3,675)	(5,309)	(6,942)	(8,576)	(10,209)	(11,843)	(13,476)
72 Net Electric Plant in Service				\$0	\$0	\$0	\$40,428	\$38,795	\$37,161	\$35,528	\$33,894	\$32,261	\$30,627	\$28,994	\$27,360
73 Construction Work in Progress				4,954	7,806	9,500	0	0	0	0	0	0	0	0	0
74 Net Electric Utility Plant				\$4,954	\$7,806	\$9,500	\$40,428	\$38,795	\$37,161	\$35,528	\$33,894	\$32,261	\$30,627	\$28,994	\$27,360
75															
76 <u>Current Assets</u>															
77 Cash				\$640	\$249	\$197	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10
78 Accounts/Notes Receivable				0	0	0	(695)	244	1,147	2,010	2,834	3,617	4,320	4,979	5,594
79 Prepaid Lease						150	148	142	136	130	124	118	112	106	100
80 Inventories						0	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222
81 Total Current Assets				\$640	\$249	\$347	\$685	\$1,619	\$2,515	\$3,373	\$4,191	\$4,968	\$5,665	\$6,318	\$6,927
82															
83 <u>Deferred Tax Benefit</u>				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$37	\$74	\$111
84															
85 <u>Total Assets</u>				\$5,593	\$8,055	\$9,847	\$41,114	\$40,414	\$39,677	\$38,901	\$38,085	\$37,228	\$36,329	\$35,387	\$34,399
86															
87															
88 <u>Equity and Margins</u>				(\$32)	(\$230)	(\$234)	\$5,177	\$5,450	\$5,715	\$5,972	\$6,222	\$6,463	\$6,696	\$6,920	\$7,135
89															
90 <u>Advances from KIUC</u>															
91 Cash				\$618	\$582	\$582	\$582	\$582	\$582	\$582	\$582	\$582	\$582	\$582	\$582
92 Loans				5,000	7,500	9,500	35,355	34,382	33,380	32,347	31,282	30,184	29,052	27,885	26,682
93 Total Advances				\$5,618	\$8,082	\$10,082	\$35,936	\$34,964	\$33,962	\$32,928	\$31,863	\$30,765	\$29,633	\$28,467	\$27,264
94															
95 <u>Accounts Payable - KRS1</u>				\$0	\$3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96															
97 <u>Interest Accrued - KRS1</u>				\$7	\$200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
98															
99 <u>Deferred Taxes</u>				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
100															
101 <u>Total Liabilities, Equities, and Margins</u>				\$5,593	\$8,055	\$9,847	\$41,114	\$40,414	\$39,677	\$38,901	\$38,085	\$37,228	\$36,329	\$35,387	\$34,399
102															
103															

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 5 - Pro-Forma Balance Sheet as of December 31st (\$000)

Alternative Scenario 2 - Lower Sales																
Line		Actual					Projected									
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
104	KRS2															
105	<u>Utility Plant</u>															
106	Electric Plant in Service					\$0	\$0	\$41,314	\$41,314	\$41,314	\$41,314	\$41,314	\$41,314	\$41,314	\$41,314	\$41,314
107	Accumulated Depreciation and Amortization					0	0	(826)	(2,479)	(4,131)	(5,784)	(7,437)	(9,089)	(10,742)	(12,394)	(14,047)
108	Net Electric Plant in Service					\$0	\$0	\$40,488	\$38,835	\$37,183	\$35,530	\$33,877	\$32,225	\$30,572	\$28,920	\$27,267
109	Construction Work in Progress					0	6,000	0	0	0	0	0	0	0	0	0
110	Net Electric Utility Plant					\$0	\$6,000	\$40,488	\$38,835	\$37,183	\$35,530	\$33,877	\$32,225	\$30,572	\$28,920	\$27,267
111																
112	<u>Current Assets</u>															
113	Cash					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
114	Accounts/Notes Receivable					0	0	0	0	0	0	0	0	0	0	0
115	Prepaid Lease					0	0	0	0	0	0	0	0	0	0	0
116	Inventories							618	1,237	1,237	1,237	1,237	1,237	1,237	1,237	1,237
117	Total Current Assets					\$0	\$0	\$618	\$1,237	\$1,237	\$1,237	\$1,237	\$1,237	\$1,237	\$1,237	\$1,237
118																
119	<u>Deferred Tax Benefit</u>					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
120																
121	<u>Total Assets</u>					\$0	\$6,000	\$41,106	\$40,072	\$38,419	\$36,767	\$35,114	\$33,462	\$31,809	\$30,156	\$28,504
122																
123	<u>Equity and Margins</u>															
124	KIUC Equity					\$0	\$0	\$270	\$262	\$249	\$235	\$222	\$209	\$19,568	\$18,289	\$17,031
125	Equity Investor Equity					0	0	26,740	25,981	24,625	23,286	21,963	20,658	0	0	0
126	Total Equity					\$0	\$0	\$27,010	\$26,243	\$24,874	\$23,521	\$22,185	\$20,867	\$19,568	\$18,289	\$17,031
127																
128	<u>Long-Term Debt</u>					\$0	\$6,000	\$14,096	\$13,828	\$13,545	\$13,246	\$12,929	\$12,595	\$12,241	\$11,867	\$11,472
129																
130	<u>Other Current and Accrued Liabilities</u>					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
131																
132	<u>Deferred Taxes</u>					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
133																
134	<u>Total Liabilities, Equities, and Margins</u>					\$0	\$6,000	\$41,106	\$40,072	\$38,419	\$36,767	\$35,114	\$33,462	\$31,809	\$30,156	\$28,504
135																
136	<u>Equity Detail</u>															
137																
138	<u>Total Equity</u>															
139	Beginning Equity					\$0	\$0	\$0	\$27,010	\$26,243	\$24,874	\$23,521	\$22,185	\$20,867	\$19,568	\$18,289
140	Retained Earnings					0	0	79	164	184	188	151	172	201	207	231
141	Equity Investment					0	0	27,218	0	0	0	0	0	0	0	0
142	Distributions					0	0	(287)	(930)	(1,553)	(1,541)	(1,487)	(1,490)	(1,500)	(1,486)	(1,488)
143	Ending Equity					\$0	\$0	\$27,010	\$26,243	\$24,874	\$23,521	\$22,185	\$20,867	\$19,568	\$18,289	\$17,031
144																
145	<u>KIUC Equity</u>															
146	% Ownership					1%	1%	1%	1%	1%	1%	1%	1%	100%	100%	100%
147	Beginning Equity					0	0	0	270	262	249	235	222	209	19,568	18,289
148	Retained Earnings					0	0	1	2	2	2	2	2	201	207	231
149	Equity Investment					0	0	272	0	0	0	0	0	0	0	0
150	Distributions					0	0	(3)	(9)	(16)	(15)	(15)	(15)	(1,500)	(1,486)	(1,488)
151	Change in Ownership													20,658		
152	Ending Equity					\$0	\$0	\$270	\$262	\$249	\$235	\$222	\$209	\$19,568	\$18,289	\$17,031
153																
154	<u>Equity Investor Equity</u>															
155	% Ownership					99%	99%	99%	99%	99%	99%	99%	99%	0%	0%	0%
156	Beginning Equity					0	0	0	26,740	25,981	24,625	23,286	21,963	20,658	0	0
157	Retained Earnings					0	0	78	163	182	186	150	170	0	0	0
158	Equity Investment					0	0	26,945	0	0	0	0	0	0	0	0
159	Distributions					0	0	(284)	(921)	(1,537)	(1,525)	(1,472)	(1,475)	0	0	0
160	Change in Ownership					0	0	0	0	0	0	0	0	(20,658)	0	0
161	Ending Equity					\$0	\$0	\$26,740	\$25,981	\$24,625	\$23,286	\$21,963	\$20,658	\$0	\$0	\$0

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 5 - Pro-Forma Balance Sheet as of December 31st (\$000)

Alternative Scenario 2 - Lower Sales															
Line	Actual					Projected									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
162															
163	<u>KIUC Portion of KRS2</u>														
164															
165	<u>Assets</u>														
166	Beginning Investment in KRS2				\$0	\$0	\$0	\$270	\$262	\$249	\$235	\$222	\$209	(\$930)	(\$2,208)
167	KRS2 Net Income				0	0	1	2	2	2	2	2	201	207	231
168	KRS2 Capital Investment				0	0	272	0	0	0	0	0	161		
169	KRS2 Distributions				0	0	(3)	(9)	(16)	(15)	(15)	(15)	(1,500)	(1,486)	(1,488)
170	Ending Investment in KRS2				\$0	\$0	\$270	\$262	\$249	\$235	\$222	\$209	(\$930)	(\$2,208)	(\$3,466)
171															
172	Beginning Cash				\$0	\$0	\$0	(\$269)	(\$260)	(\$244)	(\$229)	(\$214)	(\$199)	\$1,140	\$2,626
173	KRS2 Capital Investment				0	0	(272)	0	0	0	0	0	(161)	0	0
174	KRS2 Distributions				0	0	3	9	16	15	15	15	1,500	1,486	1,488
175	Ending Cash				\$0	\$0	(\$269)	(\$260)	(\$244)	(\$229)	(\$214)	(\$199)	\$1,140	\$2,626	\$4,114
176															
177	Total Assets				\$0	\$0	\$1	\$2	\$4	\$6	\$8	\$9	\$210	\$417	\$648
178															
179	<u>Equity & Liabilities</u>														
180	Beginning Patronage Capital - KRS2				\$0	\$0	\$0	\$1	\$2	\$4	\$6	\$8	\$9	\$210	\$417
181	KRS2 Net Income				0	0	1	2	2	2	2	2	201	207	231
182	Ending Patronage Capital - KRS2				\$0	\$0	\$1	\$2	\$4	\$6	\$8	\$9	\$210	\$417	\$648
183															
184	Total Equity & Liabilities				\$0	\$0	\$1	\$2	\$4	\$6	\$8	\$9	\$210	\$417	\$648

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 6 - Statement of Operations - Cash Basis (\$000)

Alternative Scenario 2 - Lower Sales

Line	Projected									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 Total Accrual Margins	\$8,409	\$9,824	\$6,815	\$7,323	\$6,351	\$13,704	\$14,028	\$14,502	\$14,783	\$14,994
2 Add: Depreciation and Amortization	14,677	15,195	15,800	16,260	16,731	18,886	19,127	19,365	19,680	20,024
3 Add: Interest Exp - Existing Long-Term Debt	7,605	7,194	6,765	6,325	5,849	5,360	4,856	4,328	3,778	3,198
4 Add: Interest Exp - KRS1 Long-Term Debt	0	284	1,091	1,061	1,030	998	965	931	896	860
5 Add: Interest Exp - Other New Long-Term Debt	165	527	1,009	3,098	4,430	6,691	6,601	6,500	6,421	6,565
6 Less: Capital Credits, Pat Cap, and KRS1/KRS2 Income (Loss)	(35)	(202)	(314)	(307)	(299)	(291)	(283)	(474)	(471)	(486)
7 Less: COC Interest Income	(574)	(603)	(565)	(383)	(402)	(423)	(444)	(467)	(491)	(516)
8 Less: Capitalized Interest	0	0	0	(1,478)	(2,230)	0	0	0	0	0
9 Cash from Operations	\$30,245	\$32,218	\$30,600	\$31,899	\$31,459	\$44,926	\$44,850	\$44,685	\$44,596	\$44,640
10										
11 Debt Service - Long Term										
12 Existing - Interest	\$7,605	\$7,194	\$6,765	\$6,325	\$5,849	\$5,360	\$4,856	\$4,328	\$3,778	\$3,198
13 Existing - Principal	10,396	10,925	11,353	11,792	12,266	12,752	13,255	13,782	14,330	14,907
14 KRS1 Interest	0	284	1,091	1,061	1,030	998	965	931	896	860
15 KRS1 Principal	0	232	972	1,002	1,033	1,065	1,098	1,132	1,167	1,203
16 Other New - Interest	165	527	1,009	3,098	4,430	6,691	6,601	6,500	6,421	6,565
17 New - Principal	93	314	532	760	991	2,050	2,140	2,240	2,342	2,540
18 Other - Interest	0	0	0	0	0	0	0	0	0	0
19 Total Debt Service	\$18,259	\$19,476	\$21,721	\$24,039	\$25,599	\$28,916	\$28,915	\$28,913	\$28,934	\$29,273
20										
21 Cash Margins After Debt Service	\$11,987	\$12,743	\$8,879	\$7,860	\$5,860	\$16,010	\$15,935	\$15,773	\$15,662	\$15,367
22										
23 Additional Sources of Cash										
24 Proceeds from Long-Term Debt	\$10,000	\$10,000	\$12,868	\$13,312	\$11,829	\$85,208	\$0	\$0	\$715	\$9,867
25 Proceeds from Short-Term Debt	10,000	13,322	0	42,228	42,980	0	0	0	0	0
26 Proceeds from RUS Cushion of Credit	0	0	5,500	0	0	0	0	0	0	0
27 Free Cash Flow From										
28 KRS1	0	(695)	940	902	864	824	783	703	660	615
29 KRS2	0	(269)	9	16	15	15	15	1,339	1,486	1,488
30 Principal Income from KRS1	0	232	972	1,002	1,033	1,065	1,098	1,132	1,167	1,203
31 CIAC/Grant Funds/Advances	9,191	662	728	800	880	967	1,063	1,168	1,284	1,411
32 Patronage Capital Paid in Cash	40	40	40	40	40	40	40	40	40	40
33										
34 Additional Uses of Cash										
35 Total Additions and Replacements	(23,997)	(28,397)	(18,359)	(63,010)	(61,444)	(16,752)	(14,552)	(18,249)	(18,098)	(23,239)
36 Refund of Customer Advances	(109)	(215)	(236)	(260)	(286)	(315)	(346)	(381)	(419)	(461)
37 Inventory Buildup	(306)	(688)	(379)	(1,752)	(1,723)	(281)	(210)	(316)	(306)	(454)
38 Repayment of Short-Term Debt	(10,000)	(10,000)	(10,000)	0	0	(85,208)	0	0	0	0
39 Regular Capital Credit Retirements	(2,755)	(639)	(1,819)	0	0	0	(655)	(1,606)	(2,744)	(3,687)
40 Early Retirement of Capital Credits	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)
41										
42 Total Additional Sources and Uses of Cash	(\$7,983)	(\$16,695)	(\$9,783)	(\$6,769)	(\$5,860)	(\$14,483)	(\$12,812)	(\$16,217)	(\$16,262)	(\$13,264)

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 6 - Statement of Operations - Cash Basis (\$000)

Alternative Scenario 2 - Lower Sales

Line	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
43										
44 Net Change in Cash Including KRS1/KRS2-Related	\$4,003	(\$3,952)	(\$904)	\$1,091	\$0	\$1,526	\$3,123	(\$444)	(\$601)	\$2,103
45 Less KRS1/KRS2-Related Net Change In Cash	0	965	(949)	(918)	(879)	(839)	(798)	(2,042)	(2,145)	(2,103)
46 Total Net Change in Cash	\$4,003	(\$2,988)	(\$1,853)	\$174	(\$879)	\$688	\$2,326	(\$2,486)	(\$2,746)	\$0
47										
48 TIER Calculation										
49 Long-Term Interest Payment	\$7,770	\$8,005	\$8,865	\$10,484	\$11,309	\$13,049	\$12,422	\$11,759	\$11,095	\$10,624
50 Total TIER	2.08	2.23	1.77	1.70	1.56	2.05	2.13	2.23	2.33	2.41
51										
52 RUS Debt Service Coverage Ratio										
53 Net Margins	\$8,409	\$9,824	\$6,815	\$7,323	\$6,351	\$13,704	\$14,028	\$14,502	\$14,783	\$14,994
54 Interest on Long Term Debt	7,770	8,005	8,865	10,484	11,309	13,049	12,422	11,759	11,095	10,624
55 Depreciation and Amortization Expense	14,213	14,731	15,336	15,796	16,267	18,423	18,663	18,901	19,216	19,560
56 Adjusted Margins	\$ 30,392	\$ 32,560	\$ 31,016	\$ 33,604	\$ 33,927	\$ 45,176	\$ 45,114	\$ 45,162	\$ 45,094	\$ 45,178
57										
58 Debt Service	\$ 18,259	\$ 19,476	\$ 21,721	\$ 24,039	\$ 25,599	\$ 28,916	\$ 28,915	\$ 28,913	\$ 28,934	\$ 29,273
59 RUS DSC Ratio	1.66	1.67	1.43	1.40	1.33	1.56	1.56	1.56	1.56	1.54
60										
61 CFC Debt Service Coverage Ratio										
62 Operating Margins	\$7,343	\$7,655	\$4,575	\$5,302	\$4,350	\$11,722	\$12,063	\$12,361	\$12,658	\$12,865
63 Non-Operating Margins - Interest	860	1,763	1,659	1,447	1,435	1,424	1,416	1,401	1,387	1,376
64 Interest on Long Term Debt	7,770	8,005	8,865	10,484	11,309	13,049	12,422	11,759	11,095	10,624
65 Depreciation and Amortization Expense	14,213	14,731	15,336	15,796	16,267	18,423	18,663	18,901	19,216	19,560
66 Capital Credits Received	0	0	0	0	0	0	0	0	0	0
67 Adjusted Margins	\$ 30,185	\$ 32,154	\$ 30,435	\$ 33,030	\$ 33,361	\$ 44,618	\$ 44,564	\$ 44,422	\$ 44,356	\$ 44,425
68										
69 Debt Service	\$ 18,259	\$ 19,476	\$ 21,721	\$ 24,039	\$ 25,599	\$ 28,916	\$ 28,915	\$ 28,913	\$ 28,934	\$ 29,273
70 CFC DSC Ratio	1.65	1.65	1.40	1.37	1.30	1.54	1.54	1.54	1.53	1.52
71										
72 Patronage Refund Over 2.0 RUS TIER	(\$2,755)	(\$639)	(\$1,819)	\$0	\$0	\$0	(\$655)	(\$1,606)	(\$2,744)	(\$3,687)
73										
74 Capital Credits Balance - Excluding KRS1 and KRS2										
75 Balance (Beg Yr)	\$78,601	\$84,134	\$93,032	\$97,629	\$104,560	\$110,526	\$123,855	\$136,859	\$149,198	\$160,681
76 Retirements	(2,755)	(639)	(1,819)	0	0	0	(655)	(1,606)	(2,744)	(3,687)
77 Early Retirements	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)
78 Additions	8,413	9,662	6,541	7,056	6,092	13,453	13,785	14,069	14,352	14,548
79 Balance (End Yr)	\$84,134	\$93,032	\$97,629	\$104,560	\$110,526	\$123,855	\$136,859	\$149,198	\$160,681	\$171,416
80										

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 6 - Statement of Operations - Cash Basis (\$000)

Alternative Scenario 2 - Lower Sales

Line		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
81	KRS1										
82	Cash Flows from Operating Activities										
83	Margins	(\$5)	\$161	\$273	\$265	\$257	\$249	\$241	\$233	\$224	\$215
84	Depreciation and Amortization	0	410	1,639	1,639	1,639	1,639	1,639	1,639	1,639	1,639
85	Capitalized Interest	(264)	(870)	0	0	0	0	0	0	0	0
86	Taxes Paid	0	0	0	0	0	0	0	(37)	(37)	(37)
87	Changes in Prepayments	(150)	0	0	0	0	0	0	0	0	0
88	Changes in Accounts Payable	(3)	0	0	0	0	0	0	0	0	0
89	Changes in Accrued Interest	(200)	0	0	0	0	0	0	0	0	0
90	Changes in Inventories	0	(1,222)	0	0	0	0	0	0	0	0
91	Net Cash from Operating Activities	(\$622)	(\$1,521)	\$1,912	\$1,905	\$1,897	\$1,889	\$1,881	\$1,835	\$1,826	\$1,818
92											
93	Cash Flows from Investing Activities										
94	Additions to Utility Plant	(\$1,430)	(\$46,802)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
95											
96	Cash Flows from Financing Activities										
97	Loan Amounts	\$2,000	\$47,672	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
98	Principal Paid on Debt	0	(232)	(972)	(1,002)	(1,033)	(1,065)	(1,098)	(1,132)	(1,167)	(1,203)
99	Grants/Tax Incentives Received	0	21,586	0	0	0	0	0	0	0	0
100	Grants/Tax Incentives Paid On Debt	0	(21,586)	0	0	0	0	0	0	0	0
101	Note Receivable to Parent	0	695	(940)	(902)	(864)	(824)	(783)	(703)	(660)	(615)
102	Net Cash from Financing Activities	\$2,000	\$48,136	(\$1,912)	(\$1,905)	(\$1,897)	(\$1,889)	(\$1,881)	(\$1,835)	(\$1,826)	(\$1,818)
103											
104	Net Change in Cash	(\$52)	(\$187)	(\$0)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
105											
106	RUS Debt Service Coverage Ratio										
107	Net Margins	(\$5)	\$161	\$273	\$265	\$257	\$249	\$241	\$233	\$224	\$215
108	Interest on Long Term Debt	0	284	1,091	1,061	1,030	998	965	931	896	860
109	Depreciation and Amortization Expense	0	408	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633
110	Adjusted Margins	(\$5)	\$854	\$2,997	\$2,959	\$2,921	\$2,881	\$2,840	\$2,797	\$2,754	\$2,709
111											
112	Debt Service	\$0	\$516	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063
113	RUS DSC Ratio	NA	1.66	1.45	1.43	1.42	1.40	1.38	1.36	1.33	1.31
114											
115	CFC Debt Service Coverage Ratio										
116	Operating Margins	(\$5)	\$161	\$273	\$265	\$257	\$249	\$241	\$233	\$224	\$215
117	on-Operating Margins - Interest	0	0	0	0	0	0	0	0	0	0
118	Interest on Long Term Debt	0	284	1,091	1,061	1,030	998	965	931	896	860
119	Depreciation and Amortization Expense	0	408	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633
120	Capital Credits Received	0	0	0	0	0	0	0	0	0	1
121	Adjusted Margins	(\$5)	\$854	\$2,997	\$2,959	\$2,921	\$2,881	\$2,840	\$2,797	\$2,754	\$2,710
122											
123	Debt Service	\$0	\$516	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063
124	CFC DSC Ratio	NA	1.66	1.45	1.43	1.42	1.40	1.38	1.36	1.33	1.31
125											

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 6 - Statement of Operations - Cash Basis (\$000)

Alternative Scenario 2 - Lower Sales

Line	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
126 KRS2										
127 Cash Flows from Operating Activities										
128 Margins	\$0	\$79	\$164	\$184	\$188	\$151	\$172	\$201	\$207	\$231
129 Depreciation and Amortization	0	826	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653
130 Capitalized Interest	(41)	(429)	0	0	0	0	0	0	0	0
131 Taxes Paid	0	0	0	0	0	0	0	0	0	0
132 Changes in Accrued Interest	0	0	0	0	0	0	0	0	0	0
133 Changes in Prepayments	0	0	0	0	0	0	0	0	0	0
134 Changes in Inventories	0	(618)	(618)	0	0	0	0	0	0	0
135 Net Cash from Operating Activities	(\$41)	(\$142)	\$1,198	\$1,836	\$1,840	\$1,804	\$1,824	\$1,853	\$1,860	\$1,883
136										
137 Cash Flows from Investing Activities										
138 Additions to Utility Plant	(\$5,959)	(\$34,885)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
139										
140 Cash Flows from Financing Activities										
141 Loan Amounts	\$6,000	\$35,314	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
142 Principal Paid on Debt	0	0	(268)	(283)	(299)	(316)	(335)	(354)	(374)	(395)
143 State Tax Refund	0	4,987	0	0	0	0	0	0	0	0
144 Distributions	0	(5,274)	(930)	(1,553)	(1,541)	(1,487)	(1,490)	(1,500)	(1,486)	(1,488)
145 Net Cash from Financing Activities	\$6,000	\$35,027	(\$1,198)	(\$1,836)	(\$1,840)	(\$1,804)	(\$1,824)	(\$1,853)	(\$1,860)	(\$1,883)
146										
147 Net Change in Cash	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
148										
149 RUS Debt Service Coverage Ratio										
150 Net Margins	na	\$ 79	\$ 164	\$ 184	\$ 188	\$ 151	\$ 172	\$ 201	\$ 207	\$ 231
151 Interest on Long Term Debt	0	402	803	788	772	755	737	718	698	676
152 Depreciation and Amortization Expense	0	826	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653
153 Adjusted Margins	\$0	\$1,307	\$2,620	\$2,624	\$2,612	\$2,559	\$2,561	\$2,571	\$2,557	\$2,560
154										
155 Debt Service	\$0	\$536	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071
156 RUS DSC Ratio	NA	2.44	2.45	2.45	2.44	2.39	2.39	2.40	2.39	2.39
157										
158 CFC Debt Service Coverage Ratio										
159 Operating Margins	na	\$79	\$164	\$184	\$188	\$151	\$172	\$201	\$207	\$231
160 on-Operating Margins - Interest	na	0	0	0	0	0	0	0	0	0
161 Interest on Long Term Debt	0	402	803	788	772	755	737	718	698	676
162 Depreciation and Amortization Expense	0	826	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653
163 Capital Credits Received	0	0	0	0	0	0	0	0	0	1
164 Adjusted Margins	\$0	\$1,307	\$2,620	\$2,624	\$2,612	\$2,559	\$2,561	\$2,571	\$2,557	\$2,561
165										
166 Debt Service	\$0	\$536	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071
167 CFC DSC Ratio	NA	2.44	2.45	2.45	2.44	2.39	2.39	2.40	2.39	2.39

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 7 - General Funds Summary (\$000)

Alternative Scenario 2 - Lower Sales

Line	Projected									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 KIUC NET GENERAL FUNDS - BEGINNING OF YEAR	\$3,762	\$7,765	\$3,813	\$2,908	\$4,000	\$4,000	\$5,527	\$8,650	\$8,206	\$7,605
2										
3 SOURCES OF GENERAL FUNDS										
4 Cash Margins after Debt Service	\$11,987	\$12,743	\$8,879	\$7,860	\$5,860	\$16,010	\$15,935	\$15,773	\$15,662	\$15,367
5 Long Term Debt Loan Proceeds	10,000	10,000	12,868	13,312	11,829	85,208	0	0	715	9,867
6 Patronage Capital Paid in Cash	40	40	40	40	40	40	40	40	40	40
7 Principal Income from KRS1	0	232	972	1,002	1,033	1,065	1,098	1,132	1,167	1,203
8 Proceeds from Short-Term Debt	10,000	13,322	0	42,228	42,980	0	0	0	0	0
9 Cushion of Credit	0	0	5,500	0	0	0	0	0	0	0
10 Change in KRS1-Related Cash	0	(695)	940	902	864	824	783	703	660	615
11 Change in KRS2-Related Cash	0	(269)	9	16	15	15	15	1,339	1,486	1,488
12 Total Sources of General Funds	\$32,027	\$35,372	\$29,208	\$65,360	\$62,621	\$103,161	\$17,871	\$18,986	\$19,729	\$28,579
13										
14 USES OF GENERAL FUNDS										
15 Regular Capital Credit Retirements	(\$2,755)	(\$639)	(\$1,819)	\$0	\$0	\$0	(\$655)	(\$1,606)	(\$2,744)	(\$3,687)
16 Early Retirement of Capital Credits	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)
17 Net Additions and Replacements	(14,806)	(27,735)	(17,631)	(62,210)	(60,565)	(15,785)	(13,489)	(17,081)	(16,814)	(21,828)
18 Refund of Customer Advances	(109)	(215)	(236)	(260)	(286)	(315)	(346)	(381)	(419)	(461)
19 Inventory Buildup	(306)	(688)	(379)	(1,752)	(1,723)	(281)	(210)	(316)	(306)	(454)
20 Repayment of Short-Term Debt	(10,000)	(10,000)	(10,000)	0	0	(85,208)	0	0	0	0
21 Total Uses of General Funds	(\$28,023)	(\$39,324)	(\$30,113)	(\$64,269)	(\$62,621)	(\$101,635)	(\$14,748)	(\$19,431)	(\$20,330)	(\$26,476)
22										
23 KIUC NET GENERAL FUNDS - END OF YEAR	\$7,765	\$3,813	\$2,908	\$4,000	\$4,000	\$5,527	\$8,650	\$8,206	\$7,605	\$9,708

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 8 - Plant Investment and Depreciation Expense (\$000)

Alternative Scenario 2 - Lower Sales

Line	Projected									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 UTILITY PLANT										
2 Plant-in-Service - BOY	\$420,312	\$443,717	\$465,254	\$484,541	\$494,386	\$601,180	\$610,561	\$617,574	\$625,934	\$638,372
3 Acquisition Adjustment - BOY	54,852	54,852	54,852	54,852	54,852	54,852	54,852	54,852	54,852	54,852
4 CWIP - BOY	18,902	5,715	7,169	550	49,238	0	0	0	2,200	0
5 Total Utility Plant - BOY	\$494,066	\$504,284	\$527,275	\$539,943	\$598,476	\$656,032	\$665,413	\$672,426	\$682,986	\$693,224
6										
7										
8 ADDITIONS AND REPLACEMENTS										
9 Generation										
10 Hydropower	\$0	\$0	\$0	\$40,750	\$40,750	\$0	\$0	\$0	\$0	\$0
11 Hydropower Capitalized Interest	0	0	0	1,478	2,230	0	0	0	0	0
12 SWD CO Catalysts Install	150	0	0	0	0	0	0	0	0	0
13 EMD CO Catalysts Install	300	0	0	0	0	0	0	0	0	0
14 HRSG MCC Replacement	100	0	0	0	0	0	0	0	0	0
15 Waiahi Upper Powerhouse Expansion	0	3,489	0	0	0	0	0	0	0	0
16 Waiahi Lower Powerhouse Upgrade	0	0	0	0	0	0	0	0	0	0
17 LFG	0	0	0	0	0	0	0	0	0	0
18 Titan or Alternative	0	0	0	0	0	0	0	0	0	0
19 Other Non-Recurring Projects	5,130	1,928	0	0	0	5,050	2,000	2,000	2,000	2,000
20 Other Recurring Projects	925	950	850	850	850	850	950	1,600	1,600	850
21 Transmission and Distribution										
22 North Shore Transmission Line Capital Expenditures	0	0	0	7,010	9,000	0	0	0	0	0
23 Anahola Service Center	200	4,692	0	0	0	0	0	0	0	0
24 Princeville Substation Upgrade	152	0	0	0	0	0	0	0	0	0
25 Replacement GIS Mapping System	250	50	0	0	0	0	0	0	0	0
26 Kipu 12 kV Reroute	100	300	0	0	0	0	0	0	0	0
27 Wailua Corridor Undergrounding	1,666	834	0	0	0	0	0	0	0	0
28 RUS Standards Compliance	50	75	0	0	0	0	0	0	0	0
29 Hanalei Tap Reconfiguration	0	50	500	1,000	0	0	0	0	0	0
30 New T&D Warehouse and Field Offices	0	0	1,500	0	0	0	0	0	0	0
31 HCP - C2 Waiakea Canal Crossing	245	147	0	0	0	0	0	0	0	0
32 Kapaia to Hanahanapuni	0	0	0	0	0	0	0	0	0	0
33 Convert Hanahanapuni Tap to Switching Station	0	0	0	0	0	0	0	0	0	0
34 Kilohana Switching Station	0	0	0	0	0	0	0	0	0	0
35 Lihue Station - Upgraded Transformers (3 @ \$850)	0	0	0	0	0	0	0	2,200	1,122	0
36 Other Non-Recurring Projects										
37 Transmission	2,401	1,945	4,398	1,581	1,040	0	0	0	0	6,000
38 Distribution	0	0	0	0	0	0	0	0	0	0

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 8 - Plant Investment and Depreciation Expense (\$000)

