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November 3, 2023

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

RE: Docket No. 2022-0208 (In the Matter of the Application of Kauai Island Utility Cooperative For Approval of Rate Changes and Increases, Revised Rate Schedules and Rules, and Other Matters) – Parties’ Settlement Letter/Agreement and Statement of Probable Entitlement

Dear Commissioners and Commission Staff:

Pursuant to Procedural Order No. 40145 issued on August 7, 2023 (“Procedural Order No. 40145”), as amended by Order No. 40248 issued on September 12, 2023 (“Order No. 40248”), both in the subject docket, the Parties<sup>1</sup> hereby submit this stipulated Settlement Letter/Agreement and Statement of Probable Entitlement (hereinafter referred to as “Stipulation”).

By submission of this Stipulation, the Parties respectfully inform the Commission that the Parties have, in principle, resolved all of their differences and have reached a global settlement on their previously filed areas of disagreement or dispute. This submission also requests certain modifications to the remaining procedural steps, which are further discussed herein.

For reference purposes, the following page provides a table of contents:

<sup>1</sup> As noted in footnote 1 of Procedural Order No. 40145, the Parties to the docket are Kauai Island Utility Cooperative (“KIUC”) and the Division of Consumer Advocacy (“Consumer Advocate”).

**Table of Contents**

I.	SUMMARY OF STIPULATION .....	2
II.	DISCUSSION OF STIPULATION .....	4
II.A	Adjustment C-1 (Depreciation Expense) .....	4
II.B	Adjustment C-2 (Vacancies/Unfilled Positions), C-5 (Payroll Tax) and C-6 (Employee Benefit Expenses) .....	6
II.C	Adjustment C-3 (Vegetation Management) .....	7
II.D	Adjustment C-4 (Christmas Party/Other Non-Essential Expenses) .....	9
II.E	Adjustment C-7 (Recovery of Pension Regulatory Asset) .....	9
II.F	Adjustment C-8 (Recovery of Lost Gross Margin (“LGM”) Regulatory Asset) .....	12
II.G	Adjustment C-9 (Fuel and Purchased Power Expense) / Energy Rate Adjustment Clause (“ERAC”).....	13
II.H	DSC Ratio Adjustment.....	18
II.I	Rate Design/Revenue Distribution Adjustment.....	19
II.J	DLNR Rent Adjustment / Waiahi Hydro Plants .....	22
III.	REVENUE ALLOCATION, RATE DESIGN AND TARIFF REVISIONS .....	22
IV.	PROCEDURAL ORDER ISSUES.....	23
V.	FINAL AND/OR INTERIM RELIEF AND TIMING OF APPROVAL REQUESTS..	27
V.A	Statement of Probable Entitlement.....	28
VI.	REQUESTED MODIFICATIONS TO REMAINING PROCEDURAL STEPS .....	28
VII.	STIPULATED MATTERS.....	28
VIII.	GLOBAL SETTLEMENT OF ALL ISSUES .....	29
IX.	RECORD .....	29

**I. SUMMARY OF STIPULATION**

In its Application filed on December 28, 2022 in the subject docket (“Application”), KIUC sought and provided various exhibits and testimonies in support of its request for a net increase in its electric revenues of \$16.7 million based on a 2023 test year (“TY”), resulting in a total revenue requirement amount of \$193.7 million and an approximate 9.42% increase over the pro forma total electric revenue TY amount of

\$177.0 million at present rates. See Exhibit 6 of the Application, which the Consumer Advocate reproduced using its format in the Consumer Advocate Direct Testimonies (defined below) on Exhibit CA-201, Schedule A-1.

In its Direct Testimonies, Exhibits, and Workpapers filed on August 30, 2023 in the subject docket (“Consumer Advocate Direct Testimonies” or “Direct Testimonies”), the Consumer Advocate recommended various adjustments (“CA DT Adjustments”) discussed in Section II (Discussion of Stipulation) below. Based on these adjustments, the Consumer Advocate recommended a revenue increase of \$12.234 million, as shown and calculated in Exhibit CA-201, Schedule A-2 of the Consumer Advocate Direct Testimonies (line 28, column D), resulting in a total revenue requirement amount of \$189.268 million (line 23, column D) and an approximate 6.91% increase (line 24, column D) over the pro forma electric revenue TY amount of \$177.0 million (line 22, column D)<sup>2</sup> at present rates. See also page 5 of CA-T-1. Schedule B of Exhibit CA-201 shows the approximate revenue impact of each of the CA DT Adjustments, and Schedule C shows the adjusted operating income resulting from the CA DT Adjustments.

Thereafter, on October 5, 2023, KIUC filed its Rebuttal Testimonies to the Division of Consumer Advocacy’s Direct Testimonies, Exhibits, and Workpapers (“KIUC Rebuttal Testimonies” or “Rebuttal Testimonies”). KIUC’s positions in its Rebuttal Testimonies reduced the net revenue increase from \$16.7 million in the Application to \$16.141 million, resulting in a total revenue requirement of \$193.175 million and an approximate 9.12% increase over the pro forma TY electric revenue amount of \$177.0 million at present rates. See Attachment RT-201, at Schedule RT-A, provided as part of Ms. Stacie A. Dellamano’s rebuttal testimony (KIUC RT-200). As noted on page 4 of KIUC RT-200, Attachment RT-201 follows the presentation that the Consumer Advocate used in its Exhibit CA-201 referred to above.

**Exhibit 1** attached hereto shows the revenue requirement and revenue increase resulting from this Stipulation, which uses the same overall presentation that the Consumer Advocate used in Exhibit CA-201 of its Direct Testimonies and that KIUC used in Attachment RT-201 of its Rebuttal Testimonies, with the exception of adding a Summary Schedule on the first page (Schedule SS-Summary) for ease of reference.

As shown in the Summary Schedule (Schedule SS-Summary) on page 1 of **Exhibit 1**, the Parties have stipulated to a net increase in electric revenues of \$14.037 million (line 1 and 51, column D), resulting in a total revenue requirement amount of \$190.575 million (line 1, column E) and an approximate 7.95% increase

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<sup>2</sup> As noted on page 13 of CA-T-2, the Consumer Advocate did not recommend any adjustments to KIUC’s estimated revenue estimates at current rates.

(line 52, column D) over the pro forma electric revenue TY amount of \$176.54 million (line 1, column C) at present rates.<sup>3</sup>

## II. DISCUSSION OF STIPULATION

In deriving its recommended revenue increase of \$12.234 million in its Direct Testimonies, the Consumer Advocate extensively reviewed the various information submitted by KIUC in the Application and in response to numerous information requests, and recommended various adjustments (i.e., the CA DT Adjustments). A discussion of each of the CA DT Adjustments recommended in the Consumer Advocate Direct Testimonies, together with the resulting stipulation and adjustments agreed upon or stipulated to between the Parties, are each separately addressed by adjustment in Section II.A (Adjustment C-1 – Depreciation Expense) to Section II.I (Rate Design/Revenue Distribution Adjustment) below. In addition, the Parties also stipulated to an additional adjustment not included in the Consumer Advocate Direct Testimonies but proposed in the KIUC Rebuttal Testimonies as discussed in Section II.J (DLNR Rent Adjustment / Waiahi Hydro Plants) below.<sup>4</sup>

### II.A Adjustment C-1 (Depreciation Expense)

The Consumer Advocate's witness Mr. William W. Dunkel recommended various adjustments to KIUC's proposed depreciation rates set forth in NewGen Strategies and Solutions, LLC's ("NewGen") 2017 depreciation study (submitted as Attachment NHH-1102 of the subject Application), as further discussed in Mr. Dunkel's testimony (CA-T-4). The result of these adjustments (i.e., Adjustment C-1) is shown in the Consumer Advocate Direct Testimonies on Schedule C-1 of Exhibit CA-201. In response, and as part of the KIUC Rebuttal Testimonies, KIUC's witness

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<sup>3</sup> The Parties note that the difference between (1) the pro forma total electric revenue TY amount of \$177.0 million at present rates set forth in the Application, the Consumer Advocate Direct Testimonies and the KIUC Rebuttal Testimonies, and (2) the \$176.54 million amount set forth in Schedule SS-Summary (line 1, column C) (page 1 of **Exhibit 1**) is due to a \$496,000 downward adjustment (line 1, column B), which adjustment is reflected in Schedule SS-C-11 (page 21 of **Exhibit 1**). This adjustment is due to the Parties' agreement to reduce KIUC's generation conversion factor/sales heat rate from 9,850 Btu/kWh to 9,750 Btu/kWh as discussed in Section II.G.2 (Generation Conversion Factor/Sales Heat Rate) below.

For a similar reason, the Parties note that Schedule SS-B-1 (page 3 of **Exhibit 1**) reflects a net \$452,000 adjustment that is also due to the reduction of KIUC's generation conversion factor/sales heat rate from 9,850 Btu/kWh to 9,750 Btu/kWh. This upward adjustment as reflected in Schedule SS-B-1 was made to reflect the Parties' stipulation that KIUC's revenue requirement for purposes of this proceeding should be calculated using a DSC Ratio of 1.695 as discussed in Section II.H (DSC Ratio Adjustment) below.

<sup>4</sup> See also immediately preceding footnote regarding the additional \$452,000 adjustment that is reflected in Schedule SS-B-1 and Schedule SS-C-11 of **Exhibit 1**.

Ms. Nancy Heller Hughes of NewGen submitted rebuttal testimony (KIUC RT-1100) responding to each of Mr. Dunkel's comments. Ms. Hughes also responded to the Consumer Advocate's rebuttal information requests CA-RIR-58 to 69, which responses were filed in the subject docket on October 23, 2023.

However, as noted in the rebuttal testimony of Ms. Stacie Dellamano (KIUC RT-200), at page 7, as well as by the Consumer Advocate on pages 21-22 of its Direct Testimonies at CA-T-2, and as discussed in KIUC's response to the Consumer Advocate's information request CA-IR-233, under the agreed upon use of the Debt Service Coverage ("DSC") Ratio, adjustments to the TY depreciation expense have no impact on KIUC's requested revenue requirement or revenue increase. As a result, the differences between the Consumer Advocate's witness Dunkel and KIUC's witness Hughes do not need to be addressed as part of this rate proceeding.<sup>5</sup>

Further, the Parties also recognized that, as further discussed by Ms. Dellamano on pages 7-8 of KIUC RT-200, the Commission approved the Consumer Advocate's request in Docket No. 2015-0127 to adopt the recommendation set forth in KIUC's 2012 depreciation study that a review of KIUC's depreciation rates should be conducted every three to five years, and consistent with that timeline, KIUC has already contracted with NewGen to perform a new depreciation study based on plant-in-service as of December 31, 2022. In Ms. Dellamano's rebuttal testimony (KIUC RT-200 at page 8), she recommended that KIUC be allowed to implement its proposed depreciation rates as set forth in the Application immediately. KIUC would then focus on having NewGen complete the next depreciation study, and upon receipt of approval by KIUC's lender Rural Utilities Service ("RUS"), KIUC will submit an application with the Commission seeking approval of any resulting depreciation rate changes. Ms. Dellamano contended that it would be a more efficient use of resources to allow KIUC to focus on its next depreciation study under the circumstances (which would also be based on more current plant-in-service information).

During settlement discussions, the Parties agreed to the following:

- Consistent with the 3-5 year timeline set forth in Docket No. 2015-0127 as noted above, KIUC should focus on having NewGen complete the next depreciation study (which will be based on KIUC's plant-in-service as of December 31, 2022).
- The Consumer Advocate proposed and KIUC agreed that instead of KIUC waiting to submit this next depreciation study and rates resulting from that study for Commission approval after it obtained RUS approval of said rates, KIUC would instead

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<sup>5</sup> Ms. Dellamano also responded to the Consumer Advocate's rebuttal information requests CA-RIR-70 to 72 on this issue, which responses were filed in the subject docket on October 23, 2023.

submit the depreciation study in a Commission proceeding prior to seeking RUS approval.

- Rather than adopting new/changed depreciation rates in this proceeding (in recognition of Mr. Dunkel's and Ms. Hughes' differing positions and that these depreciation rates do not impact KIUC's requested revenue requirement in this proceeding as noted above), the Consumer Advocate proposed and KIUC agreed that KIUC should not adopt or implement the depreciation rate changes submitted in the Application. Instead, KIUC will continue to use the existing depreciation rates approved in Docket No. 2015-0127 until such time that new or changed depreciation rates can be approved and implemented in connection with the next depreciation study that NewGen is preparing based on KIUC's plant-in-service as of December 31, 2022.

## **II.B Adjustment C-2 (Vacancies/Unfilled Positions), C-5 (Payroll Tax) and C-6 (Employee Benefit Expenses)**

The Consumer Advocate's witness Mr. Ralph C. Smith recommended an adjustment to reflect 12 vacancies in KIUC's staffing levels, resulting in a recommended reduction in KIUC's budgeted TY labor costs from 143 positions to 131 positions as discussed on pages 22-26 and 32-34 of his testimony (CA-T-2). In doing so, Mr. Smith noted, among other things, that at the beginning of 2023 and as of June 30, 2023, KIUC had 12 budgeted and unfilled positions. This resulted in Mr. Smith proposing downward adjustments to the TY O&M labor expenses (\$915,000), payroll taxes (\$73,000) and employee benefits (\$220,000), as shown in Schedule C-2, Schedule C-5, and Schedule C-6 of the Consumer Advocate's Exhibit CA-201, respectively. See pages 22-26, 32, and 32-34 of the Consumer Advocate's CA-T-2 for a discussion of the labor expense adjustment, payroll tax adjustment and employee benefit adjustment, respectively.

In the KIUC Rebuttal Testimonies, KIUC objected to this 12 vacancy adjustment. See Ms. Dellamano's rebuttal testimony (KIUC RT-200) at pages 11-17. Among other things, KIUC noted its various efficiency and cost cutting efforts over the years that have not only resulted in KIUC being able to avoid a general rate increase for over twelve years, but that have also enabled KIUC to reduce its staffing levels from 156 full-time equivalent ("FTE") positions at year-end 2010 to a current projected need for 143 FTEs on a going forward and normalized basis to maintain and ensure KIUC's ability to provide safe and reliable service to its customers/members and to meet various State requirements and objectives such as increased renewables and reducing the State's reliance on fossil fuels consistent with Hawaii Revised Statutes ("HRS") § 269-6(b). However, recognizing that KIUC will likely not be able to fill all of these positions within the 2023 TY and even though KIUC will still strive towards this 143 FTE staffing level, Ms. Dellamano on page 17 of KIUC RT-200 recommended that KIUC's TY labor costs be based on 140 FTE positions, reflecting a vacancy of 3 positions.

Additional information on this issue was provided by KIUC in response to the Consumer Advocate's rebuttal information requests filed on October 23, 2023 in the subject docket. See, e.g., the responses to CA-RIR-30, 31, 33, 34 and 39. Among other things, KIUC confirmed that its vacancy level as of September 30, 2023 and October 18, 2023 was 9 FTEs (CA-RIR-30, part g. and CA-RIR-39, part b.). KIUC also provided a status of its hiring efforts in its response to CA-RIR-34, noting that it expects to fill at least 3 of these vacant positions by or around the end of the 2023 TY.

During settlement discussions, the Consumer Advocate acknowledged the challenges discussed by KIUC to fill positions and proposed a 9 FTE vacancy adjustment based on KIUC's vacancy level as of September 30, 2023. In consideration of the Parties' ability to reach a global settlement on the other adjustments and despite KIUC believing that its actual vacancy level at or near the end of the TY would be less than a vacancy level of 9 employees, KIUC agreed to stipulate to this 9 vacancy adjustment, which results in KIUC's TY labor costs being based on 134 FTEs instead of the 143 FTE amount proposed in the Application. This results in stipulated downward adjustments of \$736,000, \$59,000, and \$165,000 for TY O&M labor expenses, payroll taxes and employee benefits as shown on Schedule SS-C-2, Schedule SS-C-5 and Schedule SS-C-6, respectively (pages 11, 15 and 16 of Exhibit 1, respectively). See also Schedule SS-B-1 (lines 3, 6 and 7) (page 3 of Exhibit 1).

## **II.C Adjustment C-3 (Vegetation Management)**

As discussed on pages 26-30 of the Consumer Advocate Direct Testimonies at CA-T-2, Mr. Smith proposed Adjustment C-3, which was a reduction of \$380,400 in KIUC's vegetation management expense (from \$1,891,800 to \$1,511,400), as shown on Schedule C-3 (page 1) of the Consumer Advocate's Exhibit CA-201. Mr. Smith based his TY expense for accounts 571 and 593 on the three-year average of actual expenses for the years 2020 through 2022. As discussed on pages 12-14 of the Consumer Advocate's CA-T-1, Mr. Nishina noted the recent wildfires that occurred throughout the State and their resulting devastation, and stated that these events highlight the need for careful consideration of not only recorded expenses but also the need for improvement of risk mitigation. As such, while Mr. Smith recommended an adjustment to reflect KIUC's recorded expenditures, assuming that KIUC is willing to take recommended interim measures (set forth below), the Consumer Advocate stated that it is willing to revisit this expense item since vegetation management is a reliability and wildfire mitigation measure. As discussed on page 30 of the Consumer Advocate's CA-T-2, Mr. Smith recommended that KIUC "provide an annual report on vegetation management compliance, which should provide a comparison of budget to actual miles of T&D cleared as well as dollars spent as well as an assessment of reliability and outage frequency and duration. KIUC should also assess and report on its wildfire risk and should address how the vegetation management activities are affecting that risk

assessment” (hereafter defined as the “Vegetation Management Reporting Requirement”).

For the reasons discussed by Ms. Dellamano in her rebuttal testimony (KIUC RT-200 at pages 18-20), KIUC disagreed with Mr. Smith’s use of a three-year average of actual expenses for the years 2020 through 2022 (i.e., right in the midst of the COVID-19 pandemic and its numerous impacts), stating that it is not appropriate and materially understates the expenses that can be expected on an ongoing and normalized basis, for the reasons discussed by Mr. David Bissell in his direct testimony (Exhibit 10-T-100 of the Application), at pages 16-22, and especially in light of the August 2023 wildfires that devastated Lahaina and other parts of the State. As a result, Ms. Dellamano stated that KIUC expects that materially more time and expense will be required in vegetation management efforts than what KIUC budgeted for in its TY revenue requirement, where she also noted KIUC’s intent to engage the services of a specialized consultant to help explore and recommend possible fire mitigation measures that KIUC may want to undertake (which consultant has since been retained).<sup>6</sup>

However, having said the above, Ms. Dellamano then stated in her rebuttal testimony that even though KIUC expects that its actual vegetation management expenses on a going forward basis will be greater than what KIUC budgeted for when it initially developed its TY revenue requirement as part of the Application (which includes the retention of the specialized consultant noted above), in the interest of resolving this matter and potentially providing the Commission with fewer issues to have to deliberate and rule upon, and also in recognition of the importance of this assessment in light of the recent wildfire events, KIUC would accept the Consumer Advocate’s Vegetation Management Reporting Requirement in exchange for no adjustment to KIUC’s TY vegetation management expense from that set forth in the Application. See pages 19-21 of KIUC RT-200.

During settlement discussions, the Consumer Advocate confirmed its agreement on the above, and as a result, the Parties have stipulated to (1) no Adjustment C-3 (i.e., no adjustment to KIUC’s TY vegetation management expense of \$1,891,800); and (2) KIUC complying with the Consumer Advocate’s recommended Vegetation Management Reporting Requirement. The Parties agreed that the annual report will be filed by March 31 of each calendar year covering the prior full calendar year, starting on March 31, 2024.

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<sup>6</sup> In its response to the Consumer Advocate’s rebuttal information request CA-RIR-35, filed on October 23, 2023 in the subject docket, KIUC confirmed that it retained Brown & Kysar, Inc. as the specialized consultant.

## **II.D Adjustment C-4 (Christmas Party/Other Non-Essential Expenses)**

As discussed on pages 30-32 of the Consumer Advocate's CA-T-2 and reflected on Schedule C-4 of its Exhibit CA-201, the Consumer Advocate recommended the removal of \$38,500 from KIUC's TY revenue requirement for amounts budgeted for the following events: Christmas Party, Community Participation Event, CAK Home Show, County Farm Bureau Fair and Waimea & Rice St. Light Parade, stating that these are not essential for the provision of utility service and can thus be avoided and should not be included as part of KIUC's TY revenue requirement.

As discussed on pages 21-22 of Ms. Dellamano's rebuttal testimony (KIUC RT-200), KIUC contended that these costs are just and reasonable. However, Ms. Dellamano further stated that in recognition that the County Farm Bureau Fair has not yet resumed after the COVID-19 pandemic, and for purposes of minimizing the issues that the Commission may need to deliberate and rule upon in this proceeding, KIUC will agree to remove the \$38,500 from its 2023 Test Year revenue requirement.

As a result, the Parties have stipulated to Adjustment C-4 (i.e., the removal of this \$38,500 amount from KIUC's Test Year revenue requirement), which stipulated adjustment (but rounded up to \$39,000) is reflected on Schedule SS-B-1 (line 5) and Schedule SS-C-4 (pages 3 and 14 of **Exhibit 1**, respectively).

## **II.E Adjustment C-7 (Recovery of Pension Regulatory Asset)**

In KIUC's Application, KIUC proposed to amortize over a 10-year period the balance of \$9.52 million that was recorded as a regulatory asset pursuant to the Commission's authorization in the last rate case proceeding (Docket No. 2009-0050), which resulted in a proposed annual TY amortization amount of \$952,000.

In the Consumer Advocate Direct Testimonies, Mr. Smith recommended an adjustment (i.e., Adjustment C-7) to remove KIUC's proposed recovery of the pension asset from the revenue requirement, for the reasons discussed by Mr. Smith on pages 16-17 and 34-41 of CA-T-2. In taking this position, Mr. Smith noted that as it pertains to the Hawaiian Electric Companies, there have been changes in the market that flipped the regulatory balance from an asset to a liability for the Hawaiian Electric Companies. Mr. Smith also stated that the Consumer Advocate has previously advocated that utility companies explore other forms of retirement benefits and move away from defined benefit pension plans, just like many U.S. corporations have already done, and thus avoid the exposure to significant year-to-year volatility in pension costs, and that postponing the rate impact of KIUC's tracked pension cost differences could provide an incentive for KIUC to consider and pursue other forms of retirement benefits that are not subject to such cost volatility.

As part of the KIUC Rebuttal Testimonies, Ms. Dellamano and Mr. William (Bill) Collet submitted testimony opposing this adjustment for various reasons, stating among other things that

- (1) KIUC's customers/members benefited from the annual accruals made to the pension regulatory asset. Specifically, to the extent the annual contributions to the National Rural Electric Cooperative Association ("NRECA") administered pension plan exceeded the \$2.64 million pension expense reflected in the Commission approved revenue requirement for Docket No. 2009-0050, KIUC's annual net margin was higher than it would have been had the entire actual pension contribution been reflected as the annual pension expense. This benefitted KIUC's customers/members by enabling KIUC to record a larger credit to each members' patronage capital account than if KIUC's actual pension contribution was recorded.
- (2) The pension regulatory asset represents actual contributions made by KIUC to the pension plan administered by NRECA, which is a multi-employer pension plan that NRECA administers for over 850 electric cooperatives to gain economies of scale to control pension costs.
- (3) The NRECA pension plan premium is a necessary cost of service since it reflects an electric cooperative industry standard benefit provided to KIUC's employees. KIUC also noted that cooperatives typically pay less compensation than its investor-owned utility counterparts including not being able to provide stock options or other stock-based incentive compensation plans, and as such pension plans are more important to electric cooperative employees and to the cooperative itself to attract and retain qualified employees. Moreover, because of the widespread use of the NRECA pension plan throughout the cooperative industry, the NRECA pension benefit offered by KIUC is a normal and reasonable cost for KIUC as an electric cooperative to incur. For example, KIUC's recruiting efforts for employees that have electric cooperative industry experience comes with the expectation that KIUC will offer the industry standard NRECA pension benefit that provides a prospective KIUC employee with seamless pension benefit accruals within the same NRECA sponsored multi-employer pension plan. Proposing a replacement or adverse changes to KIUC's core benefit offerings that are consistent with those offered by other electric cooperatives who are potentially competing with KIUC for the same employee talent would be unreasonable and could adversely impact KIUC's ability to attract and retain skilled employees.
- (4) Despite Mr. Smith's concerns regarding the volatility of the Hawaiian Electric Companies' pension plan costs, the NRECA pension plan has not shown

such volatility, where even though KIUC's annual pension expense has in general been increasing since the conclusion of its last rate case in Docket No. 2009-0050, it has remained relatively stable over the last few years.