Alternative Scenario 2 - Lower Sales

Line		Projected									
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
39	Other Recurring Projects										
40	Transmission	840	710	620	3,231	542	479	468	482	498	514
41	Distribution	5,934	6,492	7,375	6,076	7,184	7,759	8,389	9,080	9,837	10,667
42	Other	40	44	48	53	59	64	71	78	86	94
43	Other Projects										
44	Non-Recurring Projects	535	1,305	555	1,055	500	1,000	1,100	1,210	1,331	1,464
45	Recurring Projects	1,730	1,467	1,401	1,405	1,520	1,549	1,574	1,599	1,625	1,651
46	Carryover Projects										
47	AEPO Substation (Kumanu)	530	3,920	1,112	0	0	0	0	0	0	0
48	SPCC Substation Compliance	220	0	0	0	0	0	0	0	0	0
49	AMI/Advanced Metering Infrastructure	2,500	0	0	0	0	0	0	0	0	0
50	Battery Energy Storage	0	0	0	0	0	0	0	0	0	0
51	Other Carryover Projects	0	0	0	0	0	0	0	0	0	0
52	Total Additions and Replacements	\$23,997	\$28,397	\$18,359	\$64,488	\$63,675	\$16,752	\$14,552	\$18,249	\$18,098	\$23,239
53	Less Customer Advances	(2,880)	(651)	(716)	(788)	(867)	(953)	(1,049)	(1,153)	(1,269)	(1,395)
54	Less CIAC	(9)	(11)	(12)	(12)	(13)	(14)	(14)	(15)	(15)	(16)
55	Less AMI Funding	(6,302)	0	0	0	0	0	0	0	0	0
56	Total Cap Ex Cash Requirements	\$14,806	\$27,735	\$17,631	\$63,688	\$62,795	\$15,785	\$13,489	\$17,081	\$16,814	\$21,828
57											
58	CONSTRUCTION WORK IN PROGRESS										
59	Hydropower	\$0	\$0	\$0	\$40,750	\$0	\$0	\$0	\$0	\$0	\$0
60	Hydropower Capitalized Interest	0	0	0	1,478	0	0	0	0	0	0
61	SWD CO Catalysts Install	0	0	0	0	0	0	0	0	0	0
62	EMD CO Catalysts Install	0	0	0	0	0	0	0	0	0	0
63	HRSR MCC Replacement	0	0	0	0	0	0	0	0	0	0
64	Waiahi Upper Powerhouse Expansion	0	0	0	0	0	0	0	0	0	0
65	Waiahi Lower Powerhouse Upgrade	0	0	0	0	0	0	0	0	0	0
66	LFG	0	0	0	0	0	0	0	0	0	0
67	Titan or Alternative	0	0	0	0	0	0	0	0	0	0
68	North Shore Transmission Line Capital Expenditures	0	0	0	7,010	0	0	0	0	0	0
69	Anahola Service Center	200	0	0	0	0	0	0	0	0	0
70	Princeville Substation Upgrade	0	0	0	0	0	0	0	0	0	0
71	Repace GIS Mapping System	250	0	0	0	0	0	0	0	0	0
72	Kipu 12 kV Reroute	100	0	0	0	0	0	0	0	0	0
73	Wailua Corridor Undergrounding	1,666	0	0	0	0	0	0	0	0	0
74	RUS Standards Compliance	50	0	0	0	0	0	0	0	0	0
75	Hanalei Tap Reconfiguration	0	50	550	0	0	0	0	0	0	0
76	New T&D Warehouse and Field Offices	0	0	0	0	0	0	0	0	0	0
77	HCP - C2 Waiakea Canal Crossing	250	0	0	0	0	0	0	0	0	0
78	Kapaia to Hanahanapuni	0	0	0	0	0	0	0	0	0	0
79	Convert Hanahanapuni Tap to Switching Station	0	0	0	0	0	0	0	0	0	0
80	Kilohana Switching Station	0	0	0	0	0	0	0	0	0	0
81	Lihue Station - Upgraded Transformers (3 @ \$850)	0	0	0	0	0	0	0	2,200	0	0
82	AEPO Substation (Kumanu)	3,199	7,119	0	0	0	0	0	0	0	0

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 8 - Plant Investment and Depreciation Expense (\$000)

Alternative Scenario 2 - Lower Sales

Line		Projected									
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
83	SPCC Substation Compliance	0	0	0	0	0	0	0	0	0	0
84	AMI/Advanced Metering Infrastructure	0	0	0	0	0	0	0	0	0	0
85	Battery Energy Storage	0	0	0	0	0	0	0	0	0	0
86	Other Carryover Projects	0	0	0	0	0	0	0	0	0	0
87	Total CWIP	\$5,715	\$7,169	\$550	\$49,238	\$0	\$0	\$0	\$2,200	\$0	\$0
88											
89	TOTAL PLANT IN SERVICE - BOY	\$420,312	\$443,717	\$465,254	\$484,541	\$494,386	\$601,180	\$610,561	\$617,574	\$625,934	\$638,372
90	Total Additions and Replacements	23,997	28,397	18,359	64,488	63,675	16,752	14,552	18,249	18,098	23,239
91	Carryover Closed to Plant	16,228	2,516	7,119	550	49,238	0	0	0	2,200	0
92	Less CIAC and Funding	(9,082)	(447)	(492)	(540)	(594)	(652)	(717)	(787)	(865)	(951)
93	Less Cap Ex to CWIP	(3,041)	(3,970)	(500)	(49,238)	0	0	0	(2,200)	0	0
94	Less Retirements	(4,697)	(4,958)	(5,199)	(5,415)	(5,525)	(6,718)	(6,823)	(6,901)	(6,995)	(7,134)
95	TOTAL PLANT IN SERVICE - EOY	\$443,717	\$465,254	\$484,541	\$494,386	\$601,180	\$610,561	\$617,574	\$625,934	\$638,372	\$653,527
96	Closed to Plant	\$28,102	\$26,496	\$24,486	\$15,260	\$112,319	\$16,099	\$13,835	\$15,262	\$19,433	\$22,288
97											
98	FUNDING										
99	Debt	\$10,000	\$13,322	\$2,868	\$55,540	\$54,809	\$0	\$0	\$0	\$715	\$0
100	Customer Advances	2,880	651	716	788	867	953	1,049	1,153	1,269	1,395
101	Cash	4,806	14,413	9,263	8,148	7,986	15,785	13,489	17,081	16,099	0
102	CIAC/AMI Funding	6,311	11	12	12	13	14	14	15	15	16
103	Total	\$23,997	\$28,397	\$18,359	\$64,488	\$63,675	\$16,752	\$14,552	\$18,249	\$18,098	\$23,239
104											
105	DEPRECIATION EXPENSE										
106											
	Depr Rate										
107	Existing 2012 Plant	2.73%	\$11,398	\$11,266	\$11,128	\$10,983	\$10,834	\$10,667	\$10,482	\$10,295	\$9,913
108	Balance of 2102 CWIP	2.73%	53	105	105	105	105	105	105	105	105
109	Generation										
110	Hydropower	2.00%	0	0	0	0	1,630	1,630	1,630	1,630	1,630
111	Hydropower Capitalized Interest	2.00%	0	0	0	0	74	74	74	74	74
112	SWD CO Catalysts Install	2.10%	10	20	20	20	20	20	20	20	20
113	EMD CO Catalysts Install	2.10%	8	16	16	16	16	16	16	16	16
114	HRSB MCC Replacement	2.10%	1	3	3	3	3	3	3	3	3
115	Waiahi Upper Powerhouse Expansion	2.00%	0	35	70	70	70	70	70	70	70
116	Waiahi Lower Powerhouse Upgrade	2.00%	0	0	0	0	0	0	0	0	0
117	LFG	6.67%	0	0	0	0	0	0	0	0	0
118	Titan or Alternative	2.10%	0	0	0	0	0	0	0	0	0
119	Other Non-Recurring Projects	2.10%	54	128	148	148	202	276	318	360	402
120	Other Recurring Projects	2.10%	10	29	48	66	84	102	121	148	207
121	Transmission and Distribution										
122	North Shore Transmission Line Capital Expenditures	2.82%	0	0	0	226	452	452	452	452	452
123	Anahola Service Center	2.82%	0	69	138	138	138	138	138	138	138
124	Princeville Substation Upgrade	3.33%	13	25	25	25	25	25	25	25	25
125	Replacement GIS Mapping System	3.33%	0	5	10	10	10	10	10	10	10

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 8 - Plant Investment and Depreciation Expense (\$000)

Alternative Scenario 2 - Lower Sales

Line			Projected									
			2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
126	Kipu 12 kV Reroute	2.82%	0	6	11	11	11	11	11	11	11	11
127	Wailua Corridor Undergrounding	2.82%	0	35	71	71	71	71	71	71	71	71
128	RUS Standards Compliance	2.82%	0	2	4	4	4	4	4	4	4	4
129	Hanalei Tap Reconfiguration	2.82%	0	0	0	22	44	44	44	44	44	44
130	New T&D Warehouse and Field Offices	2.82%	0	0	21	42	42	42	42	42	42	42
131	HCP - C2 Waiakea Canal Crossing	2.70%	0	5	11	11	11	11	11	11	11	11
132	Kapaia to Hanahanapuni	2.82%	0	0	0	0	0	0	0	0	0	0
133	Convert Hanahanapuni Tap to Switching Station	2.82%	0	0	0	0	0	0	0	0	0	0
134	Kilohana Switching Station	2.82%	0	0	0	0	0	0	0	0	0	0
135	Lihue Station - Upgraded Transformers (3 @ \$850)	2.82%	0	0	0	0	0	0	0	0	47	94
136	Other Non-Recurring Projects											
137	Transmission	2.82%	34	95	185	269	306	321	321	321	321	406
138	Distribution	3.33%	0	0	0	0	0	0	0	0	0	0
139	Other Recurring Projects											
140	Transmission	2.82%	12	34	53	107	160	175	188	201	215	229
141	Distribution	3.33%	99	305	536	760	980	1,229	1,498	1,788	2,103	2,444
142	Other	2.73%	1	2	3	4	6	8	9	11	14	16
143	Other Projects											
144	Non-Recurring Projects	2.73%	7	32	58	80	101	121	150	181	216	254
145	Recurring Projects	2.73%	24	67	106	145	184	226	269	312	356	401
146	Carryover Projects											
147	AEPO Substation (Kumanu)	3.33%	0	0	137	274	274	274	274	274	274	274
148	SPCC Substation Compliance	3.33%	10	20	20	20	20	20	20	20	20	20
149	AMI/Advanced Metering Infrastructure	8.00%	504	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008
150	Battery Energy Storage	5.00%	0	0	0	0	0	0	0	0	0	0
151	Total		\$12,236	\$13,314	\$13,934	\$14,412	\$14,902	\$17,078	\$17,341	\$17,604	\$17,946	\$18,394
152	Less AMI Funding	8.00%	0	(507)	(507)	(507)	(507)	(507)	(507)	(507)	(507)	(507)
153	Less CIAC	3.33%	(46)	(99)	(115)	(132)	(151)	(171)	(194)	(219)	(247)	(277)
154	Total Deprec and Amort Accrual		\$12,190	\$12,708	\$13,313	\$13,773	\$14,244	\$16,400	\$16,641	\$16,878	\$17,193	\$17,610
155	Less Depreciation in Other Accounts		(463)	(463)	(463)	(463)	(463)	(463)	(463)	(463)	(463)	(463)
156	Net Depr and Amort Expense		\$11,727	\$12,245	\$12,850	\$13,310	\$13,781	\$15,936	\$16,177	\$16,415	\$16,730	\$17,147
157												
158	Net Depreciation and Amortization Expense		\$11,727	\$12,245	\$12,850	\$13,310	\$13,781	\$15,936	\$16,177	\$16,415	\$16,730	\$17,147
159	Amortization of Regulatory Asset - Iniki		292	292	292	292	292	292	292	292	292	219
160	Amortization of Acquisition Adjustment		2,194	2,194	2,194	2,194	2,194	2,194	2,194	2,194	2,194	2,194
161	Total Depreciation & Amortization Expense		\$14,213	\$14,731	\$15,336	\$15,796	\$16,267	\$18,423	\$18,663	\$18,901	\$19,216	\$19,560
162	Plus Depreciation in Other Accounts		463	463	463	463	463	463	463	463	463	463
163	Total Depr and Amort Accrual		\$14,677	\$15,195	\$15,800	\$16,260	\$16,731	\$18,886	\$19,127	\$19,365	\$19,680	\$20,024
164												
165												

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 8 - Plant Investment and Depreciation Expense (\$000)

Alternative Scenario 2 - Lower Sales

Line	Projected									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
166 <u>KRS1</u>										
167 BOY CWIP	\$7,806	\$9,500								
168 Capital Expenditures	1,694	47,672								
169 Federal Grant	0	(16,336)								
170 EOY CWIP	9,500									
171 Closed to Plant	\$0	\$40,837								
172										
173 <u>KRS2</u>										
174 BOY CWIP	\$0	\$6,000								
175 Capital Expenditures	6,000	35,314								
176 Buyout Amount	0	0								
177 EOY CWIP	6,000	0								
178 Closed to Plant	\$0	\$41,314								

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 9 - Long-Term Debt Service (\$000)

Alternative Scenario 2 - Lower Sales

Line	Projected									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 EXISTING LONG TERM DEBT										
2 Balance (Beg Yr)	\$199,311	\$188,915	\$177,990	\$166,638	\$154,845	\$142,579	\$129,828	\$116,573	\$102,791	\$88,462
3 Existing Loan Advances	0	0	0	0	0	0	0	0	0	0
4 Principal Repayments	10,396	10,925	11,353	11,792	12,266	12,752	13,255	13,782	14,330	14,907
5 Balance (End Yr)	\$188,915	\$177,990	\$166,638	\$154,845	\$142,579	\$129,828	\$116,573	\$102,791	\$88,462	\$73,555
6										
7 EXISTING DEBT INTEREST AND PRINCIPAL PAYMENTS										
8 Interest										
9 RUS - A41-1B010	\$297	\$282	\$265	\$248	\$230	\$212	\$192	\$173	\$152	\$130
10 RUS - A41-1B011	594	563	530	496	460	423	385	345	303	260
11 RUS - A41-1B012	474	447	420	391	362	332	301	269	235	201
12 RUS - A41-1B013	375	352	328	304	279	254	229	203	177	150
13 RUS - A41-1B014	691	655	618	580	539	497	453	407	358	308
14 RUS - A41-1B015	3,909	3,715	3,512	3,299	3,075	2,840	2,593	2,334	2,062	1,776
15 CFC - HI001-9005	133	122	110	99	86	74	61	48	34	20
16 FFB B8 - H0010	154	141	128	116	101	86	72	58	42	26
17 FFB B8 - H0015	224	206	188	171	150	129	109	87	65	40
18 FFB B8 - H0020	501	463	423	385	338	292	246	197	147	92
19 FFB C8 - F0025	211	207	202	198	190	184	180	174	169	162
20 FFB C8 - F0030	42	41	40	39	38	37	36	35	34	32
21 Total Interest	\$7,605	\$7,194	\$6,765	\$6,325	\$5,849	\$5,360	\$4,856	\$4,328	\$3,778	\$3,198
22 Principal										
23 RUS - A41-1B010	\$402	\$417	\$434	\$451	\$469	\$487	\$507	\$526	\$547	\$569
24 RUS - A41-1B011	803	834	867	901	937	974	1,012	1,052	1,094	1,137
25 RUS - A41-1B012	840	866	894	922	951	981	1,013	1,045	1,078	1,112
26 RUS - A41-1B013	1,430	1,453	1,477	1,501	1,526	1,551	1,576	1,602	1,628	1,655
27 RUS - A41-1B014	795	831	868	906	947	989	1,033	1,079	1,128	1,178
28 RUS - A41-1B015	3,883	4,076	4,279	4,492	4,717	4,952	5,199	5,458	5,730	6,016
29 CFC - HI001-9005	406	418	430	443	455	468	482	496	510	525
30 FFB B8 - H0010	442	455	467	479	493	507	520	535	549	564
31 FFB B8 - H0015	428	442	460	479	498	518	539	561	584	608
32 FFB B8 - H0020	846	883	921	959	1,005	1,049	1,094	1,141	1,190	1,244
33 FFB C8 - F0025	104	212	216	220	227	233	237	243	247	254
34 FFB C8 - F0030	19	38	39	40	41	42	43	44	45	46
35 Total Principal	\$10,396	\$10,925	\$11,353	\$11,792	\$12,266	\$12,752	\$13,255	\$13,782	\$14,330	\$14,907
36										
37 FUNDING REQUIREMENTS										
38 Capital Funding Requirements	\$14,806	\$27,735	\$17,631	\$63,688	\$62,795	\$15,785	\$13,489	\$17,081	\$16,814	\$21,828
39 Refinancing Requirements	10,000	10,000	10,000	0	0	85,208	0	0	0	0
40 Total Funding Requirements	\$24,806	\$37,735	\$27,631	\$63,688	\$62,795	\$100,993	\$13,489	\$17,081	\$16,814	\$21,828
41										
42 Short-Term Long Funds Advanced	\$10,000	\$13,322	\$0	\$42,228	\$42,980	\$0	\$0	\$0	\$0	\$0
43 Long-Term Loan Funds Advanced	10,000	10,000	12,868	13,312	11,829	85,208	0	0	715	9,867
44 Total Debt Advances	\$20,000	\$23,322	\$12,868	\$55,540	\$54,809	\$85,208	\$0	\$0	\$715	\$9,867
45										

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 9 - Long-Term Debt Service (\$000)

Alternative Scenario 2 - Lower Sales

Line							Projected									
							2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
46	FFB C8 Add'l Draws	Amount	Per	Rate	Term	Per Yr										
47		\$31,646	na	na	na	na										
48	BOY Balance						\$0	\$9,907	\$19,592	\$30,716	\$30,072	\$29,388	\$28,676	\$27,942	\$27,178	\$26,394
49	Loan Funds Advanced						10,000	10,000	11,646	0	0	0	0	0	0	0
50	Principal Payment						93	314	523	644	683	713	734	763	785	825
51	Interest Payment						165	527	979	1,228	1,189	1,159	1,137	1,108	1,086	1,046
52	Total Debt Service						\$258	\$841	\$1,501	\$1,872	\$1,872	\$1,872	\$1,871	\$1,871	\$1,871	\$1,870
53	EOY Balance						\$9,907	\$19,592	\$30,716	\$30,072	\$29,388	\$28,676	\$27,942	\$27,178	\$26,394	\$25,569
54																
55	2014 Loan	Amount	Per	Rate	Term	Per Yr										
56		\$0	3	3.5%	30	4										
57	BOY Balance							\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
58	Loan Funds Advanced							0	0	0	0	0	0	0	0	0
59	Principal Payment							0	0	0	0	0	0	0	0	0
60	Interest Payment							0	0	0	0	0	0	0	0	0
61	Total Debt Service							\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
62	EOY Balance							\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
63																
64	2015 Loan	Amount	Per	Rate	Term	Per Yr										
65		\$1,222	3	5.0%	30	4										
66	BOY Balance								\$0	\$1,213	\$1,195	\$1,175	\$1,155	\$1,133	\$1,110	\$1,087
67	Loan Funds Advanced								1,222	0	0	0	0	0	0	0
68	Principal Payment								9	19	19	20	22	23	24	25
69	Interest Payment								30	60	59	58	57	56	55	54
70	Total Debt Service								\$39	\$79	\$79	\$79	\$79	\$79	\$79	\$79
71	EOY Balance								\$1,213	\$1,195	\$1,175	\$1,155	\$1,133	\$1,110	\$1,087	\$1,062
72																
73	New Hydro Loans	Amount	Const Rate	LT Rate	Term	Per Yr										
74		\$85,208	3.5%	5.0%	35	4				ST Debt	ST Debt	LT Debt	LT Debt	LT Debt	LT Debt	LT Debt
75	BOY Balance									\$0	\$42,228	\$85,208	\$84,283	\$83,311	\$82,289	\$81,215
76	Loan Funds Advanced									42,228	42,980	0	0	0	0	0
77	Principal Payment									0	0	925	972	1,022	1,074	1,128
78	Interest Payment									1,478	2,230	4,243	4,196	4,147	4,095	4,040
79	Total Debt Service									\$1,478	\$2,230	\$5,168	\$5,168	\$5,168	\$5,168	\$5,168
80	EOY Balance									\$42,228	\$85,208	\$84,283	\$83,311	\$82,289	\$81,215	\$80,087
81																
82	2016 Loan	Amount	Per	Rate	Term	Per Yr										
83		\$13,312	3	5.0%	30	4										
84	BOY Balance									\$0	\$13,215	\$13,013	\$12,800	\$12,577	\$12,342	\$12,096
85	Loan Funds Advanced									13,312	0	0	0	0	0	0
86	Principal Payment									97	202	212	223	235	247	259
87	Interest Payment									332	657	647	636	624	613	600
88	Total Debt Service									\$430	\$859	\$859	\$859	\$859	\$859	\$859
89	EOY Balance									\$13,215	\$13,013	\$12,800	\$12,577	\$12,342	\$12,096	\$11,837
90																

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 9 - Long-Term Debt Service (\$000)

Alternative Scenario 2 - Lower Sales

Line	Projected															
91	2017 Loan	Amount	Per	Rate	Term	Per Yr	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
92		\$11,829	3	5.0%	30	4										
93	BOY Balance										\$0	\$11,742	\$11,562	\$11,374	\$11,175	\$10,967
94	Loan Funds Advanced										11,829	0	0	0	0	0
95	Principal Payment										86	180	189	198	208	219
96	Interest Payment										295	584	575	565	555	544
97	Total Debt Service										\$382	\$763	\$763	\$763	\$763	\$763
98	EOY Balance										\$11,742	\$11,562	\$11,374	\$11,175	\$10,967	\$10,748
99																
100	2018 Loan	Amount	Per	Rate	Term	Per Yr										
101		\$0	3	5.0%	30	4										
102	BOY Balance											\$0	\$0	\$0	\$0	\$0
103	Loan Funds Advanced											0	0	0	0	0
104	Principal Payment											0	0	0	0	0
105	Interest Payment											0	0	0	0	0
106	Total Debt Service											\$0	\$0	\$0	\$0	\$0
107	EOY Balance											\$0	\$0	\$0	\$0	\$0
108																
109	2019 Loan	Amount	Per	Rate	Term	Per Yr										
110		\$0	3	5.0%	30	4										
111	BOY Balance												\$0	\$0	\$0	\$0
112	Loan Funds Advanced												0	0	0	0
113	Principal Payment												0	0	0	0
114	Interest Payment												0	0	0	0
115	Total Debt Service												\$0	\$0	\$0	\$0
116	EOY Balance												\$0	\$0	\$0	\$0
117																
118	2020 Loan	Amount	Per	Rate	Term	Per Yr										
119		\$0	3	5.0%	30	4										
120	BOY Balance													\$0	\$0	\$0
121	Loan Funds Advanced													0	0	0
122	Principal Payment													0	0	0
123	Interest Payment													0	0	0
124	Total Debt Service													\$0	\$0	\$0
125	EOY Balance													\$0	\$0	\$0
126																
127	2021 Loan	Amount	Per	Rate	Term	Per Yr										
128		\$715	3	5.0%	30	4										
129	BOY Balance														\$0	\$710
130	Loan Funds Advanced														715	0
131	Principal Payment														5	11
132	Interest Payment														18	35
133	Total Debt Service														\$23	\$46
134	EOY Balance														\$710	\$699
135																

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 9 - Long-Term Debt Service (\$000)

Alternative Scenario 2 - Lower Sales

Line							Projected									
	2022 Loan	Amount	Per	Rate	Term	Per Yr	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
136																
137		\$9,867	3	5.0%	30	4										
138	BOY Balance															\$0
139	Loan Funds Advanced															9,867
140	Principal Payment															72
141	Interest Payment															246
142	Total Debt Service															\$318
143	EOY Balance															\$9,795
144																
145	TOTAL LONG TERM DEBT SERVICE															
146	Interest															
147	Existing Debt						\$7,605	\$7,194	\$6,765	\$6,325	\$5,849	\$5,360	\$4,856	\$4,328	\$3,778	\$3,198
148	New Debt (Excl Hydro Loan Capitalized Interest)						165	527	1,009	3,098	4,430	6,691	6,601	6,500	6,421	6,565
149	Total Interest						\$7,770	\$7,721	\$7,774	\$9,424	\$10,279	\$12,051	\$11,457	\$10,828	\$10,199	\$9,763
150	Principal															
151	Existing Debt						\$10,396	\$10,925	\$11,353	\$11,792	\$12,266	\$12,752	\$13,255	\$13,782	\$14,330	\$14,907
152	New Debt						93	314	532	760	991	2,050	2,140	2,240	2,342	2,540
153	Total Principal						\$10,489	\$11,239	\$11,884	\$12,553	\$13,257	\$14,802	\$15,394	\$16,022	\$16,672	\$17,447
154	Total Debt Service						\$18,259	\$18,960	\$19,658	\$21,976	\$23,536	\$26,853	\$26,852	\$26,850	\$26,871	\$27,210
155																
156	TOTAL LONG TERM DEBT															
157	Balance (Beg Yr)						\$199,311	\$198,822	\$197,583	\$198,566	\$199,326	\$197,897	\$268,304	\$252,909	\$236,887	\$220,930
158	Loan Funds Advanced						10,000	10,000	12,868	13,312	11,829	85,208	0	0	715	9,867
159	Less Principal Repayments						10,489	11,239	11,884	12,553	13,257	14,802	15,394	16,022	16,672	17,447
160	Balance (End Yr)						\$198,822	\$197,583	\$198,566	\$199,326	\$197,897	\$268,304	\$252,909	\$236,887	\$220,930	\$213,350
161																
162	Current Portion of Long Term Debt - EOY															
163	Existing Debt						\$10,925	\$11,353	\$11,792	\$12,266	\$12,752	\$13,255	\$13,782	\$14,330	\$14,907	\$15,370
164	New Debt						314	532	760	991	2,050	2,140	2,240	2,342	2,540	2,736
165	Total Current Portion						\$11,239	\$11,884	\$12,553	\$13,257	\$14,802	\$15,394	\$16,022	\$16,672	\$17,447	\$18,106
166																
167	SHORT TERM DEBT															
168																
169	\$20 M LOC/Other LOC	Amount	Per	Rate	Term	Per Yr										
170	BOY Balance			3.0%			\$6,678	\$6,678	\$10,000							
171	Loan Funds Advanced						10,000	13,322	0							
172	Less Principal Repayments						(10,000)	(10,000)	(10,000)							
173	Balance (End Yr)						\$6,678	\$10,000	\$0							
174																
175	Interest Expense						\$252	\$292	\$0							
176	Est Average Balance						\$8,385	\$9,725	\$0							
177																
178	\$5 M LOC	Amount	Per	Rate	Term	Per Yr										
179	BOY Balance			3.0%			\$0	\$0	\$0							
180	Loan Funds Advanced						0	0	0							
181	Less Principal Repayments						0	0	0							
182	Balance (End Yr)						\$0	\$0	\$0							
183																
184	Interest Expense						\$0	\$0	\$0							
185	Est Average Balance						\$0	\$0	\$0							
186																

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 9 - Long-Term Debt Service (\$000)

Alternative Scenario 2 - Lower Sales

Line							Projected									
							2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
187	KRS1															
188		Long-Term	Const	LT												
189		Amount	Rate	Rate	Yr	Per Yr										
190		\$35,587	3.0%	3.1%	25	1										
191	BOY Balance						\$7,500	\$9,500	\$35,355	\$34,382	\$33,380	\$32,347	\$31,282	\$30,184	\$29,052	\$27,885
192	Short-Term Debt															
193	Funds Advanced						2,000	47,672	0	0	0	0	0	0	0	0
194	Short-Term Interest						264	870	0	0	0	0	0	0	0	0
195	Federal Grant/State Tax Credit							21,586	0	0	0	0	0	0	0	0
196	Long-Term Debt															
197	Principal Payment						0	232	972	1,002	1,033	1,065	1,098	1,132	1,167	1,203
198	Interest Payment						0	284	1,091	1,061	1,030	998	965	931	896	860
199	Debt Service						\$0	\$516	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063
200	EOY Balance						\$9,500	\$35,355	\$34,382	\$33,380	\$32,347	\$31,282	\$30,184	\$29,052	\$27,885	\$26,682
201																
202	KRS2															
203		Long-Term	Const	LT												
204		Amount	Rate	Rate	Yr	Per Yr										
205		\$14,096	3.0%	5.7%	25	1										
206	BOY Balance						\$0	\$6,000	\$14,096	\$13,828	\$13,545	\$13,246	\$12,929	\$12,595	\$12,241	\$11,867
207	Short-Term Debt															
208	Funds Advanced						6,000	35,314	0	0	0	0	0	0	0	0
209	Short-Term Interest						41	429	0	0	0	0	0	0	0	0
210	Equity Investment							27,218	0	0	0	0	0	0	0	0
211	Long-Term Debt															
212	Principal Payment						0	0	268	283	299	316	335	354	374	395
213	Interest Payment						0	402	803	788	772	755	737	718	698	676
214	Debt Service						\$0	\$536	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071
215	EOY Balance						\$6,000	\$14,096	\$13,828	\$13,545	\$13,246	\$12,929	\$12,595	\$12,241	\$11,867	\$11,472

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 10 - Projected ERAC Revenues

Alternative Scenario 2 - Lower Sales

Line	Actual					Projected									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 KIUC Thermal Generated (MWh)	437,819	417,224	417,117	409,392	405,946	381,990	337,000	268,560	269,560	272,080	197,560	198,510	198,350	200,080	201,000
2 KIUC Hydro Generated (MWh)	8,386	7,788	8,227	7,270	7,918	7,437	7,770	7,770	7,800	7,770	83,950	83,950	84,230	83,950	83,950
3 KRS1 Generated (MWh)	-	-	-	-	0	0	5,870	23,660	23,740	23,660	23,660	23,660	23,740	23,660	23,660
4 KRS2 Generated (MWh)	-	-	-	-	0	0	11,780	23,650	23,720	23,660	23,270	23,330	23,450	23,380	23,440
5 Purchased Power MWh - NEM & Sched Q	9	0	0	1,741	3,321	5,700	6,140	6,600	7,090	7,550	7,020	7,380	7,850	8,180	8,530
6 Purchased Power (MWh) - Other	29,090	30,796	27,414	34,855	34,633	46,303	69,120	103,860	104,150	103,860	103,860	103,860	104,150	103,860	103,860
7 Total MWh	475,305	455,808	452,758	453,259	451,818	441,430	437,680	434,100	436,060	438,580	439,320	440,690	441,770	443,110	444,440
8															
9 KIUC Sales (MWh)	453,791	436,273	434,533	434,745	433,159	423,584	420,139	416,919	418,547	421,007	421,867	423,144	424,118	425,370	426,700
10															
11 Losses (%)	4.5%	4.3%	4.0%	4.1%	4.1%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
12															
13 KIUC Generated Sales (MWh)	426,044	406,694	408,185	399,686	396,771	372,828	335,661	265,393	266,220	268,637	270,327	271,214	271,289	272,659	273,576
14															
15 Fuel Consumed (MMBtu)	4,208,477	3,913,866	3,868,068	3,870,223	3,778,090	3,594,303	3,146,933	2,493,049	2,504,772	2,526,231	1,889,374	1,897,900	1,895,765	1,909,452	1,918,324
16															
17 Actual Sales Heat Rate (Btu/kWh)	9,878	9,624	9,476	9,683	9,522	9,641	9,375	9,394	9,409	9,404	6,989	6,998	6,988	7,003	7,012
18															
19 Effective Sales Heat Rate for ERAC (Btu/kWh)	11,230	11,230	10,442	9,850	9,850	9,850	9,850	9,850	9,850	9,850	9,850	9,850	9,850	9,850	9,850
20															
21 Adj Fuel Consumed for Efficiency Factor (MMBtu)	4,784,479	4,567,169	4,262,385	3,936,904	3,908,195	3,672,352	3,306,265	2,614,121	2,622,272	2,646,077	2,662,717	2,671,460	2,672,194	2,685,688	2,694,726
22 Actual Fuel Cost (\$/MMBtu)	\$23.32	\$13.23	\$17.80	\$23.36	\$24.89	\$24.37	\$21.41	\$19.72	\$20.55	\$21.44	\$23.01	\$24.05	\$24.85	\$25.90	\$27.08
23															
24 Equivalent Base Fuel Cost (\$/MMBtu)	\$4.31	\$4.31	\$11.33	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36
25 Equivalent Purchased Power Cost (\$/kWh)	\$0.046	\$0.046	\$0.110	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174
26															
27 ERAC Revenue Components (\$000)															
28 KIUC Fuel Costs	\$98,148	\$51,952	\$68,900	\$90,533	\$94,033	\$87,605	\$67,385	\$49,175	\$51,484	\$54,161	\$43,467	\$45,641	\$47,114	\$49,457	\$51,952
29 KIUC Purch Power Costs - Excl NEM, Sched Q, KRS1, and KRS2	5,959	3,724	4,212	7,194	7,741	10,017	15,395	17,050	17,368	17,607	17,868	18,157	18,502	18,744	19,041
30 KIUC Purchased Power Costs - KRS1	0	0	0	0	0	0	969	3,460	3,425	3,390	3,353	3,315	3,277	3,236	3,195
31 KIUC Purchased Power Costs - KRS2	0	0	0	0	0	0	1,473	2,956	2,965	2,958	2,909	2,916	2,931	2,923	2,930
32 ERAC Excess	13,633	8,493	6,965	1,429	3,246	1,902	3,412	2,388	2,415	2,569	17,792	18,603	19,296	20,105	21,026
33 Fuel and Purchased Power in Base Rates	(21,929)	(21,071)	(51,336)	(74,396)	(73,859)	(72,566)	(71,852)	(71,652)	(71,870)	(72,208)	(72,429)	(72,591)	(72,689)	(72,847)	(73,014)
34 Tax on Fuel and Purchased Power	8,446	3,098	2,146	2,370	2,624	2,444	1,304	97	329	576	(471)	(250)	(84)	148	400
35 Tax on ERAC Excess	1,380	828	679	139	317	186	333	233	236	251	1,735	1,814	1,882	1,961	2,051
36 Total	\$105,636	\$47,025	\$31,566	\$27,268	\$34,101	\$29,587	\$18,417	\$3,707	\$6,353	\$9,303	\$14,223	\$17,606	\$20,228	\$23,726	\$27,581
37															
38 Revenue from Efficiency Factor (\$000)															
39 ERAC Efficiency Adjustment	\$13,633	\$8,493	\$6,965	\$1,429	\$3,246	\$1,902	\$3,412	\$2,388	\$2,415	\$2,569	\$17,792	\$18,603	\$19,296	\$20,105	\$21,026
40 Tax on Efficiency Adjustment	1,380	828	679	139	317	186	333	233	236	251	1,735	1,814	1,882	1,961	2,051
41 Total	\$15,013	\$9,321	\$7,645	\$1,568	\$3,562	\$2,088	\$3,745	\$2,621	\$2,651	\$2,820	\$19,527	\$20,417	\$21,178	\$22,066	\$23,077
42															
43 ERAC Rate Components (\$/kWh)															
44 KIUC Fuel Costs	\$0.217	\$0.119	\$0.159	\$0.208	\$0.217	\$0.207	\$0.160	\$0.118	\$0.123	\$0.129	\$0.103	\$0.108	\$0.111	\$0.116	\$0.122
45 KIUC Purchased Power Costs - Existing	\$0.013	\$0.009	\$0.010	\$0.017	\$0.018	\$0.024	\$0.037	\$0.041	\$0.042	\$0.042	\$0.042	\$0.043	\$0.044	\$0.044	\$0.045
46 KIUC Purchased Power Costs - KRS1	NA	NA	NA	NA	\$0.000	\$0.000	\$0.002	\$0.008	\$0.008	\$0.008	\$0.008	\$0.008	\$0.008	\$0.008	\$0.007
47 KIUC Purchased Power Costs - KRS2	NA	NA	NA	NA	\$0.000	\$0.000	\$0.004	\$0.007	\$0.007	\$0.007	\$0.007	\$0.007	\$0.007	\$0.007	\$0.007
48 ERAC Efficiency Adjustment	\$0.030	\$0.020	\$0.016	\$0.003	\$0.007	\$0.004	\$0.008	\$0.006	\$0.006	\$0.006	\$0.042	\$0.044	\$0.046	\$0.047	\$0.049
49 Fuel and purchased power in base rates	(\$0.048)	(\$0.048)	(\$0.118)	(\$0.171)	(\$0.171)	(\$0.171)	(\$0.171)	(\$0.172)	(\$0.172)	(\$0.172)	(\$0.172)	(\$0.172)	(\$0.171)	(\$0.171)	(\$0.171)
50 Tax on Fuel and Purchased Power	\$0.019	\$0.007	\$0.005	\$0.005	\$0.006	\$0.006	\$0.003	\$0.000	\$0.001	\$0.001	(\$0.001)	(\$0.001)	(\$0.000)	\$0.000	\$0.001
51 Tax on Efficiency Adjustment	\$0.003	\$0.002	\$0.002	\$0.000	\$0.001	\$0.000	\$0.001	\$0.001	\$0.001	\$0.001	\$0.004	\$0.004	\$0.004	\$0.005	\$0.005
52 Total (before other adjustments)	\$0.233	\$0.108	\$0.073	\$0.063	\$0.079	\$0.070	\$0.044	\$0.009	\$0.015	\$0.022	\$0.034	\$0.042	\$0.048	\$0.056	\$0.065

Appendix D
DETAILED RESULTS – EMP ALTERNATIVE SCENARIO 3

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 1 - Summary of Results

Alternative Scenario 3 - No Renewable Additions

Line	Actual	Projected										Average Annual Change
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2012-2022
1 Unit Revenues (\$/kWh)												
2 Non-Fuel & Purchased Power Charges												
3 Base Rates Without Fuel & Purchased Power	16.65	16.73	16.47	16.69	16.68	18.10	18.10	18.10	18.11	18.11	18.11	
4 Efficiency Premium in ERAC	0.82	0.49	0.87	0.49	0.47	0.42	0.39	0.34	0.26	0.16	0.06	
5 Subtotal Non-Fuel & Purchased Power Charges	17.47	17.23	17.34	17.17	17.15	18.52	18.50	18.44	18.36	18.27	18.16	0.4%
6												
7 Fuel and Purchased Power Charges												
8 Fuel & Purchased Power in Base Rates	18.95	18.81	19.09	18.88	18.88	18.87	18.87	18.87	18.86	18.86	18.86	
9 Fuel & Purchased Power in ERAC	7.05	6.49	3.50	2.56	3.38	4.37	5.31	6.36	7.26	8.50	9.87	
10 Fuel and Purchased Power Charges	26.00	25.30	22.60	21.44	22.26	23.25	24.18	25.23	26.13	27.36	28.73	1.0%
11												
12 Average Unit Revenues (\$/kWh) (Lines 5 + 10)	43.48	42.53	39.94	38.62	39.40	41.77	42.67	43.67	44.49	45.63	46.90	0.8%
13 % Change from 2012	na	-2.2%	-8.1%	-11.2%	-9.4%	-3.9%	-1.8%	0.4%	2.3%	4.9%	7.9%	
14												
15 Rate Increase as a % of Base Rate Revenues	na	0.0%	0.0%	0.0%	0.0%	4.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
16												
17 Long-Term Interest Expense	8,335	7,770	7,721	7,744	7,972	8,051	7,853	7,562	7,297	7,143	7,100	
18 Margins	11,289	8,409	7,429	6,397	5,217	10,076	9,480	9,078	8,606	7,859	6,939	
19												
20 Equity to Total Assets	25.6%	27.0%	28.4%	30.3%	31.0%	33.7%	36.0%	38.6%	40.7%	42.7%	44.0%	
21												
22 Cash Balance(\$000)	\$3,762	\$7,563	\$2,342	\$950	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	
23 Days of Operating Cash on Hand	8	17	6	2	9	9	8	8	8	7	7	
24 RUS TIER	2.35	2.08	1.96	1.83	1.65	2.25	2.21	2.20	2.18	2.10	1.98	
25 Regulatory TIER	2.63	2.37	2.26	2.12	1.94	2.53	2.50	2.50	2.49	2.42	2.30	
26 RUS Debt Service Coverage - 1.25 Minimum	na	1.66	1.58	1.50	1.41	1.61	1.57	1.52	1.47	1.41	1.34	
27 CFC Debt Service Coverage - 1.35 Minimum	na	1.65	1.57	1.49	1.40	1.60	1.56	1.51	1.47	1.40	1.33	
28 Percent of Previous Year's Patronage Capital Retired	na	26%	8%	0%	0%	0%	20%	17%	17%	15%	9%	
29												
30 Annual Capital Expenditures (\$000)	na	\$23,997	\$28,397	\$18,359	\$22,260	\$20,694	\$16,752	\$14,552	\$18,249	\$18,098	\$23,239	
31 Cap Ex Paid With Debt (\$000)	na	10,000	13,322	1,646	16,770	7,437	6,119	4,163	8,695	9,415	15,442	
32 Cap Ex Paid with Grant Funds/CIAC/Customer Adv (\$000)	na	9,191	662	728	800	880	967	1,063	1,168	1,284	1,411	
33 Cap Ex Paid With RUS Cushion of Credit (\$000)	na	0	0	5,500	0	0	0	0	0	0	0	
34 Cash Used to Pay for Plant (\$000)	na	4,806	14,413	10,485	4,690	12,378	9,666	9,326	8,386	7,399	6,386	
35												
36 Debt Borrowed (\$000)	na	\$20,000	\$23,322	\$11,646	\$16,770	\$7,437	\$6,119	\$4,163	\$8,695	\$9,415	\$15,442	
37 Debt Used to Repay Short-Term Debt (\$000)	na	10,000	10,000	10,000	0	0	0	0	0	0	0	
38 Debt Used for Working Capital (\$000)	na	0	0	0	0	0	0	0	0	0	0	
39 Debt Used for Cap Ex (\$000)	na	10,000	13,322	1,646	16,770	7,437	6,119	4,163	8,695	9,415	15,442	
40												
41 Monthly Residential Bill (500 kWh per month usage)	\$224	\$219	\$206	\$200	\$204	\$216	\$220	\$225	\$229	\$235	\$241	0.7%
42 % Change from 2012	na	-2.3%	-8.1%	-11.1%	-9.3%	-3.9%	-1.9%	0.3%	2.2%	4.7%	7.5%	
43												
44 Approx Annual Pat Cap Retired for 500 kWh Res Customer	na	\$40.93	\$9.06	\$0.00	\$0.00	\$0.00	\$27.68	\$21.97	\$20.22	\$17.24	\$9.30	
45												
46 Renewable Power (% of total power requirements)												
47 KIUC-Owned	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	
48 Purchased	8%	12%	13%	13%	13%	13%	13%	13%	13%	13%	13%	
49 Total	10%	13%	15%	15%	15%	15%	15%	15%	15%	14%	14%	

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 2 - Assumptions

Line	KIUC Assumptions	Data Input	Other Assumptions	Data Input
1	Inflation		Investment Return	0.125%
2	General Inflation	2.5%	Taxes - ERAC	9.8%
3	Distribution O&M	2.5%		
4				
5	ERAC Efficiency Premium ("Y"=Yes, "N"=No)	Y	Efficiency Factor Heat Rate (Btu/kWh)	9,850
6				
7	Debt Assumptions		Revenue Tax Multiplier	1.09751
8	New Debt Thru 2014 - Interest Rates	3.5%		
9	New DebtAfter 2014 - Interest Rates	5.0%	Number of Days of Cash Working Capital in Rate Base	
10	New Debt - Construction Interest Rate	3.5%	O&M	61
11	New Debt - Repayment Period (Years)	25	Fuel	15
12				
13	Patronage Capital		Interest	30
14	Non-Operating Margins Allocated to Patronage Cap	100.0%		
15	Minimum RUS TIER for Capital Credit Retirements	2.00	Inventory as Percentage of Gross Plant	3.0%
16	Early Retirements (\$000/year not discounted)	\$125		
17	Beginning Year for Early Retirements	2012	Target RUS TIER for Decoupling Mechanism	NA
18	Discount Rate for Capital Credit Purchases	5.0%		
19	Blended Term for Capital Credit Purchases	20	Scenario	Alternative Scenario 3 - No Renewable Additions
20				
21	Percent of Customer Advances to CIAC	67%		

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 2 - Assumptions

Line	KIUC Renewable Solutions Assumptions	Data Input	KIUC Renewable Solutions Assumptions	Data Input
22	Base Year	2013	Debt Assumptions	
23	Inflation		Construction Interest Rate	3.0%
24	General Inflation	2.5%	KRS1 Long Term Interest Rate	3.1%
25	O&M Escalation	1.5%	KRS2 Long Term Interest Rate	5.7%
26			KRS1 and KRS2- Repayment Period/Useful Life (Years)	25
27				
28	Inventory as a Percent of Gross Plant	3.0%	KRS1 Target TIER	1.25
29				
30	KRS1 Cap Ex		Operation Date	
31	2011 Expenditures	\$0	KRS1	Oct-14
32	2012 Expenditures	0	KRS2	Jul-14
33	2013 Expenditures	0		
34	2014 Expenditures	0	Long-Term Financing Date	
35	Total Capital Cost	0	KRS1	Oct-14
36	Less Federal Grant	0	KRS2	Jul-14
37	Closed to Plant	0		
38	Less State Tax Refund	0	Market Value Energy (\$/MWh)	
39	Cash Requirement	\$0	KRS1 and KRS2	\$200
40				
41	KRS2 Cap Ex		Land Lease Expenses	
42	2012 Expenditures	\$0	KRS1 \$/Sq Ft (2012 \$)	\$0.04207
43	2013 Expenditures	0	KRS1 Square Feet	\$2,395,800
44	2014 Expenditures	0	KRS2 \$/Acre Used (2014 \$)	\$900
45	Closed to Plant	\$ -	KRS2 \$/Acre Unused (2014 \$)	\$600
46	Less Equity Investment	0	KRS2 Acres Used	31.42
47	Debt Requirement	\$0	KRS2 Acres Unused	35.79
48	State Tax Refund	\$0		
49			Lease Escalation Rate	3.00%
50	KIUC % Ownership of KRS2		KRS2 GET on KRS2 Land Lease	4.17%
51	Pre-Flip	1%		
52	Post-Flip	95%	KIUC MSA (2012 \$)	
53	Post-Buyout	100%	KRS1	\$50,000
54			KRS2	\$50,000
55	KRS2 Buyout Amount			
56	Amount	\$15,810,964		
57	Year	7		
58	Term Remaining	19		
59	Proceeds	5.0%		

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 2 - Assumptions

Line	KIUC Renewable Solutions Assumptions	Data Input	KIUC Renewable Solutions Assumptions	Data Input
60	Investment Return	0.125%	Insurance	
61			KRS1	\$37,410
62	Federal Tax Rate	35%	KRS2	\$31,350
63	Alternative Minimum Tax Rate	20%		
64			Target Cash Balance	
65	COD Lease Payment		KRS1	\$10,000
66	KRS1	\$150,000		
67	KRS2	\$0	KRS2 PPA Rate (\$/MWh)	\$125
68				
69	O&M Expenses (2014 \$)			
70	KRS1	\$206,617		
71	KRS2	\$197,733		
72				
73	Real Property Taxes (2014 \$)			
74	KRS1	\$11,592		
75	KRS2	\$542		

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 3 - Projected Revenues at Existing Rates

Alternative Scenario 3 - No Renewable Additions

Line	Actual						Projected										
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
1	Sales (MWh)																
2	Residential	D	160,479	161,946	159,426	159,071	157,278	161,520	162,200	164,482	165,690	168,856	170,942	173,604	175,952	177,924	179,923
3	Small Commercial	G	61,763	58,776	59,481	59,790	59,664	56,017	56,504	57,296	57,803	58,083	58,202	58,349	58,540	59,048	59,674
4	Large Commercial	J	57,561	54,388	53,236	51,859	51,607	48,389	49,241	49,931	50,373	50,616	50,721	50,848	51,015	51,457	52,004
5	Large Power-Primary	L	52,083	42,639	44,991	44,379	46,286	42,968	44,023	45,156	46,138	47,037	47,838	48,652	49,503	50,426	51,355
6	Large Power-Secondary	P	118,083	114,413	114,522	116,824	115,389	112,104	105,831	108,555	110,916	113,078	115,003	116,961	119,007	121,225	123,458
7	Street Lights	SL	2,637	2,702	2,730	2,716	2,760	2,481	2,235	1,981	1,719	1,450	1,467	1,485	1,502	1,519	1,536
8	Irrigation	IRR	1,184	1,410	148	105	175	105	105	105	105	105	105	105	105	105	105
9	Total		453,791	436,273	434,533	434,745	433,159	423,584	420,139	427,506	432,744	439,225	444,278	450,004	455,624	461,704	468,055
10																	
11	Yearly Change Percentage		-2.8%	-3.9%	-0.4%	0.0%	-0.4%	-2.2%	-0.8%	1.8%	1.2%	1.5%	1.2%	1.3%	1.2%	1.3%	1.4%
12																	
13	Customer Accounts																
14	Residential	D	27,301	27,629	27,793	28,010	28,169	28,762	29,197	29,860	30,328	30,808	31,298	31,800	32,313	32,821	33,342
15	Small Commercial	G	4,305	4,208	4,221	4,198	4,195	4,242	4,303	4,397	4,462	4,529	4,596	4,665	4,735	4,802	4,871
16	Large Commercial	J	357	346	337	330	326	330	336	343	348	353	359	364	369	375	380
17	Large Power-Primary	L	16	16	15	15	15	15	15	15	16	16	16	16	17	17	17
18	Large Power-Secondary	P	109	114	112	115	113	116	117	123	124	126	128	130	131	133	135
19	Street Lights (Number of Fixtures)	SL	3,461	3,519	3,553	3,575	3,587	3,630	3,667	3,720	3,757	3,795	3,833	3,871	3,910	3,949	3,989
20	Irrigation	IRR	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
21	Total		35,552	35,835	36,033	36,246	36,408	37,098	37,637	38,461	39,038	39,630	40,233	40,849	41,478	42,100	42,737
22																	
23	Yearly Change Percentage		1.5%	0.8%	0.6%	0.6%	0.4%	1.9%	1.5%	2.2%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
24																	
25	Billed Demand (kW)																
26	Residential	D	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
27	Small Commercial	G	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
28	Large Commercial	J	191,155	182,082	175,673	172,507	173,385	159,701	157,957	160,170	161,588	162,369	162,703	163,113	163,647	165,066	166,819
29	Large Power-Primary	L	117,658	109,666	108,187	105,996	103,274	98,261	96,372	98,853	101,003	102,972	104,725	106,508	108,371	110,391	112,424
30	Large Power-Secondary	P	289,572	294,915	289,910	290,516	289,383	283,492	262,867	269,634	275,498	280,867	285,649	290,512	295,593	301,103	306,650
31	Street Lights	SL	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
32	Irrigation	IRR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
33																	
34	Existing Rates - Customer Charge (\$/customer/month)																
35	Residential	D	\$9.72	\$9.72	\$10.22	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58
36	Small Commercial	G	21.89	21.89	23.01	23.82	23.82	23.82	23.82	23.82	23.82	23.82	23.82	23.82	23.82	23.82	23.82
37	Large Commercial	J	36.48	36.48	38.35	39.69	39.69	39.69	39.69	39.69	39.69	39.69	39.69	39.69	39.69	39.69	39.69
38	Large Power-Primary	L	334.35	334.35	346.18	355.08	355.08	355.08	355.08	355.08	355.08	355.08	355.08	355.08	355.08	355.08	355.08
39	Large Power-Secondary	P	346.51	346.51	359.78	369.38	369.38	369.38	369.38	369.38	369.38	369.38	369.38	369.38	369.38	369.38	369.38
40	Street Lights (Fixture Charge)	SL	5.78	5.78	6.06	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29
41	Irrigation	IRR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
42																	

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 3 - Projected Revenues at Existing Rates

Alternative Scenario 3 - No Renewable Additions

Line	Actual						Projected									
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
43	Existing Rates - Energy Base Rates (\$/kWh)															
44	Residential	D	\$0.17022	\$0.17374	\$0.27270	\$0.34919	\$0.34893	\$0.34743	\$0.34743	\$0.34743	\$0.34743	\$0.34743	\$0.34743	\$0.34743	\$0.34743	\$0.34743
45	Small Commercial	G	0.18804	0.19125	0.28867	0.35960	0.35968	0.35769	0.35769	0.35769	0.35769	0.35769	0.35769	0.35769	0.35769	0.35769
46	Large Commercial	J	0.15697	0.16041	0.25551	0.32647	0.32552	0.32390	0.32390	0.32390	0.32390	0.32390	0.32390	0.32390	0.32390	0.32390
47	Large Power-Primary	L	0.13341	0.13643	0.22311	0.29131	0.28770	0.28823	0.28901	0.28901	0.28901	0.28901	0.28901	0.28901	0.28901	0.28901
48	Large Power-Secondary	P	0.14329	0.14658	0.23579	0.30351	0.30289	0.30153	0.30198	0.30198	0.30198	0.30198	0.30198	0.30198	0.30198	0.30198
49	Street Lights	SL	0.22913	0.23330	0.33710	0.41758	0.41940	0.41530	0.41530	0.41530	0.41530	0.41530	0.41530	0.41530	0.41530	0.41530
50	Irrigation	IRR	0.35085	0.18735	0.24215	0.32090	0.33100	0.31935	0.33100	0.33100	0.33100	0.33100	0.33100	0.33100	0.33100	0.33100
51																
52	Existing Rates - Demand Base Rates (\$/KW)															
53	Residential	D	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
54	Small Commercial	G	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
55	Large Commercial	J	\$6.08	\$6.08	\$6.41	\$6.62	6.62	\$6.62	\$6.62	\$6.62	\$6.62	\$6.62	\$6.62	\$6.62	\$6.62	\$6.62
56	Large Power-Primary	L	13.13	13.13	\$13.61	13.94	13.94	13.94	13.94	13.94	13.94	13.94	13.94	13.94	13.94	13.94
57	Large Power-Secondary	P	10.45	10.45	\$10.86	11.14	11.14	11.14	11.14	11.14	11.14	11.14	11.14	11.14	11.14	11.14
58	Street Lights	SL	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
59	Irrigation	IRR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
60																
61	Revenues at Existing Rates (\$000)															
62	Residential	D	\$30,501	\$31,359	\$46,884	\$59,103	\$58,456	\$59,768	\$60,060	\$60,937	\$61,416	\$62,577	\$63,364	\$64,353	\$65,233	\$65,983
63	Small Commercial	G	12,745	12,346	18,336	22,701	22,659	21,249	21,441	21,751	21,951	22,070	22,132	22,204	22,292	22,493
64	Large Commercial	J	10,354	9,983	14,883	18,230	18,102	16,888	17,155	17,396	17,551	17,638	17,676	17,723	17,783	17,938
65	Large Power-Primary	L	8,557	7,321	11,574	14,470	14,820	13,818	14,129	14,494	14,809	15,097	15,354	15,615	15,888	16,184
66	Large Power-Secondary	P	20,399	20,327	30,637	39,203	38,675	37,474	35,405	36,328	37,114	37,835	38,477	39,130	39,813	40,552
67	Street Lights	SL	844	874	1,179	1,404	1,428	1,304	1,205	1,103	997	888	898	909	919	929
68	Irrigation	IRR	415	264	36	34	58	34	35	35	35	35	35	35	35	35
69	Total		\$83,816	\$82,475	\$123,529	\$155,143	\$154,198	\$150,535	\$149,430	\$152,044	\$153,873	\$156,140	\$157,936	\$159,968	\$161,962	\$164,113
70																
71	Fuel and ERAC Revenues (\$000)															
72	Residential	D	\$37,021	\$17,401	\$11,715	\$9,929	\$12,330	\$11,283	\$7,110	\$5,015	\$6,369	\$8,098	\$9,748	\$11,623	\$13,230	\$15,406
73	Small Commercial	G	14,354	6,393	4,201	3,768	4,695	3,914	2,478	1,747	2,222	2,786	3,319	3,907	4,402	5,113
74	Large Commercial	J	13,404	5,879	3,826	3,255	4,067	3,381	2,159	1,522	1,936	2,427	2,893	3,404	3,836	4,456
75	Large Power-Primary	L	12,382	4,678	3,322	2,769	3,668	3,002	1,931	1,377	1,774	2,256	2,728	3,257	3,722	4,366
76	Large Power-Secondary	P	27,861	12,389	8,300	7,377	9,123	7,833	4,641	3,310	4,264	5,423	6,558	7,831	8,949	10,497
77	Street Lights	SL	613	286	203	170	219	173	98	60	66	70	84	99	113	132
78	Irrigation	IRR	0	0	0	0	0	0	0	0	0	0	0	0	0	1
79	Total		\$105,635	\$47,025	\$31,566	\$27,268	\$34,101	\$29,587	\$18,417	\$13,032	\$16,631	\$21,059	\$25,330	\$30,122	\$34,252	\$39,969
80																

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 3 - Projected Revenues at Existing Rates

Alternative Scenario 3 - No Renewable Additions

Line		Actual					Projected									
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
81	Total Revenues at Existing Rates including Fuel and ERAC (\$000)															
82	Residential D	\$67,522	\$48,760	\$58,600	\$69,032	\$70,785	\$71,051	\$67,170	\$65,952	\$67,785	\$70,675	\$73,112	\$75,976	\$78,463	\$81,389	\$84,612
83	Small Commercial G	27,099	18,739	22,537	26,469	27,354	25,163	23,919	23,498	24,173	24,856	25,451	26,111	26,694	27,606	28,663
84	Large Commercial J	23,758	15,862	18,709	21,485	22,169	20,269	19,314	18,918	19,487	20,065	20,569	21,127	21,619	22,394	23,293
85	Large Power-Primary L	20,940	11,999	14,896	17,239	18,488	16,820	16,060	15,871	16,583	17,353	18,082	18,872	19,610	20,550	21,582
86	Large Power-Secondary P	48,260	32,716	38,937	46,579	47,798	45,307	40,046	39,638	41,378	43,258	45,035	46,961	48,762	51,049	53,557
87	Street Lights SL	1,458	1,161	1,381	1,574	1,647	1,478	1,303	1,164	1,063	958	982	1,008	1,032	1,060	1,091
88	Irrigation IRR	415	264	36	34	58	34	35	35	35	35	35	35	35	35	36
89	Total	\$189,451	\$129,500	\$155,095	\$182,411	\$188,299	\$180,122	\$167,846	\$165,076	\$170,504	\$177,199	\$183,266	\$190,091	\$196,214	\$204,082	\$212,835
90																
91	Average Residential Bill Calculation															
92	Avg. Monthly kWh	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
93	Base without Increases	\$97.17	\$97.17	\$146.57	\$185.18	\$185.05	\$184.30	\$184.30	\$184.30	\$184.30	\$184.30	\$184.30	\$184.30	\$184.30	\$184.30	\$184.30
94	Base with Increases	97.17	97.17	146.57	185.18	185.05	184.30	184.30	184.30	184.30	191.67	191.67	191.67	191.67	191.67	191.67
95	ERAC	116.70	54.07	36.33	31.37	39.38	34.93	21.87	15.25	19.22	23.98	28.51	33.48	37.60	43.29	49.66
96	Total Bill	\$213.86	\$151.23	\$182.91	\$216.55	224.42	\$219.23	\$206.16	\$199.54	\$203.51	\$215.65	\$220.18	\$225.14	\$229.26	\$234.96	\$241.32

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 4 - Income Statement (\$000)

Alternative Scenario 3 - No Renewable Additions

Line	Actual					Projected									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 Operating Revenue															
2 Base Rate Revenue at Existing Rates	\$83,816	\$82,475	\$123,529	\$155,143	\$154,198	\$150,535	\$149,430	\$152,044	\$153,873	\$156,140	\$157,936	\$159,968	\$161,962	\$164,113	\$166,362
3 ERAC Revenues at Target Heat Rate	105,635	47,025	31,566	27,268	34,101	29,587	18,372	13,032	16,631	21,059	25,330	30,122	34,252	39,969	46,472
4 % of Base Sales Revenue															
5 Year															
6 2013 0.0%						0									
7 2014 0.0%							0								
8 2015 0.0%								0							
9 2016 0.0%									0						
10 2017 4.0%										6,246	6,317	6,399	6,478	6,565	6,654
11 2018 0.0%											0				
12 2019 0.0%												0			
13 2020 0.0%													0		
14 2021 0.0%														0	\$0
15 2022 0.0%															0
16 Rate Revenue from Rate Increases Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,246	\$6,317	\$6,399	\$6,478	\$6,565	\$6,654
17 Other Operating Revenues	174	161	159	168	153	153	162	162	162	162	162	162	162	162	162
18 Total Operating Revenues	\$189,625	\$129,661	\$155,254	\$182,579	\$188,452	\$180,275	\$167,963	\$165,238	\$170,666	\$183,607	\$189,746	\$196,652	\$202,855	\$210,809	\$219,650
19															
20 Operating Expenses															
21 Purchased Power															
22 KRS-1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23 KRS-2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24 Other	5,961	3,724	4,212	7,650	8,644	10,017	11,052	11,042	11,245	11,392	11,526	11,689	11,887	12,006	12,157
25 Power Production - Fuel	98,148	51,952	68,900	90,533	94,033	87,605	75,432	72,452	76,485	81,620	86,329	91,720	96,549	103,064	110,355
26 Power Production - Non-Fuel - Existing	14,415	12,917	13,701	14,917	15,426	14,751	14,637	15,211	15,613	16,139	16,609	17,140	17,623	18,164	18,725
27 Power Production - Non-Fuel - New	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28 Transmission O&M	947	1,030	1,071	1,046	900	1,066	1,066	1,123	1,194	1,224	1,277	1,342	1,376	1,410	1,445
29 Distribution O&M	3,642	3,645	3,857	4,055	3,672	3,964	4,063	4,165	4,269	4,376	4,485	4,597	4,712	4,830	4,951
30 Consumer Accounts and Sales	3,320	3,196	3,218	3,161	3,348	3,230	3,311	3,393	3,478	3,565	3,654	3,746	3,839	3,935	4,034
31 Regulatory Commission Expenses - HPUC Fees	947	648	775	912	942	901	840	826	853	918	949	983	1,014	1,054	1,098
32 Administrative and General															
33 KRS-1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34 KRS-2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35 Other	11,239	10,620	13,377	13,855	13,012	13,551	13,890	14,237	14,593	14,958	15,332	15,715	16,108	16,511	16,924
36 Depreciation and Amortization	16,450	16,736	14,595	13,372	13,435	14,213	14,731	15,336	15,796	16,267	16,732	16,998	17,261	17,601	17,971
37 Franchise & PSC Taxes	15,923	10,861	13,003	15,289	15,783	15,181	14,145	13,915	14,372	15,462	15,979	16,561	17,083	17,753	18,497
38 Other Taxes	104	77	45	(0)	0	0	0	0	0	0	0	0	0	0	0
39 Interest Expense on Long-Term Debt															
40 Existing Debt	9,941	9,502	9,061	8,669	8,335	7,605	7,194	6,765	6,325	5,849	5,360	4,856	4,328	3,778	3,198
41 KRS-1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
42 Other New Debt	0	0	0	0	0	165	527	979	1,646	2,202	2,493	2,705	2,970	3,365	3,902
43 Other Interest Expense															
44 KRS-1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45 Other	65	82	164	131	548	349	390	101	102	104	106	107	109	110	112
46 Capitalized Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
47 Contributions and Other Deductions	97	77	121	86	103	69	69	69	69	69	69	69	69	69	69
48 Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
49 Total Operating Expenses	\$181,198	\$125,069	\$146,101	\$173,675	\$178,180	\$172,668	\$161,347	\$159,615	\$166,043	\$174,145	\$180,901	\$188,230	\$194,928	\$203,652	\$213,438
50															

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 4 - Income Statement (\$000)

Alternative Scenario 3 - No Renewable Additions

Line	Actual					Projected									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
51 Patronage Capital and Operating Margins	\$8,427	\$4,593	\$9,153	\$8,904	\$10,271	\$7,607	\$6,616	\$5,624	\$4,623	\$9,462	\$8,845	\$8,422	\$7,927	\$7,157	\$6,212
52 Income (Loss) from KRS 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
53 Income (Loss) from KRS 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
54 Capital Credits & Patronage Dividends	59	40	40	30	34	40	40	40	40	40	40	40	40	40	40
55 A&G Income - KRS1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
56 A&G Income - KRS2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
57 Interest Income - KRS1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
58 Interest Income - Other	909	786	20	43	233	21	3	1	5	5	5	5	5	5	5
59 Interest Income COC	0	0	618	517	546	574	603	565	383	402	423	444	467	491	516
60 Other Revenue and Expense	159	156	125	195	205	167	167	167	167	167	167	167	167	167	167
61 Total Margins	\$9,554	\$5,574	\$9,956	\$9,688	\$11,289	\$8,409	\$7,429	\$6,397	\$5,217	\$10,076	\$9,480	\$9,078	\$8,606	\$7,859	\$6,939
62															
63 <u>RUS</u>															
64 Total TIER	1.96	1.59	2.10	2.12	2.35	2.08	1.96	1.83	1.65	2.25	2.21	2.20	2.18	2.10	1.98
65															
66 <u>Regulatory</u>															
67 Total TIER	2.19	1.83	2.35	2.38	2.63	2.37	2.26	2.12	1.94	2.53	2.50	2.50	2.49	2.42	2.30
68															

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 5 - Pro-Forma Balance Sheet as of December 31st (\$000)

Alternative Scenario 3 - No Renewable Additions

Line	Actual					Projected									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 ASSETS AND OTHER DEBITS															
2 Total Utility Plant	\$438,705	\$453,415	\$462,666	\$478,307	\$494,066	\$504,284	\$527,275	\$539,943	\$556,248	\$570,824	\$581,158	\$589,112	\$600,603	\$611,762	\$627,827
3 Accumulated Provision for Depr and Amort	(198,672)	(211,674)	(221,234)	(230,027)	(238,616)	(248,303)	(258,247)	(268,555)	(279,108)	(290,022)	(301,159)	(312,446)	(323,909)	(335,607)	(347,599)
4 Net Utility Plant in Service	\$240,033	\$241,741	\$241,431	\$248,279	\$255,450	\$255,981	\$269,028	\$271,388	\$277,141	\$280,803	\$279,999	\$276,665	\$276,695	\$276,155	\$280,228
5															
6 Other Property and Investments															
7 Non-Utility Property	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 Investment in KRS1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Investment in KRS2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Other Investments	1,000	1,261	1,247	6,787	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501
11 Total Other Property and Investments	\$1,000	\$1,261	\$1,247	\$6,787	\$1,501	\$1,501	\$1,501	\$1,501	\$1,501	\$1,501	\$1,501	\$1,501	\$1,501	\$1,501	\$1,501
12															
13 Current Assets															
14 Cash															
15 KRS1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16 KRS2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Other	26,001	2,919	6,096	3,437	3,762	7,563	2,342	950	4,000	4,000	4,000	4,000	4,000	4,000	4,000
18 Accounts Receivable	9,576	10,849	9,695	12,164	13,868	13,868	13,868	13,868	13,868	13,868	13,868	13,868	13,868	13,868	13,868
19 Inventory	13,157	13,320	14,217	14,033	14,788	15,094	15,782	16,162	16,650	17,086	17,395	17,633	17,977	18,311	18,792
20 Prepaids	1,110	1,196	955	987	1,221	1,221	1,221	1,221	1,221	1,221	1,221	1,221	1,221	1,221	1,221
21 Other Current Assets	7,302	7,275	8,167	8,059	9,394	9,394	9,394	9,394	9,394	9,394	9,394	9,394	9,394	9,394	9,394
22 Total Current Assets	57,145	35,559	39,131	38,679	43,033	47,139	42,607	41,594	45,133	45,569	45,878	46,116	46,460	46,794	47,274
23 Regulatory Assets	4,338	5,559	5,914	5,357	6,966	6,674	6,381	6,089	5,797	5,505	5,212	4,920	4,628	4,335	4,116
24 Deferred Debits	82	331	421	89	121	121	121	121	121	121	121	121	121	121	121
25 Total Assets and Other Debits	\$302,598	\$284,451	\$288,144	\$299,191	\$307,072	\$311,417	\$319,639	\$320,694	\$329,692	\$333,499	\$332,712	\$329,323	\$329,405	\$328,907	\$333,242
26															
27 EQUITIES AND LIABILITIES															
28 Margins and Equities															
29 Memberships	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30 Patronage Capital															
31 KRS1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32 KRS2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33 Other	48,144	51,316	59,756	68,384	78,371	83,702	90,366	96,638	101,730	111,682	119,011	126,337	133,302	139,727	145,826
34 Other Margins and Equities	0	952	1,162	963	174	252	330	408	486	564	642	720	798	876	954
35 Unrealized Gain(Loss) on Investments	(306)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
36 Total Margins and Equities	\$47,838	\$52,268	\$60,919	\$69,347	\$78,546	\$83,955	\$90,697	\$97,047	\$102,217	\$112,246	\$119,653	\$127,058	\$134,100	\$140,604	\$146,780
37 Non-Current Liabilities															
38 Long-Term Debt															
39 KRS1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40 Other	216,855	207,935	198,675	189,015	188,916	187,583	185,707	184,794	188,306	181,854	173,461	162,434	155,203	147,850	145,857
41 Cushion of Credit	(9,404)	(15,115)	(10,155)	(10,724)	(11,270)	(11,845)	(12,448)	(7,513)	(7,896)	(8,298)	(8,720)	(9,165)	(9,632)	(10,122)	(10,638)
42 Post-Retirement Benefit Obligation	3,858	2,384	1,981	1,881	2,382	2,382	2,382	2,382	2,382	2,382	2,382	2,382	2,382	2,382	2,382
43 Total Non-Current Liabilities	\$211,308	\$195,204	\$190,501	\$180,172	\$180,028	\$178,121	\$175,642	\$179,664	\$182,793	\$175,938	\$167,123	\$155,652	\$147,954	\$140,110	\$137,602
44 Current Liabilities															
45 Current Portion of Long-Term Liab															
46 KRS1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
47 Other	8,487	8,876	9,261	9,661	10,395	11,239	11,875	12,559	13,258	13,890	14,512	15,189	15,926	16,768	17,435
48 Accounts Payable	5,665	7,439	7,338	7,981	6,251	6,251	6,251	6,251	6,251	6,251	6,251	6,251	6,251	6,251	6,251
49 Notes Payable to KRS1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
50 Notes Payable - KRS 1	0	0	0	5,000	7,500	0	0	0	0	0	0	0	0	0	0
51 Notes Payable - Other	0	2,000	0	3,700	6,678	6,678	10,000	0	0	0	0	0	0	0	0
52 Consumer Deposits	884	1,138	1,049	1,248	1,273	1,273	1,273	1,273	1,273	1,273	1,273	1,273	1,273	1,273	1,273
53 Interest Accrued Debt KRS1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
54 Other Liabilities	15,351	7,146	9,448	12,438	12,672	12,672	12,672	12,672	12,672	12,672	12,672	12,672	12,672	12,672	12,672
55 Total Current Liabilities	\$30,388	\$26,598	\$27,096	\$40,028	\$44,768	\$38,112	\$42,071	\$32,755	\$33,453	\$34,085	\$34,707	\$35,385	\$36,121	\$36,963	\$37,630