For a further discussion of KIUC's rebuttal position as summarized above, see Ms. Dellamano's rebuttal testimony (KIUC RT-200) at pages 22 to 34, and Mr. Collet's rebuttal testimony (KIUC RT-300) at pages 15-17 and 24 to 32. See also KIUC's responses to the Consumer Advocate's rebuttal information requests CA-RIR-26, part e. and CA-RIR-36, filed in the subject docket on October 23, 2023.

In conclusion, on page 34 of her rebuttal testimony (KIUC RT-200), Ms. Dellamano stated that even though KIUC continues to believe and contends that a 10-year amortization period as proposed in the subject Application is prudent and reasonable, KIUC would not oppose extending the amortization period for up to 20 years if the Commission determined that the amortization period should be longer than 10 years. KIUC restated this in its responses to the Consumer Advocate's rebuttal information requests CA-RIR-36, part f. and CA-RIR-41, part b., filed on October 23, 2023 in the subject docket. See also KIUC's response to PUC-KIUC-IR-1, part a. filed in the subject docket on November 1, 2023.

Following discussions between the Parties, and also in consideration of the Parties' ability to reach a global settlement on the Parties' other areas of differences, the Parties stipulated to a 20-year amortization period for the recovery of the pension regulatory asset, which results in a TY amortization amount of \$476,000 for the pension regulatory asset instead of the \$952,000 amount included as part of KIUC's Application. This is reflected on Schedule SS-C-7 (page 17 of **Exhibit 1**).<sup>7</sup>

In addition to the above, the Parties also stipulated to the following and requests that the Commission approve and reflect the below in its decision and/or order(s) in this proceeding:

- **Annual Report.** As a condition to accepting this 20-year amortization, the Consumer Advocate proposed, and KIUC agreed, that KIUC would provide an annual report on the current balance of the pension asset/liability that reflects both the tracked difference between the actuary reported net periodic pension cost and the amount included in base rates and the cumulative amount recovered through the inclusion of

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<sup>7</sup> As noted in footnote 10 of Ms. Dellamano's rebuttal testimony (KIUC T-200) and footnote 4 of the response to the Consumer Advocate's rebuttal information request CA-RIR-36, the \$476,000 amount reflects the gross annual amortization. A portion of the annual pension expense is allocated to capital, with the remainder after allocation (i.e., \$384,000) reflected as an operating expense as shown on Attachment RT-201, Schedule RT-B-1 (line 8, column B) of the KIUC Rebuttal Testimonies, and on Schedule SS-B-1 (line 8) and Schedule SS-C-7 (line 16, column L) (pages 3 and 17 of **Exhibit 1**, respectively).

the 20-year amortization in base rates. This report will be filed by May 1 of each calendar year starting on May 1, 2024; provided that KIUC shall have the option to instead include this information as part of its annual financial report filed with the Commission by March 31 of each year.

- Update of Pension Tracking Mechanism. Consistent with the information to be submitted in the annual report, the pension tracking mechanism established in Docket No. 2009-0050 should be updated to reflect the 2023 TY pension expense of \$3.84 million (instead of the \$2.64 million 2010 test year pension expense resulting from the Docket No. 2009-0050 revenue requirement), with the ratemaking treatment of any resulting accrued asset or liability to be determined as part of KIUC's next general rate proceeding. For additional information, see KIUC's response to PUC-KIUC-IR-1, part b., filed in the subject docket on November 1, 2023.

## **II.F Adjustment C-8 (Recovery of Lost Gross Margin ("LGM") Regulatory Asset)**

With respect to KIUC's proposed recovery of its LGM regulatory asset (i.e., \$1.28 million TY amount based on the \$12.8 million LGM regulatory asset balance amortized over a 10-year period), the Consumer Advocate recommended an adjustment to a 15-year amortization period. This 15-year amortization period (instead of the 10-year amortization period proposed in the Application) resulted in the Consumer Advocate recommending a \$426,000 reduction in the TY amortization amount (i.e., from \$1.278 million as set forth in the Application to \$852,000 as recommended in the Consumer Advocate Direct Testimonies), as reflected on Schedule C-8 of the Consumer Advocate's Exhibit CA-201. In the KIUC Rebuttal Testimonies, and although KIUC disagreed with some of the underlying rationale or bases for the above adjustment as discussed by Ms. Dellamano (KIUC RT-200 at pages 34-35) and Mr. Collet (KIUC RT-300) at pages 17-24, KIUC did not oppose the Consumer Advocate's recommendation for KIUC to recover the LGM regulatory asset over a 15-year amortization period.

As a result, the Parties have stipulated to a 15-year amortization period for the recovery of the LGM regulatory asset (instead of the 10-year amortization period proposed in the Application), resulting in a stipulated \$426,000 reduction in the TY amortization amount (i.e., from \$1.278 million as set forth in the Application to the \$852,000 amount reflected in the Consumer Advocate Direct Testimonies). This stipulated adjustment is reflected on page 18 of **Exhibit 1**, Schedule SS-C-8.<sup>8</sup>

In addition, during settlement discussions, the Consumer Advocate continued to raise its interest in KIUC also applying excess earnings toward LGM regulatory asset

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<sup>8</sup> The Parties note that Schedule SS-B-1 (page 3 of **Exhibit 1**) shows a downward adjustment amount of \$388,000 (line 9, column F). This reflects the \$426,000 adjustment adjusted for \$38,000 in tax expense as shown in Schedule SS-C-8 on page 18 of **Exhibit 1**.

recovery if KIUC achieves amounts of earnings above the target DSC. Specifically, the Parties note the following statement made in the Consumer Advocate Direct Testimonies on pages 15-16 of CA-T-2, which states the following, in relevant part:

For purposes of calculating KIUC's revenue requirement, I have used a 15-year amortization period. Additionally, if KIUC achieves amounts of earnings above the target DSC, those excess earnings could be applied toward LGM regulatory asset recovery.

This was further discussed between the Parties where the Consumer Advocate noted that this may allow the regulatory asset balance to be written off sooner, thus potentially mitigating the complexity and arguments that would occur in a future rate case proceeding if there is an unamortized balance remaining at that time. In recognition of this and for settlement purposes, KIUC agreed and the Parties stipulate to the following:

- Above 1.695 DSC Ratio. To the extent KIUC achieves a DSC in excess of the 1.695 DSC Ratio stipulated to in Section II.H (DSC Ratio Adjustment) in a given year, it would apply any excess remaining toward LGM regulatory asset recovery.
- Annual Report. KIUC will provide an annual report on the current balance of the LGM regulatory asset that reflects the cumulative amount recovered through the inclusion of the 15-year amortization in base rates, as well as any excess amounts above the 1.695 DSC Ratio that were applied toward LGM regulatory asset recovery. This report will be filed by May 1 of each calendar year starting on May 1, 2024, and KIUC may combine this report with the annual pension report or its annual financial report as noted in Section II.E (Adjustment C-7 -Recovery of Pension Regulatory Asset) above.

## **II.G Adjustment C-9 (Fuel and Purchased Power Expense) / Energy Rate Adjustment Clause ("ERAC")**

The Consumer Advocate, through its witness Mr. Trey A. Shepherd (CA-T-3), made several adjustments and recommendations to reflect his production simulation modeling results in the following categories: (1) TY Fuel and Purchased Power Expense (Adjustment C-9); (2) Generation Conversion Factor/Sales Heat Rate; (3) Downward-Only Adjustment of Generation Conversion Factor/Sales Heat Rate; (4) ECA Factor at Current Rates; (5) Fuel Oil Inventory; and (6) ERAC Mechanism/Tariff Cost of Fuel and Purchased Energy. Each of these are separately discussed in the subsections that follow.

1. TY Fuel and Purchased Power Expense (Adjustment C-9):

In its Direct Testimonies, the Consumer Advocate recommended that KIUC's TY fuel expense should be increased by \$1.522 million and purchased power expense be decreased by \$815,000 for a net increase to the TY fuel and purchased power expense of \$707,000, as reflected on page 48 of the Consumer Advocate's CA-T-2 and Schedule C-9 of the Consumer Advocate's Exhibit CA-201. This resulted in the Consumer Advocate recommending a TY fuel expense of \$45,039,789 and purchased power expense of \$46,780,437. See also pages 4-5 and 16-31 of the Consumer Advocate's CA-T-3.

In his rebuttal testimony submitted on behalf of KIUC (KIUC RT-900 at pages 6-7), Mr. Brad Rockwell stated his belief that both Mr. Shepherd's test year fuel and purchased power expense amounts as well as the amounts set forth in KIUC's Application are both reasonable estimates, with the differences between the two illustrating among other things the difficulty in attempting to estimate with any degree of certainty actual dispatch, fuel usage and the actual price of fuel at any given time especially given the volatile nature of fuel prices (which is part of the reason why fuel adjustment mechanisms such as KIUC's ERAC have been established). Mr. Rockwell also noted that regardless of which test year expense amounts are used for this expense item, they will be trued up anyway through the ERAC mechanism.

Following discussions on the above, the Consumer Advocate agreed to remove its proposed adjustments that would have resulted in a net increase to KIUC's TY fuel and purchased power expense of \$707,000, and as such, the Parties have stipulated to a TY fuel expense of \$43,518,000 and purchased power expense of \$47,595,000 as reflected on page 1 of **Exhibit 1**, Schedule SS-Summary (column E, lines 4 and 5, respectively).

2. Generation Conversion Factor/Sales Heat Rate:

As discussed on pages 5 and 36-47 of Mr. Shepherd's testimony submitted as the Consumer Advocate's CA-T-3 and as reflected in the Consumer Advocate's Exhibits CA-301 and CA-305, Mr. Shepherd recommended a TY generation conversion factor or sales heat rate of 0.009520 MMBtu/kWh-sales, which reflected a decrease of 0.000430 MMBtu/kWh-sales compared to KIUC's proposed generation conversion factor of 0.009950 MMBtu/kWh-sales. Mr. Shepherd also recommended that this generation conversion factor be incorporated into KIUC's ERAC.

In the rebuttal testimony of Mr. Rockwell (KIUC RT-900), at pages 7 to 20, KIUC discussed its various objections to the Consumer Advocate's generation conversion factor/sales heat rate, stating that it is extremely low and should not be adopted by the Commission because it very likely would not allow KIUC to recover its actual fuel and

purchased power expenses and thus would unduly threaten KIUC's financial integrity and fitness and ability to provide safe and reliable service. In support of this, Mr. Rockwell noted that KIUC has not even operated at Mr. Shepherd's generation conversion factor/sales heat rate since 2010. Mr. Rockwell also stated that this would in effect provide a disincentive and financial penalty on KIUC for taking the steps necessary and/or continuing to take the steps necessary to maintain system reliability to accommodate renewables, as KIUC would be required to keep its own fossil-fuel generating units online longer and/or at higher operating loads in order to meet Mr. Shepherd's unduly aggressive heat rate target of 9,520 Btu/kWh. Mr. Rockwell concluded by stating that while he continues to believe that the 9,950 level that KIUC proposed in its Application is appropriate, KIUC alternatively proposed to keep the generation conversion factor/sales heat rate the same as it currently is (i.e., 9,850 Btu/kWh, or 0.009850 million Btu/kWh as established in Docket No. 2009-0050).

Additional information further explaining and supporting KIUC's rebuttal position above was provided by KIUC in its responses to the Consumer Advocate's rebuttal information requests CA-RIR-47 to 51 and 53, 55 and 56, which responses were filed in the subject docket on October 23, 2023.

During settlement discussions, the Parties further discussed and analyzed the information provided by KIUC as summarized above, and the Consumer Advocate proposed a 9,750 Btu/kWh generation conversion factor/sales heat rate in response. Even though this is slightly lower than the 3-year average of KIUC's heat rate since the synchronous condenser feature was added to Kapaia Power Station ("KPS") in late 2019,<sup>9</sup> KIUC accepted this 9,750 amount for settlement purposes.<sup>10</sup>

3. No Downward-Only Adjustment of Generation Conversion Factor/Sales Heat Rate / Removal of 0.000050 Million Btu per kWh Range in ERAC:

In its Direct Testimonies, the Consumer Advocate recommended that the generation conversion factor/sales heat rate should be subject to an annual

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<sup>9</sup>  $[(9,656 + 9,744 + 9,930)/3] = 9,776.67$ . See Attachment CA-RIR-47a provided in response to the Consumer Advocate's information request CA-RIR-47. As discussed in Mr. Rockwell's rebuttal testimony (KIUC RT-900) at pages 15 and 22, the synchronous condenser feature added to KPS in late 2019 has allowed KIUC to better accommodate renewables and address their inherent intermittent nature and inverter limitations, and has enabled KIUC to operate at 100% renewable energy for periods of up to ten hours during any one day. However, this also results in KPS having to perform at a higher heat rate to address and accommodate these renewables. This is further discussed in KIUC's responses to the Consumer Advocate's rebuttal information requests CA-RIR-47, part h., CA-RIR-49, parts b. and d., CA-RIR-53, parts a. and d., CA-RIR-55, part b. and CA-RIR-56, part c., filed in the subject docket on October 23, 2023.

<sup>10</sup> This 9,750 Btu/kWh, or 0.009750 million Btu/kWh, amount is reflected as part of the stipulated tariff revisions submitted in **Exhibit 4** as noted in Section III (Revenue Allocation, Rate Design and Tariff Revisions) below.

downward-only adjustment based on the prior year's actual generation conversion factor/sales heat rate. See page 5 of the Consumer Advocate's CA-T-3. More specifically, Mr. Shepherd on behalf of the Consumer Advocate recommended that the efficiency factor used to calculate the Composite Cost of Generation in the ERAC and the generation conversion factor included in KIUC's tariff to calculate current generation cost should be adjusted downward by one-half of the difference between the prior year's actual efficiency factor and the target efficiency factor. See pages 47-49 of CA-T-3.

In its rebuttal testimonies, KIUC opposed this adjustment mechanism for the reasons discussed in Mr. Rockwell's KIUC RT-900 on pages 20-24. More specifically, and as further discussed and detailed in Mr. Rockwell's rebuttal testimony, KIUC contends that this adjustment mechanism (1) is unreasonable due to KIUC's not-for-profit cooperative structure; (2) is contrary to Act 162 (which was passed in the 2006 Hawaii legislative session and codified in HRS § 269-16(g)); (3) would place an undue risk on KIUC's financial integrity; (4) would disincentivize and essentially penalize KIUC from taking the steps necessary to encourage and incorporate renewables; and (5) would increase the need for frequent applications for general rate increases to account for changes to fuel costs.

Following further discussions between the Parties, the Consumer Advocate agreed to remove this recommended adjustment mechanism, such that KIUC's ERAC mechanism and generation conversion factor/sales heat rate will not be subject to the downward adjustment mechanism.

However, in doing so, the Parties also agreed to remove the +/- 0.000050 million Btu per kilowatt hour ("kWh") range currently set forth in KIUC's ERAC mechanism, such that KIUC would no longer have the ability to elect to recover only its actual fuel generation costs if it operated during any given month either below or above the range of 0.00980 million Btu per kWh to 0.00990 million Btu per kWh.<sup>11</sup> In stipulating to this removal, the Parties acknowledge that KIUC has never exercised this election.

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<sup>11</sup> KIUC's existing ERAC provision states the following, which the Parties have stipulated will be deleted from KIUC's tariff provisions in all applicable tariffed rate schedules:

In addition, for any given month, if the Company operates either below or above the range of 0.00980 million Btu per kilowatt hour to 0.00990 million Btu per kilowatt hour, the Company can elect to modify its Generation Component such that the Generation Component will recover only the difference between the Company's actual generation cost and base generation cost for that month by providing notice to the Commission together with a written report, which election will be effective upon the filing of the notice. This difference shall be reflected as an adjustment to the actual revenues collected for the period in question and applied as part of the reconciliation adjustment. The report will explain the reasons why the Company operated outside of the range, the expected duration that it will operate outside of the range, and, if the Company is operating above the range, what steps it will be taking to

4. ECA Factor at Current Rates:

In its Direct Testimonies, the Consumer Advocate recommended a TY Energy Cost Adjustment (ECA) factor at current rates of \$0.03547 per kWh, based on the Consumer Advocate's recommended adjustments for fuel and purchased power expenses. See pages 5 and 49 of the Consumer Advocate's CA-T-3 and Exhibits CA-301 and 311. This was not objected to by KIUC, where, as stated on page 24 of Mr. Rockwell's rebuttal testimony (KIUC RT-900), the TY ECA factor at current rates will not impact what KIUC ratepayers will pay in any given month, since the effective KIUC rates will reflect the actual fuel and purchased energy prices in effect for that month through ERAC.<sup>12</sup>

5. Fuel Oil Inventory:

In its Direct Testimonies, the Consumer Advocate recommended a TY fuel oil inventory of \$1,100,055, amounting to a decrease of \$834,390 to KIUC's TY estimate of \$1,935,345. This was calculated by the Consumer Advocate using its TY estimated consumption of ultra-low sulfur diesel (ULSD) at Port Allen Generating Station (PAGS) and Naphtha at Kapaia Power Station (KPS), the historical consumption of ULSD at KPS, 21 days inventory with an adjustment for Island Energy Services storage, and KIUC's TY fuel prices. See pages 5-6 and 49-56 of the Consumer Advocate's CA-T-3 and Exhibit CA-301. Although KIUC initially opposed this adjustment for the reasons discussed in Mr. Rockwell's rebuttal testimony (KIUC RT-900) at pages 24-26, KIUC subsequently accepted this adjustment for settlement purposes.<sup>13</sup>

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attempt to rectify the situation. Upon review of the written report, the Commission and the Division of Consumer Advocacy will have the opportunity to make further inquiries on the matter, and the Commission, at its discretion, may institute an investigatory proceeding on the matter should it believe such proceeding is warranted.

The removal of this ERAC provision from KIUC's tariff is reflected as part of the stipulated tariff revisions submitted in **Exhibit 4** as noted in Section III (Revenue Allocation, Rate Design and Tariff Revisions) below.

<sup>12</sup> Further, because this ECA factor is for current rates, it does not impact the calculation of KIUC's TY revenue requirement that is being used to determine its proposed rates in this proceeding.

<sup>13</sup> KIUC's current rates as established in Docket No. 2009-0050 and proposed rates/revenue requirement in this proceeding are not based on a rate base/rate of return methodology due to KIUC's cooperative ownership structure. Instead, as noted in Section IV (Procedural Order Issues) below, under Issue 1, KIUC's proposed revenue requirement has been developed using the DSC methodology. While this TY fuel inventory amount impacts the amount of a utility's rate base and thus would impact a utility's rate of return using a rate base ratemaking methodology, it does not impact the ratemaking revenue requirement under the DSC methodology.

6. ERAC Mechanism/Tariff Cost of Fuel and Purchased Energy:

In its Direct Testimonies, the Consumer Advocate recommended that (1) the reference in KIUC's ERAC mechanism/tariff should be updated from "1735.83 cents per million Btu" to "2332.22 cents per million Btu" (instead of the "2301.98 cents per million Btu" proposed by KIUC in the Application) to reflect the 2023 TY cost of fuel for KIUC generation that was based on Mr. Shepherd's production simulation analyses; and (2) the reference in KIUC's ERAC mechanism/tariff should be updated from "17.381 cents per kilowatt hour" to "17.559 cents per kilowatt hour" (instead of the "17.443 cents per kilowatt hour" proposed by KIUC in the Application) to reflect the 2023 TY cost of Purchased Energy that was based on Mr. Shepherd's production simulation analyses. See pages 33-35 of Mr. Shepherd's testimony (CA-T-3).

As noted in Mr. Rockwell's rebuttal testimony (KIUC RT-900) at page 27, KIUC does not oppose these two adjustments, and as such, these adjustments have been stipulated to by the Parties. These revisions are reflected and incorporated into the stipulated tariff revisions provided in **Exhibit 4** attached hereto as noted in Section III (Revenue Allocation, Rate Design and Tariff Revisions) below.

**II.H DSC Ratio Adjustment**

For the reasons discussed in the testimony of the Consumer Advocate's witness Mr. Smith (CA-T-2), at pages 50-51, the Consumer Advocate generally agreed that the DSC methodology should be used for calculating KIUC's revenue requirement in the subject rate case proceeding. However, the Consumer Advocate recommended an adjustment to reduce KIUC's DSC Ratio for ratemaking purposes from 1.75 to 1.65, as articulated more fully in its direct testimony (see, e.g., CA-T-2, at pages 50-67).

For the reasons discussed by Mr. Collet in his rebuttal testimony (KIUC RT-300) at pages 7-15, KIUC contended that a 1.65 DSC Ratio to determine KIUC's TY revenue requirement is too low, not just and reasonable, not consistent with the perception of a credit supportive regulatory climate for KIUC, and not supported by quantitative peer group comparable data such as what Mr. Collet provided in his direct testimony (Exhibit 10-T-300 of the Application). As part of his rebuttal testimony (KIUC RT-300 at pages 8-9), Mr. Collet provided updated quantitative analyses of the peer groups that he discussed in his direct testimony (Exhibit 10-T-300 of the Application). This information was updated to reflect the actual results for the 2022 Fiscal Year as provided by KIUC's lender National Rural Utilities Cooperative Finance Corporation ("CFC") (which CFC obtains confidentially from its various borrowers, and which was not yet available at the time the December 28, 2022 Application was filed). Table 1 below (which was provided on page 9 of Mr. Collet's rebuttal testimony) provides historical DSC Ratio information, including the 2022 results.

TABLE 1									2018 - 2022
Number of Entities	DSC	2017	2018	2019	2020	2021	2022	5 Year Average DSC	
812	Industry	2.04	2.14	2.11	2.13	2.23	2.04	2.13	
40	Hybrid Peer Group - Median	2.20	2.41	2.26	2.39	2.55	2.19	2.36	
10	Directly Comparable - Median	1.78	1.69	1.86	1.77	1.70	1.66	1.74	

As illustrated above, the Directly Comparable Peer Group (defined on page 28 of Mr. Collet’s direct testimony as consisting of the 10 largest electric cooperatives (including KIUC) that generate their own power and operate in a very similar manner to KIUC, encompassing generation, transmission, and distribution operations and asset bases) had a median DSC Ratio in 2022 of 1.66 and a 5-year average DSC of 1.74.

In addition, in response to the Consumer Advocate’s rebuttal information requests, KIUC submitted additional information on this DSC issue. See, e.g., KIUC’s responses to CA-RIR-2 to 5. In its responses to CA-RIR-3 and 4, KIUC noted that its DSC and Equity Ratios have dropped even further in the cooperative rankings, stating that even though the 2022 DSC for the referenced peer groups is lower on a composite basis than in 2021, KIUC’s DSC Ratio and Equity Ratio rankings have dropped even further, where KIUC has gone from having the 694th lowest DSC Ratio out of 812 reporting cooperatives in 2021 to the 769th lowest in 2022, and from the 706th lowest Equity Ratio to the 726th lowest Equity Ratio.

During settlement discussions, the Parties further discussed their differing positions. Following these discussions, the Parties negotiated a settlement on this issue using a 1.695 DSC Ratio. As a result, the Parties for settlement purposes have stipulated that KIUC’s revenue requirement for purposes of this proceeding should be calculated using a DSC Ratio of 1.695, as reflected on page 1 of **Exhibit 1**, Schedule SS-Summary (line 48, column D).

Consistent with Section VII (Stipulated Matters) below, the Parties reserve their respective rights to proffer, use and defend different positions, arguments, methodologies, or claims regarding what DSC Ratio should be utilized in a future rate or rate related proceeding based on the facts and circumstances at that time, and this Stipulation is not deemed to, and shall not be interpreted to, set any type of precedent, or be used as evidence of either Parties’ position in any future rate or rate related proceeding, except as necessary to enforce this Stipulation as it pertains to this rate case proceeding.

**II.I Rate Design/Revenue Distribution Adjustment**

As discussed on page 15 of CA-T-2 of the Consumer Advocate Direct Testimonies, the Consumer Advocate recommended the following rate design changes

from that set forth in KIUC's Application: (1) adjust the rate design to recover the lower amount of revenue requirement than that proposed in the Application; (2) lower the monthly customer charge for residential customers from that proposed by KIUC in the Application; and (3) not combine the "L" and "P" rate classes as proposed in KIUC's Application.