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 5 - Pro-Forma Balance Sheet as of December 31st (\$000)

Alternative Scenario 3 - No Renewable Additions																
Line		Actual					Projected									
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
56	Regulatory Liabilities	4,019	3,726	3,434	3,142	2,849	2,849	2,849	2,849	2,849	2,849	2,849	2,849	2,849	2,849	2,849
57	Deferred Credits	9,045	6,654	6,194	6,502	8,932	8,932	8,932	8,932	8,932	8,932	8,932	8,932	8,932	8,932	8,932
58	Total Liabilities	\$254,760	\$232,182	\$227,225	\$229,844	\$236,578	\$228,014	\$229,494	\$224,200	\$228,027	\$221,804	\$213,611	\$202,818	\$195,856	\$188,855	\$187,013
59																
60	Total Equities and Liabilities	\$302,598	\$284,451	\$288,144	\$299,191	\$315,124	\$311,969	\$320,191	\$321,246	\$330,244	\$334,051	\$333,264	\$329,875	\$329,957	\$329,459	\$333,793
61																
62																
63	FINANCIAL RATIOS															
64	Equity to Total Assets	15.81%	18.38%	21.14%	23.18%	25.58%	26.96%	28.37%	30.26%	31.00%	33.66%	35.96%	38.58%	40.71%	42.75%	44.05%
65	Working Capital (Days of Operating Expenses)	55	9	16	8	8	17	6	2	9	9	8	8	8	7	7
66																
67																

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 6 - Statement of Operations - Cash Basis (\$000)

Alternative Scenario 3 - No Renewable Additions

Line	Projected									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 Total Accrual Margins	\$8,409	\$7,429	\$6,397	\$5,217	\$10,076	\$9,480	\$9,078	\$8,606	\$7,859	\$6,939
2 Add: Depreciation and Amortization	14,677	15,195	15,800	16,260	16,731	17,195	17,462	17,725	18,065	18,434
3 Add: Interest Exp - Existing Long-Term Debt	7,605	7,194	6,765	6,325	5,849	5,360	4,856	4,328	3,778	3,198
4 Add: Interest Exp - KRS1 Long-Term Debt	0	0	0	0	0	0	0	0	0	0
5 Add: Interest Exp - Other New Long-Term Debt	165	527	979	1,646	2,202	2,493	2,705	2,970	3,365	3,902
6 Less: Capital Credits, Pat Cap, and KRS1/KRS2 Income (Loss)	(40)	(40)	(40)	(40)	(40)	(40)	(40)	(40)	(40)	(40)
7 Less: COC Interest Income	(574)	(603)	(565)	(383)	(402)	(423)	(444)	(467)	(491)	(516)
8 Less: Capitalized Interest	0	0	0	0	0	0	0	0	0	0
9 Cash from Operations	\$30,241	\$29,701	\$29,335	\$29,026	\$34,416	\$34,066	\$33,617	\$33,121	\$32,537	\$31,918
10										
11 Debt Service - Long Term										
12 Existing - Interest	\$7,605	\$7,194	\$6,765	\$6,325	\$5,849	\$5,360	\$4,856	\$4,328	\$3,778	\$3,198
13 Existing - Principal	10,396	10,925	11,353	11,792	12,266	12,752	13,255	13,782	14,330	14,907
14 KRS1 Interest	0	0	0	0	0	0	0	0	0	0
15 KRS1 Principal	0	0	0	0	0	0	0	0	0	0
16 Other New - Interest	165	527	979	1,646	2,202	2,493	2,705	2,970	3,365	3,902
17 New - Principal	93	314	523	767	992	1,138	1,257	1,408	1,596	1,861
18 Other - Interest	0	0	0	0	0	0	0	0	0	0
19 Total Debt Service	\$18,259	\$18,960	\$19,619	\$20,531	\$21,308	\$21,743	\$22,074	\$22,487	\$23,069	\$23,868
20										
21 Cash Margins After Debt Service	\$11,982	\$10,741	\$9,716	\$8,495	\$13,107	\$12,322	\$11,543	\$10,634	\$9,468	\$8,049
22										
23 Additional Sources of Cash										
24 Proceeds from Long-Term Debt	\$10,000	\$10,000	\$11,646	\$16,770	\$7,437	\$6,119	\$4,163	\$8,695	\$9,415	\$15,442
25 Proceeds from Short-Term Debt	10,000	13,322	0	0	0	0	0	0	0	0
26 Proceeds from RUS Cushion of Credit	0	0	5,500	0	0	0	0	0	0	0
27 Free Cash Flow From										
28 KRS1	0	0	0	0	0	0	0	0	0	0
29 KRS2	0	0	0	0	0	0	0	0	0	0
30 Principal Income from KRS1	0	0	0	0	0	0	0	0	0	0
31 CIAC/Grant Funds/Advances	9,191	662	728	800	880	967	1,063	1,168	1,284	1,411
32 Patronage Capital Paid in Cash	40	40	40	40	40	40	40	40	40	40
33										
34 Additional Uses of Cash										
35 Total Additions and Replacements	(23,997)	(28,397)	(18,359)	(22,260)	(20,694)	(16,752)	(14,552)	(18,249)	(18,098)	(23,239)
36 Refund of Customer Advances	(109)	(215)	(236)	(260)	(286)	(315)	(346)	(381)	(419)	(461)
37 Inventory Buildup	(306)	(688)	(379)	(488)	(436)	(309)	(238)	(344)	(334)	(481)
38 Repayment of Short-Term Debt	(10,000)	(10,000)	(10,000)	0	0	0	0	0	0	0
39 Regular Capital Credit Retirements	(2,953)	(639)	0	0	0	(2,026)	(1,627)	(1,516)	(1,309)	(716)
40 Early Retirement of Capital Credits	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)
41										
42 Total Additional Sources and Uses of Cash	(\$8,181)	(\$15,962)	(\$11,107)	(\$5,445)	(\$13,107)	(\$12,323)	(\$11,544)	(\$10,634)	(\$9,467)	(\$8,050)

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 6 - Statement of Operations - Cash Basis (\$000)

Alternative Scenario 3 - No Renewable Additions

Line	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
43										
44 Net Change in Cash Including KRS1/KRS2-Related	\$3,801	(\$5,221)	(\$1,391)	\$3,050	\$0	(\$0)	(\$1)	\$0	\$0	(\$1)
45 Less KRS1/KRS2-Related Net Change In Cash	0	0	0	0	0	0	0	0	0	0
46 Total Net Change in Cash	\$3,801	(\$5,221)	(\$1,391)	\$3,050	\$0	(\$0)	(\$1)	\$0	\$0	(\$1)
47										
48 TIER Calculation										
49 Long-Term Interest Payment	\$7,770	\$7,721	\$7,744	\$7,972	\$8,051	\$7,853	\$7,562	\$7,297	\$7,143	\$7,100
50 Total TIER	2.08	1.96	1.83	1.65	2.25	2.21	2.20	2.18	2.10	1.98
51										
52 RUS Debt Service Coverage Ratio										
53 Net Margins	\$8,409	\$7,429	\$6,397	\$5,217	\$10,076	\$9,480	\$9,078	\$8,606	\$7,859	\$6,939
54 Interest on Long Term Debt	7,770	7,721	7,744	7,972	8,051	7,853	7,562	7,297	7,143	7,100
55 Depreciation and Amortization Expense	14,213	14,731	15,336	15,796	16,267	16,732	16,998	17,261	17,601	17,971
56 Adjusted Margins	\$ 30,392	\$ 29,881	\$ 29,476	\$ 28,985	\$ 34,395	\$ 34,065	\$ 33,638	\$ 33,164	\$ 32,604	\$ 32,010
57										
58 Debt Service	\$ 18,259	\$ 18,960	\$ 19,619	\$ 20,531	\$ 21,308	\$ 21,743	\$ 22,074	\$ 22,487	\$ 23,069	\$ 23,868
59 RUS DSC Ratio	1.66	1.58	1.50	1.41	1.61	1.57	1.52	1.47	1.41	1.34
60										
61 CFC Debt Service Coverage Ratio										
62 Operating Margins	\$7,607	\$6,616	\$5,624	\$4,623	\$9,462	\$8,845	\$8,422	\$7,927	\$7,157	\$6,212
63 Non-Operating Margins - Interest	596	606	566	388	407	428	449	472	496	521
64 Interest on Long Term Debt	7,770	7,721	7,744	7,972	8,051	7,853	7,562	7,297	7,143	7,100
65 Depreciation and Amortization Expense	14,213	14,731	15,336	15,796	16,267	16,732	16,998	17,261	17,601	17,971
66 Capital Credits Received	0	0	0	0	0	0	0	0	0	0
67 Adjusted Margins	\$ 30,185	\$ 29,674	\$ 29,269	\$ 28,778	\$ 34,188	\$ 33,858	\$ 33,431	\$ 32,957	\$ 32,397	\$ 31,803
68										
69 Debt Service	\$ 18,259	\$ 18,960	\$ 19,619	\$ 20,531	\$ 21,308	\$ 21,743	\$ 22,074	\$ 22,487	\$ 23,069	\$ 23,868
70 CFC DSC Ratio	1.65	1.57	1.49	1.40	1.60	1.56	1.51	1.47	1.40	1.33
71										
72 Patronage Refund Over 2.0 RUS TIER	(\$2,953)	(\$639)	\$0	\$0	\$0	(\$2,026)	(\$1,627)	(\$1,516)	(\$1,309)	(\$716)
73										
74 Capital Credits Balance - Excluding KRS1 and KRS2										
75 Balance (Beg Yr)	\$78,371	\$83,702	\$90,366	\$96,638	\$101,730	\$111,682	\$119,011	\$126,337	\$133,302	\$139,727
76 Retirements	(2,953)	(639)	0	0	0	(2,026)	(1,627)	(1,516)	(1,309)	(716)
77 Early Retirements	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)
78 Additions	8,409	7,429	6,397	5,217	10,076	9,480	9,078	8,606	7,859	6,939
79 Balance (End Yr)	\$83,702	\$90,366	\$96,638	\$101,730	\$111,682	\$119,011	\$126,337	\$133,302	\$139,727	\$145,826
80										

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 7 - General Funds Summary (\$000)

Alternative Scenario 3 - No Renewable Additions

Line	Projected									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 KIUC NET GENERAL FUNDS - BEGINNING OF YEAR	\$3,762	\$7,563	\$2,342	\$950	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
2										
3 SOURCES OF GENERAL FUNDS										
4 Cash Margins after Debt Service	\$11,982	\$10,741	\$9,716	\$8,495	\$13,107	\$12,322	\$11,543	\$10,634	\$9,468	\$8,049
5 Long Term Debt Loan Proceeds	10,000	10,000	11,646	16,770	7,437	6,119	4,163	8,695	9,415	15,442
6 Patronage Capital Paid in Cash	40	40	40	40	40	40	40	40	40	40
7 Principal Income from KRS1	0	0	0	0	0	0	0	0	0	0
8 Proceeds from Short-Term Debt	10,000	13,322	0	0	0	0	0	0	0	0
9 Cushion of Credit	0	0	5,500	0	0	0	0	0	0	0
10 Change in KRS1-Related Cash	0	0	0	0	0	0	0	0	0	0
11 Change in KRS2-Related Cash	0	0	0	0	0	0	0	0	0	0
12 Total Sources of General Funds	\$32,022	\$34,103	\$26,902	\$25,305	\$20,584	\$18,481	\$15,746	\$19,369	\$18,923	\$23,531
13										
14 USES OF GENERAL FUNDS										
15 Regular Capital Credit Retirements	(\$2,953)	(\$639)	\$0	\$0	\$0	(\$2,026)	(\$1,627)	(\$1,516)	(\$1,309)	(\$716)
16 Early Retirement of Capital Credits	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)
17 Net Additions and Replacements	(14,806)	(27,735)	(17,631)	(21,460)	(19,815)	(15,785)	(13,489)	(17,081)	(16,814)	(21,828)
18 Refund of Customer Advances	(109)	(215)	(236)	(260)	(286)	(315)	(346)	(381)	(419)	(461)
19 Inventory Buildup	(306)	(688)	(379)	(488)	(436)	(309)	(238)	(344)	(334)	(481)
20 Repayment of Short-Term Debt	(10,000)	(10,000)	(10,000)	0	0	0	0	0	0	0
21 Total Uses of General Funds	(\$28,221)	(\$39,324)	(\$28,293)	(\$22,255)	(\$20,584)	(\$18,482)	(\$15,747)	(\$19,369)	(\$18,922)	(\$23,532)
22										
23 KIUC NET GENERAL FUNDS - END OF YEAR	\$7,563	\$2,342	\$950	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 8 - Plant Investment and Depreciation Expense (\$000)

Alternative Scenario 3 - No Renewable Additions

Line	Projected									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 UTILITY PLANT										
2 Plant-in-Service - BOY	\$420,312	\$443,717	\$465,254	\$484,541	\$494,386	\$515,972	\$526,305	\$534,259	\$543,551	\$556,909
3 Acquisition Adjustment - BOY	54,852	54,852	54,852	54,852	54,852	54,852	54,852	54,852	54,852	54,852
4 CWIP - BOY	18,902	5,715	7,169	550	7,010	0	0	0	2,200	0
5 Total Utility Plant - BOY	\$494,066	\$504,284	\$527,275	\$539,943	\$556,248	\$570,824	\$581,157	\$589,111	\$600,603	\$611,761
6										
7										
8 ADDITIONS AND REPLACEMENTS										
9 Generation										
10 Hydropower	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 Hydropower Capitalized Interest	0	0	0	0	0	0	0	0	0	0
12 SWD CO Catalysts Install	150	0	0	0	0	0	0	0	0	0
13 EMD CO Catalysts Install	300	0	0	0	0	0	0	0	0	0
14 HRSG MCC Replacement	100	0	0	0	0	0	0	0	0	0
15 Waiahi Upper Powerhouse Expansion	0	3,489	0	0	0	0	0	0	0	0
16 Waiahi Lower Powerhouse Upgrade	0	0	0	0	0	0	0	0	0	0
17 LFG	0	0	0	0	0	0	0	0	0	0
18 Titan or Alternative	0	0	0	0	0	0	0	0	0	0
19 Other Non-Recurring Projects	5,130	1,928	0	0	0	5,050	2,000	2,000	2,000	2,000
20 Other Recurring Projects	925	950	850	850	850	850	950	1,600	1,600	850
21 Transmission and Distribution										
22 North Shore Transmission Line Capital Expenditures	0	0	0	7,010	9,000	0	0	0	0	0
23 Anahola Service Center	200	4,692	0	0	0	0	0	0	0	0
24 Princeville Substation Upgrade	152	0	0	0	0	0	0	0	0	0
25 Replacement GIS Mapping System	250	50	0	0	0	0	0	0	0	0
26 Kipu 12 kV Reroute	100	300	0	0	0	0	0	0	0	0
27 Wailua Corridor Undergrounding	1,666	834	0	0	0	0	0	0	0	0
28 RUS Standards Compliance	50	75	0	0	0	0	0	0	0	0
29 Hanalei Tap Reconfiguration	0	50	500	1,000	0	0	0	0	0	0
30 New T&D Warehouse and Field Offices	0	0	1,500	0	0	0	0	0	0	0
31 HCP - C2 Waiakea Canal Crossing	245	147	0	0	0	0	0	0	0	0
32 Kapaia to Hanahanapuni	0	0	0	0	0	0	0	0	0	0
33 Convert Hanahanapuni Tap to Switching Station	0	0	0	0	0	0	0	0	0	0
34 Kilohana Switching Station	0	0	0	0	0	0	0	0	0	0
35 Lihue Station - Upgraded Transformers (3 @ \$850)	0	0	0	0	0	0	0	2,200	1,122	0
36 Other Non-Recurring Projects										
37 Transmission	2,401	1,945	4,398	1,581	1,040	0	0	0	0	6,000
38 Distribution	0	0	0	0	0	0	0	0	0	0

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 8 - Plant Investment and Depreciation Expense (\$000)

Alternative Scenario 3 - No Renewable Additions

Line		Projected									
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
39	Other Recurring Projects										
40	Transmission	840	710	620	3,231	542	479	468	482	498	514
41	Distribution	5,934	6,492	7,375	6,076	7,184	7,759	8,389	9,080	9,837	10,667
42	Other	40	44	48	53	59	64	71	78	86	94
43	Other Projects										
44	Non-Recurring Projects	535	1,305	555	1,055	500	1,000	1,100	1,210	1,331	1,464
45	Recurring Projects	1,730	1,467	1,401	1,405	1,520	1,549	1,574	1,599	1,625	1,651
46	Carryover Projects										
47	AEPO Substation (Kumanu)	530	3,920	1,112	0	0	0	0	0	0	0
48	SPCC Substation Compliance	220	0	0	0	0	0	0	0	0	0
49	AMI/Advanced Metering Infrastructure	2,500	0	0	0	0	0	0	0	0	0
50	Battery Energy Storage	0	0	0	0	0	0	0	0	0	0
51	Other Carryover Projects	0	0	0	0	0	0	0	0	0	0
52	Total Additions and Replacements	\$23,997	\$28,397	\$18,359	\$22,260	\$20,694	\$16,752	\$14,552	\$18,249	\$18,098	\$23,239
53	Less Customer Advances	(2,880)	(651)	(716)	(788)	(867)	(953)	(1,049)	(1,153)	(1,269)	(1,395)
54	Less CIAC	(9)	(11)	(12)	(12)	(13)	(14)	(14)	(15)	(15)	(16)
55	Less AMI Funding	(6,302)	0	0	0	0	0	0	0	0	0
56	Total Cap Ex Cash Requirements	\$14,806	\$27,735	\$17,631	\$21,460	\$19,815	\$15,785	\$13,489	\$17,081	\$16,814	\$21,828
57											
58	CONSTRUCTION WORK IN PROGRESS										
59	Hydropower	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
60	Hydropower Capitalized Interest	0	0	0	0	0	0	0	0	0	0
61	SWD CO Catalysts Install	0	0	0	0	0	0	0	0	0	0
62	EMD CO Catalysts Install	0	0	0	0	0	0	0	0	0	0
63	HRSR MCC Replacement	0	0	0	0	0	0	0	0	0	0
64	Waiahi Upper Powerhouse Expansion	0	0	0	0	0	0	0	0	0	0
65	Waiahi Lower Powerhouse Upgrade	0	0	0	0	0	0	0	0	0	0
66	LFG	0	0	0	0	0	0	0	0	0	0
67	Titan or Alternative	0	0	0	0	0	0	0	0	0	0
68	North Shore Transmission Line Capital Expenditures	0	0	0	7,010	0	0	0	0	0	0
69	Anahola Service Center	200	0	0	0	0	0	0	0	0	0
70	Princeville Substation Upgrade	0	0	0	0	0	0	0	0	0	0
71	Repace GIS Mapping System	250	0	0	0	0	0	0	0	0	0
72	Kipu 12 kV Reroute	100	0	0	0	0	0	0	0	0	0
73	Wailua Corridor Undergrounding	1,666	0	0	0	0	0	0	0	0	0
74	RUS Standards Compliance	50	0	0	0	0	0	0	0	0	0
75	Hanalei Tap Reconfiguration	0	50	550	0	0	0	0	0	0	0
76	New T&D Warehouse and Field Offices	0	0	0	0	0	0	0	0	0	0
77	HCP - C2 Waiakea Canal Crossing	250	0	0	0	0	0	0	0	0	0
78	Kapaia to Hanahanapuni	0	0	0	0	0	0	0	0	0	0
79	Convert Hanahanapuni Tap to Switching Station	0	0	0	0	0	0	0	0	0	0
80	Kilohana Switching Station	0	0	0	0	0	0	0	0	0	0
81	Lihue Station - Upgraded Transformers (3 @ \$850)	0	0	0	0	0	0	0	2,200	0	0
82	AEPO Substation (Kumanu)	3,199	7,119	0	0	0	0	0	0	0	0

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 8 - Plant Investment and Depreciation Expense (\$000)

Alternative Scenario 3 - No Renewable Additions

Line		Projected									
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
83	SPCC Substation Compliance	0	0	0	0	0	0	0	0	0	0
84	AMI/Advanced Metering Infrastructure	0	0	0	0	0	0	0	0	0	0
85	Battery Energy Storage	0	0	0	0	0	0	0	0	0	0
86	Other Carryover Projects	0	0	0	0	0	0	0	0	0	0
87	Total CWIP	\$5,715	\$7,169	\$550	\$7,010	\$0	\$0	\$0	\$2,200	\$0	\$0
88											
89	TOTAL PLANT IN SERVICE - BOY	\$420,312	\$443,717	\$465,254	\$484,541	\$494,386	\$515,972	\$526,305	\$534,259	\$543,551	\$556,909
90	Total Additions and Replacements	23,997	28,397	18,359	22,260	20,694	16,752	14,552	18,249	18,098	23,239
91	Carryover Closed to Plant	16,228	2,516	7,119	550	7,010	0	0	0	2,200	0
92	Less CIAC and Funding	(9,082)	(447)	(492)	(540)	(594)	(652)	(717)	(787)	(865)	(951)
93	Less Cap Ex to CWIP	(3,041)	(3,970)	(500)	(7,010)	0	0	0	(2,200)	0	0
94	Less Retirements	(4,697)	(4,958)	(5,199)	(5,415)	(5,525)	(5,766)	(5,881)	(5,970)	(6,074)	(6,223)
95	TOTAL PLANT IN SERVICE - EOY	\$443,717	\$465,254	\$484,541	\$494,386	\$515,972	\$526,305	\$534,259	\$543,551	\$556,909	\$572,974
96	Closed to Plant	\$28,102	\$26,496	\$24,486	\$15,260	\$27,111	\$16,099	\$13,835	\$15,262	\$19,433	\$22,288
97											
98	FUNDING										
99	Debt	\$10,000	\$13,322	\$1,646	\$16,770	\$7,437	\$6,119	\$4,163	\$8,695	\$9,415	\$0
100	Customer Advances	2,880	651	716	788	867	953	1,049	1,153	1,269	1,395
101	Cash	4,806	14,413	10,485	4,690	12,378	9,666	9,326	8,386	7,399	0
102	CIAC/AMI Funding	6,311	11	12	12	13	14	14	15	15	16
103	Total	\$23,997	\$28,397	\$18,359	\$22,260	\$20,694	\$16,752	\$14,552	\$18,249	\$18,098	\$23,239
104											
105	DEPRECIATION EXPENSE										
106		Depr Rate									
107	Existing 2012 Plant	2.73%	\$11,398	\$11,266	\$11,128	\$10,983	\$10,834	\$10,680	\$10,521	\$10,359	\$10,195
108	Balance of 2102 CWIP	2.73%	53	105	105	105	105	105	105	105	105
109	Generation										
110	Hydropower	2.00%	0	0	0	0	0	0	0	0	0
111	Hydropower Capitalized Interest	2.00%	0	0	0	0	0	0	0	0	0
112	SWD CO Catalysts Install	2.10%	10	20	20	20	20	20	20	20	20
113	EMD CO Catalysts Install	2.10%	8	16	16	16	16	16	16	16	16
114	HRSB MCC Replacement	2.10%	1	3	3	3	3	3	3	3	3
115	Waiahi Upper Powerhouse Expansion	2.00%	0	35	70	70	70	70	70	70	70
116	Waiahi Lower Powerhouse Upgrade	2.00%	0	0	0	0	0	0	0	0	0
117	LFG	6.67%	0	0	0	0	0	0	0	0	0
118	Titan or Alternative	2.10%	0	0	0	0	0	0	0	0	0
119	Other Non-Recurring Projects	2.10%	54	128	148	148	148	202	276	318	402
120	Other Recurring Projects	2.10%	10	29	48	66	84	102	121	148	207
121	Transmission and Distribution										
122	North Shore Transmission Line Capital Expenditures	2.82%	0	0	0	226	452	452	452	452	452
123	Anahola Service Center	2.82%	0	69	138	138	138	138	138	138	138
124	Princeville Substation Upgrade	3.33%	13	25	25	25	25	25	25	25	25
125	Replacement GIS Mapping System	3.33%	0	5	10	10	10	10	10	10	10

Kaua'i Island Utility Cooperative
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Table 8 - Plant Investment and Depreciation Expense (\$000)

Alternative Scenario 3 - No Renewable Additions

Line			Projected									
			2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
126	Kipu 12 kV Reroute	2.82%	0	6	11	11	11	11	11	11	11	11
127	Wailua Corridor Undergrounding	2.82%	0	35	71	71	71	71	71	71	71	71
128	RUS Standards Compliance	2.82%	0	2	4	4	4	4	4	4	4	4
129	Hanalei Tap Reconfiguration	2.82%	0	0	0	22	44	44	44	44	44	44
130	New T&D Warehouse and Field Offices	2.82%	0	0	21	42	42	42	42	42	42	42
131	HCP - C2 Waiakea Canal Crossing	2.70%	0	5	11	11	11	11	11	11	11	11
132	Kapaia to Hanahanapuni	2.82%	0	0	0	0	0	0	0	0	0	0
133	Convert Hanahanapuni Tap to Switching Station	2.82%	0	0	0	0	0	0	0	0	0	0
134	Kilohana Switching Station	2.82%	0	0	0	0	0	0	0	0	0	0
135	Lihue Station - Upgraded Transformers (3 @ \$850)	2.82%	0	0	0	0	0	0	0		47	94
136	Other Non-Recurring Projects											
137	Transmission	2.82%	34	95	185	269	306	321	321	321	321	406
138	Distribution	3.33%	0	0	0	0	0	0	0	0	0	0
139	Other Recurring Projects											
140	Transmission	2.82%	12	34	53	107	160	175	188	201	215	229
141	Distribution	3.33%	99	305	536	760	980	1,229	1,498	1,788	2,103	2,444
142	Other	2.73%	1	2	3	4	6	8	9	11	14	16
143	Other Projects											
144	Non-Recurring Projects	2.73%	7	32	58	80	101	121	150	181	216	254
145	Recurring Projects	2.73%	24	67	106	145	184	226	269	312	356	401
146	Carryover Projects											
147	AEPO Substation (Kumanu)	3.33%	0	0	137	274	274	274	274	274	274	274
148	SPCC Substation Compliance	3.33%	10	20	20	20	20	20	20	20	20	20
149	AMI/Advanced Metering Infrastructure	8.00%	504	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008
150	Battery Energy Storage	5.00%	0	0	0	0	0	0	0	0	0	0
151	Total		\$12,236	\$13,314	\$13,934	\$14,412	\$14,902	\$15,387	\$15,676	\$15,964	\$16,332	\$16,804
152	Less AMI Funding	8.00%	0	(507)	(507)	(507)	(507)	(507)	(507)	(507)	(507)	(507)
153	Less CIAC	3.33%	(46)	(99)	(115)	(132)	(151)	(171)	(194)	(219)	(247)	(277)
154	Total Deprec and Amort Accrual		\$12,190	\$12,708	\$13,313	\$13,773	\$14,244	\$14,709	\$14,975	\$15,238	\$15,579	\$16,021
155	Less Depreciation in Other Accounts		(463)	(463)	(463)	(463)	(463)	(463)	(463)	(463)	(463)	(463)
156	Net Depr and Amort Expense		\$11,727	\$12,245	\$12,850	\$13,310	\$13,781	\$14,245	\$14,512	\$14,775	\$15,115	\$15,557
157												
158	Net Depreciation and Amortization Expense		\$11,727	\$12,245	\$12,850	\$13,310	\$13,781	\$14,245	\$14,512	\$14,775	\$15,115	\$15,557
159	Amortization of Regulatory Asset - Iniki		292	292	292	292	292	292	292	292	292	219
160	Amortization of Acquisition Adjustment		2,194	2,194	2,194	2,194	2,194	2,194	2,194	2,194	2,194	2,194
161	Total Depreciation & Amortization Expense		\$14,213	\$14,731	\$15,336	\$15,796	\$16,267	\$16,732	\$16,998	\$17,261	\$17,601	\$17,971
162	Plus Depreciation in Other Accounts		463	463	463	463	463	463	463	463	463	463
163	Total Depr and Amort Accrual		\$14,677	\$15,195	\$15,800	\$16,260	\$16,731	\$17,195	\$17,462	\$17,725	\$18,065	\$18,434
164												
165												

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 9 - Long-Term Debt Service (\$000)

Alternative Scenario 3 - No Renewable Additions

Line	Projected									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 EXISTING LONG TERM DEBT										
2 Balance (Beg Yr)	\$199,311	\$188,915	\$177,990	\$166,638	\$154,845	\$142,579	\$129,828	\$116,573	\$102,791	\$88,462
3 Existing Loan Advances	0	0	0	0	0	0	0	0	0	0
4 Principal Repayments	10,396	10,925	11,353	11,792	12,266	12,752	13,255	13,782	14,330	14,907
5 Balance (End Yr)	\$188,915	\$177,990	\$166,638	\$154,845	\$142,579	\$129,828	\$116,573	\$102,791	\$88,462	\$73,555
6										
7 EXISTING DEBT INTEREST AND PRINCIPAL PAYMENTS										
8 Interest										
9 RUS - A41-1B010	\$297	\$282	\$265	\$248	\$230	\$212	\$192	\$173	\$152	\$130
10 RUS - A41-1B011	594	563	530	496	460	423	385	345	303	260
11 RUS - A41-1B012	474	447	420	391	362	332	301	269	235	201
12 RUS - A41-1B013	375	352	328	304	279	254	229	203	177	150
13 RUS - A41-1B014	691	655	618	580	539	497	453	407	358	308
14 RUS - A41-1B015	3,909	3,715	3,512	3,299	3,075	2,840	2,593	2,334	2,062	1,776
15 CFC - HI001-9005	133	122	110	99	86	74	61	48	34	20
16 FFB B8 - H0010	154	141	128	116	101	86	72	58	42	26
17 FFB B8 - H0015	224	206	188	171	150	129	109	87	65	40
18 FFB B8 - H0020	501	463	423	385	338	292	246	197	147	92
19 FFB C8 - F0025	211	207	202	198	190	184	180	174	169	162
20 FFB C8 - F0030	42	41	40	39	38	37	36	35	34	32
21 Total Interest	\$7,605	\$7,194	\$6,765	\$6,325	\$5,849	\$5,360	\$4,856	\$4,328	\$3,778	\$3,198
22 Principal										
23 RUS - A41-1B010	\$402	\$417	\$434	\$451	\$469	\$487	\$507	\$526	\$547	\$569
24 RUS - A41-1B011	803	834	867	901	937	974	1,012	1,052	1,094	1,137
25 RUS - A41-1B012	840	866	894	922	951	981	1,013	1,045	1,078	1,112
26 RUS - A41-1B013	1,430	1,453	1,477	1,501	1,526	1,551	1,576	1,602	1,628	1,655
27 RUS - A41-1B014	795	831	868	906	947	989	1,033	1,079	1,128	1,178
28 RUS - A41-1B015	3,883	4,076	4,279	4,492	4,717	4,952	5,199	5,458	5,730	6,016
29 CFC - HI001-9005	406	418	430	443	455	468	482	496	510	525
30 FFB B8 - H0010	442	455	467	479	493	507	520	535	549	564
31 FFB B8 - H0015	428	442	460	479	498	518	539	561	584	608
32 FFB B8 - H0020	846	883	921	959	1,005	1,049	1,094	1,141	1,190	1,244
33 FFB C8 - F0025	104	212	216	220	227	233	237	243	247	254
34 FFB C8 - F0030	19	38	39	40	41	42	43	44	45	46
35 Total Principal	\$10,396	\$10,925	\$11,353	\$11,792	\$12,266	\$12,752	\$13,255	\$13,782	\$14,330	\$14,907
36										
37 FUNDING REQUIREMENTS										
38 Capital Funding Requirements	\$14,806	\$27,735	\$17,631	\$21,460	\$19,815	\$15,785	\$13,489	\$17,081	\$16,814	\$21,828
39 Refinancing Requirements	10,000	10,000	10,000	0	0	0	0	0	0	0
40 Total Funding Requirements	\$24,806	\$37,735	\$27,631	\$21,460	\$19,815	\$15,785	\$13,489	\$17,081	\$16,814	\$21,828
41										
42 Short-Term Long Funds Advanced	\$10,000	\$13,322	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
43 Long-Term Loan Funds Advanced	10,000	10,000	11,646	16,770	7,437	6,119	4,163	8,695	9,415	15,442
44 Total Debt Advances	\$20,000	\$23,322	\$11,646	\$16,770	\$7,437	\$6,119	\$4,163	\$8,695	\$9,415	\$15,442
45										

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 9 - Long-Term Debt Service (\$000)

Alternative Scenario 3 - No Renewable Additions

Line							Projected									
		Amount	Per	Rate	Term	Per Yr	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
46	FFB C8 Add'l Draws															
47		\$31,646	na	na	na	na										
48	BOY Balance						\$0	\$9,907	\$19,592	\$30,716	\$30,072	\$29,388	\$28,676	\$27,942	\$27,178	\$26,394
49	Loan Funds Advanced						10,000	10,000	11,646	0	0	0	0	0	0	0
50	Principal Payment						93	314	523	644	683	713	734	763	785	825
51	Interest Payment						165	527	979	1,228	1,189	1,159	1,137	1,108	1,086	1,046
52	Total Debt Service						\$258	\$841	\$1,501	\$1,872	\$1,872	\$1,872	\$1,871	\$1,871	\$1,871	\$1,870
53	EOY Balance						\$9,907	\$19,592	\$30,716	\$30,072	\$29,388	\$28,676	\$27,942	\$27,178	\$26,394	\$25,569
54																
55	2014 Loan	Amount	Per	Rate	Term	Per Yr										
56		\$0	3	3.5%	30	4										
57	BOY Balance							\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
58	Loan Funds Advanced							0	0	0	0	0	0	0	0	0
59	Principal Payment							0	0	0	0	0	0	0	0	0
60	Interest Payment							0	0	0	0	0	0	0	0	0
61	Total Debt Service							\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
62	EOY Balance							\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
63																
64	2015 Loan	Amount	Per	Rate	Term	Per Yr										
65		\$0	3	5.0%	30	4										
66	BOY Balance								\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
67	Loan Funds Advanced								0	0	0	0	0	0	0	0
68	Principal Payment								0	0	0	0	0	0	0	0
69	Interest Payment								0	0	0	0	0	0	0	0
70	Total Debt Service								\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
71	EOY Balance								\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
72																
73	New Hydro Loans	Amount	Const Rate	LT Rate	Term	Per Yr										
74		\$0	3.5%	5.0%	35	4										
75	BOY Balance								ST Debt	ST Debt	LT Debt	LT Debt	LT Debt	LT Debt	LT Debt	LT Debt
76	Loan Funds Advanced								\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
77	Principal Payment								0	0	0	0	0	0	0	0
78	Interest Payment								0	0	0	0	0	0	0	0
79	Total Debt Service								\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
80	EOY Balance								\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
81																
82	2016 Loan	Amount	Per	Rate	Term	Per Yr										
83		\$16,770	3	5.0%	30	4										
84	BOY Balance								\$0	\$16,647	\$16,393	\$16,125	\$15,844	\$15,549	\$15,238	
85	Loan Funds Advanced								16,770	0	0	0	0	0	0	0
86	Principal Payment								123	255	268	281	296	311	326	
87	Interest Payment								418	828	815	801	787	772	756	
88	Total Debt Service								\$541	\$1,082	\$1,082	\$1,082	\$1,082	\$1,082	\$1,082	
89	EOY Balance								\$16,647	\$16,393	\$16,125	\$15,844	\$15,549	\$15,238	\$14,912	
90																

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 9 - Long-Term Debt Service (\$000)

Alternative Scenario 3 - No Renewable Additions

Line	Projected															
	2017 Loan	Amount	Per	Rate	Term	Per Yr	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
91																
92		\$7,437	3	5.0%	30	4										
93	BOY Balance										\$0	\$7,383	\$7,270	\$7,151	\$7,026	\$6,895
94	Loan Funds Advanced										7,437	0	0	0	0	0
95	Principal Payment										54	113	119	125	131	138
96	Interest Payment										186	367	361	355	349	342
97	Total Debt Service										\$240	\$480	\$480	\$480	\$480	\$480
98	EOY Balance										\$7,383	\$7,270	\$7,151	\$7,026	\$6,895	\$6,758
99																
100	2018 Loan	Amount	Per	Rate	Term	Per Yr										
101		\$6,119	3	5.0%	30	4										
102	BOY Balance											\$0	\$6,074	\$5,981	\$5,884	\$5,781
103	Loan Funds Advanced											6,119	0	0	0	0
104	Principal Payment											45	93	98	103	108
105	Interest Payment											153	302	297	292	287
106	Total Debt Service											\$197	\$395	\$395	\$395	\$395
107	EOY Balance											\$6,074	\$5,981	\$5,884	\$5,781	\$5,673
108																
109	2019 Loan	Amount	Per	Rate	Term	Per Yr										
110		\$4,163	3	5.0%	30	4										
111	BOY Balance												\$0	\$4,133	\$4,069	\$4,003
112	Loan Funds Advanced												4,163	0	0	0
113	Principal Payment												30	63	66	70
114	Interest Payment												104	205	202	199
115	Total Debt Service												\$134	\$269	\$269	\$269
116	EOY Balance												\$4,133	\$4,069	\$4,003	\$3,933
117																
118	2020 Loan	Amount	Per	Rate	Term	Per Yr										
119		\$8,695	3	5.0%	30	4										
120	BOY Balance													\$0	\$8,631	\$8,499
121	Loan Funds Advanced													8,695	0	0
122	Principal Payment													64	132	139
123	Interest Payment													217	429	422
124	Total Debt Service													\$281	\$561	\$561
125	EOY Balance													\$8,631	\$8,499	\$8,361
126																
127	2021 Loan	Amount	Per	Rate	Term	Per Yr										
128		\$9,415	3	5.0%	30	4										
129	BOY Balance														\$0	\$9,346
130	Loan Funds Advanced														9,415	0
131	Principal Payment														69	143
132	Interest Payment														235	465
133	Total Debt Service														\$304	\$608
134	EOY Balance														\$9,346	\$9,203
135																

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 9 - Long-Term Debt Service (\$000)

Alternative Scenario 3 - No Renewable Additions

Line							Projected									
	2022 Loan	Amount	Per	Rate	Term	Per Yr	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
136																
137		\$15,442	3	5.0%	30	4										
138	BOY Balance															\$0
139	Loan Funds Advanced															15,442
140	Principal Payment															113
141	Interest Payment															385
142	Total Debt Service															\$498
143	EOY Balance															\$15,329
144																
145	TOTAL LONG TERM DEBT SERVICE															
146	Interest															
147	Existing Debt						\$7,605	\$7,194	\$6,765	\$6,325	\$5,849	\$5,360	\$4,856	\$4,328	\$3,778	\$3,198
148	New Debt (Excl Hydro Loan Capitalized Interest)						165	527	979	1,646	2,202	2,493	2,705	2,970	3,365	3,902
149	Total Interest						\$7,770	\$7,721	\$7,744	\$7,972	\$8,051	\$7,853	\$7,562	\$7,297	\$7,143	\$7,100
150	Principal															
151	Existing Debt						\$10,396	\$10,925	\$11,353	\$11,792	\$12,266	\$12,752	\$13,255	\$13,782	\$14,330	\$14,907
152	New Debt						93	314	523	767	992	1,138	1,257	1,408	1,596	1,861
153	Total Principal						\$10,489	\$11,239	\$11,875	\$12,559	\$13,258	\$13,890	\$14,512	\$15,189	\$15,926	\$16,768
154	Total Debt Service						\$18,259	\$18,960	\$19,619	\$20,531	\$21,308	\$21,743	\$22,074	\$22,487	\$23,069	\$23,868
155																
156	TOTAL LONG TERM DEBT															
157	Balance (Beg Yr)						\$199,311	\$198,822	\$197,583	\$197,353	\$201,564	\$195,743	\$187,973	\$177,624	\$171,129	\$164,618
158	Loan Funds Advanced						10,000	10,000	11,646	16,770	7,437	6,119	4,163	8,695	9,415	15,442
159	Less Principal Repayments						10,489	11,239	11,875	12,559	13,258	13,890	14,512	15,189	15,926	16,768
160	Balance (End Yr)						\$198,822	\$197,583	\$197,353	\$201,564	\$195,743	\$187,973	\$177,624	\$171,129	\$164,618	\$163,292
161																
162	Current Portion of Long Term Debt - EOY															
163	Existing Debt						\$10,925	\$11,353	\$11,792	\$12,266	\$12,752	\$13,255	\$13,782	\$14,330	\$14,907	\$15,370
164	New Debt						314	523	767	992	1,138	1,257	1,408	1,596	1,861	2,065
165	Total Current Portion						\$11,239	\$11,875	\$12,559	\$13,258	\$13,890	\$14,512	\$15,189	\$15,926	\$16,768	\$17,435
166																
167	SHORT TERM DEBT															
168																
169	\$20 M LOC/Other LOC	Amount	Per	Rate	Term	Per Yr										
170	BOY Balance			3.0%			\$6,678	\$6,678	\$10,000							
171	Loan Funds Advanced						10,000	13,322	0							
172	Less Principal Repayments						(10,000)	(10,000)	(10,000)							
173	Balance (End Yr)						\$6,678	\$10,000	\$0							
174																
175	Interest Expense						\$252	\$292	\$0							
176	Est Average Balance						\$8,385	\$9,725	\$0							
177																
178	\$5 M LOC	Amount	Per	Rate	Term	Per Yr										
179	BOY Balance			3.0%			\$0	\$0	\$0							
180	Loan Funds Advanced						0	0	0							
181	Less Principal Repayments						0	0	0							
182	Balance (End Yr)						\$0	\$0	\$0							
183																
184	Interest Expense						\$0	\$0	\$0							
185	Est Average Balance						\$0	\$0	\$0							
186																

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 10 - Projected ERAC Revenues

Alternative Scenario 3 - No Renewable Additions

Line	Actual					Projected										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
1	KIUC Thermal Generated (MWh)	437,819	417,224	417,117	409,392	405,946	381,990	371,740	378,940	383,690	390,100	395,080	400,510	405,720	411,900	418,090
2	KIUC Hydro Generated (MWh)	8,386	7,788	8,227	7,270	7,918	7,437	7,770	7,770	7,800	7,770	7,770	7,770	7,800	7,770	7,770
3	KRS1 Generated (MWh)	-	-	-	-	0	0	0	0	0	0	0	0	0	0	0
4	KRS2 Generated (MWh)	-	-	-	-	0	0	0	0	0	0	0	0	0	0	0
5	Purchased Power MWh - NEM & Sched Q	9	0	0	1,741	3,321	5,700	6,140	6,640	7,190	7,620	8,020	8,440	8,930	9,270	9,630
6	Purchased Power (MWh) - Other	29,090	30,796	27,414	34,855	34,633	46,303	52,060	52,060	52,200	52,060	52,060	52,060	52,200	52,060	52,060
7	Total MWh	475,305	455,808	452,758	453,259	451,818	441,430	437,710	445,410	450,880	457,550	462,930	468,780	474,650	481,000	487,550
8																
9	KIUC Sales (MWh)	453,791	436,273	434,533	434,745	433,159	423,584	420,139	427,506	432,744	439,225	444,278	450,004	455,624	461,704	468,055
10																
11	Losses (%)	4.5%	4.3%	4.0%	4.1%	4.1%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
12																
13	KIUC Generated Sales (MWh)	426,044	406,694	408,185	399,686	396,771	372,828	369,458	371,166	375,743	381,935	386,619	391,927	396,944	402,834	408,832
14																
15	Fuel Consumed (MMBtu)	4,208,477	3,913,866	3,868,068	3,870,223	3,778,090	3,594,303	3,485,255	3,562,258	3,614,333	3,685,758	3,739,034	3,803,244	3,867,051	3,941,951	4,018,123
16																
17	Actual Sales Heat Rate (Btu/kWh)	9,878	9,624	9,476	9,683	9,522	9,641	9,433	9,597	9,619	9,650	9,671	9,704	9,742	9,786	9,828
18																
19	Effective Sales Heat Rate for ERAC (Btu/kWh)	11,230	11,230	10,442	9,850	9,850	9,850	9,850	9,850	9,850	9,850	9,850	9,850	9,850	9,850	9,850
20																
21	Adj Fuel Consumed for Efficiency Factor (MMBtu)	4,784,479	4,567,169	4,262,385	3,936,904	3,908,195	3,672,352	3,639,160	3,655,981	3,701,067	3,762,062	3,808,194	3,860,483	3,909,902	3,967,918	4,026,992
22	Actual Fuel Cost (\$/MMBtu)	\$23.32	\$13.23	\$17.80	\$23.36	\$24.89	\$24.37	\$21.64	\$20.34	\$21.16	\$22.14	\$23.09	\$24.12	\$24.97	\$26.15	\$27.46
23																
24	Equivalent Base Fuel Cost (\$/MMBtu)	\$4.31	\$4.31	\$11.33	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36
25	Equivalent Purchased Power Cost (\$/kWh)	\$0.046	\$0.046	\$0.110	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174
26																
27	ERAC Revenue Components (\$000)															
28	KIUC Fuel Costs	\$98,148	\$51,952	\$68,900	\$90,533	\$94,033	\$87,605	\$75,432	\$72,452	\$76,485	\$81,620	\$86,329	\$91,720	\$96,549	\$103,064	\$110,355
29	KIUC Purch Power Costs - Excl NEM, Sched Q, KRS1, and KRS2	5,959	3,724	4,212	7,194	7,741	10,017	9,828	10,026	10,149	10,230	10,306	10,405	10,532	10,599	10,694
30	KIUC Purchased Power Costs - KRS1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	KIUC Purchased Power Costs - KRS2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	ERAC Excess	13,633	8,493	6,965	1,429	3,246	1,902	3,331	1,906	1,835	1,690	1,597	1,380	1,070	679	244
33	Fuel and Purchased Power in Base Rates	(21,929)	(21,071)	(51,336)	(74,396)	(73,859)	(72,566)	(71,852)	(72,510)	(73,317)	(74,352)	(75,152)	(76,060)	(76,942)	(77,925)	(78,950)
34	Tax on Fuel and Purchased Power	8,446	3,098	2,146	2,370	2,624	2,444	1,308	972	1,299	1,707	2,095	2,542	2,939	3,486	4,106
35	Tax on ERAC Excess	1,380	828	679	139	317	186	325	186	179	165	156	135	104	66	24
36	Total	\$105,636	\$47,025	\$31,566	\$27,268	\$34,101	\$29,587	\$18,372	\$13,032	\$16,631	\$21,059	\$25,330	\$30,122	\$34,252	\$39,969	\$46,472
37																
38	Revenue from Efficiency Factor (\$000)															
39	ERAC Efficiency Adjustment	\$13,633	\$8,493	\$6,965	\$1,429	\$3,246	\$1,902	\$3,331	\$1,906	\$1,835	\$1,690	\$1,597	\$1,380	\$1,070	\$679	\$244
40	Tax on Efficiency Adjustment	1,380	828	679	139	317	186	325	186	179	165	156	135	104	66	24
41	Total	\$15,013	\$9,321	\$7,645	\$1,568	\$3,562	\$2,088	\$3,656	\$2,092	\$2,014	\$1,855	\$1,753	\$1,515	\$1,174	\$745	\$267
42																
43	ERAC Rate Components (\$/kWh)															
44	KIUC Fuel Costs	\$0.217	\$0.119	\$0.159	\$0.208	\$0.217	\$0.207	\$0.180	\$0.170	\$0.177	\$0.186	\$0.194	\$0.204	\$0.212	\$0.223	\$0.236
45	KIUC Purchased Power Costs - Existing	\$0.013	\$0.009	\$0.010	\$0.017	\$0.018	\$0.024	\$0.023	\$0.023	\$0.023	\$0.023	\$0.023	\$0.023	\$0.023	\$0.023	\$0.023
46	KIUC Purchased Power Costs - KRS1	NA	NA	NA	NA	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
47	KIUC Purchased Power Costs - KRS2	NA	NA	NA	NA	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
48	ERAC Efficiency Adjustment	\$0.030	\$0.020	\$0.016	\$0.003	\$0.007	\$0.004	\$0.008	\$0.004	\$0.004	\$0.004	\$0.004	\$0.003	\$0.002	\$0.001	\$0.001
49	Fuel and purchased power in base rates	(\$0.048)	(\$0.048)	(\$0.118)	(\$0.171)	(\$0.171)	(\$0.171)	(\$0.171)	(\$0.170)	(\$0.169)	(\$0.169)	(\$0.169)	(\$0.169)	(\$0.169)	(\$0.169)	(\$0.169)
50	Tax on Fuel and Purchased Power	\$0.019	\$0.007	\$0.005	\$0.005	\$0.006	\$0.006	\$0.003	\$0.002	\$0.003	\$0.004	\$0.005	\$0.006	\$0.006	\$0.008	\$0.009
51	Tax on Efficiency Adjustment	\$0.003	\$0.002	\$0.002	\$0.000	\$0.001	\$0.000	\$0.001	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
52	Total (before other adjustments)	\$0.233	\$0.108	\$0.073	\$0.063	\$0.079	\$0.070	\$0.044	\$0.030	\$0.038	\$0.048	\$0.057	\$0.067	\$0.075	\$0.087	\$0.099

Appendix E
DETAILED RESULTS – EMP ALTERNATIVE SCENARIO 4

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 1 - Summary of Results

Alternative Scenario 4 - Flat Fuel Prices

Line	Actual	Projected										Average Annual Change
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2012-2022
1 Unit Revenues (\$/kWh)												
2 Non-Fuel & Purchased Power Charges												
3 Base Rates Without Fuel & Purchased Power	16.65	16.73	16.31	16.44	16.44	16.44	16.44	16.45	16.45	16.45	16.46	
4 Efficiency Premium in ERAC	0.82	0.49	0.98	0.65	0.63	0.63	4.35	4.31	4.27	4.24	4.20	
5 Subtotal Non-Fuel & Purchased Power Charges	17.47	17.23	17.29	17.09	17.07	17.07	20.79	20.76	20.72	20.69	20.66	1.7%
6												
7 Fuel and Purchased Power Charges												
8 Fuel & Purchased Power in Base Rates	18.95	18.81	19.26	19.13	19.12	19.11	19.11	19.10	19.10	19.09	19.09	
9 Fuel & Purchased Power in ERAC	7.05	6.49	3.01	1.80	1.91	2.03	(1.43)	(1.32)	(1.23)	(1.09)	(0.97)	
10 Fuel and Purchased Power Charges	26.00	25.30	22.27	20.93	21.03	21.15	17.68	17.78	17.87	18.00	18.11	-3.6%
11												
12 Average Unit Revenues (\$/kWh) (Lines 5 + 10)	43.48	42.53	39.56	38.01	38.10	38.21	38.47	38.54	38.59	38.69	38.77	-1.1%
13 % Change from 2012	na	-2.2%	-9.0%	-12.6%	-12.4%	-12.1%	-11.5%	-11.4%	-11.2%	-11.0%	-10.8%	
14												
15 Rate Increase as a % of Base Rate Revenues	na	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
16												
17 Long-Term Interest Expense	8,335	7,770	8,005	8,834	10,422	11,240	12,976	12,351	11,689	11,013	10,536	
18 Margins	11,091	8,409	8,136	8,260	7,165	6,526	14,585	14,793	15,218	15,475	15,454	3.4%
19												
20 Equity to Total Assets	24.9%	26.2%	26.8%	28.9%	27.1%	25.7%	29.0%	32.0%	35.1%	38.2%	40.5%	
21												
22 Cash Balance(\$000)	\$3,762	\$7,765	\$2,125	\$3,141	\$4,000	\$4,000	\$6,432	\$9,393	\$8,856	\$7,642	\$9,761	
23 Days of Operating Cash on Hand	8	17	5	8	10	9	16	23	21	18	23	
24 RUS TIER	2.33	2.08	2.02	1.94	1.69	1.58	2.12	2.20	2.30	2.41	2.47	
25 Regulatory TIER	2.61	2.37	2.30	2.19	1.90	1.78	2.30	2.38	2.50	2.61	2.68	
26 RUS Debt Service Coverage - 1.25 Minimum	na	1.66	1.59	1.50	1.39	1.33	1.60	1.59	1.59	1.59	1.56	
27 CFC Debt Service Coverage - 1.35 Minimum	na	1.65	1.56	1.47	1.37	1.31	1.58	1.57	1.56	1.56	1.54	
28 Percent of Previous Year's Patronage Capital Retired	na	25%	8%	2%	0%	0%	0%	11%	17%	23%	29%	
29												
30 Annual Capital Expenditures (\$000)	na	\$23,997	\$28,397	\$18,359	\$64,488	\$63,675	\$16,752	\$14,552	\$18,249	\$18,098	\$23,239	
31 Cap Ex Paid With Debt (\$000)	na	10,000	13,322	1,646	55,447	54,611	-	-	-	162	10,161	
32 Cap Ex Paid with Grant Funds/CIAC/Customer Adv (\$000)	na	9,191	662	728	800	880	967	1,063	1,168	1,284	1,411	
33 Cap Ex Paid With RUS Cushion of Credit (\$000)	na	0	0	5,500	0	0	0	0	0	0	0	
34 Cash Used to Pay for Plant (\$000)	na	4,806	14,413	10,485	8,241	8,184	15,785	13,489	17,081	16,652	11,667	
35												
36 Debt Borrowed (\$000)	na	\$20,000	\$23,322	\$11,646	\$55,447	\$54,611	\$85,208	\$0	\$0	\$162	\$10,161	
37 Debt Used to Repay Short-Term Debt (\$000)	na	10,000	10,000	10,000	0	0	85,208	0	0	0	0	
38 Debt Used for Working Capital (\$000)	na	0	0	0	0	0	0	0	0	0	0	
39 Debt Used for Cap Ex (\$000)	na	10,000	13,322	1,646	55,447	54,611	0	0	0	162	10,161	
40												
41 Monthly Residential Bill (500 kWh per month usage)	\$224	\$219	\$204	\$197	\$197	\$198	\$199	\$199	\$200	\$200	\$200	-1.1%
42 % Change from 2012		-2.3%	-9.0%	-12.4%	-12.2%	-12.0%	-11.4%	-11.2%	-11.1%	-10.9%	-10.7%	
43												
44 Approx Annual Pat Cap Retired for 500 kWh Res Customer	na	\$39.91	\$10.83	\$3.66	\$1.75	\$1.73	\$1.71	\$23.42	\$34.23	\$48.13	\$59.63	
45												
46 Renewable Power (% of total power requirements)												
47 KIUC-Owned	2%	2%	6%	12%	12%	12%	28%	28%	28%	27%	27%	
48 Purchased	8%	12%	17%	25%	25%	24%	24%	24%	24%	23%	23%	
49 Total	10%	13%	23%	37%	37%	36%	52%	52%	51%	51%	50%	

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 2 - Assumptions

Line	KIUC Assumptions	Data Input	Other Assumptions	Data Input
1	Inflation		Investment Return	0.125%
2	General Inflation	2.5%	Taxes - ERAC	9.8%
3	Distribution O&M	2.5%		
4				
5	ERAC Efficiency Premium ("Y"=Yes, "N"=No)	Y	Efficiency Factor Heat Rate (Btu/kWh)	9,850
6				
7	Debt Assumptions		Revenue Tax Multiplier	1.09751
8	New Debt Thru 2014 - Interest Rates	3.5%		
9	New DebtAfter 2014 - Interest Rates	5.0%	Number of Days of Cash Working Capital in Rate Base	
10	New Debt - Construction Interest Rate	3.5%	O&M	61
11	New Debt - Repayment Period (Years)	25	Fuel	15
12				
13	Patronage Capital		Interest	30
14	Non-Operating Margins Allocated to Patronage Cap	100.0%		
15	Minimum RUS TIER for Capital Credit Retirements	2.00	Inventory as Percentage of Gross Plant	3.0%
16	Early Retirements (\$000/year not discounted)	\$125		
17	Beginning Year for Early Retirements	2012	Target RUS TIER for Decoupling Mechanism	NA
18	Discount Rate for Capital Credit Purchases	5.0%		
19	Blended Term for Capital Credit Purchases	20	Scenario	Alternative Scenario 4 - Flat Fuel Prices
20				
21	Percent of Customer Advances to CIAC	67%		

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 2 - Assumptions

Line	KIUC Renewable Solutions Assumptions	Data Input	KIUC Renewable Solutions Assumptions	Data Input
22	Base Year	2013	Debt Assumptions	
23	Inflation		Construction Interest Rate	3.0%
24	General Inflation	2.5%	KRS1 Long Term Interest Rate	3.1%
25	O&M Escalation	1.5%	KRS2 Long Term Interest Rate	5.7%
26			KRS1 and KRS2- Repayment Period/Useful Life (Years)	25
27				
28	Inventory as a Percent of Gross Plant	3.0%	KRS1 Target TIER	1.25
29				
30	KRS1 Cap Ex		Operation Date	
31	2011 Expenditures	\$4,953,692	KRS1	Oct-14
32	2012 Expenditures	2,852,145	KRS2	Jul-14
33	2013 Expenditures	1,694,163		
34	2014 Expenditures	47,672,192	Long-Term Financing Date	
35	Total Capital Cost	57,172,192	KRS1	Oct-14
36	Less Federal Grant	16,335,640	KRS2	Jul-14
37	Closed to Plant	40,836,552		
38	Less State Tax Refund	5,250,000	Market Value Energy (\$/MWh)	
39	Cash Requirement	\$35,586,552	KRS1 and KRS2	\$200
40				
41	KRS2 Cap Ex		Land Lease Expenses	
42	2012 Expenditures	\$0	KRS1 \$/Sq Ft (2012 \$)	\$0.04207
43	2013 Expenditures	6,000,000	KRS1 Square Feet	\$2,395,800
44	2014 Expenditures	35,313,994	KRS2 \$/Acre Used (2014 \$)	\$900
45	Closed to Plant	\$ 41,313,994	KRS2 \$/Acre Unused (2014 \$)	\$600
46	Less Equity Investment	27,217,659	KRS2 Acres Used	31.42
47	Debt Requirement	\$14,096,335	KRS2 Acres Unused	35.79
48	State Tax Refund	\$4,987,188		
49			Lease Escalation Rate	3.00%
50	KIUC % Ownership of KRS2		KRS2 GET on KRS2 Land Lease	4.17%
51	Pre-Flip	1%		
52	Post-Flip	95%	KIUC MSA (2012 \$)	
53	Post-Buyout	100%	KRS1	\$50,000
54			KRS2	\$50,000
55	KRS2 Buyout Amount			
56	Amount	\$15,810,964		
57	Year	7		
58	Term Remaining	19		
59	Proceeds	5.0%		

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 2 - Assumptions

Line	KIUC Renewable Solutions Assumptions	Data Input	KIUC Renewable Solutions Assumptions	Data Input
60	Investment Return	0.125%	Insurance	
61			KRS1	\$37,410
62	Federal Tax Rate	35%	KRS2	\$31,350
63	Alternative Minimum Tax Rate	20%		
64			Target Cash Balance	
65	COD Lease Payment		KRS1	\$10,000
66	KRS1	\$150,000		
67	KRS2	\$0	KRS2 PPA Rate (\$/MWh)	\$125
68				
69	O&M Expenses (2014 \$)			
70	KRS1	\$206,617		
71	KRS2	\$197,733		
72				
73	Real Property Taxes (2014 \$)			
74	KRS1	\$11,592		
75	KRS2	\$542		

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 3 - Projected Revenues at Existing Rates

Alternative Scenario 4 - Flat Fuel Prices

Line	Actual						Projected										
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
1	Sales (MWh)																
2	Residential	D	160,479	161,946	159,426	159,071	157,278	161,520	162,200	164,482	165,690	168,856	170,942	173,604	175,952	177,924	179,923
3	Small Commercial	G	61,763	58,776	59,481	59,790	59,664	56,017	56,504	57,296	57,803	58,083	58,202	58,349	58,540	59,048	59,674
4	Large Commercial	J	57,561	54,388	53,236	51,859	51,607	48,389	49,241	49,931	50,373	50,616	50,721	50,848	51,015	51,457	52,004
5	Large Power-Primary	L	52,083	42,639	44,991	44,379	46,286	42,968	44,023	45,156	46,138	47,037	47,838	48,652	49,503	50,426	51,355
6	Large Power-Secondary	P	118,083	114,413	114,522	116,824	115,389	112,104	105,831	108,555	110,916	113,078	115,003	116,961	119,007	121,225	123,458
7	Street Lights	SL	2,637	2,702	2,730	2,716	2,760	2,481	2,235	1,981	1,719	1,450	1,467	1,485	1,502	1,519	1,536
8	Irrigation	IRR	1,184	1,410	148	105	175	105	105	105	105	105	105	105	105	105	105
9	Total		453,791	436,273	434,533	434,745	433,159	423,584	420,139	427,506	432,744	439,225	444,278	450,004	455,624	461,704	468,055
10																	
11	Yearly Change Percentage		-2.8%	-3.9%	-0.4%	0.0%	-0.4%	-2.2%	-0.8%	1.8%	1.2%	1.5%	1.2%	1.3%	1.2%	1.3%	1.4%
12																	
13	Customer Accounts																
14	Residential	D	27,301	27,629	27,793	28,010	28,169	28,762	29,197	29,860	30,328	30,808	31,298	31,800	32,313	32,821	33,342
15	Small Commercial	G	4,305	4,208	4,221	4,198	4,195	4,242	4,303	4,397	4,462	4,529	4,596	4,665	4,735	4,802	4,871
16	Large Commercial	J	357	346	337	330	326	330	336	343	348	353	359	364	369	375	380
17	Large Power-Primary	L	16	16	15	15	15	15	15	15	16	16	16	16	17	17	17
18	Large Power-Secondary	P	109	114	112	115	113	116	117	123	124	126	128	130	131	133	135
19	Street Lights (Number of Fixtures)	SL	3,461	3,519	3,553	3,575	3,587	3,630	3,667	3,720	3,757	3,795	3,833	3,871	3,910	3,949	3,989
20	Irrigation	IRR	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
21	Total		35,552	35,835	36,033	36,246	36,408	37,098	37,637	38,461	39,038	39,630	40,233	40,849	41,478	42,100	42,737
22																	
23	Yearly Change Percentage		1.5%	0.8%	0.6%	0.6%	0.4%	1.9%	1.5%	2.2%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
24																	
25	Billed Demand (kW)																
26	Residential	D	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
27	Small Commercial	G	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
28	Large Commercial	J	191,155	182,082	175,673	172,507	173,385	159,701	157,957	160,170	161,588	162,369	162,703	163,113	163,647	165,066	166,819
29	Large Power-Primary	L	117,658	109,666	108,187	105,996	103,274	98,261	96,372	98,853	101,003	102,972	104,725	106,508	108,371	110,391	112,424
30	Large Power-Secondary	P	289,572	294,915	289,910	290,516	289,383	283,492	262,867	269,634	275,498	280,867	285,649	290,512	295,593	301,103	306,650
31	Street Lights	SL	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
32	Irrigation	IRR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
33																	
34	Existing Rates - Customer Charge (\$/customer/month)																
35	Residential	D	\$9.72	\$9.72	\$10.22	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58	\$10.58
36	Small Commercial	G	21.89	21.89	23.01	23.82	23.82	23.82	23.82	23.82	23.82	23.82	23.82	23.82	23.82	23.82	23.82
37	Large Commercial	J	36.48	36.48	38.35	39.69	39.69	39.69	39.69	39.69	39.69	39.69	39.69	39.69	39.69	39.69	39.69
38	Large Power-Primary	L	334.35	334.35	346.18	355.08	355.08	355.08	355.08	355.08	355.08	355.08	355.08	355.08	355.08	355.08	355.08
39	Large Power-Secondary	P	346.51	346.51	359.78	369.38	369.38	369.38	369.38	369.38	369.38	369.38	369.38	369.38	369.38	369.38	369.38
40	Street Lights (Fixture Charge)	SL	5.78	5.78	6.06	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29
41	Irrigation	IRR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
42																	

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 3 - Projected Revenues at Existing Rates