1. Lower Amount of Revenue Requirement / Allocation.

On pages 74-75 of CA-T-2 of the Consumer Advocate Direct Testimonies, the Consumer Advocate noted that in the Application, "KIUC applied roughly the same across-the-board revenue increase percentage of about 9.4% to develop its proposed rates for most of the rate classes". The Consumer Advocate then stated that "a similar approach" should be used to develop the recommended rates for KIUC. However, the Consumer Advocate recommended that instead of applying it to KIUC's 9.4% percentage as proposed in the Application, the rate design should instead be adjusted to recover the lower amount of revenue requirement set forth in the Consumer Advocate Direct Testimonies. In response, and as discussed by Mr. Daniel Koehler on page 5 of KIUC RT-500 of the KIUC Rebuttal Testimonies, KIUC agreed that the final rate design should be adjusted from that proposed in the Application, but not to the revenue requirement proposed in the Consumer Advocate Direct Testimonies, but instead to reflect the revenue requirement that the Commission ultimately approves.

In light of the stipulation reached by the Parties on the TY revenue requirement of \$190.575 million and approximate 7.95% increase as set forth above, the Parties agree and stipulate that the rate design should be based on this revenue requirement and percentage increase. However, during these discussions, the Consumer Advocate raised an issue that was briefly discussed in its Direct Testimonies that KIUC did not specifically address in its Rebuttal Testimonies. This issue is found in the Consumer Advocate Direct Testimonies at CA-T-1, pages 3-5, which states the following, in relevant part:

It should be noted that, while KIUC is requesting an overall increase of 9.42%, KIUC's proposed method to recover that increase from customers is apparently on allocating the increase on a customer bill basis instead of an "across the board" increase on increases.

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KIUC's proposed changes do not reflect a ratable increase across all tariffs. Rather, KIUC has offered a proposal that appears to estimate the approximate increase in each rate to result in an increase of about 9.4% in the anticipated revenues from each customer class.

During settlement discussions, the Consumer Advocate clarified that although it agreed that “a similar approach” that KIUC used should be utilized to allocate the revenue increase as noted above, there was a concern that the lower energy usage customers in, for example, the residential customer class (Schedule D) would experience a higher percentage increase than the higher usage customers in that class. Following discussions by the Parties, and in recognition that certain customers during the public hearing raised similar concerns, the Consumer Advocate proposed that the revenue increase be allocated more ratably within the customer tariff schedules. Following further discussions, the Parties agreed upon the rate design submitted in **Exhibit 2** and discussed in Section III (Revenue Allocation, Rate Design and Tariff Revisions) below. As demonstrated in **Exhibit 3** attached hereto, this rate design results in a more ratable approach, where for example the percentage increase is spread evenly within the Schedule D (Residential) customer class.

## 2. Monthly Customer Charge for Residential Customers.

As noted above, the Consumer Advocate Direct Testimonies stated that the monthly customer charge for residential customers should be lower than that proposed by KIUC in the Application. In the Application, KIUC proposed increasing the monthly customer charge for residential customers from \$10.58 to \$13.50.

In support of its position, the Consumer Advocate’s witness Mr. Smith did not specifically recommend what the customer charge should be lowered to, instead stating the following on page 77 of CA-T-2: “A lower increase in the residential customer charge increase than the 27.6% increase that KIUC has proposed is consistent with the rate design principle of gradualism and will help mitigate bill impacts for residential customers with below average kWh usage. A residential monthly customer charge of \$11.65 would represent an increase of \$1.07 or approximately 10%. A residential customer charge of \$12 per month would represent an increase of \$1.42 or approximately 13.4%. Alternatives to KIUC’s proposed 27.6% increase in the residential customer charge should be considered.” KIUC’s response and rebuttal to this recommendation is found on pages 6-11 of Mr. Koehler’s rebuttal testimony (KIUC RT-500), whereby on behalf of KIUC, Mr. Koehler continued to propose an increase in the monthly customer charge from \$10.58 to \$13.50, on the basis that this increase appropriately balances competing rate design priorities of alignment with cost of service, gradualism, mitigating bill impacts and economic efficiency.

During settlement discussions, the Parties further discussed the above. Based on those discussions and consistent with the agreement reached as discussed in Section II.I.1 (Lower Amount of Revenue Requirement / Allocation) above, the Parties have stipulated to reducing the monthly charge for residential customers from the \$13.50 amount initially proposed by KIUC in the Application to \$11.42.

3. “L” and “P” Rate Classes.

As it pertains to the Consumer Advocate’s position that the “L” and “P” rate classes should not be combined as proposed by KIUC in the Application, Mr. Smith stated the following on page 80 of CA-T-2 of the Consumer Advocate Direct Testimonies: “One takes electric service at primary voltage and the other at secondary. That fact should be sufficient in itself to warrant maintaining separate “L” and “P” rate classes.” KIUC’s rebuttal position is found on pages 11-12 and 15-16 of Mr. Koehler’s rebuttal testimony (KIUC RT-500), where KIUC continues to propose that the two rate classes should be combined into a combined schedule referred to as Schedule “LP”. KIUC also responded to the Consumer Advocate’s rebuttal information request CA-RIR-46 related to this issue, which response was filed on October 23, 2023 in the subject docket.

The above was further discussed by the Parties and analyzed by the Consumer Advocate, and the Parties have stipulated to KIUC’s proposal as set forth in the Application to combine these two rates classes into a combined Schedule “LP”.

**II.J DLNR Rent Adjustment / Waiahi Hydro Plants**

In KIUC’s Application, KIUC included in its TY revenue requirement the cost for rent to the Board of Land and Natural Resources (BLNR), related to the Waiahi hydro plants in the amount of \$54,000. Although the Consumer Advocate Direct Testimonies did not recommend any adjustment to this amount, KIUC removed this \$54,000 amount in the calculation of the revenue requirement set forth in the KIUC Rebuttal Testimonies because the revocable permit has not yet been renewed and is not expected to be renewed in the TY, as noted on page 36 of Ms. Dellamano’s rebuttal testimony (KIUC RT-200), and as further discussed in KIUC’s response to FOM IR-32 filed in the subject docket on October 23, 2023. This \$54,000 downward adjustment is reflected on Schedule SS-B-1 (line 11) and Schedule SS-C-10 (pages 3 and 20 of **Exhibit 1**, respectively).<sup>14</sup>

**III. REVENUE ALLOCATION, RATE DESIGN AND TARIFF REVISIONS**

Once the Parties reached an agreement on the above adjustments and the resulting revenue requirement mentioned above, including on the rate design matters discussed in Section II.I (Rate Design/Revenue Distribution Adjustment) above, the

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<sup>14</sup> The Parties note that, in the Consumer Advocate Direct Testimonies, the Consumer Advocate did not recommend any adjustments to the costs included in KIUC’s TY revenue requirement pertaining to the West Kauai Energy Project and the Waiahi hydroplants. The \$54,000 adjustment was thus made not as a result of settlement discussions, but rather as part of the KIUC Rebuttal Testimonies in recognition by KIUC that because the revocable permit would not be renewed in the TY, this amount is not appropriate for recovery in the TY revenue requirement.

Parties reached an agreement on the revenue allocation and rate design to produce the stipulated TY revenue requirement of \$190.575 million. **Exhibit 2** attached hereto sets forth the rates and charges stipulated to by the Parties, which shows both KIUC's present rates and the proposed stipulated rates resulting from this Stipulation.<sup>15</sup>

**Exhibit 3** attached hereto provides a bill impact analysis of these proposed stipulated rates, which among other things reflects the Consumer Advocate's proposal and KIUC's agreement as discussed in Section II.I.1 (Lower Amount of Revenue Requirement / Allocation) above to more ratably spread the revenue increase within the applicable rate schedule tariffs where, for example, the percentage increase is spread evenly within the Schedule D (Residential) customer class.<sup>16</sup>

**Exhibit 4** attached hereto provides the proposed stipulated revisions to KIUC's existing tariff (i.e., Tariff No. 1) to reflect the changes and agreements stipulated to by the Parties as part of this Stipulation. This incorporates the rates and charges set forth in Exhibits 2 and 3 above, as well as the ERAC tariff revisions discussed in Section II.G (Adjustment C-9 – Fuel and Purchased Power Expense / ERAC) above and summarized in Section IV (Procedural Order Issues), Issue 3 below. These are provided in both a clean version and a "redlined" version showing the changes to KIUC's existing tariff sheets.<sup>17</sup>

As further discussed in Section V (Final and/or Interim Relief and Timing of Approval Requests) below, the Parties have stipulated to the above rate design for both final rate purposes (to be reflected in the Commission's final decision and order in this proceeding) and, to the extent the Commission needs additional time to review the record and complete its deliberations before issuing its final decision and order, for interim rate purposes.

#### **IV. PROCEDURAL ORDER ISSUES**

The following sets forth each of the issues set forth in Section II (Statement of the Issues) of Procedural Order No. 40145, together with the Parties' stipulated position on each of these issues (which is submitted for both interim and/or final rate purposes as discussed in Section V (Final and/or Interim Relief and Timing of Approval Requests) below).

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<sup>15</sup> **Exhibit 2** is presented in the same format as Exhibit 5 (Comparison of Present and Proposed Rates) to the Application.

<sup>16</sup> **Exhibit 3** is presented in the same format as Attachment DK-504 provided as part of Mr. Daniel Koehler's direct testimony (Exhibit 10-T-500 to the Application).

<sup>17</sup> **Exhibit 4** is presented in the same format as Attachment DK-505 provided as part of Mr. Koehler's direct testimony (Exhibit 10-T-500 to the Application).

1. Are KIUC's proposed rates and charges just and reasonable, including, but not limited to:
  - a. Are the revenue estimates for the Test Year at present rates and proposed rates reasonable?
  - b. Are KIUC's proposed expenses for the Test Year reasonable?
  - c. Is KIUC's rate base for the Test Year reasonable, and are the projects included in rate base used and useful for public utility purposes?
  - d. Is KIUC's proposed rate design reasonable?

The Parties stipulate and agree that the rates and charges as stipulated to herein are just and reasonable, including the revenue estimates for the TY at present rates and proposed rates as shown on Schedule SS-Summary (page 1 of **Exhibit 1**), KIUC's proposed/projected expenses for the TY as also shown in said Schedule SS-Summary, and the proposed rate design set forth in **Exhibit 2**. In addition, with respect to Item 1.c. above, and as reflected on page 14 of CA-T-2 from the Consumer Advocate Direct Testimonies, the Parties developed KIUC's revenue requirement based on the DSC methodology, and not on a rate base/rate of return methodology. In light of this, and as noted on said page 14, because rate base is not being used to compute KIUC's revenue requirement, the Consumer Advocate did not propose any adjustments to KIUC's rate base, and the Parties stipulate and agree that for purposes of this rate case proceeding, KIUC's TY rate base is reasonable and the projects included in rate base are used and useful for public utility purposes.

2. Are the depreciation rates and changes proposed by KIUC to be used in determining and establishing KIUC's revenue requirement, revenue increase, and resulting rates and charges in this proceeding reasonable?

For the reasons discussed in Section II.A (Adjustment C-1 – Depreciation Expense), the Parties have stipulated that the proposed depreciation rates and changes set forth in the subject Application should not be adopted or approved by the Commission. Instead, the Parties have stipulated that KIUC should continue to utilize the existing depreciation rates approved in Docket No. 2015-0127, until such time that new or changed depreciation rates can be approved and implemented in connection with the next depreciation study that NewGen is preparing based on KIUC's plant-in-service as of December 31, 2022.<sup>18</sup>

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<sup>18</sup> As discussed in Section II.A (Adjustment C-1 – Depreciation Expense), under the agreed upon use of the DSC Ratio to determine KIUC's requested revenue increase, adjustments to the TY depreciation expense have no impact on KIUC's requested revenue requirement.

3. Are the proposed modifications to KIUC's [existing energy rate adjustment clause ("ERAC")] mechanism reasonable?

The modifications to KIUC's ERAC mechanism as proposed by KIUC in the Application, as revised/updated in this Stipulation, are reasonable. More specifically, the Parties agree that the following modifications to KIUC's current ERAC mechanism and tariff should be made:

- Update the reference from "2010 test year" to "2023 test year" for the purpose of reflecting the use of the 2023 TY for the subject rate proceeding as compared to the 2010 test year utilized in KIUC's last rate proceeding in Docket No. 2009-0050. See Mr. Rockwell's direct testimony (Exhibit 10-T-900 of the Application) at page 26, and Mr. Shepherd's direct testimony (CA-T-3) at pages 33-34.
- Update the reference from "1735.83 cents per million Btu" that was based on a 2010 test year and determined in Docket No. 2009-0050, to "2332.22 cents per million Btu" (instead of the "2301.98 cents per million Btu" proposed by KIUC in the Application) to reflect the 2023 TY cost of fuel for KIUC generation. See Section II.G.6 (ERAC Mechanism/Tariff Cost of Fuel and Purchased Energy) above.
- Update the reference from "17.381 cents per kilowatt hour" that was based on a 2010 test year and determined in Docket No. 2009-0050, to "17.559 cents per kilowatt hour" (instead of the "17.443 cents per kilowatt hour" proposed by KIUC in the Application) to reflect the 2023 TY cost of Purchased Energy. See Section II.G.6 (ERAC Mechanism/Tariff Cost of Fuel and Purchased Energy) above.
- Adjust the generation conversion factor from "0.009850 million Btu per kilowatt hour" to "0.009750 million Btu per kilowatt hour" (instead of "0.009950 million Btu per kilowatt hour" as proposed by KIUC in the Application). See Section II.G.2 (Generation Conversion Factor/Sales Heat Rate) above.
- Remove and delete the +/- 0.000050 million Btu per kWh range, such that KIUC would no longer have the ability to elect to recover only its actual fuel generation costs if it operated during any given month either below or above the range of 0.00980 million Btu per kWh to 0.00990 million Btu per kWh. See Section II.G.3 (No Downward-Only Adjustment of Generation Conversion Factor/Sales Heat Rate / Removal of 0.000050 Million Btu per kWh Range in ERAC) above.

4. Is the recovery of the Lost Gross Margin regulatory asset established by Decision and Order No. 37252 (issued on July 31, 2020, in Docket No. 2020-0088), over a 10-year amortization period, reasonable?

The Parties have agreed that instead of amortizing the LGM regulatory asset over a 10-year period as originally proposed by KIUC in the Application, the asset should instead be amortized over a 15-year period. See Section II.F (Adjustment C-8 – Recovery of LGM Regulatory Asset) above. This results in a \$426,000 reduction in the TY amortization amount (i.e., from \$1.278 million as set forth in the Application to \$852,000 as set forth in the Consumer Advocate Direct Testimonies), as discussed in Section II.F (Adjustment C-8 – Recovery of LGM Regulatory Asset) above.

In addition, as also discussed in said Section II.F, KIUC agrees that to the extent it achieves a DSC in excess of the 1.695 DSC Ratio stipulated to in Section II.H (DSC Ratio Adjustment) above, it would apply any excess remaining toward LGM regulatory asset recovery.

5. Is the recovery of the balance of the regulatory asset resulting from the pension tracking mechanism established by the September 9, 2010 Decision and Order issued in Docket No. 2009-0050, over a 10-year amortization period, reasonable?

As discussed in Section II.E (Adjustment C-7 – Recovery of Pension Regulatory Asset) above, the Parties have stipulated to a 20-year amortization period for the recovery of the pension regulatory asset (instead of the 10-year period initially proposed by KIUC), which results in a TY amortization amount of \$476,000 for the pension regulatory asset instead of the \$952,000 amount included as part of KIUC's Application.

6. Should the Commission grant KIUC other and further relief?

As stated in Ordering Paragraph 5 (Section III.5) of Order No. 40248, "the procedural schedule may be further modified by the Parties in writing as approved by the Commission, or upon the Commission's own motion." Moreover, footnote 13 of Procedural Order No. 40145 states the following, in relevant part:

Informal technical conferences and settlement discussions in full or in part may occur at any time on any and/or all disputed issues that may exist in the subject docket. In the event a settlement is reached in full or in part, the Commission will be notified and changes may be proposed at that time to the remaining procedural steps in light of such settlement and in the interest of administrative timing and efficiency.

Given that there are no remaining disputed issues between the Parties, the Parties have agreed that an evidentiary hearing is not needed.<sup>19</sup> An evidentiary hearing is not in the public interest under the circumstances and would be contrary to the Commission's responsibility to ensure "the just, speedy and inexpensive determination of every proceeding"<sup>20</sup> due to the Parties' settlement and the extensive time, resources and expenses that would be incurred to prepare for, attend, and participate in a hearing in which there are no disputed issues between the Parties. Accordingly, the Parties respectfully request that the procedural steps set forth in Order No. 40248 that currently have "TBD" placeholders for a Prehearing Conference, Evidentiary Hearing, and Post-Hearing Briefs and Reply Briefs be removed and deleted in their entirety.<sup>21</sup>

#### **V. FINAL AND/OR INTERIM RELIEF AND TIMING OF APPROVAL REQUESTS**

Under Procedural Order No. 40145 as amended by Order No. 40248, the procedural schedule currently provides that, by Monday, November 27, 2023, the Commission will issue an "Interim Decision and Order (if no final Decision and Order was previously issued)".<sup>22</sup>

Because this Stipulation fully resolves all issues in the subject docket on which the Parties previously had differences, the Parties are submitting this Stipulation for the purpose of the Commission issuing a final and/or Interim Decision and Order consistent with the terms of this Stipulation. To the extent the Commission issues an Interim Decision and Order, the Parties respectfully request the issuance of the Interim Decision and Order within the timeframe set forth above, followed by the Commission issuing a final decision and order in this proceeding shortly thereafter approving this Stipulation in its entirety including, without limitation, approving the stipulated revenue requirements and rate design discussed above and adopting final rates consistent with said stipulated rate design.

In the event of an interim rate decision, the following provides the Parties' agreements setting forth their joint Statement of Probable Entitlement for purposes of granting interim rate relief to KIUC, pursuant to HRS § 269-16(d) and/or Order No. 40248.

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<sup>19</sup> This is subject to the right of any of the Parties to request a hearing in the event this Stipulation is not approved by the Commission in its entirety and without modification.

<sup>20</sup> Hawaii Administrative Rules § 16-601-1 provides, in relevant part, that the rules should be "liberally construed to secure the just, speedy, and inexpensive determination of every proceeding."

<sup>21</sup> Id.

<sup>22</sup> See Order No. 40248 at 45.

**V.A Statement of Probable Entitlement**

Based on the evidentiary record and the agreements reached by the Parties as set forth above that fully resolve all issues in the subject docket on which the Parties previously had differences, the Parties hereby stipulate and agree to the following for purposes of the Commission granting interim rate relief to KIUC through an Interim Decision and Order issued by Monday, November 27, 2023 as set forth in Order No. 40248, should the Commission need additional time to issue a final decision and order establishing final rates:

- a. The Parties stipulate and agree that the existing evidentiary record is sufficient to grant KIUC interim rate relief, pursuant to HRS § 269-16(d).
- b. The Parties recognize that, in order for the Commission to grant interim relief, pursuant to HRS § 269-16(d), the Commission must believe that KIUC is “probably entitled” to an increase in its rates based on the existing evidentiary record.
- c. The Parties stipulate and agree that based on the existing evidentiary record, the probable entitlement standard has been met to justify KIUC being granted an increase in its rates as provided in **Exhibit 2** attached hereto.
- d. The Parties stipulate and agree that the Commission should allow KIUC to increase its rates, on an interim and final basis, to such levels as will produce, in the aggregate, \$14.037 million in additional TY revenues, resulting in a total revenue requirement amount of \$190.575 million and an approximate 7.95% increase over the pro forma electric revenue TY amount of \$176.54 million at present rates.
- e. Based on the above and the information contained in **Exhibit 1** attached hereto, the Parties request that the stipulated rates and charges set forth in **Exhibit 2** attached hereto be approved and established, on an interim and final basis.

**VI. REQUESTED MODIFICATIONS TO REMAINING PROCEDURAL STEPS**

See Section IV (Procedural Order Issues) above, Issue 6 (Should the Commission Grant KIUC Other and Further Relief?).

**VII. STIPULATED MATTERS**

The Parties agree that the provisions of this Stipulation are binding between them with respect to the specific issues and matters to be resolved in the subject docket. In all respects, it is understood and agreed that the agreements evidenced in this Stipulation represent certain compromises by the Parties to fully and finally resolve all issues in the subject docket on which they had differences, for the purpose of

simplifying and expediting this proceeding, and are not meant to be an admission by any of the Parties as to the acceptability or permissibility of matters stipulated to herein. The Parties reserve their respective rights to proffer, use and defend different positions, arguments, methodologies, or claims regarding the matters stipulated to herein in other dockets or proceedings. Furthermore, the Parties agree that nothing contained in this Stipulation shall be deemed to, nor be interpreted to, set any type of precedent, or be used as evidence of a Party's position in any future proceeding, except as necessary to enforce this Stipulation.

### **VIII. GLOBAL SETTLEMENT OF ALL ISSUES**

Each provision of this Stipulation is in consideration and support of all other provisions, and is expressly conditioned upon acceptance by the Commission of the matters expressed in this Stipulation in their entirety. In the event the Commission declines to adopt parts or all of the matters agreed to by the Parties and as set forth in this Stipulation, the Parties reserve the right to pursue any and all of their respective earlier positions through further negotiations and/or the right to request additional steps, additional filings and proceedings before the Commission.

### **IX. RECORD**

The Parties agree that the Application and all filed direct and rebuttal testimonies, exhibits, workpapers, information requests, responses, and this Stipulation and corresponding exhibits are all part of the record in the subject docket, and that the Commission may take such steps and actions it deems necessary and appropriate to facilitate its review of this Stipulation and the record, and to determine whether this Stipulation should be approved.

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

By /s/ Scott D. Boone  
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EDWARD M. KNOX

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# EXHIBIT 1

DOCKET NO. 2022-0208  
EXHIBIT 1  
SCHEDULE SS-Summary  
PAGE 1

KAUAI ISLAND UTILITY COOPERATIVE  
COMPARISON OF REVENUE REQUIREMENT PER KIUC APPLICATION AND STIPULATION  
TEST YEAR ENDED DECEMBER 31, 2023  
(IN THOUSANDS, EXCEPT PERCENTAGES AND RATIOS)

LINE NO.	DESCRIPTION	KIUC ADJUSTED PRESENT RATES 2023	STIPULATION ADJUSTMENTS	STIPULATION PRESENT RATES 2023	REVENUE INCREASE	STIPULATION PROPOSED RATES 2023
		(A)	(B)	(C) (A) + (B)	(D)	(E) (C) + (D)
1	Electric Revenue	\$ 177,034	\$ (496)	\$ 176,538	\$ 14,037	\$ 190,575
2	Other Revenue	(826)	426	(400)	-	(400)
3	<b>TOTAL REVENUES</b>	<b>176,208</b>	<b>(70)</b>	<b>176,138</b>	<b>14,037</b>	<b>190,175</b>
4	Fuel	43,518	-	43,518	-	43,518
5	Purchased Power	47,595	-	47,595	-	47,595
6	<b>TOTAL COMMODITIES</b>	<b>91,113</b>	<b>-</b>	<b>91,113</b>	<b>-</b>	<b>91,113</b>
7	<b>GROSS MARGIN</b>	<b>85,095</b>	<b>(70)</b>	<b>85,025</b>	<b>14,037</b>	<b>99,062</b>
8	Power Supply	15,319	(698)	14,621	-	14,621
9	Transmission & Distribution	9,359	(204)	9,155	-	9,155
10	Member Services	3,535	(41)	3,494	14	3,508
11	Communications	896	(6)	890	-	890
12	Energy Services	1,031	(8)	1,023	-	1,023
13	Human Resources	1,321	(11)	1,310	-	1,310
14	Executive	1,185	(44)	1,141	-	1,141
15	Board of Directors	694	-	694	-	694
16	Safety and Facilities	3,524	(129)	3,395	-	3,395
17	SOS Shearwater Program	384	-	384	-	384
18	Regulatory Affairs	1,717	(6)	1,711	-	1,711
19	Engineering	1,628	(180)	1,448	-	1,448
20	Habitat Conservation Program	4,528	-	4,528	-	4,528
21	Financial & Corporate Services	2,421	(95)	2,326	-	2,326
22	Information Technology	3,044	(14)	3,030	-	3,030
23	<b>TOTAL O&amp;M LESS COMMODITIES</b>	<b>50,586</b>	<b>(1,436)</b>	<b>49,150</b>	<b>14</b>	<b>49,165</b>
24	<b>TOTAL O&amp;M INCL COMMODITIES</b>	<b>141,699</b>	<b>(1,436)</b>	<b>140,263</b>	<b>14</b>	<b>140,278</b>
25	Depreciation & Amortization	16,337	(2,004)	14,333	-	14,333
26	Taxes Other Than Income	15,694	(6)	15,688	1,247	16,935
27	<b>TOTAL EXPENSES</b>	<b>173,730</b>	<b>(3,446)</b>	<b>170,284</b>	<b>1,261</b>	<b>171,546</b>
28	<b>OPERATING MARGIN</b>	<b>2,478</b>	<b>3,376</b>	<b>5,854</b>	<b>12,776</b>	<b>18,630</b>
29	Interest & Dividend Income	955	-	955	-	955
30	Other Income (Jobbing)	94	-	94	-	94
31	Income (Loss) from KRS1	(1,268)	-	(1,268)	-	(1,268)
32	Income (Loss) from KRS2H	(233)	-	(233)	-	(233)
33	Non-Operating Income	98	-	98	-	98
34	Capital Credits & Patronage Allocation	225	-	225	-	225
35	Sponsorships & Contributions	-	-	-	-	-
36	Other Deductions-Abandoned PSI	-	-	-	-	-
37	Interest Expense-Long-Term Debt	(6,730)	-	(6,730)	-	(6,730)
38	Interest Expense-Short-Term Debt	(462)	-	(462)	-	(462)
39	<b>NET MARGIN</b>	<b>\$ (4,843)</b>	<b>\$ 3,376</b>	<b>\$ (1,467)</b>	<b>\$ 12,776</b>	<b>\$ 11,309</b>
40	Indenture DSC Ratio (Regulatory)					
41	Adjusted Net Margin	\$ 19,725		\$ 21,097		\$ 33,873
42	Total Debt Service	\$ 19,984		\$ 19,984		\$ 19,984
43	Indenture DSC Ratio (Regulatory)	0.99		1.06		1.695
44	Total Debt Service					
45	Interest Expense-Long-Term Debt	\$ 6,730		\$ 6,730		\$ 6,730
46	Principal Payments	13,254		13,254		13,254
47	Total	\$ 19,984		\$ 19,984		\$ 19,984
<b>Revenue Requirement</b>						
48	Target Reported DSC				1.695	
49	Additional Net Margin Required				\$ 12,776	
50	Revenue Based Taxes Adjustment				1,098719991	
51	Additional Revenue Required				\$ 14,037	
52	Percent Increase - Electric Revenue				7.95%	
53	Percent Increase - Total Revenue				7.97%	

## Notes and References

- Column A: KIUC Application Exhibit 6
- Column B: Schedule SS-C, page 2, and Schedules SS-C-1 through SS-C-11

KAUAI ISLAND UTILITY COOPERATIVE  
 COMPARISON OF ADJUSTED NET MARGINS AND REVENUE REQUIREMENT DEFICIENCY PER KIUC APPLICATION, CA DIRECT TESTIMONY, KIUC REBUTTAL AND STIPULATION  
 TEST YEAR ENDED DECEMBER 31, 2023  
 (IN THOUSANDS, EXCEPT PERCENTAGES AND RATIOS)

LINE NO.	DESCRIPTION	PER APPLICATION				PER CA DIRECT TESTIMONY				PER KIUC REBUTTAL				PER STIPULATION			
		KIUC EXHIBIT 6 LINE NO. REFERENCE	KIUC ADJUSTED PRESENT RATES 2023	KIUC REQUESTED INCREASE	KIUC PROPOSED RATES 2023	CA ADJUSTMENTS TO KIUC PROPOSED AT PRESENT RATES	CA ADJUSTED PRESENT RATES 2023	CA ADJUSTED NET MARGIN INCREASE	CA PROPOSED ADJUSTED NET MARGIN 2023	ADJUSTMENTS TO KIUC PROPOSED AT PRESENT RATES	ADJUSTED PRESENT RATES 2023	ADJUSTED NET MARGIN INCREASE	KIUC PROPOSED RATES 2023	ADJUSTMENTS TO KIUC PROPOSED AT PRESENT RATES	ADJUSTED PRESENT RATES 2023	ADJUSTED NET MARGIN INCREASE	STIPULATION PROPOSED ADJUSTED NET MARGIN 2023
		(A)	(B)	(C) = (B) - (A)	(D) = (C) - (A)	(E)	(F) = (E) - (A)	(G) = (F) - (A)	(H) = (G) - (A)	(I) = (H) - (A)	(J)	(K) = (J) - (A)	(L) = (K) - (A)	(M) = (L) - (A)	(N) = (M) - (A)	(O) = (N) - (A)	
<b>I. Calculation of Adjusted Net Margin</b>																	
1	Calculated Net Margin (Loss)	39	\$ (4,843)	\$ 15,183	\$ 10,340	\$ 3,850	\$ (993)	\$ 11,135	\$ 10,143	\$ 556	\$ (4,286)	\$ 10,404	\$ 3,376	\$ (1,467)	\$ 12,776	\$ 11,309	
2	Add back Depreciation & Amortization	25	\$ 16,337		\$ 16,337	\$ (1,737)	\$ 14,600		\$ 14,600		\$ 16,337	\$ 16,337	\$ (2,004)	\$ 14,333		\$ 14,333	
3	Add back Loss from KRS1	31	\$ 1,268		\$ 1,268	\$ -	\$ 1,268		\$ 1,268		\$ 1,268	\$ 1,268	\$ -	\$ 1,268		\$ 1,268	
4	Add back Loss from KRS2H	32	\$ 233		\$ 233	\$ -	\$ 233		\$ 233		\$ 233	\$ 233	\$ -	\$ 233		\$ 233	
5	Add Interest Expense-Long-Term Debt	37	\$ 6,730		\$ 6,730	\$ -	\$ 6,730		\$ 6,730		\$ 6,730	\$ 6,730	\$ -	\$ 6,730		\$ 6,730	
6	Adjusted Net Margin		\$ 19,725	\$ 15,183	\$ 34,908	\$ 2,113	\$ 21,538	\$ 11,135	\$ 32,974	\$ 556	\$ 20,281	\$ 14,691	\$ 34,972	\$ 21,097	\$ 12,776	\$ 33,873	
<b>II. Indenture DSC Ratio (Regulatory)</b>																	
7	Adjusted Net Margin	44	\$ 19,725	\$ 15,183	\$ 34,908		\$ 21,538	\$ 11,135	\$ 32,974		\$ 20,281	\$ 14,691	\$ 34,972	\$ 21,097	\$ 12,776	\$ 33,873	
8	Total Debt Service	45	\$ 19,984		\$ 19,984		\$ 19,984		\$ 19,984		\$ 19,984		\$ 19,984		\$ 19,984	\$ 19,984	
9	Indenture DSC Ratio (Regulatory)	46	0.99		1.75		1.09		1.65		1.01		1.75	1.06	1.695	1.695	
<b>III. Total Debt Service</b>																	
10	Interest Expense-Long-Term Debt	48	\$ 6,730		\$ 6,730		\$ 6,730		\$ 6,730		\$ 6,730		\$ 6,730		\$ 6,730	\$ 6,730	
11	Principal Payments	49	\$ 13,254		\$ 13,254		\$ 13,254		\$ 13,254		\$ 13,254		\$ 13,254		\$ 13,254	\$ 13,254	
12	Total Debt Service	50	\$ 19,984		\$ 19,984		\$ 19,984		\$ 19,984		\$ 19,984		\$ 19,984		\$ 19,984	\$ 19,984	
<b>IV. Revenue Requirement Deficiency Calculation</b>																	
13	Target DSC	51		1.75	1.75	1.65	1.65		1.75		1.75		1.695	1.695			
14	Indenture DSC Ratio (Regulatory)		0.99		0.99	1.09	1.09		1.01		1.01		1.06	1.06			
15	Difference between Target and Calculated DSC			0.76	0.76	0.56	0.56		0.74		0.74		0.64	0.64			
16	Total Debt Service		\$ 19,984	\$ 19,984	\$ 19,984	\$ 19,984	\$ 19,984		\$ 19,984		\$ 19,984		\$ 19,984	\$ 19,984			
17	Net Margin	52	\$ 19,725	\$ 15,183	\$ 34,908	\$ 11,135	\$ 32,974	\$ (4,048)	\$ 14,691	\$ 34,972	\$ (492)	\$ 12,776	\$ 33,873	\$ (2,407)	\$ (2,407)	\$ (2,407)	
18	Increase in Net Margin		\$ 15,183		\$ 11,135		\$ 11,135	\$ (4,048)	\$ 14,691	\$ 14,691	\$ (492)	\$ 12,776	\$ 12,776	\$ (2,407)	\$ (2,407)	\$ (2,407)	
19	Factor for Revenue Based Taxes	53		1,098,720	1,098,720	1,098,720	1,098,720		1,098,720		1,098,720		1,098,720	1,098,720			
20	Additional Revenue Required	54		\$ 16,682	\$ 12,235	\$ (4,447)	\$ (4,447)		\$ 16,141		\$ (541)		\$ 14,037	\$ (2,645)	\$ (2,645)	\$ 11,392	
<b>V. Electric Revenues and Percentage Increase</b>																	
21	Additional Revenue Required	54		\$ 16,682	\$ 12,235		\$ 12,235		\$ 16,141		\$ (541)		\$ 14,037	\$ (2,645)	\$ (2,645)	\$ 11,392	
22	Electric Revenue at Current Rates	1		\$ 177,034	\$ 177,034	\$ 177,034	\$ 177,034		\$ 177,034		\$ 177,034		\$ 177,034	\$ 177,034			
23	Electric Revenue at Proposed Rates	1		\$ 193,716	\$ 189,269	\$ 189,269	\$ 189,269		\$ 193,716		\$ 193,716		\$ 193,716	\$ 193,716			
24	Percent Increase	1		9.42%	6.91%	6.91%	6.91%		9.12%		9.12%		7.95%	7.95%			
<b>VI. Components of KIUC Revenue Increase</b>																	
25	Increase in Net Margin	52	\$ 15,183		\$ 11,135		\$ (4,048)		\$ 14,691		\$ (492)		\$ 12,776		\$ (2,407)	\$ (2,407)	
26	Member Services	10	\$ 17		\$ 12		\$ (5)		\$ 16		\$ (1)		\$ 14		\$ (3)	\$ (3)	
27	Taxes Other Than Income	26	\$ 1,482		\$ 1,087		\$ (395)		\$ 1,434		\$ (48)		\$ 1,247		\$ (235)	\$ (235)	
28	Total Revenue Increase	54	\$ 16,682		\$ 12,235		\$ (4,447)		\$ 16,141		\$ (541)		\$ 14,037		\$ (2,645)	\$ (2,645)	

Notes and References  
 1. KIUC Application Exhibit 6  
 2. CA Direct Testimony, Exhibit CA-201  
 3. KIUC Rebuttal Testimonies, Schedule RT-C, page 2, and Schedules RT-C-1 through RT-C-10  
 4. Schedule SS-C, page 2, and Schedules SS-C-1 through SS-C-11

DOCKET NO. 2022-0208  
 EXHIBIT 1  
 SCHEDULE SS-B-1  
 PAGE 1

KAUAI ISLAND UTILITY COOPERATIVE  
 SUMMARY OF DIFFERENCES BETWEEN KIUC APPLICATION, CA DIRECT TESTIMONY, KIUC REBUTTAL, AND STIPULATION  
 TEST YEAR ENDED DECEMBER 31, 2023  
 (IN THOUSANDS, EXCEPT PERCENTAGES AND RATIOS)

LINE NO.	DESCRIPTION	PER CA DIRECT TESTIMONY			PER KIUC REBUTTAL			PER STIPULATION		
		CONSUMER ADVOCATE ADJUSTMENT (A)	IMPACT ON REVENUE INCREASE (B)	REFERENCE	KIUC REBUTTAL (C)	IMPACT ON REVENUE INCREASE (D)	REFERENCE	STIPULATION (E)	IMPACT ON REVENUE INCREASE (F)	REFERENCE
1	KIUC requested revenue increase		\$ 16,682	Schedule A-1, line 29						
<b>Adjustments</b>										
2	Depreciation Expense for New Depreciation Rates	\$ (1,737)	\$ -	Schedule C-1	\$ -	\$ -	Schedule RT-C-1	\$ (2,004)	\$ -	Schedule SS-C-1
3	Adjust Labor Cost for Vacant Positions	(915)	(915)	Schedule C-2	(285)	(285)	Schedule RT-C-2	(736)	(736)	Schedule SS-C-2
4	Adjust Vegetation Management Expense	(380)	(380)	Schedule C-3	-	-	Schedule RT-C-3	-	-	Schedule SS-C-3
5	Remove Christmas Party and Other Nonessential Expenses	(39)	(39)	Schedule C-4	(39)	(39)	Schedule RT-C-4	(39)	(39)	Schedule SS-C-4
6	Adjust Payroll Tax Expense Related to Vacant Positions	(73)	(73)	Schedule C-5	(22)	(22)	Schedule RT-C-5	(59)	(59)	Schedule SS-C-5
7	Adjust Employee Benefits Related to Vacant Positions	(220)	(220)	Schedule C-6	(55)	(55)	Schedule RT-C-6	(165)	(165)	Schedule SS-C-6
8	Adjust Amortization of Regulatory Asset - Pension Expense	(767)	(767)	Schedule C-7	(384)	(384)	Schedule RT-C-7	(384)	(384)	Schedule SS-C-7
9	Adjust Amortization of LGM Regulatory Asset	-	-	Schedule C-8	(426)	(426)	Schedule RT-C-8	(388)	(388)	Schedule SS-C-8
10	Adjust Fuel and Purchased Power Expense	707	707	Schedule C-9	707	707	Schedule RT-C-9	-	-	Schedule SS-C-9
11	Remove DLNR Water Fees				(54)	(54)	Schedule RT-C-10	(54)	(54)	Schedule SS-C-10
12	Adjust Heat Rate							452	452	Schedule SS-C-11
13	Subtotal Adjustments to Margin Other than from Depreciation Expense		\$ (1,687)			\$ (556)			\$ (1,372)	
<b>Adjustments to DSC Calculation</b>										
14	Adjusted DSC Ratio		\$ (1,934)	See below		\$ 64	See below		\$ (1,035)	See below
15	Revenue Requirement and Revenue Based Taxes		\$ (4,448)			\$ (49)	Schedule RT-A-2, lines 26-27, column (J)		\$ (238)	Schedule SS-A-2, lines 26-27, column (N)
16	Subtotal Adjustments to Margin Other than from Depreciation Expense		\$ (6,382)			\$ 15			\$ (1,273)	
17	<b>Adjusted Revenue Increase</b>		<u>\$11,135</u>			<u>\$16,141</u>			<u>\$14,037</u>	
18	<b>From Schedule A</b>		<u>\$11,135</u>			<u>\$16,141</u>	Schedule RT-A-2, line 28, column (H)		<u>\$14,037</u>	Schedule SS-A-2, line 28, column (L)
19	Difference		<u>\$0</u>			<u>\$0</u>			<u>\$0</u>	

Notes and References

Lines 2-13: See Schedule SS-C, page 2, and Schedules SS-C-1 through SS-C-11.

Line 9: Amortization of the LGM regulatory asset as a contra-revenue adjustment, rather than as an expense.

Line 14: Difference in Target Debt Service Coverage calculated in Lines 20 through 22 below.

	Consumer Advocate Direct Testimonies			KIUC Rebuttal		STIPULATION	
	KIUC Application	Consumer Advocate Direct Testimonies	Difference	KIUC Rebuttal	Difference from Application	Stipulation	Difference from Application
20	Debt Service	\$ 19,984	\$ 19,984	\$ 19,984	\$ -	\$ 19,984	\$ -
21	Target DSC Factor	1.75	1.65	1.75	0.00	1.695	-0.05
22	Required Debt Service Including Margin	<u>\$ 34,908</u>	<u>\$ 32,974</u>	<u>\$ 34,972</u>	<u>\$ 64</u>	<u>\$ 33,873</u>	<u>\$ (1,035)</u>

DOCKET NO. 2022-0208  
EXHIBIT 1  
SCHEDULE SS-B-2  
PAGE 1

KAUAI ISLAND UTILITY COOPERATIVE  
SUMMARY OF DIFFERENCES BETWEEN KIUC APPLICATION, CA DIRECT TESTIMONY, KIUC REBUTTAL, AND STIPULATION AT PRESENT RATES  
TEST YEAR ENDED DECEMBER 31, 2023  
(IN THOUSANDS)

LINE NO.	DESCRIPTION	PER KIUC APPLICATION		PER CA DIRECT TESTIMONY		
		KIUC APPLICATION EXHIBIT 8 REFERENCE (A)	KIUC PRESENT RATES 2023 (B)	EXHIBIT CA-201 SCHEDULE REFERENCE (C)	CA ADJUSTMENTS (D)	CA ADJUSTED PRESENT RATES 2023 (E)
1	Electric Revenue	8-1	\$ 177,034		\$ -	\$ 177,034
2	Other Revenue	8-1	(826)	C-8	426	(400)
3	<b>TOTAL REVENUES</b>	L1 + L2	176,208		426	176,634
4	Fuel	8-2	43,518	C-9	1,522	45,040
5	Purchased Power	8-2	47,595	C-9	(815)	46,780
6	<b>TOTAL COMMODITIES</b>	L4 + L5	91,113		707	91,820
7	<b>GROSS MARGIN</b>	L3 - L6	85,095		(281)	84,814
8	Power Supply	8-4	15,319	C-2, C-5, C-6, C-7	(893)	14,426
9	Transmission & Distribution	8-5	9,359	C-2, C-3, C-5, C-6, C-7	(788)	8,571
10	Member Services	8-6	3,535	C-6, C-7	(101)	3,434
11	Communications	8-7	896	C-7	(11)	885
12	Energy Services	8-8	1,031	C-7	(17)	1,014
13	Human Resources	8-9	1,321	C-7	(22)	1,299
14	Executive	8-10	1,185	C-4, C-7	(50)	1,135
15	Board of Directors	8-11	694		-	694
16	Safety and Facilities	8-12	3,524	C-2, C-5, C-6, C-7	(134)	3,390
17	SOS Shearwater Program	8-13	384		-	384
18	Regulatory Affairs	8-14	1,717	C-7	(11)	1,706
19	Engineering	8-15	1,628	C-2, C-5, C-6, C-7	(215)	1,413
20	Habitat Conservation Program	8-16	4,528		-	4,528
21	Financial & Corporate Services	8-17	2,421	C-2, C-5, C-6, C-7	(125)	2,296
22	Information Technology	8-18	3,044	C-7	(28)	3,016
23	<b>TOTAL O&amp;M LESS COMMODITIES</b>	SUM OF L8 THRU L22	50,586		(2,395)	48,191
24	<b>TOTAL O&amp;M INCL COMMODITIES</b>	L6 + L23	141,699		(1,687)	140,012
25	Depreciation & Amortization	8-19	16,337	C-1	(1,737)	14,600
26	Taxes Other Than Income	8-20	15,694		-	15,694
27	<b>TOTAL EXPENSES</b>	SUM OF L24 THRU L26	173,730		(3,424)	170,306
28	<b>OPERATING MARGIN</b>	L3 - L27	2,478		3,850	6,328
29	Interest & Dividend Income	8-21	955		-	955
30	Other Income (Jobbing)	8-22	94		-	94
31	Income (Loss) from KRS1	8-23	(1,268)		-	(1,268)
32	Income (Loss) from KRS2H	8-24	(233)		-	(233)
33	Non-Operating Income	8-25	98		-	98
34	Capital Credits & Patronage Allocation	8-28	225		-	225
35	Sponsorships & Contributions	8-29	-		-	-
36	Other Deductions-Abandoned PSI	8-30	-		-	-
37	Interest Expense-Long-Term Debt	8-31	(6,730)		-	(6,730)
38	Interest Expense-Short-Term Debt	8-32	(462)		-	(462)
39	<b>NET MARGIN</b>	SUM OF L28 THRU L38	<b>\$ (4,843)</b>		<b>\$ 3,850</b>	<b>\$ (992)</b>

## Notes and References

1. KIUC Application Exhibit 6
2. CA Direct Testimony, Exhibit CA-201
3. KIUC Rebuttal Testimonies, Schedule RT-C, page 2, and Schedules RT-C-1 through RT-C-10
4. Schedule SS-C, page 2, and Schedules SS-C-1 through SS-C-11

DOCKET NO. 2022-0208  
 EXHIBIT 1  
 SCHEDULE SS-B-2  
 PAGE 2

KAUAI ISLAND UTILITY COOPERATIVE  
 SUMMARY OF DIFFERENCES BETWEEN KIUC APPLICATION, CA DIRECT TESTIMONY, KIUC REBUTTAL, AND STIPULATION AT PRESENT RATES  
 TEST YEAR ENDED DECEMBER 31, 2023  
 (IN THOUSANDS)

LINE NO.	DESCRIPTION	PER KIUC REBUTTAL			PER STIPULATION		ADJUSTED PRESENT RATES 2023 (K)
		ATTACHMENT RT-201 SCHEDULE REFERENCE (F)	KIUC REBUTTAL ADJUSTMENTS (G)	KIUC REBUTTAL PRESENT RATES 2023 (H) (B) + (G)	STIPULATION SCHEDULE REFERENCE (I)	STIPULATION ADJUSTMENTS (J)	
1	Electric Revenue		\$ -	\$ 177,034	SS-C-11	\$ (496)	\$ 176,538
2	Other Revenue	RT-C-8	426	(400)	SS-C-8	426	(400)
3	<b>TOTAL REVENUES</b>		<u>426</u>	<u>176,634</u>		<u>(70)</u>	<u>176,138</u>
4	Fuel	RT-C-9	1,522	45,040	SS-C-9	-	43,518
5	Purchased Power	RT-C-9	(815)	48,780	SS-C-9	-	47,595
6	<b>TOTAL COMMODITIES</b>		<u>707</u>	<u>91,820</u>		<u>-</u>	<u>91,113</u>
7	<b>GROSS MARGIN</b>		<u>(281)</u>	<u>84,814</u>		<u>(70)</u>	<u>85,025</u>
8	Power Supply	RT-C-2, RT-C-5, RT-C-6, RT-C-7	(434)	14,885	SS-C-2, SS-C-5, SS-C-6, SS-C-7, SS-C-10	(698)	14,621
9	Transmission & Distribution	RT-C-2, RT-C-3, RT-C-5, RT-C-6, RT-C-7	(204)	9,155	SS-C-2, SS-C-3, SS-C-5, SS-C-6, SS-C-7	(204)	9,155
10	Member Services	RT-C-6, RT-C-7	(41)	3,494	SS-C-6, SS-C-7, SS-C-8, SS-C-11	(41)	3,494
11	Communications	RT-C-7	(6)	890	SS-C-7	(6)	890
12	Energy Services	RT-C-7	(8)	1,023	SS-C-7	(8)	1,023
13	Human Resources	RT-C-7	(11)	1,310	SS-C-7	(11)	1,310
14	Executive	RT-C-4, RT-C-7	(44)	1,141	SS-C-4, SS-C-7	(44)	1,141
15	Board of Directors		-	694		-	694
16	Safety and Facilities	RT-C-2, RT-C-5, RT-C-6, RT-C-7	(6)	3,518	SS-C-2, SS-C-5, SS-C-6, SS-C-7	(129)	3,395
17	SOS Shearwater Program		-	384		-	384
18	Regulatory Affairs	RT-C-7	(6)	1,711	SS-C-7	(6)	1,711
19	Engineering	RT-C-2, RT-C-5, RT-C-6, RT-C-7	(35)	1,593	SS-C-2, SS-C-5, SS-C-6, SS-C-7	(180)	1,448
20	Habitat Conservation Program		-	4,528		-	4,528
21	Financial & Corporate Services	RT-C-2, RT-C-5, RT-C-6, RT-C-7	(30)	2,391	SS-C-2, SS-C-5, SS-C-6, SS-C-7	(95)	2,326
22	Information Technology	RT-C-7	(14)	3,030	SS-C-7	(14)	3,030
23	<b>TOTAL O&amp;M LESS COMMODITIES</b>		<u>(838)</u>	<u>49,748</u>		<u>(1,436)</u>	<u>49,150</u>
24	<b>TOTAL O&amp;M INCL COMMODITIES</b>		<u>(130)</u>	<u>141,569</u>		<u>(1,436)</u>	<u>140,263</u>
25	Depreciation & Amortization	RT-C-1	-	16,337	SS-C-1	(2,004)	14,333
26	Taxes Other Than Income		-	15,694	SS-C-8, SS-C-11	(6)	15,688
27	<b>TOTAL EXPENSES</b>		<u>(130)</u>	<u>173,600</u>		<u>(3,446)</u>	<u>170,284</u>
28	<b>OPERATING MARGIN</b>		<u>556</u>	<u>3,034</u>		<u>3,376</u>	<u>5,854</u>
29	Interest & Dividend Income		-	955		-	955
30	Other Income (Jobbing)		-	94		-	94
31	Income (Loss) from KRS1		-	(1,268)		-	(1,268)
32	Income (Loss) from KRS2H		-	(233)		-	(233)
33	Non-Operating Income		-	98		-	98
34	Capital Credits & Patronage Allocation		-	225		-	225
35	Sponsorships & Contributions		-	-		-	-
36	Other Deductions-Abandoned PSI		-	-		-	-
37	Interest Expense-Long-Term Debt		-	(6,730)		-	(6,730)
38	Interest Expense-Short-Term Debt		-	(462)		-	(462)
39	<b>NET MARGIN</b>		<u>\$ 556</u>	<u>\$ (4,286)</u>		<u>\$ 3,376</u>	<u>\$ (1,467)</u>