Alternative Scenario 4 - Flat Fuel Prices

Line	Actual						Projected									
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
43	Existing Rates - Energy Base Rates (\$/kWh)															
44	Residential D	\$0.17022	\$0.17374	\$0.27270	\$0.34919	\$0.34893	\$0.34743	\$0.34743	\$0.34743	\$0.34743	\$0.34743	\$0.34743	\$0.34743	\$0.34743	\$0.34743	\$0.34743
45	Small Commercial G	0.18804	0.19125	0.28867	0.35960	0.35968	0.35769	0.35769	0.35769	0.35769	0.35769	0.35769	0.35769	0.35769	0.35769	0.35769
46	Large Commercial J	0.15697	0.16041	0.25551	0.32647	0.32552	0.32390	0.32390	0.32390	0.32390	0.32390	0.32390	0.32390	0.32390	0.32390	0.32390
47	Large Power-Primary L	0.13341	0.13643	0.22311	0.29131	0.28770	0.28823	0.28901	0.28901	0.28901	0.28901	0.28901	0.28901	0.28901	0.28901	0.28901
48	Large Power-Secondary P	0.14329	0.14658	0.23579	0.30351	0.30289	0.30153	0.30198	0.30198	0.30198	0.30198	0.30198	0.30198	0.30198	0.30198	0.30198
49	Street Lights SL	0.22913	0.23330	0.33710	0.41758	0.41940	0.41530	0.41530	0.41530	0.41530	0.41530	0.41530	0.41530	0.41530	0.41530	0.41530
50	Irrigation IRR	0.35085	0.18735	0.24215	0.32090	0.33100	0.31935	0.33100	0.33100	0.33100	0.33100	0.33100	0.33100	0.33100	0.33100	0.33100
51																
52	Existing Rates - Demand Base Rates (\$/KW)															
53	Residential D	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
54	Small Commercial G	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
55	Large Commercial J	\$6.08	\$6.08	\$6.41	\$6.62	6.62	\$6.62	\$6.62	\$6.62	\$6.62	\$6.62	\$6.62	\$6.62	\$6.62	\$6.62	\$6.62
56	Large Power-Primary L	13.13	13.13	\$13.61	13.94	13.94	13.94	13.94	13.94	13.94	13.94	13.94	13.94	13.94	13.94	13.94
57	Large Power-Secondary P	10.45	10.45	\$10.86	11.14	11.14	11.14	11.14	11.14	11.14	11.14	11.14	11.14	11.14	11.14	11.14
58	Street Lights SL	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
59	Irrigation IRR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
60																
61	Revenues at Existing Rates (\$000)															
62	Residential D	\$30,501	\$31,359	\$46,884	\$59,103	\$58,456	\$59,768	\$60,060	\$60,937	\$61,416	\$62,577	\$63,364	\$64,353	\$65,233	\$65,983	\$66,744
63	Small Commercial G	12,745	12,346	18,336	22,701	22,659	21,249	21,441	21,751	21,951	22,070	22,132	22,204	22,292	22,493	22,737
64	Large Commercial J	10,354	9,983	14,883	18,230	18,102	16,888	17,155	17,396	17,551	17,638	17,676	17,723	17,783	17,938	18,129
65	Large Power-Primary L	8,557	7,321	11,574	14,470	14,820	13,818	14,129	14,494	14,809	15,097	15,354	15,615	15,888	16,184	16,482
66	Large Power-Secondary P	20,399	20,327	30,637	39,203	38,675	37,474	35,405	36,328	37,114	37,835	38,477	39,130	39,813	40,552	41,296
67	Street Lights SL	844	874	1,179	1,404	1,428	1,304	1,205	1,103	997	888	898	909	919	929	939
68	Irrigation IRR	415	264	36	34	58	34	35	35	35	35	35	35	35	35	35
69	Total	\$83,816	\$82,475	\$123,529	\$155,143	\$154,198	\$150,535	\$149,430	\$152,044	\$153,873	\$156,140	\$157,936	\$159,968	\$161,962	\$164,113	\$166,362
70																
71	Fuel and ERAC Revenues (\$000)															
72	Residential D	\$37,021	\$17,401	\$11,715	\$9,929	\$12,330	\$11,283	\$7,110	\$4,026	\$4,205	\$4,494	\$4,993	\$5,194	\$5,352	\$5,600	\$5,810
73	Small Commercial G	14,354	6,393	4,201	3,768	4,695	3,914	2,478	1,402	1,467	1,546	1,700	1,746	1,781	1,859	1,927
74	Large Commercial J	13,404	5,879	3,826	3,255	4,067	3,381	2,159	1,222	1,278	1,347	1,481	1,521	1,552	1,620	1,679
75	Large Power-Primary L	12,382	4,678	3,322	2,769	3,668	3,002	1,931	1,105	1,171	1,252	1,397	1,456	1,506	1,587	1,658
76	Large Power-Secondary P	27,861	12,389	8,300	7,377	9,123	7,833	4,641	2,657	2,815	3,010	3,359	3,499	3,620	3,816	3,986
77	Street Lights SL	613	286	203	170	219	173	98	48	44	39	43	44	46	48	50
78	Irrigation IRR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
79	Total	\$105,635	\$47,025	\$31,566	\$27,268	\$34,101	\$29,587	\$18,417	\$10,460	\$10,980	\$11,688	\$12,972	\$13,461	\$13,856	\$14,530	\$15,111
80																

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 3 - Projected Revenues at Existing Rates

Alternative Scenario 4 - Flat Fuel Prices

Line		Actual					Projected									
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
81	Total Revenues at Existing Rates including Fuel and ERAC (\$000)															
82	Residential D	\$67,522	\$48,760	\$58,600	\$69,032	\$70,785	\$71,051	\$67,170	\$64,963	\$65,621	\$67,071	\$68,357	\$69,547	\$70,585	\$71,583	\$72,554
83	Small Commercial G	27,099	18,739	22,537	26,469	27,354	25,163	23,919	23,153	23,418	23,616	23,832	23,950	24,073	24,352	24,664
84	Large Commercial J	23,758	15,862	18,709	21,485	22,169	20,269	19,314	18,618	18,829	18,985	19,157	19,244	19,335	19,558	19,808
85	Large Power-Primary L	20,940	11,999	14,896	17,239	18,488	16,820	16,060	15,599	15,980	16,349	16,751	17,071	17,394	17,771	18,140
86	Large Power-Secondary P	48,260	32,716	38,937	46,579	47,798	45,307	40,046	38,985	39,929	40,845	41,836	42,629	43,433	44,368	45,282
87	Street Lights SL	1,458	1,161	1,381	1,574	1,647	1,478	1,303	1,152	1,041	927	941	953	964	977	988
88	Irrigation IRR	415	264	36	34	58	34	35	35	35	35	35	35	35	35	36
89	Total	\$189,451	\$129,500	\$155,095	\$182,411	\$188,299	\$180,122	\$167,846	\$162,504	\$164,853	\$167,828	\$170,909	\$173,430	\$175,818	\$178,643	\$181,472
90																
91	Average Residential Bill Calculation															
92	Avg. Monthly kWh	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
93	Base without Increases	\$97.17	\$97.17	\$146.57	\$185.18	\$185.05	\$184.30	\$184.30	\$184.30	\$184.30	\$184.30	\$184.30	\$184.30	\$184.30	\$184.30	\$184.30
94	Base with Increases	97.17	97.17	146.57	185.18	185.05	184.30	184.30	184.30	184.30	184.30	184.30	184.30	184.30	184.30	184.30
95	ERAC	116.70	54.07	36.33	31.37	39.38	34.93	19.95	12.24	12.69	13.31	14.60	14.96	15.21	15.74	16.14
96	Total Bill	\$213.86	\$151.23	\$182.91	\$216.55	224.42	\$219.23	\$204.24	\$196.53	\$196.98	\$197.60	\$198.90	\$199.26	\$199.50	\$200.03	\$200.44

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 4 - Income Statement (\$000)

Alternative Scenario 4 - Flat Fuel Prices

Line	Actual					Projected									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 Operating Revenue															
2 Base Rate Revenue at Existing Rates	\$83,816	\$82,475	\$123,529	\$155,143	\$154,198	\$150,535	\$149,430	\$152,044	\$153,873	\$156,140	\$157,936	\$159,968	\$161,962	\$164,113	\$166,362
3 ERAC Revenues at Target Heat Rate	105,635	47,025	31,566	27,268	34,101	29,587	16,757	10,460	10,980	11,688	12,972	13,461	13,856	14,530	15,110
4 % of Base Sales Revenue															
5 Year															
6 2013 0.0%						0									
7 2014 0.0%							0								
8 2015 0.0%								0							
9 2016 0.0%									0						
10 2017 0.0%										0					
11 2018 0.0%											0				
12 2019 0.0%												0			
13 2020 0.0%													0		
14 2021 0.0%														0	
15 2022 0.0%															0
16 Rate Revenue from Rate Increases Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17 Other Operating Revenues	174	161	159	168	153	153	162	162	162	162	162	162	162	162	162
18 Total Operating Revenues	\$189,625	\$129,661	\$155,254	\$182,579	\$188,452	\$180,275	\$166,348	\$162,666	\$165,015	\$167,990	\$171,071	\$173,592	\$175,980	\$178,805	\$181,633
19															
20 Operating Expenses															
21 Purchased Power															
22 KRS-1	\$0	\$0	\$0	\$0	\$0	\$0	\$969	\$3,460	\$3,425	\$3,390	\$3,353	\$3,315	\$3,277	\$3,236	\$3,195
23 KRS-2	-	-	-	-	-	-	1,473	2,956	2,968	2,958	2,933	2,939	2,946	2,944	2,946
24 Other	5,961	3,724	4,212	7,650	8,644	10,017	13,307	18,055	18,455	18,761	18,997	19,350	19,765	20,067	20,437
25 Power Production - Fuel	98,148	51,952	68,900	90,533	94,033	87,605	69,473	57,027	58,048	59,493	46,266	47,289	48,182	49,452	50,658
26 Power Production - Non-Fuel - Existing	14,415	12,917	13,701	14,917	15,426	14,751	13,922	13,378	13,808	14,304	13,601	14,020	14,434	14,876	15,358
27 Power Production - Non-Fuel - New	0	0	0	0	0	0	0	0	0	0	1,735	1,774	1,813	1,853	1,895
28 Transmission O&M	947	1,030	1,071	1,046	900	1,066	1,066	1,123	1,194	1,224	1,277	1,342	1,376	1,410	1,445
29 Distribution O&M	3,642	3,645	3,857	4,055	3,672	3,964	4,063	4,165	4,269	4,376	4,485	4,597	4,712	4,830	4,951
30 Consumer Accounts and Sales	3,320	3,196	3,218	3,161	3,348	3,230	3,311	3,393	3,478	3,565	3,654	3,746	3,839	3,935	4,034
31 Regulatory Commission Expenses - HPUC Fees	947	648	775	912	942	901	832	813	825	840	855	868	880	894	908
32 Administrative and General															
33 KRS-1	0	0	0	0	5	5	13	50	50	50	50	50	50	50	50
34 KRS-2	0	0	0	0	0	0	25	50	50	50	50	50	50	50	50
35 Other	11,239	10,620	13,377	13,855	13,012	13,547	13,853	14,137	14,493	14,858	15,232	15,615	16,008	16,411	16,824
36 Depreciation and Amortization	16,450	16,736	14,595	13,372	13,435	14,213	14,731	15,336	15,796	16,267	18,423	18,663	18,901	19,216	19,560
37 Franchise & PSC Taxes	15,923	10,861	13,003	15,289	15,783	15,181	14,009	13,699	13,896	14,147	14,406	14,619	14,820	15,058	15,296
38 Other Taxes	104	77	45	(0)	0	0	0	0	0	0	0	0	0	0	0
39 Interest Expense on Long-Term Debt															
40 Existing Debt	9,941	9,502	9,061	8,669	8,335	7,605	7,194	6,765	6,325	5,849	5,360	4,856	4,328	3,778	3,198
41 KRS-1	0	0	0	0	0	0	284	1,091	1,061	1,030	998	965	931	896	860
42 Other New Debt	0	0	0	0	0	165	527	979	3,036	4,362	6,618	6,530	6,430	6,339	6,478
43 Other Interest Expense															
44 KRS-1	0	0	0	7	194	264	870	0	0	0	0	0	0	0	0
45 Other	65	82	164	124	354	349	390	101	102	104	106	107	109	110	112
46 Capitalized Interest	0	0	0	0	0	0	0	0	(1,478)	(2,230)	0	0	0	0	0
47 Contributions and Other Deductions	97	77	121	86	103	69	69	69	69	69	69	69	69	69	69
48 Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
49 Total Operating Expenses	\$181,198	\$125,069	\$146,101	\$173,675	\$178,185	\$172,932	\$160,380	\$156,647	\$159,871	\$163,465	\$158,469	\$160,766	\$162,920	\$165,476	\$168,324
50															

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 4 - Income Statement (\$000)

Alternative Scenario 4 - Flat Fuel Prices

Line	Actual					Projected									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
51 Patronage Capital and Operating Margins	\$8,427	\$4,593	\$9,153	\$8,904	\$10,267	\$7,343	\$5,969	\$6,020	\$5,144	\$4,525	\$12,602	\$12,826	\$13,060	\$13,329	\$13,309
52 Income (Loss) from KRS 1	0	0	0	(32)	(198)	(5)	161	273	265	257	249	241	233	224	215
53 Income (Loss) from KRS 2	0	0	0	0	0	0	1	2	2	2	2	2	216	228	247
54 Capital Credits & Patronage Dividends	59	40	40	30	34	40	40	40	40	40	40	40	40	40	40
55 A&G Income - KRS1	0	0	0	0	5	5	13	50	50	50	50	50	50	50	50
56 A&G Income - KRS2	0	0	0	0	0	0	25	50	50	50	50	50	50	50	50
57 Interest Income - KRS1	0	0	0	7	194	264	1,154	1,091	1,061	1,030	998	965	931	896	860
58 Interest Income - Other	909	786	20	36	39	21	4	4	4	3	5	7	4	0	0
59 Interest Income COC	0	0	618	517	546	574	603	565	383	402	423	444	467	491	516
60 Other Revenue and Expense	159	156	125	195	205	167	167	167	167	167	167	167	167	167	167
61 Total Margins	\$9,554	\$5,574	\$9,956	\$9,657	\$11,091	\$8,409	\$8,136	\$8,260	\$7,165	\$6,526	\$14,585	\$14,793	\$15,218	\$15,475	\$15,454
62															
63 <u>RUS</u>															
64 Total TIER	1.96	1.59	2.10	2.11	2.33	2.08	2.02	1.94	1.69	1.58	2.12	2.20	2.30	2.41	2.47
65															
66 <u>Regulatory</u>															
67 Total TIER	2.19	1.83	2.35	2.38	2.61	2.37	2.30	2.19	1.90	1.78	2.30	2.38	2.50	2.61	2.68
68															
69 <u>KRS1</u>															
70															
71 Revenue from KIUC				\$0	\$0	\$0	\$969	\$3,460	\$3,425	\$3,390	\$3,353	\$3,315	\$3,277	\$3,236	\$3,195
72 Expenses (Revenues)															
73 O&M				\$25	\$0	\$0	\$52	\$210	\$213	\$216	\$219	\$223	\$226	\$229	\$233
74 Insurance							9	37	37	37	37	37	37	37	37
75 Land Lease				0	0	0	25	101	101	101	101	101	101	101	101
76 Depreciation				0	0	0	408	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633
77 HBA				0	0	0	12	47	47	47	47	47	47	47	47
78 Amortized HBA				0	0	0	1	6	6	6	6	6	6	6	6
79 Real Property Tax				0	0	0	3	12	12	12	12	12	12	12	12
80 Other Expenses (KIUC MSA)				0	5	5	13	50	50	50	50	50	50	50	50
81 Long-Term Interest Expense				0	0	0	284	1,091	1,061	1,030	998	965	931	896	860
82 Other Interest Expense				7	194	264	870	0	0	0	0	0	0	0	0
83 IDC				0	0	(264)	(870)	0	0	0	0	0	0	0	0
84 Interest Income					0	0	0	0	0	0	0	0	0	0	0
85 Net Margin				(\$32)	(\$198)	(\$5)	\$161	\$273	\$265	\$257	\$249	\$241	\$233	\$224	\$215
86															
87 KRS1 DSC and TIER Calculation															
88 Net Margin				(\$32)	(\$198)	(\$5)	\$161	\$273	\$265	\$257	\$249	\$241	\$233	\$224	\$215
89 Interest				0	0	0	284	1,091	1,061	1,030	998	965	931	896	860
90 Depreciation				0	0	0	408	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633
91 Total				(\$32)	(\$198)	(\$5)	\$854	\$2,997	\$2,959	\$2,921	\$2,881	\$2,840	\$2,797	\$2,754	\$2,709
92															
93 LT Interest Payments				\$0	\$0	\$0	\$284	\$1,091	\$1,061	\$1,030	\$998	\$965	\$931	\$896	\$860
94 LT Principal Payments				0	0	0	232	972	1,002	1,033	1,065	1,098	1,132	1,167	1,203
95 Total					\$0	\$0	\$516	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063
96															
97 DSC				na	na	na	1.66	1.45	1.43	1.42	1.40	1.38	1.36	1.33	1.31
98 TIER				na	na	na	1.57	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
99															
100 Gross KRS1 Energy Payments by KIUC (cents/kWh)				na	na	na	na	14.62	14.43	14.33	14.17	14.01	13.80	13.68	13.50
101 KRS1 Cash Payments to KIUC (cents/kWh)				na	na	na	na	(3.97)	(3.80)	(3.65)	(3.48)	(3.31)	(2.96)	(2.79)	(2.60)
102 Net KRS1 Energy Payments by KIUC (cents/kWh)				na	na	na	na	10.65	10.63	10.68	10.69	10.70	10.84	10.89	10.90
103															

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 4 - Income Statement (\$000)

Alternative Scenario 4 - Flat Fuel Prices

Line	Actual					Projected									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
104 KRS2															
105 Revenue from KIUC					\$0	\$0	\$1,473	\$2,956	\$2,968	\$2,958	\$2,933	\$2,939	\$2,946	\$2,944	\$2,946
106 Expenses (Revenues)					\$0	\$0	\$99	\$201	\$204	\$207	\$210	\$213	\$216	\$219	\$223
107 O&M					\$0	\$0	\$16	\$31	\$31	\$31	\$31	\$31	\$31	\$31	\$31
108 Insurance					0	0	25	51	53	54	56	58	59	61	63
109 Land Lease					0	0	1	2	2	2	2	2	2	3	3
110 4.167% GET On Land Lease					0	0	826	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653
111 Depreciation					0	0	0	0	0	0	0	0	0	0	0
112 HBA					0	0	0	0	0	0	0	0	0	0	0
113 Amortized HBA					0	0	0	0	0	0	0	0	0	0	0
114 Real Property Tax					0	0	0	1	1	1	1	1	1	1	1
115 Other Expenses (KIUC MSA)					0	0	25	50	50	50	50	50	50	50	50
116 Long-Term Interest					0	0	402	803	788	772	755	737	718	698	676
117 Other Interest Expense					0	41	429	0	0	0	0	0	0	0	0
118 IDC					0	(41)	(429)	0	0	0	0	0	0	0	0
119 Interest Income					0	0	0	0	0	0	0	0	0	0	0
120 Net Margin					\$0	\$0	\$79	\$164	\$186	\$188	\$175	\$194	\$216	\$228	\$247
121															
122 KRS2 DSC and TIER Calculation															
123 Net Margin					\$0	\$0	\$79	\$164	\$186	\$188	\$175	\$194	\$216	\$228	\$247
124 Interest					0	0	402	803	788	772	755	737	718	698	676
125 Depreciation					0	0	826	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653
126 Total					\$0	\$0	\$1,307	\$2,620	\$2,627	\$2,612	\$2,582	\$2,584	\$2,586	\$2,579	\$2,576
127															
128 Interest Payments					\$0	\$0	\$402	\$803	\$788	\$772	\$755	\$737	\$718	\$698	\$676
129 Principal Payments					0	0	0	268	283	299	316	335	354	374	395
130 Total					\$0	\$0	\$402	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071
131															
132 DSC					na	na	3.25	2.45	2.45	2.44	2.41	2.41	2.41	2.41	2.40
133 TIER					na	na	1.20	1.20	1.24	1.24	1.23	1.26	1.30	1.33	1.37
134															
135 Gross KRS2 Energy Payments by KIUC (cents/kWh)					na	na	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50
136 KRS2 Cash Payments to KIUC (cents/kWh)					na	na	(0.02)	(0.04)	(0.07)	(0.07)	(0.06)	(0.06)	(6.43)	(6.40)	(6.38)
137 Net KRS2 Energy Payments by KIUC (cents/kWh)					na	na	12.48	12.46	12.43	12.43	12.44	12.44	6.07	6.10	6.12

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 5 - Pro-Forma Balance Sheet as of December 31st (\$000)

Alternative Scenario 4 - Flat Fuel Prices

Line	Actual					Projected									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 ASSETS AND OTHER DEBITS															
2 Total Utility Plant	\$438,705	\$453,415	\$462,666	\$478,307	\$494,066	\$504,284	\$527,275	\$539,943	\$598,476	\$656,033	\$665,414	\$672,426	\$682,987	\$693,225	\$708,379
3 Accumulated Provision for Depr and Amort	(198,672)	(211,674)	(221,234)	(230,027)	(238,616)	(248,303)	(258,247)	(268,555)	(279,108)	(290,022)	(301,898)	(313,909)	(326,080)	(338,473)	(351,144)
4 Net Utility Plant in Service	\$240,033	\$241,741	\$241,431	\$248,279	\$255,450	\$255,981	\$269,028	\$271,388	\$319,369	\$366,011	\$363,516	\$358,517	\$356,906	\$354,752	\$357,236
5															
6 Other Property and Investments															
7 Non-Utility Property	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 Investment in KRS1	0	0	0	5,593	8,052	9,847	41,114	40,414	39,677	38,901	38,085	37,228	36,329	35,387	34,399
9 Investment in KRS2	0	0	0	0	0	0	270	262	249	235	222	209	(930)	(2,208)	(3,466)
10 Other Investments	1,000	1,261	1,247	1,193	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501
11 Total Other Property and Investments	\$1,000	\$1,261	\$1,247	\$6,787	\$9,554	\$11,349	\$42,885	\$42,178	\$41,427	\$40,637	\$39,808	\$38,938	\$36,901	\$34,680	\$32,434
12															
13 Current Assets															
14 Cash															
15 KRS1	\$0	\$0	\$0	\$0	\$0	\$0	(\$695)	\$244	\$1,147	\$2,010	\$2,834	\$3,617	\$4,320	\$4,979	\$5,594
16 KRS2	0	0	0	0	0	0	(269)	(260)	(244)	(229)	(214)	(199)	1,155	2,662	4,167
17 Other	26,001	2,919	6,096	3,437	3,762	7,765	3,090	3,156	3,098	2,219	3,812	5,975	3,381	0	0
18 Accounts Receivable	9,576	10,849	9,695	12,164	13,868	13,868	13,868	13,868	13,868	13,868	13,868	13,868	13,868	13,868	13,868
19 Inventory	13,157	13,320	14,217	14,033	14,788	15,094	15,782	16,162	17,914	19,636	19,917	20,127	20,443	20,750	21,203
20 Prepaids	1,110	1,196	955	987	1,221	1,221	1,221	1,221	1,221	1,221	1,221	1,221	1,221	1,221	1,221
21 Other Current Assets	7,302	7,275	8,167	8,059	9,394	9,394	9,394	9,394	9,394	9,394	9,394	9,394	9,394	9,394	9,394
22 Total Current Assets	57,145	35,559	39,131	38,679	43,033	47,342	42,390	43,785	46,396	48,119	50,832	54,003	53,782	52,874	55,447
23 Regulatory Assets	4,338	5,559	5,914	5,357	6,966	6,674	6,381	6,089	5,797	5,505	5,212	4,920	4,628	4,335	4,116
24 Deferred Debits	82	331	421	89	121	121	121	121	121	121	121	121	121	121	121
25 Total Assets and Other Debits	\$302,598	\$284,451	\$288,144	\$299,191	\$315,124	\$321,467	\$360,806	\$363,561	\$413,110	\$460,393	\$459,490	\$456,499	\$452,339	\$446,762	\$449,354
26															
27 EQUITIES AND LIABILITIES															
28 Margins and Equities															
29 Memberships	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30 Patronage Capital															
31 KRS1	0	0	0	(32)	(230)	(234)	5,177	5,450	5,715	5,972	6,222	6,463	6,696	6,920	7,135
32 KRS2	0	0	0	0	0	0	1	2	4	6	8	10	226	454	701
33 Other	48,144	51,316	59,756	68,415	78,601	84,134	91,344	99,074	105,847	111,988	126,197	139,013	151,216	162,585	172,989
34 Other Margins and Equities	0	952	1,162	963	174	252	330	408	486	564	642	720	798	876	954
35 Unrealized Gain(Loss) on Investments	(306)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
36 Total Margins and Equities	\$47,838	\$52,268	\$60,919	\$69,347	\$78,546	\$84,153	\$96,853	\$104,935	\$112,053	\$118,532	\$133,070	\$146,207	\$158,936	\$170,835	\$181,780
37 Non-Current Liabilities															
38 Long-Term Debt															
39 KRS1	\$0	\$0	\$0	\$0	\$0	\$0	\$34,382	\$33,380	\$32,347	\$31,282	\$30,184	\$29,052	\$27,885	\$26,682	\$25,442
40 Other	216,855	207,935	198,675	189,015	188,916	187,583	185,707	184,820	184,805	181,658	251,498	235,504	218,865	201,616	193,708
41 Cushion of Credit	(9,404)	(15,115)	(10,155)	(10,724)	(11,270)	(11,845)	(12,448)	(7,513)	(7,896)	(8,298)	(8,720)	(9,165)	(9,632)	(10,122)	(10,638)
42 Post-Retirement Benefit Obligation	3,858	2,384	1,981	1,881	2,382	2,382	2,382	2,382	2,382	2,382	2,382	2,382	2,382	2,382	2,382
43 Total Non-Current Liabilities	\$211,308	\$195,204	\$190,501	\$180,172	\$180,028	\$178,121	\$210,024	\$213,070	\$211,638	\$207,025	\$275,344	\$257,773	\$239,500	\$220,559	\$210,894
44 Current Liabilities															
45 Current Portion of Long-Term Liab															
46 KRS1	\$0	\$0	\$0	\$0	\$0	\$0	\$972	\$1,002	\$1,033	\$1,065	\$1,098	\$1,132	\$1,167	\$1,203	\$1,240
47 Other	8,487	8,876	9,261	9,661	10,395	11,239	11,875	12,533	13,235	14,777	15,368	15,994	16,639	17,410	18,070
48 Accounts Payable	5,665	7,439	7,338	7,981	6,251	6,251	6,251	6,251	6,251	6,251	6,251	6,251	6,251	6,251	6,251
49 Notes Payable to KRS1	0	0	0	0	0	0	(695)	244	1,147	2,010	2,834	3,617	4,320	4,979	5,594
50 Notes Payable - KRS 1	0	0	0	5,000	7,500	9,500	0	0	0	0	0	0	0	0	0
51 Notes Payable - Other	0	2,000	0	3,700	6,678	6,678	10,000	0	42,228	85,208	0	0	0	0	0
52 Consumer Deposits	884	1,138	1,049	1,248	1,273	1,273	1,273	1,273	1,273	1,273	1,273	1,273	1,273	1,273	1,273
53 Interest Accrued Debt KRS1	0	0	0	7	200	0	0	0	0	0	0	0	0	0	0
54 Other Liabilities	15,351	7,146	9,448	12,432	12,471	12,471	12,471	12,471	12,471	12,471	12,471	12,471	12,471	12,471	12,471
55 Total Current Liabilities	\$30,388	\$26,598	\$27,096	\$40,028	\$44,768	\$47,412	\$42,147	\$33,775	\$77,637	\$123,056	\$39,295	\$40,738	\$42,121	\$43,587	\$44,899

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 5 - Pro-Forma Balance Sheet as of December 31st (\$000)

Alternative Scenario 4 - Flat Fuel Prices

Line	Actual					Projected									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
56 Regulatory Liabilities	4,019	3,726	3,434	3,142	2,849	2,849	2,849	2,849	2,849	2,849	2,849	2,849	2,849	2,849	2,849
57 Deferred Credits	9,045	6,654	6,194	6,502	8,932	8,932	8,932	8,932	8,932	8,932	8,932	8,932	8,932	8,932	8,932
58 Total Liabilities	\$254,760	\$232,182	\$227,225	\$229,844	\$236,578	\$237,314	\$263,953	\$258,626	\$301,057	\$341,861	\$326,420	\$310,292	\$293,402	\$275,927	\$267,574
59															
60 Total Equities and Liabilities	\$302,598	\$284,451	\$288,144	\$299,191	\$315,124	\$321,467	\$360,806	\$363,561	\$413,109	\$460,393	\$459,490	\$456,499	\$452,338	\$446,762	\$449,354
61															
62															
63 FINANCIAL RATIOS															
64 Equity to Total Assets	15.81%	18.38%	21.14%	23.18%	24.93%	26.18%	26.84%	28.86%	27.12%	25.75%	28.96%	32.03%	35.14%	38.24%	40.45%
65 Working Capital (Days of Operating Expenses)	55	9	16	8	8	17	5	8	10	9	16	23	21	18	23
66															
67															
68 KRS1															
69 <u>Utility Plant</u>															
70 Electric Plant in Service				\$0	\$0	\$0	\$40,837	\$40,837	\$40,837	\$40,837	\$40,837	\$40,837	\$40,837	\$40,837	\$40,837
71 Accumulated Depreciation and Amortization				0	0	0	(408)	(2,042)	(3,675)	(5,309)	(6,942)	(8,576)	(10,209)	(11,843)	(13,476)
72 Net Electric Plant in Service				\$0	\$0	\$0	\$40,428	\$38,795	\$37,161	\$35,528	\$33,894	\$32,261	\$30,627	\$28,994	\$27,360
73 Construction Work in Progress				4,954	7,806	9,500	0	0	0	0	0	0	0	0	0
74 Net Electric Utility Plant				\$4,954	\$7,806	\$9,500	\$40,428	\$38,795	\$37,161	\$35,528	\$33,894	\$32,261	\$30,627	\$28,994	\$27,360
75															
76 <u>Current Assets</u>															
77 Cash				\$640	\$249	\$197	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10
78 Accounts/Notes Receivable				0	0	0	(695)	244	1,147	2,010	2,834	3,617	4,320	4,979	5,594
79 Prepaid Lease						150	148	142	136	130	124	118	112	106	100
80 Inventories						0	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222
81 Total Current Assets				\$640	\$249	\$347	\$685	\$1,619	\$2,515	\$3,373	\$4,191	\$4,968	\$5,665	\$6,318	\$6,927
82															
83 <u>Deferred Tax Benefit</u>				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$37	\$74	\$111
84															
85 <u>Total Assets</u>				\$5,593	\$8,055	\$9,847	\$41,114	\$40,414	\$39,677	\$38,901	\$38,085	\$37,228	\$36,329	\$35,387	\$34,399
86															
87															
88 <u>Equity and Margins</u>				(\$32)	(\$230)	(\$234)	\$5,177	\$5,450	\$5,715	\$5,972	\$6,222	\$6,463	\$6,696	\$6,920	\$7,135
89															
90 <u>Advances from KIUC</u>															
91 Cash				\$618	\$582	\$582	\$582	\$582	\$582	\$582	\$582	\$582	\$582	\$582	\$582
92 Loans				5,000	7,500	9,500	35,355	34,382	33,380	32,347	31,282	30,184	29,052	27,885	26,682
93 Total Advances				\$5,618	\$8,082	\$10,082	\$35,936	\$34,964	\$33,962	\$32,928	\$31,863	\$30,765	\$29,633	\$28,467	\$27,264
94															
95 <u>Accounts Payable - KRS1</u>				\$0	\$3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96															
97 <u>Interest Accrued - KRS1</u>				\$7	\$200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
98															
99 <u>Deferred Taxes</u>				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
100															
101 <u>Total Liabilities, Equities, and Margins</u>				\$5,593	\$8,055	\$9,847	\$41,114	\$40,414	\$39,677	\$38,901	\$38,085	\$37,228	\$36,329	\$35,387	\$34,399
102															
103															

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 5 - Pro-Forma Balance Sheet as of December 31st (\$000)