Notes and References

1. KIUC Application Exhibit 6
2. CA Direct Testimony, Exhibit CA-201
3. KIUC Rebuttal Testimonies, Schedule RT-C, page 2, and Schedules RT-C-1 through RT-C-10
4. Schedule SS-C, page 2, and Schedules SS-C-1 through SS-C-11

DOCKET NO. 2022-0208  
EXHIBIT 1  
SCHEDULE SS-C  
PAGE 1

KAUAI ISLAND UTILITY COOPERATIVE  
COMPARISON OF REVENUE REQUIREMENT PER KIUC APPLICATION, CA DIRECT TESTIMONY, KIUC REBUTTAL, AND STIPULATION  
TEST YEAR ENDED DECEMBER 31, 2023  
(IN THOUSANDS, EXCEPT PERCENTAGES AND RATIOS)

LINE NO.	DESCRIPTION	KIUC APPLICATION EXHIBIT 6					PER CA DIRECT TESTIMONY			
		PRESENT RATES 2023 (A)	KIUC REGULATORY ADJUSTMENTS (B)	KIUC ADJUSTED PRESENT RATES 2023 (C)	KIUC REQUESTED INCREASE (D)	KIUC PROPOSED RATES 2023 (E)	CA ADJUSTMENTS (F)	CA ADJUSTED PRESENT RATES 2023 (G)	REVENUE INCREASE (H)	PROPOSED RATES 2023 (I)
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
		(A) + (B)	(C)	(C) + (D)	(E)	(C) + (D)	(F)	(G) + (F)	(H)	(G) + (H)
1	Electric Revenue	\$ 177,034	\$ -	\$ 177,034	\$ 16,682	\$ 193,716	\$ -	\$ 177,034	\$ 12,235	\$ 189,269
2	Other Revenue	(826)	-	(826)	-	(826)	426	(400)	-	(400)
3	<b>TOTAL REVENUES</b>	<u>176,208</u>	<u>-</u>	<u>176,208</u>	<u>16,682</u>	<u>192,890</u>	<u>426</u>	<u>176,634</u>	<u>12,235</u>	<u>188,869</u>
4	Fuel	43,518	-	43,518	-	43,518	1,522	45,040	-	45,040
5	Purchased Power	47,595	-	47,595	-	47,595	(815)	46,780	-	46,780
6	<b>TOTAL COMMODITIES</b>	<u>91,113</u>	<u>-</u>	<u>91,113</u>	<u>-</u>	<u>91,113</u>	<u>707</u>	<u>91,820</u>	<u>-</u>	<u>91,820</u>
7	<b>GROSS MARGIN</b>	<u>85,095</u>	<u>-</u>	<u>85,095</u>	<u>16,682</u>	<u>101,777</u>	<u>(281)</u>	<u>84,814</u>	<u>12,235</u>	<u>97,048</u>
8	Power Supply	15,319	-	15,319	-	15,319	(893)	14,426	-	14,426
9	Transmission & Distribution	9,359	-	9,359	-	9,359	(788)	8,571	-	8,571
10	Member Services	3,535	-	3,535	17	3,552	(101)	3,434	12	3,447
11	Communications	896	-	896	-	896	(11)	885	-	885
12	Energy Services	1,031	-	1,031	-	1,031	(17)	1,014	-	1,014
13	Human Resources	1,321	-	1,321	-	1,321	(22)	1,299	-	1,299
14	Executive	1,185	-	1,185	-	1,185	(50)	1,135	-	1,135
15	Board of Directors	694	-	694	-	694	-	694	-	694
16	Safety and Facilities	3,524	-	3,524	-	3,524	(134)	3,390	-	3,390
17	SOS Shearwater Program	384	-	384	-	384	-	384	-	384
18	Regulatory Affairs	1,717	-	1,717	-	1,717	(11)	1,706	-	1,706
19	Engineering	1,628	-	1,628	-	1,628	(215)	1,413	-	1,413
20	Habitat Conservation Program	4,528	-	4,528	-	4,528	-	4,528	-	4,528
21	Financial & Corporate Services	2,421	-	2,421	-	2,421	(125)	2,296	-	2,296
22	Information Technology	3,044	-	3,044	-	3,044	(28)	3,016	-	3,016
23	<b>TOTAL O&amp;M LESS COMMODITIES</b>	<u>50,586</u>	<u>-</u>	<u>50,586</u>	<u>17</u>	<u>50,603</u>	<u>(2,395)</u>	<u>48,191</u>	<u>12</u>	<u>48,204</u>
24	<b>TOTAL O&amp;M INCL COMMODITIES</b>	<u>141,699</u>	<u>-</u>	<u>141,699</u>	<u>17</u>	<u>141,716</u>	<u>(1,687)</u>	<u>140,012</u>	<u>12</u>	<u>140,024</u>
25	Depreciation & Amortization	18,531	(2,194) a	16,337	-	16,337	(1,737)	14,600	-	14,600
26	Taxes Other Than Income	15,694	-	15,694	1,482	17,176	-	15,694	1,087	16,781
27	<b>TOTAL EXPENSES</b>	<u>175,924</u>	<u>(2,194)</u>	<u>173,730</u>	<u>1,489</u>	<u>175,229</u>	<u>(3,424)</u>	<u>170,306</u>	<u>1,099</u>	<u>171,405</u>
28	<b>OPERATING MARGIN</b>	<u>284</u>	<u>2,194</u>	<u>2,478</u>	<u>15,183</u>	<u>17,661</u>	<u>3,850</u>	<u>6,328</u>	<u>11,135</u>	<u>17,463</u>
29	Interest & Dividend Income	955	-	955	-	955	-	955	-	955
30	Other Income (Jobbing)	94	-	94	-	94	-	94	-	94
31	Income (Loss) from KRS1	(1,268)	-	(1,268)	-	(1,268)	-	(1,268)	-	(1,268)
32	Income (Loss) from KRS2H	(233)	-	(233)	-	(233)	-	(233)	-	(233)
33	Non-Operating Income	98	-	98	-	98	-	98	-	98
34	Capital Credits & Patronage Allocation	225	-	225	-	225	-	225	-	225
35	Sponsorships & Contributions	(78)	78 b	-	-	-	-	-	-	-
36	Other Deductions-Abandoned PSI	-	-	-	-	-	-	-	-	-
37	Interest Expense-Long-Term Debt	(6,730)	-	(6,730)	-	(6,730)	-	(6,730)	-	(6,730)
38	Interest Expense-Short-Term Debt	(462)	-	(462)	-	(462)	-	(462)	-	(462)
39	<b>NET MARGIN</b>	<u>\$ (7,115)</u>	<u>\$ 2,272</u>	<u>\$ (4,843)</u>	<u>\$ 15,183</u>	<u>\$ 10,340</u>	<u>\$ 3,850</u>	<u>\$ (993)</u>	<u>\$ 11,135</u>	<u>\$ 10,143</u>
40	AVERAGE RATE BASE	\$ 318,844		\$ 318,844		\$ 318,844		\$ 318,844		\$ 318,844
41	RETURN ON RATE BASE	0.09%		0.78%		5.54%		1.98%		5.48%
42	Regulatory TIER	(0.06)		0.28		2.54		0.85		2.51
43	Indenture DSC Ratio (Regulatory)									
44	Adjusted Net Margin	\$ 19,647		\$ 19,725		\$ 34,908		\$ 21,838		\$ 32,974
45	Total Debt Service	\$ 19,984		\$ 19,984		\$ 19,984		\$ 19,984		\$ 19,984
46	Indenture DSC Ratio (Regulatory)	0.98		0.99		1.75		1.09		1.65
47	Total Debt Service									
48	Interest Expense-Long-Term Debt	\$ 6,730		\$ 6,730		\$ 6,730		\$ 6,730		\$ 6,730
49	Principal Payments	13,254		13,254		13,254		13,254		13,254
50	Total	\$ 19,984		\$ 19,984		\$ 19,984		\$ 19,984		\$ 19,984

Revenue Requirement

51	Target Reported DSC				1.75				1.65	
52	Additional Net Margin Required				\$ 15,183				\$ 11,135	
53	Revenue Based Taxes				1,098719991				1,098719991	
54	Additional Revenue Required				\$ 16,682				\$ 12,235	
55	Percent Increase - Electric Revenue				9.42%				6.91%	
56	Percent Increase - Total Revenue				9.47%				6.93%	

Notes and References

1. KIUC Application Exhibit 6
2. CA Direct Testimony, Exhibit CA-201
3. KIUC Rebuttal Testimonies, Schedule RT-C, page 2, and Schedules RT-C-1 through RT-C-10
4. Schedule SS-C, page 2, and Schedules SS-C-1 through SS-C-11

DOCKET NO. 2022-0208  
EXHIBIT 1  
SCHEDULE SS-C  
PAGE 2

KAUAI ISLAND UTILITY COOPERATIVE  
COMPARISON OF REVENUE REQUIREMENT PER KIUC APPLICATION, CA DIRECT TESTIMONY, KIUC REBUTTAL, AND STIPULATION  
TEST YEAR ENDED DECEMBER 31, 2023  
(IN THOUSANDS, EXCEPT PERCENTAGES AND RATIOS)

LINE NO.	DESCRIPTION	PER KIUC REBUTTAL				PER STIPULATION			
		REBUTTAL ADJUSTMENTS (J)	PRESENT RATES 2023 (K) (C) + (J)	REVENUE INCREASE (L)	PROPOSED RATES 2023 (M) (K) + (L)	STIPULATION ADJUSTMENTS (N)	STIPULATION PRESENT RATES 2023 (O) (C) + (N)	REVENUE INCREASE (P)	PROPOSED RATES 2023 (Q) (O) + (P)
1	Electric Revenue	\$ -	\$ 177,034	\$ 16,141	\$ 193,175	\$ (496)	\$ 176,538	\$ 14,037	\$ 190,575
2	Other Revenue	426	(400)	-	(400)	426	(400)	-	(400)
3	<b>TOTAL REVENUES</b>	426	176,634	16,141	192,775	(70)	176,138	14,037	190,175
4	Fuel	1,522	45,040	-	45,040	-	43,518	-	43,518
5	Purchased Power	(815)	46,780	-	46,780	-	47,595	-	47,595
6	<b>TOTAL COMMODITIES</b>	707	91,820	-	91,820	-	91,113	-	91,113
7	<b>GROSS MARGIN</b>	(281)	84,814	16,141	100,955	(70)	85,025	14,037	99,062
8	Power Supply	(434)	14,885	-	14,885	(698)	14,621	-	14,621
9	Transmission & Distribution	(204)	9,155	-	9,155	(204)	9,155	-	9,155
10	Member Services	(41)	3,494	16	3,510	(41)	3,494	14	3,508
11	Communications	(6)	890	-	890	(6)	890	-	890
12	Energy Services	(8)	1,023	-	1,023	(8)	1,023	-	1,023
13	Human Resources	(11)	1,310	-	1,310	(11)	1,310	-	1,310
14	Executive	(44)	1,141	-	1,141	(44)	1,141	-	1,141
15	Board of Directors	-	694	-	694	-	694	-	694
16	Safety and Facilities	(6)	3,518	-	3,518	(129)	3,395	-	3,395
17	SOS Shearwater Program	-	384	-	384	-	384	-	384
18	Regulatory Affairs	(6)	1,711	-	1,711	(6)	1,711	-	1,711
19	Engineering	(35)	1,593	-	1,593	(180)	1,448	-	1,448
20	Habitat Conservation Program	-	4,528	-	4,528	-	4,528	-	4,528
21	Financial & Corporate Services	(30)	2,391	-	2,391	(95)	2,326	-	2,326
22	Information Technology	(14)	3,030	-	3,030	(14)	3,030	-	3,030
23	<b>TOTAL O&amp;M LESS COMMODITIES</b>	(838)	49,748	16	49,765	(1,436)	49,150	14	49,165
24	<b>TOTAL O&amp;M INCL COMMODITIES</b>	(130)	141,569	16	141,585	(1,436)	140,263	14	140,278
25	Depreciation & Amortization	-	16,337	-	16,337	(2,004)	14,333	-	14,333
26	Taxes Other Than Income	-	15,694	1,434	17,128	(6)	15,688	1,247	16,935
27	<b>TOTAL EXPENSES</b>	(130)	173,600	1,450	175,050	(3,446)	170,284	1,261	171,546
28	<b>OPERATING MARGIN</b>	556	3,034	14,691	17,725	3,376	5,854	12,776	18,630
29	Interest & Dividend Income	-	955	-	955	-	955	-	955
30	Other Income (Jobbing)	-	94	-	94	-	94	-	94
31	Income (Loss) from KRS1	-	(1,268)	-	(1,268)	-	(1,268)	-	(1,268)
32	Income (Loss) from KRS2H	-	(233)	-	(233)	-	(233)	-	(233)
33	Non-Operating Income	-	98	-	98	-	98	-	98
34	Capital Credits & Patronage Allocation	-	225	-	225	-	225	-	225
35	Sponsorships & Contributions	-	-	-	-	-	-	-	-
36	Other Deductions-Abandoned PSI	-	-	-	-	-	-	-	-
37	Interest Expense-Long-Term Debt	-	(6,730)	-	(6,730)	-	(6,730)	-	(6,730)
38	Interest Expense-Short-Term Debt	-	(462)	-	(462)	-	(462)	-	(462)
39	<b>NET MARGIN</b>	\$ 556	\$ (4,286)	\$ 14,691	\$ 10,404	\$ 3,376	\$ (1,467)	\$ 12,776	\$ 11,309
40	AVERAGE RATE BASE		\$ 318,844		\$ 318,844		\$ 318,844		\$ 318,844
41	RETURN ON RATE BASE		0.95%		5.56%		1.84%		5.84%
42	Regulatory TIER		0.36		2.55		0.78		2.68
43	Indenture DSC Ratio (Regulatory)								
44	Adjusted Net Margin		\$ 20,281		\$ 34,972		\$ 21,097		\$ 33,873
45	Total Debt Service		\$ 19,984		\$ 19,984		\$ 19,984		\$ 19,984
46	Indenture DSC Ratio (Regulatory)		1.01		1.75		1.06		1.695
47	Total Debt Service								
48	Interest Expense-Long-Term Debt		\$ 6,730		\$ 6,730		\$ 6,730		\$ 6,730
49	Principal Payments		13,254		13,254		13,254		13,254
50	Total		\$ 19,984		\$ 19,984		\$ 19,984		\$ 19,984

Revenue Requirement

51	Target Reported DSC			1.75			1.695		
52	Additional Net Margin Required		\$	14,691		\$	12,776		
53	Revenue Based Taxes			1,098719991			1,098719991		
54	Additional Revenue Required		\$	16,141		\$	14,037		
55	Percent Increase - Electric Revenue			9.12%			7.95%		
56	Percent Increase - Total Revenue			9.14%			7.97%		

Notes and References

1. KIUC Application Exhibit 6
2. CA Direct Testimony, Exhibit CA-201
3. KIUC Rebuttal Testimonies, Schedule RT-C, page 2, and Schedules RT-C-1 through RT-C-10
4. Schedule SS-C, page 2, and Schedules SS-C-1 through SS-C-11

KAUAI ISLAND UTILITY COOPERATIVE  
 STIPULATION INCOME STATEMENT ADJUSTMENTS  
 TEST YEAR ENDED DECEMBER 31, 2023  
 (IN THOUSANDS, EXCEPT PERCENTAGES AND RATIOS)

LINE NO.	DESCRIPTION	Total of Proposed Settlement Adjustments	Depreciation Expense for New Depreciation Rates SS-C-1	Adjust Labor Cost for Vacancies and Filled Positions SS-C-2	Adjust Vegetation Management Expense SS-C-3	Remove Christmas Party and Other Nonessential Expenses SS-C-4	Payroll Tax Expense SS-C-5	Remove Employee Benefits Related to Vacant Positions SS-C-6	Remove Amortization of Regulatory Asset - Pension Expense SS-C-7	Amortization of LGM Regulatory Asset SS-C-8	Fuel and Purchased Power Expense SS-C-9	Remove DLNR Water Fees SS-C-10	Adjust Heat Rate SS-C-11
1	Electric Revenue	\$ (496)											(496)
2	Other Revenue	426								426			
3	<b>TOTAL REVENUES</b>	<b>(70)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>426</b>	<b>-</b>	<b>-</b>	<b>(496)</b>
4	Fuel	-									-		
5	Purchased Power	-									-		
6	<b>TOTAL COMMODITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
7	<b>GROSS MARGIN</b>	<b>(70)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>426</b>	<b>-</b>	<b>-</b>	<b>(496)</b>
8	Power Supply	(698)		(421)			(33)	(73)	(117)			(54)	-
9	Transmission & Distribution	(204)		(74)	-		(6)	(18)	(106)				
10	Member Services	(41)							(41)	0			(0)
11	Communications	(6)							(6)				
12	Energy Services	(8)							(8)				
13	Human Resources	(11)							(11)				
14	Executive	(44)				(39)			(6)				
15	Board of Directors	-							-				
16	Safety and Facilities	(129)		(97)			(8)	(18)	(6)				
17	SOS Shearwater Program	-							-				
18	Regulatory Affairs	(6)							(6)				
19	Engineering	(180)		(101)			(8)	(37)	(35)				
20	Habitat Conservation Program	-							-				
21	Financial & Corporate Services	(95)		(42)			(3)	(18)	(30)				
22	Information Technology	(14)							(14)				
23	<b>TOTAL O&amp;M LESS COMMODITIES</b>	<b>(1,436)</b>	<b>-</b>	<b>(736)</b>	<b>-</b>	<b>(39)</b>	<b>(59)</b>	<b>(165)</b>	<b>(384)</b>	<b>0</b>	<b>-</b>	<b>(54)</b>	<b>(0)</b>
24	<b>TOTAL O&amp;M INCL COMMODITIES</b>	<b>(1,436)</b>	<b>-</b>	<b>(736)</b>	<b>-</b>	<b>(39)</b>	<b>(59)</b>	<b>(165)</b>	<b>(384)</b>	<b>0</b>	<b>-</b>	<b>(54)</b>	<b>(0)</b>
25	Depreciation & Amortization	(2,004)	(2,004)										
26	Taxes Other Than Income	(6)								38			(44)
27	<b>TOTAL EXPENSES</b>	<b>(3,446)</b>	<b>(2,004)</b>	<b>(736)</b>	<b>-</b>	<b>(39)</b>	<b>(59)</b>	<b>(165)</b>	<b>(384)</b>	<b>38</b>	<b>-</b>	<b>(54)</b>	<b>(45)</b>
28	<b>OPERATING MARGIN</b>	<b>3,376</b>	<b>2,004</b>	<b>736</b>	<b>-</b>	<b>39</b>	<b>59</b>	<b>165</b>	<b>384</b>	<b>388</b>	<b>-</b>	<b>54</b>	<b>(452)</b>
29	Interest & Dividend Income	-											
30	Other Income (Jobbing)	-											
31	Income (Loss) from KRS1	-											
32	Income (Loss) from KRS2H	-											
33	Non-Operating Income	-											
34	Capital Credits & Patronage Allocation	-											
35	Sponsorships & Contributions	-											
36	Other Deductions-Abandoned PSI	-											
37	Interest Expense-Long-Term Debt	-											
38	Interest Expense-Short-Term Debt	-											
39	<b>NET MARGIN</b>	<b>\$ 3,376</b>	<b>\$ 2,004</b>	<b>\$ 736</b>	<b>\$ -</b>	<b>\$ 39</b>	<b>\$ 59</b>	<b>\$ 165</b>	<b>\$ 384</b>	<b>\$ 388</b>	<b>\$ -</b>	<b>\$ 54</b>	<b>\$ (452)</b>

Notes and References  
 1. Schedule SS-C, page 2, and Schedules SS-C-1 through SS-C-11

DOCKET NO. 2022-0208  
 EXHIBIT 1  
 SCHEDULE SS-C-1  
 PAGE 1

KAUAI ISLAND UTILITY COOPERATIVE  
 COMPUTATION OF 2023 TEST YEAR DEPRECIATION EXPENSE ADJUSTMENT  
 TEST YEAR ENDED DECEMBER 31, 2023  
 (IN THOUSANDS, EXCEPT PERCENTAGES)

Line No.	Description	Account	2023 Projected (2012 Retirement Rates)			2023 TY (2017 Retirement Rates)			Depreciation Rates		Depreciation Expense		2023 TY
			Depreciable Plant			Depreciable Plant			2023 Study	2017 Study	2023 Projected	2023 Test Year	Adjustment
			12/31/2022	12/31/2023	2023 Average	12/31/2023	2023 Average	(F)	(G)	(H)	(I)	(J)	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)				
			WP 8-19 P1 Col(G)	WP 8-19 P2 Col(F)	= ((A)+(B))/2	WP 8-19 P3 Col(F)	= ((A)+(D))/2			= (C) x (F)	= (E) x (G)	= (I) - (H)	
1	Land & Land Rights	3100	\$ 291	\$ 291	\$ 291	\$ 291	\$ 291	0.00%	0.00%	\$ -	\$ -	\$ -	
2	Structures and Improvements	3110	3,142	3,248	3,195	3,248	3,195	2.59%	1.15%	83	37	(46)	
3	Boiler Plant Equipment	3120	14,071	15,061	14,566	15,056	14,564	2.60%	3.11%	379	453	74	
4	Engines and Engine-Driven Generators	3130	-	-	-	-	-	0.00%	0.00%	-	-	-	
5	Turbogenerator Units	3140	2,335	2,830	2,583	2,831	2,583	3.49%	3.07%	90	79	(11)	
6	Accessory Electric Equipment	3150	627	727	677	726	677	2.52%	2.84%	17	19	2	
7	Miscellaneous Power Plant Equipment	3160	547	540	544	542	545	6.78%	4.34%	27	24	(3)	
8	<b>SUBTOTAL - Steam Production</b>		<b>21,013</b>	<b>22,697</b>	<b>21,856</b>	<b>22,694</b>	<b>22,276</b>	<b>2.77%</b>	<b>2.75%</b>	<b>606</b>	<b>612</b>	<b>6</b>	
9	Structures and Improvements	3310	1,132	1,212	1,172	1,212	1,172	3.76%	2.85%	44	33	(11)	
11	Reservoirs, Dams & Waterways	3320	2,983	2,972	2,978	3,017	3,000	3.48%	2.57%	104	77	(27)	
12	Water Wheels, Turbines & Generators	3330	2,054	2,067	2,061	2,032	2,043	4.24%	4.03%	87	82	(5)	
13	Accessory Electric Equipment-Water	3340	715	715	715	715	715	3.49%	2.64%	25	19	(6)	
14	<b>SUBTOTAL - Hydraulic Production</b>		<b>6,884</b>	<b>6,966</b>	<b>6,925</b>	<b>6,976</b>	<b>6,951</b>	<b>3.75%</b>	<b>3.05%</b>	<b>260</b>	<b>212</b>	<b>(48)</b>	
15	Land & Land Rights	3400	8,604	8,604	8,604	8,604	8,604	0.00%	0.00%	-	-	-	
17	Structures and Improvements	3410	18,885	19,888	19,387	19,818	19,352	3.34%	3.39%	648	656	9	
18	Fuel Holders, Producers, and Access	3420	5,250	5,745	5,498	5,745	5,498	3.42%	3.13%	198	172	(26)	
19	Prime Movers	3430	48,033	50,932	49,483	50,888	49,461	3.15%	3.71%	1,559	1,835	276	
20	Generators	3440	9,728	10,195	9,962	10,177	9,953	2.98%	2.82%	297	281	(16)	
21	Accessory Electric Equipment	3450	9,652	9,637	9,645	9,637	9,645	1.58%	1.66%	152	160	8	
22	Miscellaneous Power Plant Equipment	3460	2,543	2,536	2,540	2,451	2,497	2.44%	7.99%	62	200	138	
23	<b>SUBTOTAL - Other Production Plant</b>		<b>102,895</b>	<b>107,537</b>	<b>105,116</b>	<b>107,320</b>	<b>106,218</b>	<b>2.76%</b>	<b>3.11%</b>	<b>2,905</b>	<b>3,303</b>	<b>398</b>	
24	Land & Land Rights, Roads & Trails	3500	577	577	577	577	577	0.00%	0.00%	-	-	-	
26	Structures and Improvements	3520	280	278	279	280	280	1.33%	1.19%	4	3	(1)	
27	Station Equipment	3530	31,536	31,617	31,577	31,753	31,645	2.50%	2.24%	789	709	(81)	
28	Towers & Fixtures	3540	58	58	58	58	58	1.86%	1.79%	1	1	(0)	
29	Poles & Fixtures	3550	30,635	30,553	30,594	30,433	30,534	1.22%	1.11%	373	339	(34)	
30	Overhead Conductors & Devices	3560	35,685	39,034	37,360	38,877	37,281	2.01%	1.95%	751	727	(24)	
31	Underground Conduit	3570	9	9	9	9	9	1.48%	1.34%	0	0	(0)	
32	Underground Conductor & Devices	3580	492	492	492	491	492	2.18%	2.13%	11	10	(1)	
33	<b>SUBTOTAL - Transmission Plant</b>		<b>99,272</b>	<b>102,618</b>	<b>100,945</b>	<b>102,478</b>	<b>101,712</b>	<b>1.91%</b>	<b>1.76%</b>	<b>1,929</b>	<b>1,790</b>	<b>(140)</b>	
34	Land & Land Rights	3600	499	499	499	499	499	0.00%	0.00%	-	-	-	
35	Structures and Improvements	3610	20,468	20,460	20,464	20,407	20,438	2.09%	1.84%	428	376	(52)	
37	Station Equipment	3620	33,797	34,534	34,166	34,368	34,083	3.13%	3.75%	1,069	1,278	209	
38	Storage Battery Equipment	3630	5,805	7,015	6,410	6,725	6,265	4.98%	10.00%	319	627	307	
39	Poles, Towers, and Fixtures	3640	38,137	37,925	38,031	37,754	37,946	1.59%	2.39%	605	907	302	
40	Overhead, Conductors and Devices	3650	46,322	47,023	46,673	46,944	46,633	3.18%	2.14%	1,484	998	(486)	
41	Underground Conduit	3660	9,447	9,411	9,429	9,387	9,417	1.34%	1.65%	126	155	29	
42	Underground Conductor & Devices	3670	27,470	27,987	27,729	28,053	27,762	1.98%	2.22%	549	616	67	
43	Line Transformers	3680	28,703	29,715	29,209	29,618	29,161	4.50%	3.64%	1,314	1,061	(253)	
44	Services	3690	7,323	7,377	7,350	7,345	7,334	1.35%	1.44%	99	106	6	
45	Meters	3700	9,228	9,549	9,388	9,496	9,361	13.53%	8.80%	1,276	824	(452)	
46	Installations on Customer's Premises	3710	-	28	29	25	27	10.00%	10.00%	3	3	(0)	
47	Leased Property, Consumers' Premises	3720	-	-	-	-	-	12.26%	5.51%	-	-	-	
48	Street Lighting	3730	5,534	5,467	5,501	5,301	5,418	2.45%	5.72%	135	310	175	
49	<b>SUBTOTAL - Distribution Plant</b>		<b>232,760</b>	<b>236,990</b>	<b>234,875</b>	<b>235,922</b>	<b>235,399</b>	<b>3.16%</b>	<b>3.08%</b>	<b>7,408</b>	<b>7,261</b>	<b>(147)</b>	
50	Land & Land Rights	3890	217	217	217	217	217	0.00%	0.00%	-	-	-	
52	Structures and Improvements	3900	9,684	22,659	16,172	22,659	16,172	1.91%	1.54%	309	249	(60)	
53	Office Furniture & Equipment	3910	1,572	1,550	1,561	1,550	1,561	3.94%	3.61%	62	56	(6)	
54	Computer Equipment	3911	14,301	13,067	13,684	12,088	13,195	2.96%	17.76%	405	2,343	1,938	
55	Transportation Equipment	3920	5,896	6,186	6,041	6,186	6,041	10.00%	10.00%	604	604	-	
56	Store Equipment	3930	279	488	384	490	385	3.81%	1.53%	15	6	(9)	
57	Tools, Shop and Garage Equipment	3940	1,834	1,759	1,822	1,759	1,822	6.40%	3.60%	117	66	(51)	
58	Laboratory Equipment	3950	249	232	241	232	241	4.75%	2.06%	11	6	(5)	
59	Power - Operated Equipment	3960	308	287	298	287	298	2.02%	1.26%	6	4	(2)	
60	Communication Equipment	3970	4,003	4,028	4,016	4,011	4,007	5.23%	7.91%	210	317	107	
61	Miscellaneous Equipment	3980	1,437	1,384	1,411	1,384	1,411	6.45%	8.05%	91	114	23	
62	<b>SUBTOTAL - General Plant</b>		<b>39,830</b>	<b>51,857</b>	<b>45,844</b>	<b>50,863</b>	<b>48,353</b>	<b>3.99%</b>	<b>7.78%</b>	<b>1,829</b>	<b>3,763</b>	<b>1,934</b>	
63	<b>TOTAL</b>		<b>\$ 502,454</b>	<b>\$ 528,665</b>	<b>\$ 515,560</b>	<b>\$ 526,253</b>	<b>\$ 520,906</b>	<b>2.90%</b>	<b>3.25%</b>	<b>\$ 14,937</b>	<b>\$ 16,941</b>	<b>\$ 2,004</b>	
65	Less: Transportation Equipment									(604)	(604)	-	
67	<b>TOTAL - TY Depreciation Adjustment Purposes</b>									<b>\$ 14,333</b>	<b>\$ 16,337</b>	<b>\$ 2,004</b>	

Notes and References

- Exhibit CA-201, Schedule C-1, and Dunkel testimony (CA-T-4)
- Hughes Rebuttal Testimony (KIUC RT-1100). See also Dellamano Rebuttal Testimony (KIUC RT-200), Section I (Adjustment C-1 – Depreciation Expense) for KIUC's recommendation regarding new depreciation study.

DOCKET NO. 2022-0208  
 EXHIBIT 1  
 SCHEDULE SS-C-1  
 PAGE 2

KAAUI ISLAND UTILITY COOPERATIVE  
 COMPUTATION OF 2023 TEST YEAR DEPRECIATION EXPENSE ADJUSTMENT  
 TEST YEAR ENDED DECEMBER 31, 2023  
 (IN THOUSANDS, EXCEPT PERCENTAGES)

Line No.	Description	Account	PER CA DIRECT TESTIMONY				PER KIUC REBUTTAL				PER STIPULATION			
			Depreciation		Over Current	Over KIUC	Depreciation		Over Current	Over KIUC	Depreciation		Over Current	Over KIUC
			Rate	Expense	Rates	Filed	Rate	Expense	Rates	Filed	Rate	Expense	Rates	Filed
(K)	= (K) x (E)	(M)	(N)	(O)	= (O) x (E)	(Q)	(R)	(S)	= (S) x (C)	(U)	(V)			
		= (L) - (H)	= (L) - (I)			= (P) - (H)	= (P) - (I)			= (T) - (H)	= (T) - (I)			
1	Land & Land Rights	3100	0.00%	\$ -	-	-	0.00%	\$ -	-	-	0.00%	\$ -	-	-
2	Structures and Improvements	3110	1.15%	\$ 37	(46)	-	1.15%	\$ 37	(46)	-	2.59%	\$ 83	-	46
3	Boiler Plant Equipment	3120	3.11%	\$ 453	74	-	3.11%	\$ 453	74	-	2.60%	\$ 379	-	(74)
4	Engines and Engine-Driven Generators	3130	0.00%	\$ -	-	-	0.00%	\$ -	-	-	0.00%	\$ -	-	-
5	Turbogenerator Units	3140	3.07%	\$ 79	(11)	-	3.07%	\$ 79	(11)	-	3.49%	\$ 90	-	11
6	Accessory Electric Equipment	3150	2.84%	\$ 19	2	-	2.84%	\$ 19	2	-	2.52%	\$ 17	-	(2)
7	Miscellaneous Power Plant Equipment	3160	4.34%	\$ 24	(13)	-	4.34%	\$ 24	(13)	-	6.78%	\$ 37	-	13
8	<b>SUBTOTAL - Steam Production</b>			<b>612</b>	<b>6</b>	-		<b>612</b>	<b>6</b>	-		<b>606</b>	-	<b>(6)</b>
9														
10	Structures and Improvements	3310	2.85%	\$ 33	(11)	-	2.85%	\$ 33	(11)	-	3.76%	\$ 44	-	11
11	Reservoirs, Dams & Waterways	3320	2.57%	\$ 77	(27)	-	2.57%	\$ 77	(27)	-	3.48%	\$ 104	-	27
12	Water Wheels, Turbines & Generators	3330	4.03%	\$ 82	(5)	-	4.03%	\$ 82	(5)	-	4.24%	\$ 87	-	5
13	Accessory Electric Equipment-Water	3340	2.64%	\$ 19	(6)	-	2.64%	\$ 19	(6)	-	3.49%	\$ 25	-	6
14	<b>SUBTOTAL - Hydraulic Production</b>			<b>212</b>	<b>(48)</b>	-		<b>212</b>	<b>(48)</b>	-		<b>260</b>	-	<b>48</b>
15														
16	Land & Land Rights	3400												
17	Structures and Improvements	3410	3.39%	\$ 656	9	-	3.39%	\$ 656	9	-	3.34%	\$ 648	-	(9)
18	Fuel Holders, Producers, and Access	3420	3.13%	\$ 172	(16)	-	3.13%	\$ 172	(16)	-	3.42%	\$ 188	-	16
19	Prime Movers	3430	3.71%	\$ 1,835	276	-	3.71%	\$ 1,835	276	-	3.15%	\$ 1,559	-	(276)
20	Generators	3440	2.82%	\$ 281	(16)	-	2.82%	\$ 281	(16)	-	2.98%	\$ 297	-	16
21	Accessory Electric Equipment	3450	1.66%	\$ 160	8	-	1.66%	\$ 160	8	-	1.58%	\$ 152	-	(8)
22	Miscellaneous Power Plant Equipment	3460	7.99%	\$ 200	138	-	7.99%	\$ 200	138	-	2.44%	\$ 62	-	(138)
23	<b>SUBTOTAL - Other Production Plant</b>			<b>3,303</b>	<b>398</b>	-		<b>3,303</b>	<b>398</b>	-		<b>2,905</b>	-	<b>(398)</b>
24														
25	Land & Land Rights, Roads & Trails	3500												
26	Structures and Improvements	3520	1.19%	\$ 3	(0)	-	1.19%	\$ 3	(0)	-	1.33%	\$ 4	-	0
27	Station Equipment	3530	2.24%	\$ 709	(81)	-	2.24%	\$ 709	(81)	-	2.50%	\$ 789	-	81
28	Towers & Fixtures	3540	1.79%	\$ 1	(0)	-	1.79%	\$ 1	(0)	-	1.86%	\$ 1	-	0
29	Poles & Fixtures	3550	0.96%	\$ 292	(81)	(47)	1.11%	\$ 339	(34)	-	1.22%	\$ 373	-	34
30	Overhead Conductors & Devices	3560	1.56%	\$ 581	(170)	(146)	1.95%	\$ 727	(24)	-	2.01%	\$ 751	-	24
31	Underground Conduit	3570	1.34%	\$ 0	(0)	-	1.34%	\$ 0	(0)	-	1.48%	\$ 0	-	0
32	Underground Conductor & Devices	3580	2.13%	\$ 10	(0)	-	2.13%	\$ 10	(0)	-	2.18%	\$ 11	-	0
33	<b>SUBTOTAL - Transmission Plant</b>			<b>1,597</b>	<b>(332)</b>	<b>(193)</b>		<b>1,790</b>	<b>(140)</b>	-		<b>1,929</b>	-	<b>140</b>
34														
35	Land & Land Rights	3600												
36	Structures and Improvements	3610	1.84%	\$ 376	(52)	-	1.84%	\$ 376	(52)	-	2.09%	\$ 428	-	52
37	Station Equipment	3620	3.75%	\$ 1,278	209	-	3.75%	\$ 1,278	209	-	3.13%	\$ 1,069	-	(209)
38	Storage Battery Equipment	3630	10.00%	\$ 627	307	-	10.00%	\$ 627	307	-	4.98%	\$ 319	-	(307)
39	Poles, Towers, and Fixtures	3640	1.95%	\$ 740	135	(167)	2.39%	\$ 907	302	-	1.59%	\$ 605	-	(302)
40	Overhead, Conductors and Devices	3650	2.14%	\$ 998	(486)	-	2.14%	\$ 998	(486)	-	3.18%	\$ 1,484	-	486
41	Underground Conduit	3660	1.34%	\$ 126	0	(29)	1.65%	\$ 155	29	-	1.34%	\$ 126	-	(29)
42	Underground Conductor & Devices	3670	1.99%	\$ 552	3	(64)	2.22%	\$ 616	67	-	1.98%	\$ 549	-	(67)
43	Line Transformers	3680	4.11%	\$ 1,198	(116)	137	3.64%	\$ 1,061	(253)	-	4.50%	\$ 1,314	-	253
44	Services	3690	1.33%	\$ 98	(1)	(8)	1.44%	\$ 106	6	-	1.35%	\$ 99	-	(6)
45	Meters	3700	6.75%	\$ 632	(644)	(192)	8.80%	\$ 824	(452)	-	13.59%	\$ 1,276	-	452
46	Installations on Customer's Premises	3710	10.00%	\$ 3	(0)	-	10.00%	\$ 3	(0)	-	10.00%	\$ 3	-	0
47	Leased Property, Consumers' Premises	3720	5.51%	\$ -	-	-	5.51%	\$ -	-	-	12.26%	\$ -	-	-
48	Street Lighting	3730	4.42%	\$ 239	105	(71)	5.72%	\$ 310	175	-	2.45%	\$ 135	-	(175)
49	<b>SUBTOTAL - Distribution Plant</b>			<b>6,867</b>	<b>(541)</b>	<b>(394)</b>		<b>7,261</b>	<b>(147)</b>	-		<b>7,408</b>	-	<b>147</b>
50														
51	Land & Land Rights	3890												
52	Structures and Improvements	3900	1.54%	\$ 249	(60)	-	1.54%	\$ 249	(60)	-	1.91%	\$ 309	-	60
53	Office Furniture & Equipment	3910	3.61%	\$ 56	(5)	-	3.61%	\$ 56	(5)	-	3.94%	\$ 62	-	5
54	Computer Equipment	3911	9.04%	\$ 1,193	788	(1,151)	17.76%	\$ 2,343	1,938	-	2.96%	\$ 405	-	(1,938)
55	Transportation Equipment	3920	10.00%	\$ 604	-	-	10.00%	\$ 604	-	-	10.00%	\$ 604	-	-
56	Store Equipment	3930	1.53%	\$ 6	(9)	-	1.53%	\$ 6	(9)	-	3.81%	\$ 15	-	9
57	Tools, Shop and Garage Equipment	3940	3.60%	\$ 66	(51)	-	3.60%	\$ 66	(51)	-	6.40%	\$ 117	-	51
58	Laboratory Equipment	3950	2.06%	\$ 5	(6)	-	2.06%	\$ 5	(6)	-	4.75%	\$ 11	-	6
59	Power - Operated Equipment	3960	1.26%	\$ 4	(2)	-	1.26%	\$ 4	(2)	-	2.02%	\$ 6	-	2
60	Communication Equipment	3970	7.91%	\$ 317	107	-	7.91%	\$ 317	107	-	5.23%	\$ 210	-	(107)
61	Miscellaneous Equipment	3980	8.05%	\$ 114	23	-	8.05%	\$ 114	23	-	6.45%	\$ 91	-	(23)
62	<b>SUBTOTAL - General Plant</b>			<b>2,613</b>	<b>784</b>	<b>(1,151)</b>		<b>3,763</b>	<b>1,934</b>	-		<b>1,829</b>	-	<b>(1,934)</b>
63														
64	<b>TOTAL</b>			<b>\$ 15,204</b>	<b>\$ 267</b>	<b>\$ (1,737)</b>		<b>\$ 16,941</b>	<b>\$ 2,004</b>	<b>\$ -</b>		<b>\$ 14,937</b>	<b>\$ -</b>	<b>\$ (2,004)</b>
65														
66	Less: Transportation Equipment			(604)				(604)				(604)		
67	<b>TOTAL - TY Depreciation Adjustment Purposes</b>			<b>\$ 14,600</b>	<b>\$ 267</b>	<b>\$ (1,737)</b>		<b>\$ 16,337</b>	<b>\$ 2,004</b>	<b>\$ -</b>		<b>\$ 14,333</b>	<b>\$ -</b>	<b>\$ (2,004)</b>

Notes and References

- Exhibit CA-201, Schedule C-1, and Dunkel testimony (CA-T-4)
- Hughes Rebuttal Testimony (KIUC RT-1100). See also Dellamano Rebuttal Testimony (KIUC RT-200), Section I (Adjustment C-1 – Depreciation Expense) for KIUC's recommendation regarding new depreciation study.

DOCKET NO. 2022-0208  
 EXHIBIT 1  
 SCHEDULE SS-C-2  
 PAGE 1

KAUAI ISLAND UTILITY COOPERATIVE  
 ADJUSTMENT TO LABOR COST FOR VACANT POSITIONS  
 TEST YEAR ENDED DECEMBER 31, 2023  
 (IN THOUSANDS, EXCEPT PERCENTAGES)

LINE NO.	DESCRIPTION	PER CA DIRECT TESTIMONY (A)	PER KIUC REBUTTAL (B)	PER STIPULATION (C)
1	Adjustment to Labor Expense for Vacancies and Unfilled Positions	\$ (915)	\$ (285)	\$ (736)

Notes and References

1. Schedule SS-C-2, page 2

KAUAI ISLAND UTILITY COOPERATIVE  
 ADJUSTMENT TO LABOR COST FOR VACANT POSITIONS  
 TEST YEAR ENDED DECEMBER 31, 2023  
 (IN THOUSANDS, EXCEPT EMPLOYEES AND PERCENTAGES)

LINE NO.	DEPARTMENT	ATTACHMENT CA-IR-161A				PER CA DIRECT TESTIMONY			PER KIUC REBUTTAL			PER STIPULATION				
		BUDGETED EMPLOYEES (A)	ACTUAL EMPLOYEES AS OF 6/30/23 (B)	VACANT AS OF 6/30/23 (C)	BUDGETED LABOR COSTS (D)	Labor Cost Allowed for Vacant Positions (E)	Adjustment (F)	O&M Allocation (G)	Adjustment to O&M (H)	VACANT POSITIONS (I)	LABOR COSTS ALLOWED (J)	O&M ALLOCATION (K)	ADJUSTMENT TO O&M (L)	VACANT POSITIONS (M)	LABOR COSTS ALLOWED (N)	O&M ALLOCATION (O)
		(A) - (B)	(E) - (D)	(F) x (G)	(D)/(C) x (I)	(J) x (K)	(D)/(C) x (M)	(N) x (O)								
1	Information Technology	5	5	0	\$ -	\$ -	100.00%	\$ -	0	\$ -	100.00%	\$ -	0	\$ -	100.00%	\$ -
2	Financial & Corporate Services	14	13	1	55	(55)	77.14%	(42)	0	-	77.14%	-	1	(55)	77.14%	(42)
3	Engineering	12	10	2	235	(235)	42.88%	(101)	0	-	42.88%	-	2	(235)	42.88%	(101)
4	Regulatory Affairs	2	2	0	-	-	87.84%	-	0	-	87.84%	-	0	-	87.84%	-
5	Safety & Facilities	2	1	1	97	(97)	100.00%	(97)	0	-	100.00%	-	1	(97)	100.00%	(97)
6	Executive	2	2	0	-	-	100.00%	-	0	-	100.00%	-	0	-	100.00%	-
7	Human Resources	4	4	0	-	-	100.00%	-	0	-	100.00%	-	0	-	100.00%	-
8	Energy Services	3	3	0	-	-	100.00%	-	0	-	100.00%	-	0	-	100.00%	-
9	Communications	2	2	0	-	-	100.00%	-	0	-	100.00%	-	0	-	100.00%	-
10	Member Services	16	15	1	-	-	98.99%	-	0	-	98.99%	-	0	-	98.99%	-
11	Transmission & Distribution	38	36	2	222	(222)	66.84%	(148)	1	(111)	66.84%	(74)	1	(111)	66.84%	(74)
12	Power Supply	43	38	5	539	(539)	97.57%	(526)	2	(216)	97.57%	(210)	4	(431)	97.57%	(421)
13	Total	143	131	12	\$ 1,149	\$ -		\$ (1,149)	3	\$ (327)		\$ (285)	9	\$ (930)		\$ (736)

Notes and References

- Exhibit CA-201, Schedule C-2, and Smith Testimony (CA-T-2)
- Dellamano Rebuttal Testimony (KIUC RT-200), Section II (Adjustments C-2 – Vacancies/Unfilled Positions, C-5 - Payroll Tax, and C-6 - Employee Benefits Expenses)

DOCKET NO. 2022-0208  
 EXHIBIT 1  
 SCHEDULE SS-C-3  
 PAGE 1

KAUAI ISLAND UTILITY COOPERATIVE  
 ADJUSTMENT TO VEGETATION MANAGEMENT EXPENSE  
 TEST YEAR ENDED DECEMBER 31, 2023

LINE NO.	DESCRIPTION	ACCOUNT NO.	PER KIUC APPLICATION (A)	PER CA DIRECT TESTIMONY		PER KIUC REBUTTAL		PER STIPULATION	
				CA DT (B)	CA DT ADJUSTMENT (C) (B) - (A)	KIUC REBUTTAL (D)	KIUC REBUTTAL ADJUSTMENT (E) (D) - (A)	STIPULATION (F)	STIPULATION ADJUSTMENT (G) (F) - (A)
1	TREE TRIMMING	571	\$ 496,800	\$ 392,900	\$ (103,900)	\$ 496,800	\$ -	\$ 496,800	\$ -
2	TREE TRIMMING - OUTSOURCE CLIMBE	571	75,000	59,300	(15,700)	75,000	-	75,000	-
3	TREE TRIMMING	593	1,320,000	1,059,200	(260,800)	1,320,000	-	1,320,000	-
4	TOTAL TREE TRIMMING		<u>\$ 1,891,800</u>	<u>\$ 1,511,400</u>	<u>\$ (380,400)</u>	<u>\$ 1,891,800</u>	<u>\$ -</u>	<u>\$ 1,891,800</u>	<u>\$ -</u>
5	TOTAL TREE TRIMMING ADJUSTMENT (000S)				<u>\$ (380)</u>		<u>\$ -</u>		<u>\$ -</u>

Notes and References

1. Exhibit CA-201, Schedule C-3, Nishina Testimony (CA-T-1) and Smith Testimony (CA-T-2)
2. Dellamano Rebuttal Testimony (KIUC RT-200), Section III (Adjustment C-3 – Vegetation Management)