Alternative Scenario 4 - Flat Fuel Prices																
Line		Actual					Projected									
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
104	KRS2															
105	<u>Utility Plant</u>															
106	Electric Plant in Service					\$0	\$0	\$41,314	\$41,314	\$41,314	\$41,314	\$41,314	\$41,314	\$41,314	\$41,314	\$41,314
107	Accumulated Depreciation and Amortization					0	0	(826)	(2,479)	(4,131)	(5,784)	(7,437)	(9,089)	(10,742)	(12,394)	(14,047)
108	Net Electric Plant in Service					\$0	\$0	\$40,488	\$38,835	\$37,183	\$35,530	\$33,877	\$32,225	\$30,572	\$28,920	\$27,267
109	Construction Work in Progress					0	6,000	0	0	0	0	0	0	0	0	0
110	Net Electric Utility Plant					\$0	\$6,000	\$40,488	\$38,835	\$37,183	\$35,530	\$33,877	\$32,225	\$30,572	\$28,920	\$27,267
111																
112	<u>Current Assets</u>															
113	Cash					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
114	Accounts/Notes Receivable					0	0	0	0	0	0	0	0	0	0	0
115	Prepaid Lease					0	0	0	0	0	0	0	0	0	0	0
116	Inventories							618	1,237	1,237	1,237	1,237	1,237	1,237	1,237	1,237
117	Total Current Assets					\$0	\$0	\$618	\$1,237	\$1,237	\$1,237	\$1,237	\$1,237	\$1,237	\$1,237	\$1,237
118																
119	<u>Deferred Tax Benefit</u>					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
120																
121	<u>Total Assets</u>					\$0	\$6,000	\$41,106	\$40,072	\$38,419	\$36,767	\$35,114	\$33,462	\$31,809	\$30,156	\$28,504
122																
123	<u>Equity and Margins</u>															
124	KIUC Equity					\$0	\$0	\$270	\$262	\$249	\$235	\$222	\$209	\$19,568	\$18,289	\$17,031
125	Equity Investor Equity					0	0	26,740	25,981	24,625	23,286	21,963	20,658	0	0	0
126	Total Equity					\$0	\$0	\$27,010	\$26,243	\$24,874	\$23,521	\$22,185	\$20,867	\$19,568	\$18,289	\$17,031
127																
128	<u>Long-Term Debt</u>					\$0	\$6,000	\$14,096	\$13,828	\$13,545	\$13,246	\$12,929	\$12,595	\$12,241	\$11,867	\$11,472
129																
130	<u>Other Current and Accrued Liabilities</u>					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
131																
132	<u>Deferred Taxes</u>					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
133																
134	<u>Total Liabilities, Equities, and Margins</u>					\$0	\$6,000	\$41,106	\$40,072	\$38,419	\$36,767	\$35,114	\$33,462	\$31,809	\$30,156	\$28,504
135																
136	<u>Equity Detail</u>															
137																
138	<u>Total Equity</u>															
139	Beginning Equity					\$0	\$0	\$0	\$27,010	\$26,243	\$24,874	\$23,521	\$22,185	\$20,867	\$19,568	\$18,289
140	Retained Earnings					0	0	79	164	186	188	175	194	216	228	247
141	Equity Investment					0	0	27,218	0	0	0	0	0	0	0	0
142	Distributions					0	0	(287)	(930)	(1,555)	(1,541)	(1,511)	(1,512)	(1,515)	(1,507)	(1,504)
143	Ending Equity					\$0	\$0	\$27,010	\$26,243	\$24,874	\$23,521	\$22,185	\$20,867	\$19,568	\$18,289	\$17,031
144																
145	<u>KIUC Equity</u>															
146	% Ownership					1%	1%	1%	1%	1%	1%	1%	1%	100%	100%	100%
147	Beginning Equity					0	0	0	270	262	249	235	222	209	19,568	18,289
148	Retained Earnings					0	0	1	2	2	2	2	2	216	228	247
149	Equity Investment					0	0	272	0	0	0	0	0	0	0	0
150	Distributions					0	0	(3)	(9)	(16)	(15)	(15)	(15)	(1,515)	(1,507)	(1,504)
151	Change in Ownership													20,658		
152	Ending Equity					\$0	\$0	\$270	\$262	\$249	\$235	\$222	\$209	\$19,568	\$18,289	\$17,031
153																
154	<u>Equity Investor Equity</u>															
155	% Ownership					99%	99%	99%	99%	99%	99%	99%	99%	0%	0%	0%
156	Beginning Equity					0	0	0	26,740	25,981	24,625	23,286	21,963	20,658	0	0
157	Retained Earnings					0	0	78	163	184	186	173	192	0	0	0
158	Equity Investment					0	0	26,945	0	0	0	0	0	0	0	0
159	Distributions					0	0	(284)	(921)	(1,540)	(1,525)	(1,496)	(1,497)	0	0	0
160	Change in Ownership					0	0	0	0	0	0	0	0	(20,658)	0	0
161	Ending Equity					\$0	\$0	\$26,740	\$25,981	\$24,625	\$23,286	\$21,963	\$20,658	\$0	\$0	\$0

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 5 - Pro-Forma Balance Sheet as of December 31st (\$000)

Alternative Scenario 4 - Flat Fuel Prices															
Line	Actual					Projected									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
162															
163	<u>KIUC Portion of KRS2</u>														
164															
165	<u>Assets</u>														
166	Beginning Investment in KRS2				\$0	\$0	\$0	\$270	\$262	\$249	\$235	\$222	\$209	(\$930)	(\$2,208)
167	KRS2 Net Income				0	0	1	2	2	2	2	2	216	228	247
168	KRS2 Capital Investment				0	0	272	0	0	0	0	0	161		
169	KRS2 Distributions				0	0	(3)	(9)	(16)	(15)	(15)	(15)	(1,515)	(1,507)	(1,504)
170	Ending Investment in KRS2				\$0	\$0	\$270	\$262	\$249	\$235	\$222	\$209	(\$930)	(\$2,208)	(\$3,466)
171															
172	Beginning Cash				\$0	\$0	\$0	(\$269)	(\$260)	(\$244)	(\$229)	(\$214)	(\$199)	\$1,155	\$2,662
173	KRS2 Capital Investment				0	0	(272)	0	0	0	0	0	(161)	0	0
174	KRS2 Distributions				0	0	3	9	16	15	15	15	1,515	1,507	1,504
175	Ending Cash				\$0	\$0	(\$269)	(\$260)	(\$244)	(\$229)	(\$214)	(\$199)	\$1,155	\$2,662	\$4,167
176															
177	Total Assets				\$0	\$0	\$1	\$2	\$4	\$6	\$8	\$10	\$226	\$454	\$701
178															
179	<u>Equity & Liabilities</u>														
180	Beginning Patronage Capital - KRS2				\$0	\$0	\$0	\$1	\$2	\$4	\$6	\$8	\$10	\$226	\$454
181	KRS2 Net Income				0	0	1	2	2	2	2	2	216	228	247
182	Ending Patronage Capital - KRS2				\$0	\$0	\$1	\$2	\$4	\$6	\$8	\$10	\$226	\$454	\$701
183															
184	Total Equity & Liabilities				\$0	\$0	\$1	\$2	\$4	\$6	\$8	\$10	\$226	\$454	\$701

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 6 - Statement of Operations - Cash Basis (\$000)

Alternative Scenario 4 - Flat Fuel Prices

Line	Projected									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 Total Accrual Margins	\$8,409	\$8,136	\$8,260	\$7,165	\$6,526	\$14,585	\$14,793	\$15,218	\$15,475	\$15,454
2 Add: Depreciation and Amortization	14,677	15,195	15,800	16,260	16,731	18,886	19,127	19,365	19,680	20,024
3 Add: Interest Exp - Existing Long-Term Debt	7,605	7,194	6,765	6,325	5,849	5,360	4,856	4,328	3,778	3,198
4 Add: Interest Exp - KRS1 Long-Term Debt	0	284	1,091	1,061	1,030	998	965	931	896	860
5 Add: Interest Exp - Other New Long-Term Debt	165	527	979	3,036	4,362	6,618	6,530	6,430	6,339	6,478
6 Less: Capital Credits, Pat Cap, and KRS1/KRS2 Income (Loss)	(35)	(202)	(314)	(307)	(299)	(291)	(283)	(489)	(492)	(502)
7 Less: COC Interest Income	(574)	(603)	(565)	(383)	(402)	(423)	(444)	(467)	(491)	(516)
8 Less: Capitalized Interest	0	0	0	(1,478)	(2,230)	0	0	0	0	0
9 Cash from Operations	\$30,245	\$30,530	\$32,015	\$31,678	\$31,565	\$45,734	\$45,543	\$45,316	\$45,185	\$44,996
10										
11 Debt Service - Long Term										
12 Existing - Interest	\$7,605	\$7,194	\$6,765	\$6,325	\$5,849	\$5,360	\$4,856	\$4,328	\$3,778	\$3,198
13 Existing - Principal	10,396	10,925	11,353	11,792	12,266	12,752	13,255	13,782	14,330	14,907
14 KRS1 Interest	0	284	1,091	1,061	1,030	998	965	931	896	860
15 KRS1 Principal	0	232	972	1,002	1,033	1,065	1,098	1,132	1,167	1,203
16 Other New - Interest	165	527	979	3,036	4,362	6,618	6,530	6,430	6,339	6,478
17 New - Principal	93	314	523	741	969	2,025	2,114	2,213	2,309	2,503
18 Other - Interest	0	0	0	0	0	0	0	0	0	0
19 Total Debt Service	\$18,259	\$19,476	\$21,682	\$23,957	\$25,508	\$28,818	\$28,817	\$28,815	\$28,819	\$29,149
20										
21 Cash Margins After Debt Service	\$11,987	\$11,054	\$10,333	\$7,721	\$6,057	\$16,915	\$16,726	\$16,501	\$16,366	\$15,847
22										
23 Additional Sources of Cash										
24 Proceeds from Long-Term Debt	\$10,000	\$10,000	\$11,646	\$13,219	\$11,631	\$85,208	\$0	\$0	\$162	\$10,161
25 Proceeds from Short-Term Debt	10,000	13,322	0	42,228	42,980	0	0	0	0	0
26 Proceeds from RUS Cushion of Credit	0	0	5,500	0	0	0	0	0	0	0
27 Free Cash Flow From										
28 KRS1	0	(695)	940	902	864	824	783	703	660	615
29 KRS2	0	(269)	9	16	15	15	15	1,354	1,507	1,504
30 Principal Income from KRS1	0	232	972	1,002	1,033	1,065	1,098	1,132	1,167	1,203
31 CIAC/Grant Funds/Advances	9,191	662	728	800	880	967	1,063	1,168	1,284	1,411
32 Patronage Capital Paid in Cash	40	40	40	40	40	40	40	40	40	40
33										
34 Additional Uses of Cash										
35 Total Additions and Replacements	(23,997)	(28,397)	(18,359)	(63,010)	(61,444)	(16,752)	(14,552)	(18,249)	(18,098)	(23,239)
36 Refund of Customer Advances	(109)	(215)	(236)	(260)	(286)	(315)	(346)	(381)	(419)	(461)
37 Inventory Buildup	(306)	(688)	(379)	(1,752)	(1,723)	(281)	(210)	(316)	(306)	(454)
38 Repayment of Short-Term Debt	(10,000)	(10,000)	(10,000)	0	0	(85,208)	0	0	0	0
39 Regular Capital Credit Retirements	(2,755)	(639)	(131)	0	0	0	(1,609)	(2,442)	(3,529)	(4,462)
40 Early Retirement of Capital Credits	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)
41										
42 Total Additional Sources and Uses of Cash	(\$7,983)	(\$16,695)	(\$9,317)	(\$6,862)	(\$6,057)	(\$14,483)	(\$13,765)	(\$17,038)	(\$17,580)	(\$13,728)

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 6 - Statement of Operations - Cash Basis (\$000)

Alternative Scenario 4 - Flat Fuel Prices

Line	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
43										
44 Net Change in Cash Including KRS1/KRS2-Related	\$4,003	(\$5,640)	\$1,016	\$859	\$0	\$2,432	\$2,961	(\$537)	(\$1,214)	\$2,119
45 Less KRS1/KRS2-Related Net Change In Cash	0	965	(949)	(918)	(879)	(839)	(798)	(2,057)	(2,167)	(2,119)
46 Total Net Change in Cash	\$4,003	(\$4,676)	\$67	(\$58)	(\$879)	\$1,593	\$2,163	(\$2,594)	(\$3,381)	(\$0)
47										
48 TIER Calculation										
49 Long-Term Interest Payment	\$7,770	\$8,005	\$8,834	\$10,422	\$11,240	\$12,976	\$12,351	\$11,689	\$11,013	\$10,536
50 Total TIER	2.08	2.02	1.94	1.69	1.58	2.12	2.20	2.30	2.41	2.47
51										
52 RUS Debt Service Coverage Ratio										
53 Net Margins	\$8,409	\$8,136	\$8,260	\$7,165	\$6,526	\$14,585	\$14,793	\$15,218	\$15,475	\$15,454
54 Interest on Long Term Debt	7,770	8,005	8,834	10,422	11,240	12,976	12,351	11,689	11,013	10,536
55 Depreciation and Amortization Expense	14,213	14,731	15,336	15,796	16,267	18,423	18,663	18,901	19,216	19,560
56 Adjusted Margins	\$ 30,392	\$ 30,872	\$ 32,431	\$ 33,383	\$ 34,033	\$ 45,984	\$ 45,807	\$ 45,808	\$ 45,705	\$ 45,551
57										
58 Debt Service	\$ 18,259	\$ 19,476	\$ 21,682	\$ 23,957	\$ 25,508	\$ 28,818	\$ 28,817	\$ 28,815	\$ 28,819	\$ 29,149
59 RUS DSC Ratio	1.66	1.59	1.50	1.39	1.33	1.60	1.59	1.59	1.59	1.56
60										
61 CFC Debt Service Coverage Ratio										
62 Operating Margins	\$7,343	\$5,969	\$6,020	\$5,144	\$4,525	\$12,602	\$12,826	\$13,060	\$13,329	\$13,309
63 Non-Operating Margins - Interest	860	1,761	1,659	1,447	1,435	1,425	1,417	1,402	1,387	1,376
64 Interest on Long Term Debt	7,770	8,005	8,834	10,422	11,240	12,976	12,351	11,689	11,013	10,536
65 Depreciation and Amortization Expense	14,213	14,731	15,336	15,796	16,267	18,423	18,663	18,901	19,216	19,560
66 Capital Credits Received	0	0	0	0	0	0	0	0	0	0
67 Adjusted Margins	\$ 30,185	\$ 30,466	\$ 31,849	\$ 32,809	\$ 33,467	\$ 45,426	\$ 45,257	\$ 45,053	\$ 44,945	\$ 44,782
68										
69 Debt Service	\$ 18,259	\$ 19,476	\$ 21,682	\$ 23,957	\$ 25,508	\$ 28,818	\$ 28,817	\$ 28,815	\$ 28,819	\$ 29,149
70 CFC DSC Ratio	1.65	1.56	1.47	1.37	1.31	1.58	1.57	1.56	1.56	1.54
71										
72 Patronage Refund Over 2.0 RUS TIER	(\$2,755)	(\$639)	(\$131)	\$0	\$0	\$0	(\$1,609)	(\$2,442)	(\$3,529)	(\$4,462)
73										
74 Capital Credits Balance - Excluding KRS1 and KRS2										
75 Balance (Beg Yr)	\$78,601	\$84,134	\$91,344	\$99,074	\$105,847	\$111,988	\$126,197	\$139,013	\$151,216	\$162,585
76 Retirements	(2,755)	(639)	(131)	0	0	0	(1,609)	(2,442)	(3,529)	(4,462)
77 Early Retirements	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)
78 Additions	8,413	7,974	7,986	6,898	6,267	14,334	14,550	14,769	15,023	14,992
79 Balance (End Yr)	\$84,134	\$91,344	\$99,074	\$105,847	\$111,988	\$126,197	\$139,013	\$151,216	\$162,585	\$172,989
80										

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 6 - Statement of Operations - Cash Basis (\$000)

Alternative Scenario 4 - Flat Fuel Prices

Line		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
81	KRS1										
82	Cash Flows from Operating Activities										
83	Margins	(\$5)	\$161	\$273	\$265	\$257	\$249	\$241	\$233	\$224	\$215
84	Depreciation and Amortization	0	410	1,639	1,639	1,639	1,639	1,639	1,639	1,639	1,639
85	Capitalized Interest	(264)	(870)	0	0	0	0	0	0	0	0
86	Taxes Paid	0	0	0	0	0	0	0	(37)	(37)	(37)
87	Changes in Prepayments	(150)	0	0	0	0	0	0	0	0	0
88	Changes in Accounts Payable	(3)	0	0	0	0	0	0	0	0	0
89	Changes in Accrued Interest	(200)	0	0	0	0	0	0	0	0	0
90	Changes in Inventories	0	(1,222)	0	0	0	0	0	0	0	0
91	Net Cash from Operating Activities	(\$622)	(\$1,521)	\$1,912	\$1,905	\$1,897	\$1,889	\$1,881	\$1,835	\$1,826	\$1,818
92											
93	Cash Flows from Investing Activities										
94	Additions to Utility Plant	(\$1,430)	(\$46,802)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
95											
96	Cash Flows from Financing Activities										
97	Loan Amounts	\$2,000	\$47,672	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
98	Principal Paid on Debt	0	(232)	(972)	(1,002)	(1,033)	(1,065)	(1,098)	(1,132)	(1,167)	(1,203)
99	Grants/Tax Incentives Received	0	21,586	0	0	0	0	0	0	0	0
100	Grants/Tax Incentives Paid On Debt	0	(21,586)	0	0	0	0	0	0	0	0
101	Note Receivable to Parent	0	695	(940)	(902)	(864)	(824)	(783)	(703)	(660)	(615)
102	Net Cash from Financing Activities	\$2,000	\$48,136	(\$1,912)	(\$1,905)	(\$1,897)	(\$1,889)	(\$1,881)	(\$1,835)	(\$1,826)	(\$1,818)
103											
104	Net Change in Cash	(\$52)	(\$187)	(\$0)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
105											
106	RUS Debt Service Coverage Ratio										
107	Net Margins	(\$5)	\$161	\$273	\$265	\$257	\$249	\$241	\$233	\$224	\$215
108	Interest on Long Term Debt	0	284	1,091	1,061	1,030	998	965	931	896	860
109	Depreciation and Amortization Expense	0	408	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633
110	Adjusted Margins	(\$5)	\$854	\$2,997	\$2,959	\$2,921	\$2,881	\$2,840	\$2,797	\$2,754	\$2,709
111											
112	Debt Service	\$0	\$516	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063
113	RUS DSC Ratio	NA	1.66	1.45	1.43	1.42	1.40	1.38	1.36	1.33	1.31
114											
115	CFC Debt Service Coverage Ratio										
116	Operating Margins	(\$5)	\$161	\$273	\$265	\$257	\$249	\$241	\$233	\$224	\$215
117	on-Operating Margins - Interest	0	0	0	0	0	0	0	0	0	0
118	Interest on Long Term Debt	0	284	1,091	1,061	1,030	998	965	931	896	860
119	Depreciation and Amortization Expense	0	408	1,633	1,633	1,633	1,633	1,633	1,633	1,633	1,633
120	Capital Credits Received	0	0	0	0	0	0	0	0	0	1
121	Adjusted Margins	(\$5)	\$854	\$2,997	\$2,959	\$2,921	\$2,881	\$2,840	\$2,797	\$2,754	\$2,710
122											
123	Debt Service	\$0	\$516	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063
124	CFC DSC Ratio	NA	1.66	1.45	1.43	1.42	1.40	1.38	1.36	1.33	1.31
125											

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 6 - Statement of Operations - Cash Basis (\$000)

Alternative Scenario 4 - Flat Fuel Prices

Line		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
126	KRS2										
127	Cash Flows from Operating Activities										
128	Margins	\$0	\$79	\$164	\$186	\$188	\$175	\$194	\$216	\$228	\$247
129	Depreciation and Amortization	0	826	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653
130	Capitalized Interest	(41)	(429)	0	0	0	0	0	0	0	0
131	Taxes Paid	0	0	0	0	0	0	0	0	0	0
132	Changes in Accrued Interest	0	0	0	0	0	0	0	0	0	0
133	Changes in Prepayments	0	0	0	0	0	0	0	0	0	0
134	Changes in Inventories	0	(618)	(618)	0	0	0	0	0	0	0
135	Net Cash from Operating Activities	(\$41)	(\$142)	\$1,198	\$1,839	\$1,840	\$1,827	\$1,847	\$1,868	\$1,881	\$1,900
136											
137	Cash Flows from Investing Activities										
138	Additions to Utility Plant	(\$5,959)	(\$34,885)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
139											
140	Cash Flows from Financing Activities										
141	Loan Amounts	\$6,000	\$35,314	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
142	Principal Paid on Debt	0	0	(268)	(283)	(299)	(316)	(335)	(354)	(374)	(395)
143	State Tax Refund	0	4,987	0	0	0	0	0	0	0	0
144	Distributions	0	(5,274)	(930)	(1,555)	(1,541)	(1,511)	(1,512)	(1,515)	(1,507)	(1,504)
145	Net Cash from Financing Activities	\$6,000	\$35,027	(\$1,198)	(\$1,839)	(\$1,840)	(\$1,827)	(\$1,847)	(\$1,868)	(\$1,881)	(\$1,900)
146											
147	Net Change in Cash	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
148											
149	RUS Debt Service Coverage Ratio										
150	Net Margins	na	\$ 79	\$ 164	\$ 186	\$ 188	\$ 175	\$ 194	\$ 216	\$ 228	\$ 247
151	Interest on Long Term Debt	0	402	803	788	772	755	737	718	698	676
152	Depreciation and Amortization Expense	0	826	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653
153	Adjusted Margins	\$0	\$1,307	\$2,620	\$2,627	\$2,612	\$2,582	\$2,584	\$2,586	\$2,579	\$2,576
154											
155	Debt Service	\$0	\$536	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071
156	RUS DSC Ratio	NA	2.44	2.45	2.45	2.44	2.41	2.41	2.41	2.41	2.40
157											
158	CFC Debt Service Coverage Ratio										
159	Operating Margins	na	\$79	\$164	\$186	\$188	\$175	\$194	\$216	\$228	\$247
160	on-Operating Margins - Interest	na	0	0	0	0	0	0	0	0	0
161	Interest on Long Term Debt	0	402	803	788	772	755	737	718	698	676
162	Depreciation and Amortization Expense	0	826	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653
163	Capital Credits Received	0	0	0	0	0	0	0	0	0	1
164	Adjusted Margins	\$0	\$1,307	\$2,620	\$2,627	\$2,612	\$2,582	\$2,584	\$2,586	\$2,579	\$2,577
165											
166	Debt Service	\$0	\$536	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071
167	CFC DSC Ratio	NA	2.44	2.45	2.45	2.44	2.41	2.41	2.41	2.41	2.41

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 7 - General Funds Summary (\$000)

Alternative Scenario 4 - Flat Fuel Prices

Line		Projected									
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1	KIUC NET GENERAL FUNDS - BEGINNING OF YEAR	\$3,762	\$7,765	\$2,125	\$3,141	\$4,000	\$4,000	\$6,432	\$9,393	\$8,856	\$7,642
2											
3	SOURCES OF GENERAL FUNDS										
4	Cash Margins after Debt Service	\$11,987	\$11,054	\$10,333	\$7,721	\$6,057	\$16,915	\$16,726	\$16,501	\$16,366	\$15,847
5	Long Term Debt Loan Proceeds	10,000	10,000	11,646	13,219	11,631	85,208	0	0	162	10,161
6	Patronage Capital Paid in Cash	40	40	40	40	40	40	40	40	40	40
7	Principal Income from KRS1	0	232	972	1,002	1,033	1,065	1,098	1,132	1,167	1,203
8	Proceeds from Short-Term Debt	10,000	13,322	0	42,228	42,980	0	0	0	0	0
9	Cushion of Credit	0	0	5,500	0	0	0	0	0	0	0
10	Change in KRS1-Related Cash	0	(695)	940	902	864	824	783	703	660	615
11	Change in KRS2-Related Cash	0	(269)	9	16	15	15	15	1,354	1,507	1,504
12	Total Sources of General Funds	\$32,027	\$33,684	\$29,440	\$65,128	\$62,621	\$104,067	\$18,662	\$19,730	\$19,901	\$29,370
13											
14	USES OF GENERAL FUNDS										
15	Regular Capital Credit Retirements	(\$2,755)	(\$639)	(\$131)	\$0	\$0	\$0	(\$1,609)	(\$2,442)	(\$3,529)	(\$4,462)
16	Early Retirement of Capital Credits	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)	(47)
17	Net Additions and Replacements	(14,806)	(27,735)	(17,631)	(62,210)	(60,565)	(15,785)	(13,489)	(17,081)	(16,814)	(21,828)
18	Refund of Customer Advances	(109)	(215)	(236)	(260)	(286)	(315)	(346)	(381)	(419)	(461)
19	Inventory Buildup	(306)	(688)	(379)	(1,752)	(1,723)	(281)	(210)	(316)	(306)	(454)
20	Repayment of Short-Term Debt	(10,000)	(10,000)	(10,000)	0	0	(85,208)	0	0	0	0
21	Total Uses of General Funds	(\$28,023)	(\$39,324)	(\$28,424)	(\$64,269)	(\$62,621)	(\$101,635)	(\$15,701)	(\$20,267)	(\$21,115)	(\$27,251)
22											
23	KIUC NET GENERAL FUNDS - END OF YEAR	\$7,765	\$2,125	\$3,141	\$4,000	\$4,000	\$6,432	\$9,393	\$8,856	\$7,642	\$9,761

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 8 - Plant Investment and Depreciation Expense (\$000)

Alternative Scenario 4 - Flat Fuel Prices

Line	Projected									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 UTILITY PLANT										
2 Plant-in-Service - BOY	\$420,312	\$443,717	\$465,254	\$484,541	\$494,386	\$601,180	\$610,561	\$617,574	\$625,934	\$638,372
3 Acquisition Adjustment - BOY	54,852	54,852	54,852	54,852	54,852	54,852	54,852	54,852	54,852	54,852
4 CWIP - BOY	18,902	5,715	7,169	550	49,238	0	0	0	2,200	0
5 Total Utility Plant - BOY	\$494,066	\$504,284	\$527,275	\$539,943	\$598,476	\$656,032	\$665,413	\$672,426	\$682,986	\$693,224
6										
7										
8 ADDITIONS AND REPLACEMENTS										
9 Generation										
10 Hydropower	\$0	\$0	\$0	\$40,750	\$40,750	\$0	\$0	\$0	\$0	\$0
11 Hydropower Capitalized Interest	0	0	0	1,478	2,230	0	0	0	0	0
12 SWD CO Catalysts Install	150	0	0	0	0	0	0	0	0	0
13 EMD CO Catalysts Install	300	0	0	0	0	0	0	0	0	0
14 HRSG MCC Replacement	100	0	0	0	0	0	0	0	0	0
15 Waiahi Upper Powerhouse Expansion	0	3,489	0	0	0	0	0	0	0	0
16 Waiahi Lower Powerhouse Upgrade	0	0	0	0	0	0	0	0	0	0
17 LFG	0	0	0	0	0	0	0	0	0	0
18 Titan or Alternative	0	0	0	0	0	0	0	0	0	0
19 Other Non-Recurring Projects	5,130	1,928	0	0	0	5,050	2,000	2,000	2,000	2,000
20 Other Recurring Projects	925	950	850	850	850	850	950	1,600	1,600	850
21 Transmission and Distribution										
22 North Shore Transmission Line Capital Expenditures	0	0	0	7,010	9,000	0	0	0	0	0
23 Anahola Service Center	200	4,692	0	0	0	0	0	0	0	0
24 Princeville Substation Upgrade	152	0	0	0	0	0	0	0	0	0
25 Replacement GIS Mapping System	250	50	0	0	0	0	0	0	0	0
26 Kipu 12 kV Reroute	100	300	0	0	0	0	0	0	0	0
27 Wailua Corridor Undergrounding	1,666	834	0	0	0	0	0	0	0	0
28 RUS Standards Compliance	50	75	0	0	0	0	0	0	0	0
29 Hanalei Tap Reconfiguration	0	50	500	1,000	0	0	0	0	0	0
30 New T&D Warehouse and Field Offices	0	0	1,500	0	0	0	0	0	0	0
31 HCP - C2 Waiakea Canal Crossing	245	147	0	0	0	0	0	0	0	0
32 Kapaia to Hanahanapuni	0	0	0	0	0	0	0	0	0	0
33 Convert Hanahanapuni Tap to Switching Station	0	0	0	0	0	0	0	0	0	0
34 Kilohana Switching Station	0	0	0	0	0	0	0	0	0	0
35 Lihue Station - Upgraded Transformers (3 @ \$850)	0	0	0	0	0	0	0	2,200	1,122	0
36 Other Non-Recurring Projects										
37 Transmission	2,401	1,945	4,398	1,581	1,040	0	0	0	0	6,000
38 Distribution	0	0	0	0	0	0	0	0	0	0

Kaua'i Island Utility Cooperative
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Alternative Scenario 4 - Flat Fuel Prices

Line		Projected									
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
39	Other Recurring Projects										
40	Transmission	840	710	620	3,231	542	479	468	482	498	514
41	Distribution	5,934	6,492	7,375	6,076	7,184	7,759	8,389	9,080	9,837	10,667
42	Other	40	44	48	53	59	64	71	78	86	94
43	Other Projects										
44	Non-Recurring Projects	535	1,305	555	1,055	500	1,000	1,100	1,210	1,331	1,464
45	Recurring Projects	1,730	1,467	1,401	1,405	1,520	1,549	1,574	1,599	1,625	1,651
46	Carryover Projects										
47	AEPO Substation (Kumanu)	530	3,920	1,112	0	0	0	0	0	0	0
48	SPCC Substation Compliance	220	0	0	0	0	0	0	0	0	0
49	AMI/Advanced Metering Infrastructure	2,500	0	0	0	0	0	0	0	0	0
50	Battery Energy Storage	0	0	0	0	0	0	0	0	0	0
51	Other Carryover Projects	0	0	0	0	0	0	0	0	0	0
52	Total Additions and Replacements	\$23,997	\$28,397	\$18,359	\$64,488	\$63,675	\$16,752	\$14,552	\$18,249	\$18,098	\$23,239
53	Less Customer Advances	(2,880)	(651)	(716)	(788)	(867)	(953)	(1,049)	(1,153)	(1,269)	(1,395)
54	Less CIAC	(9)	(11)	(12)	(12)	(13)	(14)	(14)	(15)	(15)	(16)
55	Less AMI Funding	(6,302)	0	0	0	0	0	0	0	0	0
56	Total Cap Ex Cash Requirements	\$14,806	\$27,735	\$17,631	\$63,688	\$62,795	\$15,785	\$13,489	\$17,081	\$16,814	\$21,828
57											
58	CONSTRUCTION WORK IN PROGRESS										
59	Hydropower	\$0	\$0	\$0	\$40,750	\$0	\$0	\$0	\$0	\$0	\$0
60	Hydropower Capitalized Interest	0	0	0	1,478	0	0	0	0	0	0
61	SWD CO Catalysts Install	0	0	0	0	0	0	0	0	0	0
62	EMD CO Catalysts Install	0	0	0	0	0	0	0	0	0	0
63	HRSR MCC Replacement	0	0	0	0	0	0	0	0	0	0
64	Waiahi Upper Powerhouse Expansion	0	0	0	0	0	0	0	0	0	0
65	Waiahi Lower Powerhouse Upgrade	0	0	0	0	0	0	0	0	0	0
66	LFG	0	0	0	0	0	0	0	0	0	0
67	Titan or Alternative	0	0	0	0	0	0	0	0	0	0
68	North Shore Transmission Line Capital Expenditures	0	0	0	7,010	0	0	0	0	0	0
69	Anahola Service Center	200	0	0	0	0	0	0	0	0	0
70	Princeville Substation Upgrade	0	0	0	0	0	0	0	0	0	0
71	Repace GIS Mapping System	250	0	0	0	0	0	0	0	0	0
72	Kipu 12 kV Reroute	100	0	0	0	0	0	0	0	0	0
73	Wailua Corridor Undergrounding	1,666	0	0	0	0	0	0	0	0	0
74	RUS Standards Compliance	50	0	0	0	0	0	0	0	0	0
75	Hanalei Tap Reconfiguration	0	50	550	0	0	0	0	0	0	0
76	New T&D Warehouse and Field Offices	0	0	0	0	0	0	0	0	0	0
77	HCP - C2 Waiakea Canal Crossing	250	0	0	0	0	0	0	0	0	0
78	Kapaia to Hanahanapuni	0	0	0	0	0	0	0	0	0	0
79	Convert Hanahanapuni Tap to Switching Station	0	0	0	0	0	0	0	0	0	0
80	Kilohana Switching Station	0	0	0	0	0	0	0	0	0	0
81	Lihue Station - Upgraded Transformers (3 @ \$850)	0	0	0	0	0	0	0	2,200	0	0
82	AEPO Substation (Kumanu)	3,199	7,119	0	0	0	0	0	0	0	0

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 8 - Plant Investment and Depreciation Expense (\$000)

Alternative Scenario 4 - Flat Fuel Prices

Line		Projected									
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
83	SPCC Substation Compliance	0	0	0	0	0	0	0	0	0	0
84	AMI/Advanced Metering Infrastructure	0	0	0	0	0	0	0	0	0	0
85	Battery Energy Storage	0	0	0	0	0	0	0	0	0	0
86	Other Carryover Projects	0	0	0	0	0	0	0	0	0	0
87	Total CWIP	\$5,715	\$7,169	\$550	\$49,238	\$0	\$0	\$0	\$2,200	\$0	\$0
88											
89	TOTAL PLANT IN SERVICE - BOY	\$420,312	\$443,717	\$465,254	\$484,541	\$494,386	\$601,180	\$610,561	\$617,574	\$625,934	\$638,372
90	Total Additions and Replacements	23,997	28,397	18,359	64,488	63,675	16,752	14,552	18,249	18,098	23,239
91	Carryover Closed to Plant	16,228	2,516	7,119	550	49,238	0	0	0	2,200	0
92	Less CIAC and Funding	(9,082)	(447)	(492)	(540)	(594)	(652)	(717)	(787)	(865)	(951)
93	Less Cap Ex to CWIP	(3,041)	(3,970)	(500)	(49,238)	0	0	0	(2,200)	0	0
94	Less Retirements	(4,697)	(4,958)	(5,199)	(5,415)	(5,525)	(6,718)	(6,823)	(6,901)	(6,995)	(7,134)
95	TOTAL PLANT IN SERVICE - EOY	\$443,717	\$465,254	\$484,541	\$494,386	\$601,180	\$610,561	\$617,574	\$625,934	\$638,372	\$653,527
96	Closed to Plant	\$28,102	\$26,496	\$24,486	\$15,260	\$112,319	\$16,099	\$13,835	\$15,262	\$19,433	\$22,288
97											
98	FUNDING										
99	Debt	\$10,000	\$13,322	\$1,646	\$55,447	\$54,611	\$0	\$0	\$0	\$162	\$0
100	Customer Advances	2,880	651	716	788	867	953	1,049	1,153	1,269	1,395
101	Cash	4,806	14,413	10,485	8,241	8,184	15,785	13,489	17,081	16,652	0
102	CIAC/AMI Funding	6,311	11	12	12	13	14	14	15	15	16
103	Total	\$23,997	\$28,397	\$18,359	\$64,488	\$63,675	\$16,752	\$14,552	\$18,249	\$18,098	\$23,239
104											
105	DEPRECIATION EXPENSE										
106											
	Depr Rate										
107	Existing 2012 Plant	2.73%	\$11,398	\$11,266	\$11,128	\$10,983	\$10,834	\$10,667	\$10,482	\$10,295	\$9,913
108	Balance of 2102 CWIP	2.73%	53	105	105	105	105	105	105	105	105
109	Generation										
110	Hydropower	2.00%	0	0	0	0	1,630	1,630	1,630	1,630	1,630
111	Hydropower Capitalized Interest	2.00%	0	0	0	0	74	74	74	74	74
112	SWD CO Catalysts Install	2.10%	10	20	20	20	20	20	20	20	20
113	EMD CO Catalysts Install	2.10%	8	16	16	16	16	16	16	16	16
114	HRSB MCC Replacement	2.10%	1	3	3	3	3	3	3	3	3
115	Waiahi Upper Powerhouse Expansion	2.00%	0	35	70	70	70	70	70	70	70
116	Waiahi Lower Powerhouse Upgrade	2.00%	0	0	0	0	0	0	0	0	0
117	LFG	6.67%	0	0	0	0	0	0	0	0	0
118	Titan or Alternative	2.10%	0	0	0	0	0	0	0	0	0
119	Other Non-Recurring Projects	2.10%	54	128	148	148	202	276	318	360	402
120	Other Recurring Projects	2.10%	10	29	48	66	84	102	121	148	207
121	Transmission and Distribution										
122	North Shore Transmission Line Capital Expenditures	2.82%	0	0	0	226	452	452	452	452	452
123	Anahola Service Center	2.82%	0	69	138	138	138	138	138	138	138
124	Princeville Substation Upgrade	3.33%	13	25	25	25	25	25	25	25	25
125	Replacement GIS Mapping System	3.33%	0	5	10	10	10	10	10	10	10