DOCKET NO. 2022-0208  
 EXHIBIT 1  
 SCHEDULE SS-C-4  
 PAGE 1

KAUAI ISLAND UTILITY COOPERATIVE  
 ADJUSTMENT TO REMOVE CHRISTMAS PARTY AND OTHER NON-ESSENTIAL EXPENSES  
 TEST YEAR ENDED DECEMBER 31, 2023

LINE NO.	DESCRIPTION	PER KIUC APPLICATION (A)	PER CA DIRECT TESTIMONY		PER KIUC REBUTTAL		PER STIPULATION	
			CA DT (B)	CA DT ADJUSTMENT (C) (B) - (A)	KIUC REBUTTAL (D)	KIUC REBUTTAL ADJUSTMENT (E) (D) - (A)	STIPULATION (F)	STIPULATION ADJUSTMENT (G) (F) - (A)
1	CHRISTMAS PARTY	\$ 25,000	\$ -	\$ (25,000)	\$ -	\$ (25,000)	\$ -	\$ (25,000)
2	COMMUNITY PARTICIPATION EVENT	1,200	-	(1,200)	-	(1,200)	-	(1,200)
3	CAK HOME SHOW	1,500	-	(1,500)	-	(1,500)	-	(1,500)
4	COUNTY FARM BUREAU FAIR	10,000	-	(10,000)	-	(10,000)	-	(10,000)
5	WAIMEA & RICE ST LIGHT PARADE	800	-	(800)	-	(800)	-	(800)
6	TOTAL EXECUTIVE EMPLOYEE EVENTS	<u>\$ 38,500</u>	<u>\$ -</u>	<u>\$ (38,500)</u>	<u>\$ -</u>	<u>\$ (38,500)</u>	<u>\$ -</u>	<u>\$ (38,500)</u>
7	TOTAL ADJUSTMENT TO EXECUTIVE EMPLOYEE EVENTS (000S)			<u>\$ (39)</u>		<u>\$ (39)</u>		<u>\$ (39)</u>

Notes and References

1. Exhibit CA-201, Schedule C-4 and Smith Testimony (CA-T-2)
2. Dellamano Rebuttal Testimony (KIUC RT-200), Section IV (Adjustment C-4 - Christmas Party/Other Non-Essential Expenses)

KAUAI ISLAND UTILITY COOPERATIVE  
 ADJUSTMENT TO PAYROLL TAX EXPENSE FOR VACANT POSITIONS  
 TEST YEAR ENDED DECEMBER 31, 2023  
 (IN THOUSANDS, EXCEPT PERCENTAGES)

LIN E NO.	DESCRIPTION	PER CA DIRECT TESTIMONY					PER KIUC REBUTTAL					PER STIPULATION				
		LABOR COSTS ADJUSTMENT (A)	PAYROLL TAX RATE (B)	FICA/MEDICA RE ADJUSTMENT (C) (A) x (B)	FUTA/SUTA ADJUSTMENT (D)	PAYROLL TAX EXPENSE ADJUSTMENT (E) (C) + (D)	LABOR COSTS ADJUSTMENT (F)	PAYROLL TAX RATE (G)	FICA/MEDICA RE ADJUSTMENT (H)	FUTA/SUTA ADJUSTMENT (I)	PAYROLL TAX EXPENSE ADJUSTMENT (J) (H) + (I)	LABOR COSTS ADJUSTMENT (K)	PAYROLL TAX RATE (L)	FICA/MEDICA RE ADJUSTMENT (M)	FUTA/SUTA ADJUSTMENT (N)	PAYROLL TAX EXPENSE ADJUSTMENT (O) (M) + (N)
1	Information Technology	\$ -	7.65%	\$ -	\$ -	\$ -	\$ -	7.65%	\$ -	\$ -	\$ -	\$ -	7.65%	\$ -	\$ -	\$ -
2	Financial & Corporate Services	(42)	7.65%	(3)	(0)	(3)	-	7.65%	-	-	(42)	7.65%	(3)	(0)	(3)	
3	Engineering	(101)	7.65%	(8)	(1)	(8)	-	7.65%	-	-	(101)	7.65%	(8)	(1)	(8)	
4	Regulatory Affairs	-	7.65%	-	-	-	-	7.65%	-	-	-	7.65%	-	-	-	
5	Safety & Facilities	(97)	7.65%	(7)	(0)	(8)	-	7.65%	-	-	(97)	7.65%	(7)	(0)	(8)	
6	Executive	-	7.65%	-	-	-	-	7.65%	-	-	-	7.65%	-	-	-	
7	Human Resources	-	7.65%	-	-	-	-	7.65%	-	-	-	7.65%	-	-	-	
8	Energy Services	-	7.65%	-	-	-	-	7.65%	-	-	-	7.65%	-	-	-	
9	Communications	-	7.65%	-	-	-	-	7.65%	-	-	-	7.65%	-	-	-	
10	Member Services	-	7.65%	-	-	-	-	7.65%	-	-	-	7.65%	-	-	-	
11	Transmission & Distribution	(148)	7.65%	(11)	(1)	(12)	(74)	7.65%	(6)	(0)	(6)	(74)	7.65%	(6)	(0)	
12	Power Supply	(526)	7.65%	(40)	(1)	(42)	(210)	7.65%	(16)	(1)	(17)	(421)	7.65%	(32)	(1)	
13	Total Adjustment	\$ (915)		\$ (70)	\$ (3)	\$ (73)	\$ (285)		\$ (22)	\$ (1)	\$ (23)	\$ (736)		\$ (56)	\$ (2)	\$ (59)

Notes and References

- 1. Exhibit CA-201, Schedule C-5 and Smith Testimony (CA-T-2)
- 2. Dellamano Rebuttal Testimony (KIUC RT-200), Section II (Adjustments C-2 – Vacancies/Unfilled Positions, C-5 - Payroll Tax, and C-6 - Employee Benefits Expenses)

Col. A: Workpaper C-2, Page 3

Col. B: Payroll Tax Rate Calculation:

FICA Tax Rate	6.20%
Medicare Tax Rate	1.45%
<b>Total Payroll Tax Rate</b>	<b>7.65%</b>

Col. D: FUTA Calculation:

Wage Limit	\$ 7,000
Tax Rate	0.60%
Number of Vacant Positions	(12)
<b>FUTA Tax Adjustment</b>	<b>\$ (504)</b>

SUTA Calculation:

Wage Limit	\$ 51,600
Tax Rate	0.41%
Number of Vacant Positions	(12)
<b>SUTA Tax Adjustment</b>	<b>\$ (2,539)</b>

**Total FUTA/SUTA Tax Adjustment** **\$ (3,043)**

**Total FUTA/SUTA Tax Adjustment (\$000s)** **\$ (3)**

Ratio Adjustment over Departments:

	Payroll Dollars	Ratio	FUTA/SUTA Ratio
Financial & Corporate Services	\$ 55	4.79%	(0)
Engineering	235	20.49%	(1)
Safety & Facilities	97	8.48%	(0)
Transmission & Distribution	222	19.30%	(1)
Power Supply	539	46.95%	(1)
<b>Total</b>	<b>1,149</b>	<b>100.00%</b>	<b>(3)</b>

Col. I:

FUTA Calculation:

Wage Limit	\$ 7,000
Tax Rate	0.60%
Number of Vacant Positions	(3)
<b>FUTA Tax Adjustment</b>	<b>\$ (126)</b>

SUTA Calculation:

Wage Limit	\$ 51,600
Tax Rate	0.41%
Number of Vacant Positions	(3)
<b>SUTA Tax Adjustment</b>	<b>\$ (635)</b>

**Total FUTA/SUTA Tax Adjustment** **\$ (761)**

**Total FUTA/SUTA Tax Adjustment (\$000s)** **\$ (1)**

Ratio Adjustment over Departments:

	Payroll Dollars	Ratio	FUTA/SUTA Ratio
Financial & Corporate Service:	\$ -	0.00%	\$ -
Engineering	-	0.00%	-
Safety & Facilities	-	0.00%	-
Transmission & Distribution	(111)	33.94%	(0)
Power Supply	(216)	66.06%	(1)
<b>Total</b>	<b>(327)</b>	<b>100.00%</b>	<b>(1)</b>

Col. N:

FUTA Calculation:

Wage Limit	\$ 7,000
Tax Rate	0.60%
Number of Vacant Positions	(9)
<b>FUTA Tax Adjustment</b>	<b>\$ (378)</b>

SUTA Calculation:

Wage Limit	\$ 51,600
Tax Rate	0.41%
Number of Vacant Positions	(9)
<b>SUTA Tax Adjustment</b>	<b>\$ (1,904)</b>

**Total FUTA/SUTA Tax Adjustment** **\$ (2,282)**

**Total FUTA/SUTA Tax Adjustment (\$000s)** **\$ (2)**

Ratio Adjustment over Departments:

	Payroll Dollars	Ratio	FUTA/SUTA Ratio
Financial & Corporate Service:	\$ (55)	5.91%	\$ (0)
Engineering	(235)	25.31%	(1)
Safety & Facilities	(97)	10.47%	(0)
Transmission & Distribution	(111)	11.92%	(0)
Power Supply	(431)	46.39%	(1)
<b>Total</b>	<b>(930)</b>	<b>100.00%</b>	<b>(2)</b>

DOCKET NO. 2022-0208  
 EXHIBIT 1  
 SCHEDULE SS-C-6  
 PAGE 1

KAUAI ISLAND UTILITY COOPERATIVE  
 ADJUSTMENT TO REMOVE EMPLOYEE BENEFITS FOR VACANT POSITIONS  
 TEST YEAR ENDED DECEMBER 31, 2023

LINE NO.	DESCRIPTION	PER CA DIRECT TESTIMONY				PER KIUC REBUTTAL				PER STIPULATION			
		ADJUSTMENT BEFORE RATIO	VACANT POSITIONS	ADJUSTMENT BY DEPT.	ADJUSTMENT (000S)	ADJUSTMENT BEFORE RATIO	VACANT POSITIONS	ADJUSTMENT BY DEPT.	ADJUSTMENT (000S)	ADJUSTMENT BEFORE RATIO	VACANT POSITIONS	ADJUSTMENT BY DEPT.	ADJUSTMENT (000S)
		(A)	(B)	(C)	(D) (C) / 1000	(E)	(F)	(G)	(H) (G) / 1000	(I)	(J)	(K)	(L) (L) / 1000
1	Power Supply		5	\$ (91,783)	\$ (92)		2	\$ (36,713)	\$ (37)		4	\$ (73,427)	\$ (73)
2	Transmission & Distribution		2	(36,713)	(37)		1	(18,357)	(18)		1	(18,357)	(18)
3	Member Services		1	(18,357)	(18)		0	-	-		0	-	-
4	Communications		0	-	-		0	-	-		0	-	-
5	Energy Services		0	-	-		0	-	-		0	-	-
6	Human Resources		0	-	-		0	-	-		0	-	-
7	Executive		0	-	-		0	-	-		0	-	-
8	Safety & Facilities		1	(18,357)	(18)		0	-	-		1	(18,357)	(18)
9	Regulatory Affairs		0	-	-		0	-	-		0	-	-
10	Engineering		2	(36,713)	(37)		0	-	-		2	(36,713)	(37)
11	Financial & Corporate Services		1	(18,357)	(18)		0	-	-		1	(18,357)	(18)
12	Information Technology		0	-	-		0	-	-		0	-	-
13	Total Adjustment to Employee Benefits	\$ (220,280)	12	\$ (220,280)	\$ (220)	\$ (220,280)	3	\$ (55,070)	\$ (55)	\$ (220,280)	9	\$ (165,210)	\$ (165)

Notes and References

- Exhibit CA-201, Schedule C-6 and Smith Testimony (CA-T-2)
- Dellamano Rebuttal Testimony (KIUC RT-200), Section II (Adjustments C-2 – Vacancies/Unfilled Positions, C-5 - Payroll Tax, and C-6 - Employee Benefits Expenses)
- Schedules SS-C-2 - Vacancies, SS-C-5 - Payroll Tax, and SS-C-6 - Employee Benefits Expenses

DOCKET NO. 2022-0208  
 EXHIBIT 1  
 SCHEDULE SS-C-7  
 PAGE 1

KAUAI ISLAND UTILITY COOPERATIVE  
 ADJUSTMENT TO REMOVE AMORTIZATION OF REGULATORY ASSET - PENSION EXPENSE  
 TEST YEAR ENDED DECEMBER 31, 2023  
 (IN THOUSANDS, EXCEPT PERCENTAGES)

LINE NO.	DESCRIPTION	PER CA DIRECT TESTIMONY			PER KIUC REBUTTAL			PER STIPULATION		
		Net Increase to Pension Costs (B)	Percent of Total (C)	Adjustment (A)	Net Increase to Pension Costs (F)	Percent of Total (G)	Adjustment (E)	Net Increase to Pension Costs (J)	Percent of Total (K)	Adjustment (I)
1	Amortization of Regulatory Asset - Pension Expense			\$ (952)			\$ (476)			\$ (476)
2	O&M Allocation Factor			80.61% [1]			80.61% [1]			80.61%
3	Adjustment to Remove Amortization of Regulatory Asset - Pension Expense			<u>\$ (767)</u>			<u>\$ (384)</u>			<u>\$ (384)</u>
4	Power Supply	\$ 635	30.37%	\$ (233)	\$ 635	30.37%	\$ (117)	\$ 635	30.37%	\$ (117)
5	Transmission & Distribution	575	27.50%	(211)	575	27.50%	(106)	575	27.50%	(106)
6	Member Services	225	10.76%	(83)	225	10.76%	(41)	225	10.76%	(41)
7	Communications	30	1.43%	(11)	30	1.43%	(6)	30	1.43%	(6)
8	Energy Services	45	2.15%	(17)	45	2.15%	(8)	45	2.15%	(8)
9	Human Resources	61	2.92%	(22)	61	2.92%	(11)	61	2.92%	(11)
10	Executive	30	1.43%	(11)	30	1.43%	(6)	30	1.43%	(6)
11	Safety & Facilities	30	1.43%	(11)	30	1.43%	(6)	30	1.43%	(6)
12	Regulatory Affairs	30	1.43%	(11)	30	1.43%	(6)	30	1.43%	(6)
13	Engineering	188	8.99%	(69)	188	8.99%	(35)	188	8.99%	(35)
14	Financial & Corporate Services	166	7.94%	(61)	166	7.94%	(30)	166	7.94%	(30)
15	Information Technology	76	3.63%	(28)	76	3.63%	(14)	76	3.63%	(14)
16	Total	<u>\$ 2,091</u>	<u>100%</u>	<u>\$ (767)</u>	<u>\$ 2,091</u>	<u>100%</u>	<u>\$ (384)</u>	<u>\$ 2,091</u>	<u>100%</u>	<u>\$ (384)</u>
17	Stores Clearing	\$ 60			\$ 60			\$ 60		
18	Total with Stores Clearing	<u>\$ 2,151</u>			<u>\$ 2,151</u>			<u>\$ 2,151</u>		

Notes and References

- Exhibit CA-201, Schedule C-7 and Smith Testimony (CA-T-2)
- Dellamano Rebuttal Testimony (KIUC RT-200), Section V (Adjustment C-7 - Recovery of Pension Regulatory Asset). See also Collet Rebuttal Testimony (KIUC RT-300), Section II.2 (Pension Regulatory Asset)

Column A, Line 1: KIUC Application Workpaper 8-3, page 1

19	Net Increase to Pension Costs Allocated to O&M	\$ 1,734
20	Net Increase to Pension Costs	<u>\$ 2,151</u>
21	O&M Allocation Factor	<u>80.61% [1]</u>

Column B, F, and J: KIUC Application Workpaper 8-3, page 2

DOCKET NO. 2022-0208  
 EXHIBIT 1  
 SCHEDULE SS-C-8  
 PAGE 1

KAUAI ISLAND UTILITY COOPERATIVE  
 ADJUSTMENT TO AMORTIZATION OF LGM REGULATORY ASSET  
 TEST YEAR ENDED DECEMBER 31, 2023  
 (IN THOUSANDS)

LINE NO.	DESCRIPTION	PER KIUC APPLICATION (A)	PER CA DIRECT TESTIMONY		PER KIUC REBUTTAL		PER STIPULATION	
			PER CA DT (B)	ADJUSTMENT (C)	PER KIUC REBUTTAL (D)	ADJUSTMENT (E) (D) - (A)	PER STIPULATION (F)	ADJUSTMENT (G) (F) - (A)
1	TOTAL REGULATORY ASSET - COVID-19 LGM	\$ 12,782	\$ 12,782		\$ 12,782		\$ 12,782	
2	DIVIDED BY RECOVERY PERIOD (YEARS)	10	15		15		15	
3	ANNUAL AMORTIZATION EXPENSE	<u>\$ (1,278)</u>	<u>\$ (852)</u>	<u>\$ 426</u>	<u>\$ (852)</u>	<u>\$ 426</u>	<u>\$ (852)</u>	<u>\$ 426</u>
4	TAX EXPENSE (AT 8.885%)	\$ (114)					\$ (76)	\$ 38
5	UNCOLLECTIBLE EXPENSE (AT 0.100%)	\$ (1.28)					\$ (0.85)	\$ 0

Notes and References

1. Exhibit CA-201, Schedule C-8 and Smith Testimony (CA-T-2)
2. Dellamano Rebuttal Testimony (KIUC RT-200), Section VI (Adjustment C-8 - Recovery of LGM Regulatory Asset). See also Collet Rebuttal Testimony (KIUC RT-300), Section II.1 (LGM Regulatory Asset)

DOCKET NO. 2022-0208  
 EXHIBIT 1  
 SCHEDULE SS-C-9  
 PAGE 1

KAUAI ISLAND UTILITY COOPERATIVE  
 ADJUSTMENT TO FUEL EXPENSE AND PURCHASE POWER EXPENSE  
 TEST YEAR ENDED DECEMBER 31, 2023  
 (IN THOUSANDS)

LINE NO.	DESCRIPTION	CA REFERENCE	UNITS	PER KIUC APPLICATION (A)	PER CA DIRECT TESTIMONY			PER KIUC REBUTTAL			PER STIPULATION		
					CA DT POSITION (B)	CA ADJUSTMENTS (C)	ADJUSTMENTS (000S) (D)	KIUC REBUTTAL POSITION (E)	KIUC REBUTTAL ADJUSTMENTS (F)	ADJUSTMENTS (000S) (G)	STIPULATION POSITION (H)	STIPULATION ADJUSTMENTS (I)	ADJUSTMENTS (000S) (J)
					(B) - (A)	(C) / 1000		(E)	(F) - (A)	(G) / 1000		(H) - (A)	(I) / 1000
1.	FUEL EXPENSE Fuel Expense	CA-304	\$	\$ 43,517,852	\$ 45,039,789	\$ 1,521,937	\$ 1,522	\$ 45,039,789	\$ 1,521,937	1,522	\$ 43,517,852	\$ -	-
2.	PURCHASED POWER EXPENSE Total Purchased Power Expense	CA-310, Page 1	\$	\$ 47,594,962	\$46,780,437	\$ (814,525)	\$ (815)	\$46,780,437	\$ (814,525)	(815)	\$ 47,594,962	\$ -	-
3.	NET ADJUSTMENT TO FUEL AND PURCHASED POWER EXPENSE Net Adjustment to Fuel and Purchased Power Expense					\$ 707,412	\$ 707		\$ 707,412	\$ 707		\$ -	\$ -

Notes and References

1. Exhibit CA-201, Schedule C-9 and Shepherd Testimony (CA-T-3)
2. Rockwell Rebuttal Testimony (KIUC RT-900), Section I (Adjustment C-9 - Fuel and Purchase Power Expense Adjustment)

Note: Totals may not add exactly due to rounding.

DOCKET NO. 2022-0208  
 EXHIBIT 1  
 SCHEDULE SS-C-10  
 PAGE 1

KAUAI ISLAND UTILITY COOPERATIVE  
 ADJUSTMENT TO REMOVE DLNR WATER FEES  
 TEST YEAR ENDED DECEMBER 31, 2023  
 (IN THOUSANDS)

LINE NO.	DESCRIPTION	PER KIUC APPLICATION (A)	PER CA DIRECT TESTIMONY		PER KIUC REBUTTAL		PER STIPULATION	
			PER CA DIRECT TESTIMONY (B)	ADJUSTMENT (C) (B) - (A)	PER KIUC REBUTTAL (D)	ADJUSTMENT (E) (D) - (A)	PER STIPULATION (F)	ADJUSTMENT (G) (F) - (A)
1	REMOVE DLNR WATER FEES	\$ 54	\$ 54	\$ -	\$ -	\$ (54)	\$ -	\$ (54)

Notes and References

Column A: KIUC Response to FOM IR-18, part b.