Kaua'i Island Utility Cooperative
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Alternative Scenario 4 - Flat Fuel Prices

Line			Projected									
			2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
126	Kipu 12 kV Reroute	2.82%	0	6	11	11	11	11	11	11	11	11
127	Wailua Corridor Undergrounding	2.82%	0	35	71	71	71	71	71	71	71	71
128	RUS Standards Compliance	2.82%	0	2	4	4	4	4	4	4	4	4
129	Hanalei Tap Reconfiguration	2.82%	0	0	0	22	44	44	44	44	44	44
130	New T&D Warehouse and Field Offices	2.82%	0	0	21	42	42	42	42	42	42	42
131	HCP - C2 Waiakea Canal Crossing	2.70%	0	5	11	11	11	11	11	11	11	11
132	Kapaia to Hanahanapuni	2.82%	0	0	0	0	0	0	0	0	0	0
133	Convert Hanahanapuni Tap to Switching Station	2.82%	0	0	0	0	0	0	0	0	0	0
134	Kilohana Switching Station	2.82%	0	0	0	0	0	0	0	0	0	0
135	Lihue Station - Upgraded Transformers (3 @ \$850)	2.82%	0	0	0	0	0	0	0	0	47	94
136	Other Non-Recurring Projects											
137	Transmission	2.82%	34	95	185	269	306	321	321	321	321	406
138	Distribution	3.33%	0	0	0	0	0	0	0	0	0	0
139	Other Recurring Projects											
140	Transmission	2.82%	12	34	53	107	160	175	188	201	215	229
141	Distribution	3.33%	99	305	536	760	980	1,229	1,498	1,788	2,103	2,444
142	Other	2.73%	1	2	3	4	6	8	9	11	14	16
143	Other Projects											
144	Non-Recurring Projects	2.73%	7	32	58	80	101	121	150	181	216	254
145	Recurring Projects	2.73%	24	67	106	145	184	226	269	312	356	401
146	Carryover Projects											
147	AEPO Substation (Kumanu)	3.33%	0	0	137	274	274	274	274	274	274	274
148	SPCC Substation Compliance	3.33%	10	20	20	20	20	20	20	20	20	20
149	AMI/Advanced Metering Infrastructure	8.00%	504	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008
150	Battery Energy Storage	5.00%	0	0	0	0	0	0	0	0	0	0
151	Total		\$12,236	\$13,314	\$13,934	\$14,412	\$14,902	\$17,078	\$17,341	\$17,604	\$17,946	\$18,394
152	Less AMI Funding	8.00%	0	(507)	(507)	(507)	(507)	(507)	(507)	(507)	(507)	(507)
153	Less CIAC	3.33%	(46)	(99)	(115)	(132)	(151)	(171)	(194)	(219)	(247)	(277)
154	Total Deprec and Amort Accrual		\$12,190	\$12,708	\$13,313	\$13,773	\$14,244	\$16,400	\$16,641	\$16,878	\$17,193	\$17,610
155	Less Depreciation in Other Accounts		(463)	(463)	(463)	(463)	(463)	(463)	(463)	(463)	(463)	(463)
156	Net Depr and Amort Expense		\$11,727	\$12,245	\$12,850	\$13,310	\$13,781	\$15,936	\$16,177	\$16,415	\$16,730	\$17,147
157												
158	Net Depreciation and Amortization Expense		\$11,727	\$12,245	\$12,850	\$13,310	\$13,781	\$15,936	\$16,177	\$16,415	\$16,730	\$17,147
159	Amortization of Regulatory Asset - Iniki		292	292	292	292	292	292	292	292	292	219
160	Amortization of Acquisition Adjustment		2,194	2,194	2,194	2,194	2,194	2,194	2,194	2,194	2,194	2,194
161	Total Depreciation & Amortization Expense		\$14,213	\$14,731	\$15,336	\$15,796	\$16,267	\$18,423	\$18,663	\$18,901	\$19,216	\$19,560
162	Plus Depreciation in Other Accounts		463	463	463	463	463	463	463	463	463	463
163	Total Depr and Amort Accrual		\$14,677	\$15,195	\$15,800	\$16,260	\$16,731	\$18,886	\$19,127	\$19,365	\$19,680	\$20,024
164												
165												

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 8 - Plant Investment and Depreciation Expense (\$000)

Alternative Scenario 4 - Flat Fuel Prices

Line	Projected									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
166 <u>KRS1</u>										
167 BOY CWIP	\$7,806	\$9,500								
168 Capital Expenditures	1,694	47,672								
169 Federal Grant	0	(16,336)								
170 EOY CWIP	9,500									
171 Closed to Plant	\$0	\$40,837								
172										
173 <u>KRS2</u>										
174 BOY CWIP	\$0	\$6,000								
175 Capital Expenditures	6,000	35,314								
176 Buyout Amount	0	0								
177 EOY CWIP	6,000	0								
178 Closed to Plant	\$0	\$41,314								

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 9 - Long-Term Debt Service (\$000)

Alternative Scenario 4 - Flat Fuel Prices

Line	Projected									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 EXISTING LONG TERM DEBT										
2 Balance (Beg Yr)	\$199,311	\$188,915	\$177,990	\$166,638	\$154,845	\$142,579	\$129,828	\$116,573	\$102,791	\$88,462
3 Existing Loan Advances	0	0	0	0	0	0	0	0	0	0
4 Principal Repayments	10,396	10,925	11,353	11,792	12,266	12,752	13,255	13,782	14,330	14,907
5 Balance (End Yr)	\$188,915	\$177,990	\$166,638	\$154,845	\$142,579	\$129,828	\$116,573	\$102,791	\$88,462	\$73,555
6										
7 EXISTING DEBT INTEREST AND PRINCIPAL PAYMENTS										
8 Interest										
9 RUS - A41-1B010	\$297	\$282	\$265	\$248	\$230	\$212	\$192	\$173	\$152	\$130
10 RUS - A41-1B011	594	563	530	496	460	423	385	345	303	260
11 RUS - A41-1B012	474	447	420	391	362	332	301	269	235	201
12 RUS - A41-1B013	375	352	328	304	279	254	229	203	177	150
13 RUS - A41-1B014	691	655	618	580	539	497	453	407	358	308
14 RUS - A41-1B015	3,909	3,715	3,512	3,299	3,075	2,840	2,593	2,334	2,062	1,776
15 CFC - HI001-9005	133	122	110	99	86	74	61	48	34	20
16 FFB B8 - H0010	154	141	128	116	101	86	72	58	42	26
17 FFB B8 - H0015	224	206	188	171	150	129	109	87	65	40
18 FFB B8 - H0020	501	463	423	385	338	292	246	197	147	92
19 FFB C8 - F0025	211	207	202	198	190	184	180	174	169	162
20 FFB C8 - F0030	42	41	40	39	38	37	36	35	34	32
21 Total Interest	\$7,605	\$7,194	\$6,765	\$6,325	\$5,849	\$5,360	\$4,856	\$4,328	\$3,778	\$3,198
22 Principal										
23 RUS - A41-1B010	\$402	\$417	\$434	\$451	\$469	\$487	\$507	\$526	\$547	\$569
24 RUS - A41-1B011	803	834	867	901	937	974	1,012	1,052	1,094	1,137
25 RUS - A41-1B012	840	866	894	922	951	981	1,013	1,045	1,078	1,112
26 RUS - A41-1B013	1,430	1,453	1,477	1,501	1,526	1,551	1,576	1,602	1,628	1,655
27 RUS - A41-1B014	795	831	868	906	947	989	1,033	1,079	1,128	1,178
28 RUS - A41-1B015	3,883	4,076	4,279	4,492	4,717	4,952	5,199	5,458	5,730	6,016
29 CFC - HI001-9005	406	418	430	443	455	468	482	496	510	525
30 FFB B8 - H0010	442	455	467	479	493	507	520	535	549	564
31 FFB B8 - H0015	428	442	460	479	498	518	539	561	584	608
32 FFB B8 - H0020	846	883	921	959	1,005	1,049	1,094	1,141	1,190	1,244
33 FFB C8 - F0025	104	212	216	220	227	233	237	243	247	254
34 FFB C8 - F0030	19	38	39	40	41	42	43	44	45	46
35 Total Principal	\$10,396	\$10,925	\$11,353	\$11,792	\$12,266	\$12,752	\$13,255	\$13,782	\$14,330	\$14,907
36										
37 FUNDING REQUIREMENTS										
38 Capital Funding Requirements	\$14,806	\$27,735	\$17,631	\$63,688	\$62,795	\$15,785	\$13,489	\$17,081	\$16,814	\$21,828
39 Refinancing Requirements	10,000	10,000	10,000	0	0	85,208	0	0	0	0
40 Total Funding Requirements	\$24,806	\$37,735	\$27,631	\$63,688	\$62,795	\$100,993	\$13,489	\$17,081	\$16,814	\$21,828
41										
42 Short-Term Long Funds Advanced	\$10,000	\$13,322	\$0	\$42,228	\$42,980	\$0	\$0	\$0	\$0	\$0
43 Long-Term Loan Funds Advanced	10,000	10,000	11,646	13,219	11,631	85,208	0	0	162	10,161
44 Total Debt Advances	\$20,000	\$23,322	\$11,646	\$55,447	\$54,611	\$85,208	\$0	\$0	\$162	\$10,161
45										

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 9 - Long-Term Debt Service (\$000)

Alternative Scenario 4 - Flat Fuel Prices

Line							Projected									
							2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
46	FFB C8 Add'l Draws	Amount	Per	Rate	Term	Per Yr										
47		\$31,646	na	na	na	na										
48	BOY Balance						\$0	\$9,907	\$19,592	\$30,716	\$30,072	\$29,388	\$28,676	\$27,942	\$27,178	\$26,394
49	Loan Funds Advanced						10,000	10,000	11,646	0	0	0	0	0	0	0
50	Principal Payment						93	314	523	644	683	713	734	763	785	825
51	Interest Payment						165	527	979	1,228	1,189	1,159	1,137	1,108	1,086	1,046
52	Total Debt Service						\$258	\$841	\$1,501	\$1,872	\$1,872	\$1,872	\$1,871	\$1,871	\$1,871	\$1,870
53	EOY Balance						\$9,907	\$19,592	\$30,716	\$30,072	\$29,388	\$28,676	\$27,942	\$27,178	\$26,394	\$25,569
54																
55	2014 Loan	Amount	Per	Rate	Term	Per Yr										
56		\$0	3	3.5%	30	4										
57	BOY Balance							\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
58	Loan Funds Advanced							0	0	0	0	0	0	0	0	0
59	Principal Payment							0	0	0	0	0	0	0	0	0
60	Interest Payment							0	0	0	0	0	0	0	0	0
61	Total Debt Service							\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
62	EOY Balance							\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
63																
64	2015 Loan	Amount	Per	Rate	Term	Per Yr										
65		\$0	3	5.0%	30	4										
66	BOY Balance								\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
67	Loan Funds Advanced								0	0	0	0	0	0	0	0
68	Principal Payment								0	0	0	0	0	0	0	0
69	Interest Payment								0	0	0	0	0	0	0	0
70	Total Debt Service								\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
71	EOY Balance								\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
72																
73	New Hydro Loans	Amount	Const Rate	LT Rate	Term	Per Yr										
74		\$85,208	3.5%	5.0%	35	4				ST Debt	ST Debt	LT Debt	LT Debt	LT Debt	LT Debt	LT Debt
75	BOY Balance									\$0	\$42,228	\$85,208	\$84,283	\$83,311	\$82,289	\$81,215
76	Loan Funds Advanced									42,228	42,980	0	0	0	0	0
77	Principal Payment									0	0	925	972	1,022	1,074	1,128
78	Interest Payment									1,478	2,230	4,243	4,196	4,147	4,095	4,040
79	Total Debt Service									\$1,478	\$2,230	\$5,168	\$5,168	\$5,168	\$5,168	\$5,168
80	EOY Balance									\$42,228	\$85,208	\$84,283	\$83,311	\$82,289	\$81,215	\$80,087
81																
82	2016 Loan	Amount	Per	Rate	Term	Per Yr										
83		\$13,219	3	5.0%	30	4										
84	BOY Balance									\$0	\$13,122	\$12,922	\$12,711	\$12,489	\$12,256	\$12,011
85	Loan Funds Advanced									13,219	0	0	0	0	0	0
86	Principal Payment									97	201	211	222	233	245	257
87	Interest Payment									330	652	642	631	620	608	596
88	Total Debt Service									\$427	\$853	\$853	\$853	\$853	\$853	\$853
89	EOY Balance									\$13,122	\$12,922	\$12,711	\$12,489	\$12,256	\$12,011	\$11,754
90																

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 9 - Long-Term Debt Service (\$000)

Alternative Scenario 4 - Flat Fuel Prices

Line							Projected									
91	2017 Loan	Amount	Per	Rate	Term	Per Yr	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
92		\$11,631	3	5.0%	30	4										
93	BOY Balance										\$0	\$11,546	\$11,369	\$11,184	\$10,989	\$10,784
94	Loan Funds Advanced										11,631	0	0	0	0	0
95	Principal Payment										85	177	186	195	205	215
96	Interest Payment										290	574	565	556	546	535
97	Total Debt Service										<u>\$375</u>	<u>\$751</u>	<u>\$751</u>	<u>\$751</u>	<u>\$751</u>	<u>\$751</u>
98	EOY Balance										\$11,546	\$11,369	\$11,184	\$10,989	\$10,784	\$10,568
99																
100	2018 Loan	Amount	Per	Rate	Term	Per Yr										
101		\$0	3	5.0%	30	4										
102	BOY Balance											\$0	\$0	\$0	\$0	\$0
103	Loan Funds Advanced											0	0	0	0	0
104	Principal Payment											0	0	0	0	0
105	Interest Payment											0	0	0	0	0
106	Total Debt Service											<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
107	EOY Balance											\$0	\$0	\$0	\$0	\$0
108												\$0	\$0	\$0	\$0	\$0
109	2019 Loan	Amount	Per	Rate	Term	Per Yr										
110		\$0	3	5.0%	30	4										
111	BOY Balance												\$0	\$0	\$0	\$0
112	Loan Funds Advanced												0	0	0	0
113	Principal Payment												0	0	0	0
114	Interest Payment												0	0	0	0
115	Total Debt Service												<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
116	EOY Balance												\$0	\$0	\$0	\$0
117													\$0	\$0	\$0	\$0
118	2020 Loan	Amount	Per	Rate	Term	Per Yr										
119		\$0	3	5.0%	30	4										
120	BOY Balance													\$0	\$0	\$0
121	Loan Funds Advanced													0	0	0
122	Principal Payment													0	0	0
123	Interest Payment													0	0	0
124	Total Debt Service													<u>0</u>	<u>0</u>	<u>0</u>
125	EOY Balance													\$0	\$0	\$0
126														\$0	\$0	\$0
127	2021 Loan	Amount	Per	Rate	Term	Per Yr										
128		\$162	3	5.0%	30	4										
129	BOY Balance														\$0	\$160
130	Loan Funds Advanced														162	0
131	Principal Payment														1	2
132	Interest Payment														4	8
133	Total Debt Service														<u>\$5</u>	<u>\$10</u>
134	EOY Balance														\$160	\$158
135																

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 9 - Long-Term Debt Service (\$000)

Alternative Scenario 4 - Flat Fuel Prices

Line							Projected									
	2022 Loan	Amount	Per	Rate	Term	Per Yr	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
136																
137		\$10,161	3	5.0%	30	4										
138	BOY Balance															\$0
139	Loan Funds Advanced															10,161
140	Principal Payment															74
141	Interest Payment															254
142	Total Debt Service															\$328
143	EOY Balance															\$10,087
144																
145	TOTAL LONG TERM DEBT SERVICE															
146	Interest															
147	Existing Debt						\$7,605	\$7,194	\$6,765	\$6,325	\$5,849	\$5,360	\$4,856	\$4,328	\$3,778	\$3,198
148	New Debt (Excl Hydro Loan Capitalized Interest)						165	527	979	3,036	4,362	6,618	6,530	6,430	6,339	6,478
149	Total Interest						\$7,770	\$7,721	\$7,744	\$9,361	\$10,210	\$11,978	\$11,386	\$10,758	\$10,117	\$9,676
150	Principal															
151	Existing Debt						\$10,396	\$10,925	\$11,353	\$11,792	\$12,266	\$12,752	\$13,255	\$13,782	\$14,330	\$14,907
152	New Debt						93	314	523	741	969	2,025	2,114	2,213	2,309	2,503
153	Total Principal						\$10,489	\$11,239	\$11,875	\$12,533	\$13,235	\$14,777	\$15,368	\$15,994	\$16,639	\$17,410
154	Total Debt Service						\$18,259	\$18,960	\$19,619	\$21,894	\$23,445	\$26,755	\$26,754	\$26,752	\$26,756	\$27,086
155																
156	TOTAL LONG TERM DEBT															
157	Balance (Beg Yr)						\$199,311	\$198,822	\$197,583	\$197,353	\$198,039	\$196,436	\$266,867	\$251,498	\$235,504	\$219,026
158	Loan Funds Advanced						10,000	10,000	11,646	13,219	11,631	85,208	0	0	162	10,161
159	Less Principal Repayments						10,489	11,239	11,875	12,533	13,235	14,777	15,368	15,994	16,639	17,410
160	Balance (End Yr)						\$198,822	\$197,583	\$197,353	\$198,039	\$196,436	\$266,867	\$251,498	\$235,504	\$219,026	\$211,777
161																
162	Current Portion of Long Term Debt - EOY															
163	Existing Debt						\$10,925	\$11,353	\$11,792	\$12,266	\$12,752	\$13,255	\$13,782	\$14,330	\$14,907	\$15,370
164	New Debt						314	523	741	969	2,025	2,114	2,213	2,309	2,503	2,700
165	Total Current Portion						\$11,239	\$11,875	\$12,533	\$13,235	\$14,777	\$15,368	\$15,994	\$16,639	\$17,410	\$18,070
166																
167	SHORT TERM DEBT															
168																
169	\$20 M LOC/Other LOC	Amount	Per	Rate	Term	Per Yr										
170	BOY Balance			3.0%			\$6,678	\$6,678	\$10,000							
171	Loan Funds Advanced						10,000	13,322	0							
172	Less Principal Repayments						(10,000)	(10,000)	(10,000)							
173	Balance (End Yr)						\$6,678	\$10,000	\$0							
174																
175	Interest Expense						\$252	\$292	\$0							
176	Est Average Balance						\$8,385	\$9,725	\$0							
177																
178	\$5 M LOC	Amount	Per	Rate	Term	Per Yr										
179	BOY Balance			3.0%			\$0	\$0	\$0							
180	Loan Funds Advanced						0	0	0							
181	Less Principal Repayments						0	0	0							
182	Balance (End Yr)						\$0	\$0	\$0							
183																
184	Interest Expense						\$0	\$0	\$0							
185	Est Average Balance						\$0	\$0	\$0							
186																

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 9 - Long-Term Debt Service (\$000)

Alternative Scenario 4 - Flat Fuel Prices

Line							Projected									
							2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
187	KRS1															
188		Long-Term	Const	LT												
189		Amount	Rate	Rate	Yr	Per Yr										
190		\$35,587	3.0%	3.1%	25	1										
191	BOY Balance						\$7,500	\$9,500	\$35,355	\$34,382	\$33,380	\$32,347	\$31,282	\$30,184	\$29,052	\$27,885
192	Short-Term Debt															
193	Funds Advanced						2,000	47,672	0	0	0	0	0	0	0	0
194	Short-Term Interest						264	870	0	0	0	0	0	0	0	0
195	Federal Grant/State Tax Credit							21,586	0	0	0	0	0	0	0	0
196	Long-Term Debt															
197	Principal Payment						0	232	972	1,002	1,033	1,065	1,098	1,132	1,167	1,203
198	Interest Payment						0	284	1,091	1,061	1,030	998	965	931	896	860
199	Debt Service						\$0	\$516	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063	\$2,063
200	EOY Balance						\$9,500	\$35,355	\$34,382	\$33,380	\$32,347	\$31,282	\$30,184	\$29,052	\$27,885	\$26,682
201																
202	KRS2															
203		Long-Term	Const	LT												
204		Amount	Rate	Rate	Yr	Per Yr										
205		\$14,096	3.0%	5.7%	25	1										
206	BOY Balance						\$0	\$6,000	\$14,096	\$13,828	\$13,545	\$13,246	\$12,929	\$12,595	\$12,241	\$11,867
207	Short-Term Debt															
208	Funds Advanced						6,000	35,314	0	0	0	0	0	0	0	0
209	Short-Term Interest						41	429	0	0	0	0	0	0	0	0
210	Equity Investment							27,218	0	0	0	0	0	0	0	0
211	Long-Term Debt															
212	Principal Payment						0	0	268	283	299	316	335	354	374	395
213	Interest Payment						0	402	803	788	772	755	737	718	698	676
214	Debt Service						\$0	\$536	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071	\$1,071
215	EOY Balance						\$6,000	\$14,096	\$13,828	\$13,545	\$13,246	\$12,929	\$12,595	\$12,241	\$11,867	\$11,472

Kaua'i Island Utility Cooperative
Final 2013 Equity Management Plan
Table 10 - Projected ERAC Revenues

Alternative Scenario 4 - Flat Fuel Prices

Line	Actual					Projected									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 KIUC Thermal Generated (MWh)	437,819	417,224	417,117	409,392	405,946	381,990	336,980	279,870	284,270	291,070	220,480	225,910	230,690	237,200	243,330
2 KIUC Hydro Generated (MWh)	8,386	7,788	8,227	7,270	7,918	7,437	7,770	7,770	7,800	7,770	83,950	83,950	84,230	83,950	83,950
3 KRS1 Generated (MWh)	-	-	-	-	0	0	5,870	23,660	23,740	23,660	23,660	23,660	23,740	23,660	23,660
4 KRS2 Generated (MWh)	-	-	-	-	0	0	11,780	23,650	23,740	23,660	23,460	23,510	23,570	23,550	23,570
5 Purchased Power MWh - NEM & Sched Q	9	0	0	1,741	3,321	5,700	6,140	6,590	7,120	7,590	7,390	7,810	8,300	8,670	9,170
6 Purchased Power (MWh) - Other	29,090	30,796	27,414	34,855	34,633	46,303	69,120	103,860	104,150	103,860	103,860	103,860	104,150	103,860	103,860
7 Total MWh	475,305	455,808	452,758	453,259	451,818	441,430	437,660	445,400	450,820	457,610	462,800	468,700	474,680	480,890	487,540
8															
9 KIUC Sales (MWh)	453,791	436,273	434,533	434,745	433,159	423,584	420,139	427,506	432,744	439,225	444,278	450,004	455,624	461,704	468,055
10															
11 Losses (%)	4.5%	4.3%	4.0%	4.1%	4.1%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
12															
13 KIUC Generated Sales (MWh)	426,044	406,694	408,185	399,686	396,771	372,828	335,657	276,084	280,359	286,834	292,246	297,500	302,278	308,337	314,200
14															
15 Fuel Consumed (MMBtu)	4,208,477	3,913,866	3,868,068	3,870,223	3,778,090	3,594,303	3,137,302	2,604,471	2,648,153	2,710,436	2,085,018	2,132,890	2,176,636	2,231,960	2,286,499
16															
17 Actual Sales Heat Rate (Btu/kWh)	9,878	9,624	9,476	9,683	9,522	9,641	9,347	9,434	9,446	9,450	7,134	7,169	7,201	7,239	7,277
18															
19 Effective Sales Heat Rate for ERAC (Btu/kWh)	11,230	11,230	10,442	9,850	9,850	9,850	9,850	9,850	9,850	9,850	9,850	9,850	9,850	9,850	9,850
20															
21 Adj Fuel Consumed for Efficiency Factor (MMBtu)	4,784,479	4,567,169	4,262,385	3,936,904	3,908,195	3,672,352	3,306,226	2,719,428	2,761,538	2,825,313	2,878,625	2,930,375	2,977,434	3,037,121	3,094,869
22 Actual Fuel Cost (\$/MMBtu)	\$23.32	\$13.23	\$17.80	\$23.36	\$24.89	\$24.37	\$22.14	\$21.90	\$21.92	\$21.95	\$22.19	\$22.17	\$22.14	\$22.16	\$22.16
23															
24 Equivalent Base Fuel Cost (\$/MMBtu)	\$4.31	\$4.31	\$11.33	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36	\$17.36
25 Equivalent Purchased Power Cost (\$/kWh)	\$0.046	\$0.046	\$0.110	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174	\$0.174
26															
27 ERAC Revenue Components (\$000)															
28 KIUC Fuel Costs	\$98,148	\$51,952	\$68,900	\$90,533	\$94,033	\$87,605	\$69,473	\$57,027	\$58,048	\$59,493	\$46,266	\$47,289	\$48,182	\$49,452	\$50,658
29 KIUC Purch Power Costs - Excl NEM, Sched Q, KRS1, and KRS2	5,959	3,724	4,212	7,194	7,741	10,017	12,085	17,050	17,368	17,607	17,868	18,157	18,502	18,744	19,041
30 KIUC Purchased Power Costs - KRS1	0	0	0	0	0	0	969	3,460	3,425	3,390	3,353	3,315	3,277	3,236	3,195
31 KIUC Purchased Power Costs - KRS2	0	0	0	0	0	0	1,473	2,956	2,968	2,958	2,933	2,939	2,946	2,944	2,946
32 ERAC Excess	13,633	8,493	6,965	1,429	3,246	1,902	3,741	2,517	2,485	2,521	17,610	17,681	17,726	17,839	17,910
33 Fuel and Purchased Power in Base Rates	(21,929)	(21,071)	(51,336)	(74,396)	(73,859)	(72,566)	(72,472)	(73,479)	(74,290)	(75,319)	(76,210)	(77,117)	(78,008)	(78,977)	(79,983)
34 Tax on Fuel and Purchased Power	8,446	3,098	2,146	2,370	2,624	2,444	1,124	684	733	793	(565)	(528)	(498)	(449)	(404)
35 Tax on ERAC Excess	1,380	828	679	139	317	186	365	245	242	246	1,717	1,724	1,729	1,740	1,747
36 Total	\$105,636	\$47,025	\$31,566	\$27,268	\$34,101	\$29,587	\$16,757	\$10,460	\$10,980	\$11,688	\$12,972	\$13,461	\$13,856	\$14,530	\$15,110
37															
38 Revenue from Efficiency Factor (\$000)															
39 ERAC Efficiency Adjustment	\$13,633	\$8,493	\$6,965	\$1,429	\$3,246	\$1,902	\$3,741	\$2,517	\$2,485	\$2,521	\$17,610	\$17,681	\$17,726	\$17,839	\$17,910
40 Tax on Efficiency Adjustment	1,380	828	679	139	317	186	365	245	242	246	1,717	1,724	1,729	1,740	1,747
41 Total	\$15,013	\$9,321	\$7,645	\$1,568	\$3,562	\$2,088	\$4,106	\$2,763	\$2,728	\$2,767	\$19,327	\$19,406	\$19,455	\$19,579	\$19,656
42															
43 ERAC Rate Components (\$/kWh)															
44 KIUC Fuel Costs	\$0.217	\$0.119	\$0.159	\$0.208	\$0.217	\$0.207	\$0.165	\$0.133	\$0.134	\$0.135	\$0.104	\$0.105	\$0.106	\$0.107	\$0.108
45 KIUC Purchased Power Costs - Existing	\$0.013	\$0.009	\$0.010	\$0.017	\$0.018	\$0.024	\$0.029	\$0.040	\$0.040	\$0.040	\$0.040	\$0.040	\$0.041	\$0.041	\$0.041
46 KIUC Purchased Power Costs - KRS1	NA	NA	NA	NA	\$0.000	\$0.000	\$0.002	\$0.008	\$0.008	\$0.008	\$0.008	\$0.007	\$0.007	\$0.007	\$0.007
47 KIUC Purchased Power Costs - KRS2	NA	NA	NA	NA	\$0.000	\$0.000	\$0.004	\$0.007	\$0.007	\$0.007	\$0.007	\$0.007	\$0.006	\$0.006	\$0.006
48 ERAC Efficiency Adjustment	\$0.030	\$0.020	\$0.016	\$0.003	\$0.007	\$0.004	\$0.009	\$0.006	\$0.006	\$0.006	\$0.040	\$0.039	\$0.039	\$0.039	\$0.038
49 Fuel and purchased power in base rates	(\$0.048)	(\$0.048)	(\$0.118)	(\$0.171)	(\$0.171)	(\$0.171)	(\$0.173)	(\$0.172)	(\$0.172)	(\$0.172)	(\$0.172)	(\$0.171)	(\$0.171)	(\$0.171)	(\$0.171)
50 Tax on Fuel and Purchased Power	\$0.019	\$0.007	\$0.005	\$0.005	\$0.006	\$0.006	\$0.003	\$0.002	\$0.002	\$0.002	(\$0.001)	(\$0.001)	(\$0.001)	(\$0.001)	(\$0.001)
51 Tax on Efficiency Adjustment	\$0.003	\$0.002	\$0.002	\$0.000	\$0.001	\$0.000	\$0.001	\$0.001	\$0.001	\$0.001	\$0.004	\$0.004	\$0.004	\$0.004	\$0.004
52 Total (before other adjustments)	\$0.233	\$0.108	\$0.073	\$0.063	\$0.079	\$0.070	\$0.040	\$0.024	\$0.025	\$0.027	\$0.029	\$0.030	\$0.030	\$0.031	\$0.032

Appendix F
RESOLUTION OF THE BOARD OF DIRECTORS
OF KAUA'I ISLAND UTILITY COOPERATIVE

**RESOLUTION 06-13 OF THE
BOARD OF DIRECTORS OF
KAUA'I ISLAND UTILITY COOPERATIVE ("KIUC")**

WHEREAS, pursuant to Resolution 11-04 of the Board of Directors of KIUC, the adopted its first Equity Management Plan ("EMP") (the "2004 KIUC EMP") which KIUC submitted to and was approved by the Hawaii Public Utilities Commission ("HPUC"); and

WHEREAS, pursuant to Resolution 06-09 of the Board of Directors of KIUC, the adopted its 2009 Equity Management Plan ("EMP") (the "2009 KIUC EMP") which KIUC submitted to and was approved by the Hawaii Public Utilities Commission ("HPUC"); and

WHEREAS, KIUC engaged the firm of SAIC Energy, Environment & Infrastructure, LLC ("SAIC") to assist in the revision and updating of the 2009 KIUC EMP; and

WHEREAS, a revised and updated EMP has been developed by KIUC Staff and SAIC (the "2013 KIUC EMP"); and

WHEREAS, the Board is satisfied that the proposed 2013 KIUC EMP meets the necessary criteria, and is appropriate for adoption as the 2013 KIUC EMP for use in evaluating financial options, for use in various regulatory proceedings and for use with KIUC's Lenders.


NOW, THEREFORE, be it hereby RESOLVED by the Board of Directors of KIUC that the 2013 Equity Management Plan of KIUC attached hereto as Exhibit "A" (the "2013 KIUC EMP") be and is hereby adopted as the 2013 Equity Management Plan

of Kaua'i Island Utility Cooperative, and that the President and CEO of KIUC is authorized and directed use said 2013 KIUC EMP as aforesaid.

SECRETARY'S CERTIFICATE

The undersigned Secretary of KIUC hereby certifies that the foregoing Resolution of the Board of Directors of KIUC was duly adopted at the Meeting of the Board of Directors held on September 24, 2013, at Līhu'e, Kaua'i, Hawai'i.

Dated this 24th day of September, 2013, at Līhu'e, Kaua'i, Hawai'i.



David Iha
Secretary