1. KIUC Response to FOM IR-18, part b.
2. Dellamano Rebuttal Testimony (KIUC RT-200), Section VII (Additional Adjustment)

DOCKET NO. 2022-0208  
 EXHIBIT 1  
 SCHEDULE SS-C-11  
 PAGE 1

KAUAI ISLAND UTILITY COOPERATIVE  
 ADJUSTMENT TO HEAT RATE FROM 9850 TO 9750  
 TEST YEAR ENDED DECEMBER 31, 2023  
 (IN THOUSANDS)

LINE NO.	DESCRIPTION	PER KIUC APPLICATION (A)	PER CA DIRECT TESTIMONY		PER KIUC REBUTTAL		PER STIPULATION	
			PER CA DIRECT TESTIMONY (B)	ADJUSTMENT (C) (B) - (A)	PER KIUC REBUTTAL (D)	ADJUSTMENT (E) (D) - (A)	PER STIPULATION (F)	ADJUSTMENT (G) (F) - (A)
1	ERAC REVENUES	\$ 14,841	\$ 14,841	\$ -	\$ 14,841	\$ -	\$ 14,344	\$ (496)
2	TAX EXPENSE (AT 8.885%)							\$ (44)
3	UNCOLLECTIBLE EXPENSE (AT 0.100%)							\$ (0)

Notes and References

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# EXHIBIT 2

KAUAI ISLAND UTILITY COOPERATIVE  
COMPARISON OF PRESENT AND PROPOSED RATES  
TEST YEAR ENDED DECEMBER 31, 2023

LINE NO.	CUSTOMER CLASS	DESCRIPTION	PRESENT RATES (A)	PROPOSED RATES (B)	\$ INCREASE (C) (B) - (A)	% INCREASE (D) (C) / (A)
<u>SCHEDULE "D" - Residential Service</u>						
1	Customer Charge	per customer per month	\$ 10.58	\$ 11.42	\$ 0.84	7.94%
	Energy Charge		<u>per kWh</u>	<u>per kWh</u>		
2	Non-Fuel Energy Charge (Non-Fuel and Non-Purchased Power Energy Cost only)	per kWh (all kWh)	\$ 0.15600	\$ 0.20704	\$ 0.05104	32.72%
3	Fuel and Purchased Power Energy Charge	per kWh (all kWh)	\$ 0.19143	\$ 0.20188	\$ 0.01045	5.46%
4	Minimum Charge	per customer per month	\$ 13.50	\$ 13.50	\$ -	0.00%
<u>SCHEDULE "G" - General Light and Power Service</u>						
5	Customer Charge	per customer per month	\$ 23.82	\$ 25.70	\$ 1.88	7.89%
	Energy Charge		<u>per kWh</u>	<u>per kWh</u>		
6	Non-Fuel Energy Charge (Non-Fuel and Non-Purchased Power Energy Cost only)	per kWh (all kWh)	\$ 0.16626	\$ 0.21811	\$ 0.05185	31.19%
7	Fuel and Purchased Power Energy Charge	per kWh (all kWh)	\$ 0.19143	\$ 0.20188	\$ 0.01045	5.46%
8	Minimum Charge	per customer per month	\$ 26.45	\$ 25.70	\$ (0.75)	-2.84%
<u>SCHEDULE "J" - General Light and Power Service</u>						
9	Customer Charge	per customer per month	\$ 39.69	\$ 42.83	\$ 3.14	7.91%
10	Demand Charge	per kW of monthly demand	\$ 6.62	\$ 7.14	\$ 0.52	7.85%
	Energy Charge		<u>per kWh</u>	<u>per kWh</u>		
11	Non-Fuel Energy Charge (Non-Fuel and Non-Purchased Power Energy Cost only)	per kWh (all kWh)	\$ 0.13247	\$ 0.18163	\$ 0.04916	37.11%
12	Fuel and Purchased Power Energy Charge	per kWh (all kWh)	\$ 0.19143	\$ 0.20188	\$ 0.01045	5.46%

KAUAI ISLAND UTILITY COOPERATIVE  
COMPARISON OF PRESENT AND PROPOSED RATES  
TEST YEAR ENDED DECEMBER 31, 2023

LINE NO.	CUSTOMER CLASS	DESCRIPTION	PRESENT RATES (A)	PROPOSED RATES (B)	\$ INCREASE (C) (B) - (A)	% INCREASE (D) (C) / (A)
<u>SCHEDULE "L" - Large Power Primary Service (see Note a)</u>						
13	Customer Charge	per customer per month	\$ 355.08	\$ 396.63	\$ 41.55	11.70%
14	Demand Charge	per kW of monthly demand	\$ 13.94	\$ 12.86	\$ (1.08)	-7.75%
Energy Charge						
Non-Fuel Energy Charge (Non-Fuel and Non-Purchased Power Energy Cost only)						
15	First	400 kWh per kW demand	per kWh \$ 0.11273	per kWh \$ 0.16374	\$ 0.05101	45.25%
16	All Over	400 kWh per kW demand	\$ 0.08998	\$ 0.16374	\$ 0.07376	81.97%
17	Fuel and Purchased Power Energy Charge	per kWh (all kWh)	\$ 0.19143	\$ 0.20188	\$ 0.01045	5.46%
<u>SCHEDULE "P" - Large Power Secondary Service (see Note a)</u>						
18	Customer Charge	per customer per month	\$ 369.38	\$ 396.63	\$ 27.25	7.38%
19	Demand Charge	per kW of monthly demand	\$ 11.14	\$ 12.86	\$ 1.72	15.44%
Energy Charge						
Non-Fuel Energy Charge (Non-Fuel and Non-Purchased Power Energy Cost only)						
20	First	400 kWh per kW demand	per kWh \$ 0.12236	per kWh \$ 0.16374	\$ 0.04138	33.82%
21	All Over	400 kWh per kW demand	\$ 0.09834	\$ 0.16374	\$ 0.06540	66.50%
22	Fuel and Purchased Power Energy Charge	per kWh (all kWh)	\$ 0.19143	\$ 0.20188	\$ 0.01045	5.46%
<u>SCHEDULE "SL" - Street Lighting</u>						
Fixture Charge						
23	Standard incandescent fixtures <= 4,000 lumens	per fixture per month	\$ 3.63	\$ 4.36	\$ 0.73	20.11%
24	Standard mercury vapor fixtures <= 21,000 lumens	per fixture per month	\$ 6.25	\$ 7.50	\$ 1.25	20.00%
Standard high pressure sodium vapor fixtures						
25	<= 100 watt	per fixture per month	\$ 6.25	\$ 7.50	\$ 1.25	20.00%
26	101-150 watt	per fixture per month	\$ 6.25	\$ 7.50	\$ 1.25	20.00%
27	151-200 watt	per fixture per month	\$ 6.47	\$ 7.76	\$ 1.29	19.94%
28	201-250 watt	per fixture per month	\$ 6.47	\$ 7.76	\$ 1.29	19.94%
29	251-400 watt	per fixture per month	\$ 6.75	\$ 8.10	\$ 1.35	20.00%
Standard light emitting diode (LED) fixtures						
30	<= 45 watt	per fixture per month	\$ 8.18	\$ 9.82	\$ 1.64	20.05%
31	46-98 watt	per fixture per month	\$ 8.48	\$ 10.18	\$ 1.70	20.05%
32	99-130 watt	per fixture per month	\$ 8.57	\$ 10.28	\$ 1.71	19.95%
Energy Charge						
Non-Fuel Energy Charge (Non-Fuel and Non-Purchased Power Energy Cost only)						
33		per kWh (all kWh)	per kWh \$ 0.22387	per kWh \$ 0.33444	\$ 0.11057	49.39%
34	Fuel and Purchased Power Energy Charge	per kWh (all kWh)	\$ 0.19143	\$ 0.20188	\$ 0.01045	5.46%

**Note**

a KIUC and Consumer Advocate have agreed to KIUC's proposal to combine Schedules "L" and "P" into new Schedule "LP". Refer to direct testimony of Dan Koehler for additional information (Exhibit 10-T-500 of Application). See Exhibit 4 of KIUC/CA Stipulation for tariff revisions to effectuate new Schedule "LP"

# EXHIBIT 3

**KIUC Rates Comparison - Test Year 2023**

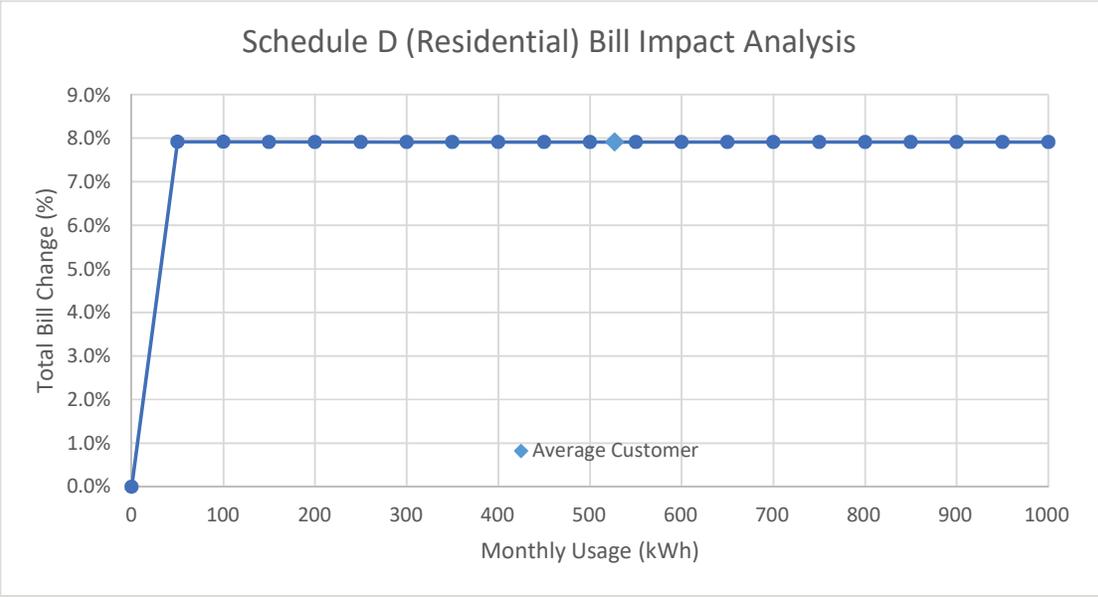
	(a) Present Rates	(b) Proposed Rates	(c) (b) - (a) Unit Change	(d) (c) / (a) % Change
<b>Schedule "D" (Residential Service)</b>				
Customer Charge (\$/Month)	\$ 10.58	\$ 11.42	\$ 0.84	8%
Total Energy Charge (\$/kWh)	\$ 0.37895	\$ 0.40892	\$ 0.02997	8%
<i>Non Fuel Energy Charge (\$/kWh)</i>	\$ 0.15600	\$ 0.20704	\$ 0.05104	33%
<i>Fuel &amp; PP Energy Charge (\$/kWh)</i>	\$ 0.19143	\$ 0.20188	\$ 0.01045	5%
<i>Energy Rate Adjustment Clause (ERAC) (\$/kWh)</i>	\$ 0.03152	\$ -	\$ (0.03152)	-100%
Minimum Bill (\$/Month)	\$ 13.50	\$ 13.50	\$ -	0%
<b>Schedule "G" (General Light and Power Service)</b>				
Customer Charge (\$/Month)	\$ 23.82	\$ 25.70	\$ 1.88	8%
Total Energy Charge (\$/kWh)	\$ 0.38920	\$ 0.41999	\$ 0.03079	8%
<i>Non Fuel Energy Charge (\$/kWh)</i>	\$ 0.16626	\$ 0.21811	\$ 0.05185	31%
<i>Fuel &amp; PP Energy Charge (\$/kWh)</i>	\$ 0.19143	\$ 0.20188	\$ 0.01045	5%
<i>ERAC (\$/kWh)</i>	\$ 0.03151	\$ -	\$ (0.03151)	-100%
Minimum Bill (\$/Month)	\$ 26.45	\$ 25.70	\$ (0.75)	-3%
<b>Schedule "J" (General Light and Power Service)</b>				
Customer Charge (\$/Month)	\$ 39.69	\$ 42.83	\$ 3.14	8%
Total Energy Charge (\$/kWh)	\$ 0.35537	\$ 0.38351	\$ 0.02814	8%
<i>Non Fuel Energy Charge (\$/kWh)</i>	\$ 0.13247	\$ 0.18163	\$ 0.04916	37%
<i>Fuel &amp; PP Energy Charge (\$/kWh)</i>	\$ 0.19143	\$ 0.20188	\$ 0.01045	5%
<i>ERAC (\$/kWh)</i>	\$ 0.03147	\$ -	\$ (0.03147)	-100%
Demand Charge (\$/kW)	\$ 6.62	\$ 7.14	\$ 0.52	8%
Minimum Bill (\$/Month)	\$ 198.42	[cust + dmd]		
<b>Schedule "L" (Large Power Primary Service)*</b>				
Customer Charge (\$/Month)	\$ 355.08	\$ 396.63	\$ 41.55	12%
Total Energy Charge (\$/kWh)	\$ 0.33209	\$ 0.36562	\$ 0.03353	10%
<i>Non Fuel Energy Charge (\$/kWh)</i>	\$ 0.10807	\$ 0.16374	\$ 0.05567	52%
<i>Fuel &amp; PP Energy Charge (\$/kWh)</i>	\$ 0.19143	\$ 0.20188	\$ 0.01045	5%
<i>ERAC (\$/kWh)</i>	\$ 0.03259	\$ -	\$ (0.03259)	-100%
Demand Charge (\$/kW)	\$ 13.94	\$ 12.86	\$ (1.08)	-8%
Minimum Bill (\$/Month)	[cust + dmd]	[cust + dmd]		
<b>Schedule "P" (Large Power Secondary Service)*</b>				
Customer Charge (\$/Month)	\$ 369.38	\$ 396.63	\$ 27.25	7%
Total Energy Charge (\$/kWh)	\$ 0.34179	\$ 0.36562	\$ 0.02383	7.0%
<i>Non Fuel Energy Charge (\$/kWh)</i>	\$ 0.11792	\$ 0.16374	\$ 0.04582	39%
<i>Fuel &amp; PP Energy Charge (\$/kWh)</i>	\$ 0.19143	\$ 0.20188	\$ 0.01045	5%
<i>ERAC (\$/kWh)</i>	\$ 0.03244	\$ -	\$ (0.03244)	-100%
Demand Charge (\$/kW)	\$ 11.14	\$ 12.86	\$ 1.72	15%
Minimum Bill (\$/Month)	[cust + dmd]	[cust + dmd]		
<b>Schedule "SL" (Street Lighting)</b>				
Fixture Charge (\$/Month, by type)				
Standard incandescent <= 4,000 lumen	\$ 3.63	\$ 4.36	\$ 0.73	20%
Standard mercury vapor <= 21,000 lumen	\$ 6.25	\$ 7.50	\$ 1.25	20%
Sodium vapor, <= 100 watt	\$ 6.25	\$ 7.50	\$ 1.25	20%
Sodium vapor, 101-150 watt	\$ 6.25	\$ 7.50	\$ 1.25	20%
Sodium vapor, 151-200 watt	\$ 6.47	\$ 7.76	\$ 1.29	20%
Sodium vapor, 201-250 watt	\$ 6.47	\$ 7.76	\$ 1.29	20%
Sodium vapor, 251+ watt	\$ 6.75	\$ 8.10	\$ 1.35	20%
LED, <= 45 watt	\$ 8.18	\$ 9.82	\$ 1.64	20%
LED, 46-98 watt	\$ 8.48	\$ 10.18	\$ 1.70	20%
LED, 99+ watt	\$ 8.57	\$ 10.28	\$ 1.71	20%
Total Energy Charge (\$/kWh)	\$ 0.44676	\$ 0.53632	\$ 0.08956	20%
<i>Non Fuel Energy Charge (\$/kWh)</i>	\$ 0.22387	\$ 0.33444	\$ 0.11057	49%
<i>Fuel &amp; PP Energy Charge (\$/kWh)</i>	\$ 0.19143	\$ 0.20188	\$ 0.01045	5%
<i>ERAC (\$/kWh)</i>	\$ 0.03146	\$ -	\$ (0.03146)	-100%
Minimum Bill (\$/Month)	[fixture charge]	[fixture charge]		0%

\* Proposed rates are for the new combined class, Schedule "LP" (Large Power Service)

**Schedule D (Residential) Bill Impact Analysis**

	Present Rates	Proposed Rates
Customer Charge (\$/Month)	\$ 10.58	\$ 11.42
Energy Charge (\$/kWh)	\$ 0.37895	\$ 0.40892
Minimum Bill (\$/Month)	\$ 13.50	\$ 13.50

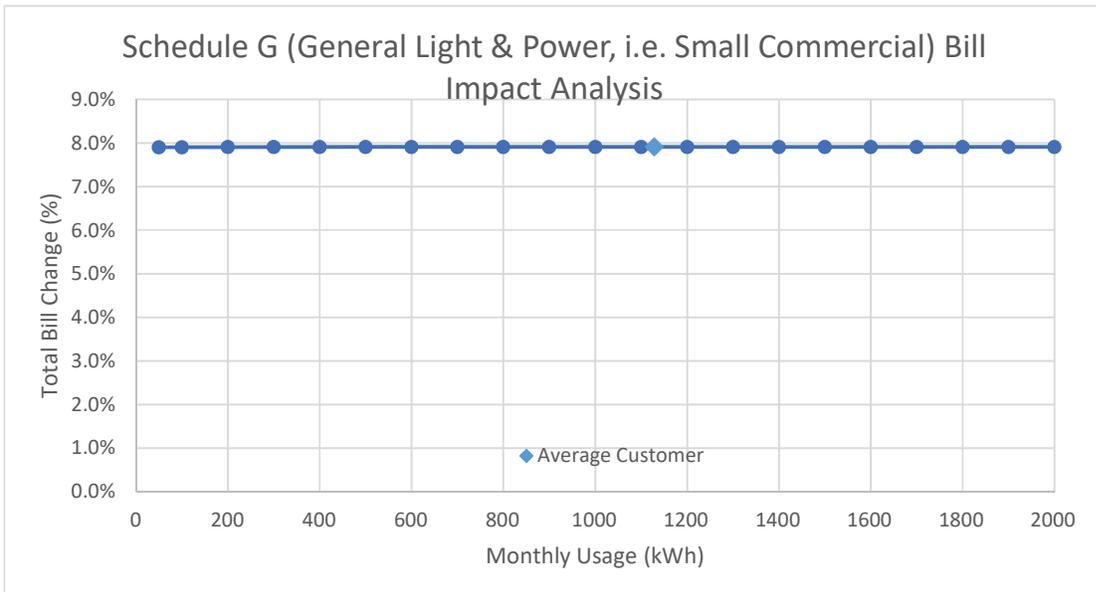
kWh Usage	Total Monthly Bill (\$)		Change		
	Present Rates	Proposed Rates	\$	%	
0	\$ 13.50	\$ 13.50	\$ -	0.0%	
50	\$ 29.53	\$ 31.87	\$ 2.34	7.9%	
100	\$ 48.48	\$ 52.31	\$ 3.84	7.9%	
150	\$ 67.42	\$ 72.76	\$ 5.34	7.9%	
200	\$ 86.37	\$ 93.20	\$ 6.83	7.9%	
250	\$ 105.32	\$ 113.65	\$ 8.33	7.9%	
300	\$ 124.27	\$ 134.10	\$ 9.83	7.9%	
350	\$ 143.21	\$ 154.54	\$ 11.33	7.9%	
400	\$ 162.16	\$ 174.99	\$ 12.83	7.9%	
450	\$ 181.11	\$ 195.43	\$ 14.33	7.9%	
500	\$ 200.06	\$ 215.88	\$ 15.82	7.9%	
550	\$ 219.00	\$ 236.33	\$ 17.32	7.9%	
600	\$ 237.95	\$ 256.77	\$ 18.82	7.9%	
650	\$ 256.90	\$ 277.22	\$ 20.32	7.9%	
700	\$ 275.85	\$ 297.66	\$ 21.82	7.9%	
750	\$ 294.79	\$ 318.11	\$ 23.32	7.9%	
800	\$ 313.74	\$ 338.56	\$ 24.81	7.9%	
850	\$ 332.69	\$ 359.00	\$ 26.31	7.9%	
900	\$ 351.64	\$ 379.45	\$ 27.81	7.9%	
950	\$ 370.58	\$ 399.89	\$ 29.31	7.9%	
1000	\$ 389.53	\$ 420.34	\$ 30.81	7.9%	
"Average" Customer	<b>527</b>	<b>\$ 210.28</b>	<b>\$ 226.91</b>	<b>\$ 16.63</b>	<b>7.9%</b>



**Schedule G (General Light & Power, i.e. Small Commercial) Bill Impact Analysis**

	Present Rates	Proposed Rates
Customer Charge (\$/Month)	\$ 23.82	\$ 25.70
Energy Charge (\$/kWh)	\$ 0.38920	\$ 0.41999
Minimum Bill (\$/Month)	\$ 26.45	\$ 25.70

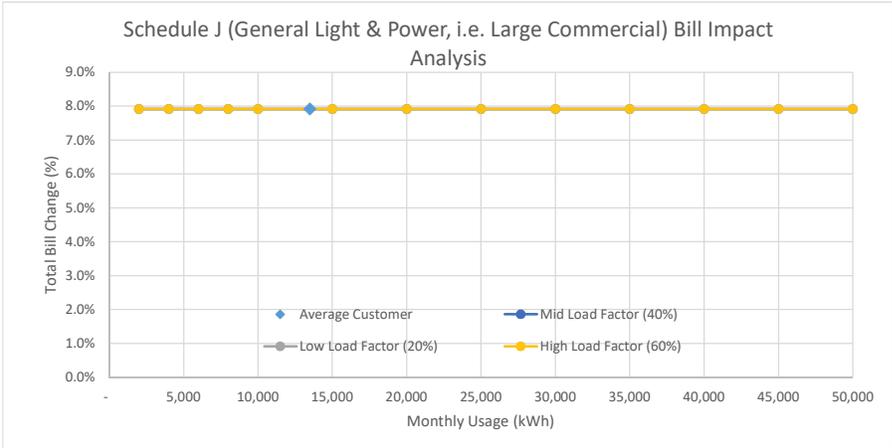
kWh Usage	Total Monthly Bill (\$)		Change		
	Present Rates	Proposed Rates	\$	%	
50	\$ 43.28	\$ 46.70	\$ 3.42	7.9%	
100	\$ 62.74	\$ 67.70	\$ 4.96	7.9%	
200	\$ 101.66	\$ 109.70	\$ 8.04	7.9%	
300	\$ 140.58	\$ 151.70	\$ 11.12	7.9%	
400	\$ 179.50	\$ 193.70	\$ 14.20	7.9%	
500	\$ 218.42	\$ 235.70	\$ 17.27	7.9%	
600	\$ 257.34	\$ 277.69	\$ 20.35	7.9%	
700	\$ 296.26	\$ 319.69	\$ 23.43	7.9%	
800	\$ 335.18	\$ 361.69	\$ 26.51	7.9%	
900	\$ 374.10	\$ 403.69	\$ 29.59	7.9%	
1000	\$ 413.02	\$ 445.69	\$ 32.67	7.9%	
1100	\$ 451.94	\$ 487.69	\$ 35.75	7.9%	
1200	\$ 490.86	\$ 529.69	\$ 38.83	7.9%	
1300	\$ 529.78	\$ 571.69	\$ 41.91	7.9%	
1400	\$ 568.70	\$ 613.69	\$ 44.98	7.9%	
1500	\$ 607.62	\$ 655.69	\$ 48.06	7.9%	
1600	\$ 646.54	\$ 697.68	\$ 51.14	7.9%	
1700	\$ 685.46	\$ 739.68	\$ 54.22	7.9%	
1800	\$ 724.38	\$ 781.68	\$ 57.30	7.9%	
1900	\$ 763.30	\$ 823.68	\$ 60.38	7.9%	
2000	\$ 802.22	\$ 865.68	\$ 63.46	7.9%	
"Average" Customer	<b>1,129</b>	<b>\$ 463.14</b>	<b>\$ 499.77</b>	<b>\$ 36.63</b>	<b>7.9%</b>



Schedule J (General Light & Power, i.e. Large Commercial) Bill Impact Analysis

	Present Rates	Proposed Rates
Customer Charge (\$/Month)	\$ 39.69	\$ 42.83
Energy Charge (\$/kWh)	\$ 0.35537	\$ 0.38351
Demand Charge (\$/kW)	\$ 6.62	\$ 7.14
Minimum Bill (\$/Month)	\$ 198.42	[cust + dmd]

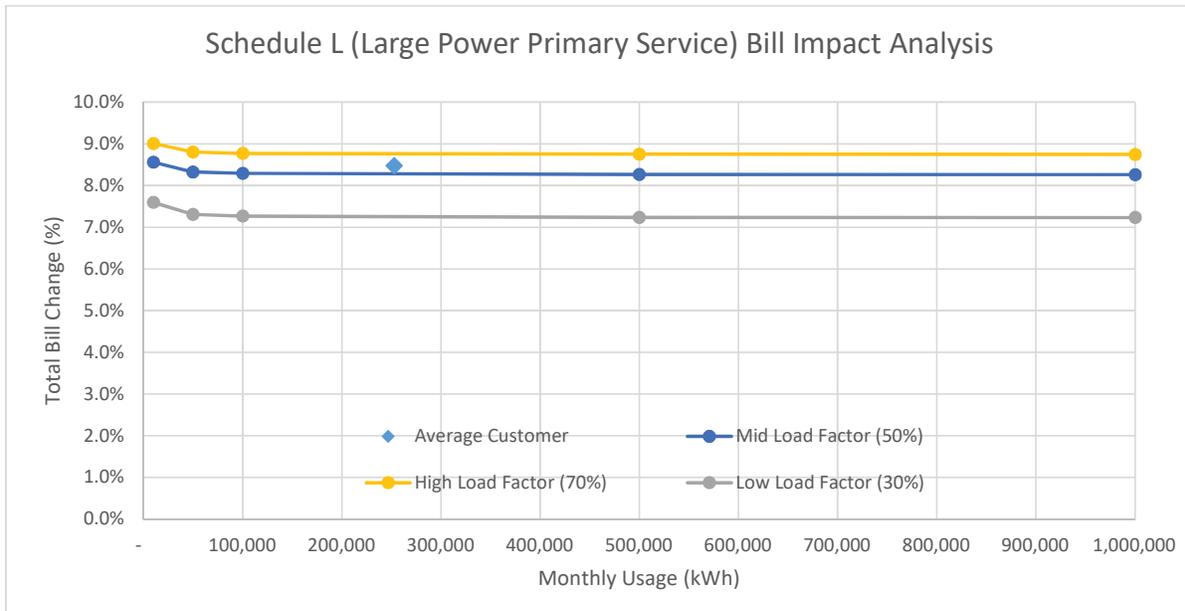
kWh Usage	kW Demand	Total Monthly Bill (\$)		Change	
		Present Rates	Proposed Rates	\$	%
<b>Mid Load Factor (40%)</b>					
2000	6.8	\$ 795	\$ 858	\$ 63	7.9%
4000	13.7	\$ 1,552	\$ 1,675	\$ 123	7.9%
6000	20.5	\$ 2,308	\$ 2,490	\$ 183	7.9%
8000	27.4	\$ 3,064	\$ 3,307	\$ 243	7.9%
10000	34.2	\$ 3,820	\$ 4,122	\$ 302	7.9%
15000	51.4	\$ 5,711	\$ 6,162	\$ 452	7.9%
20000	68.5	\$ 7,601	\$ 8,202	\$ 602	7.9%
25000	85.6	\$ 9,491	\$ 10,242	\$ 751	7.9%
30000	102.7	\$ 11,381	\$ 12,281	\$ 901	7.9%
35000	119.9	\$ 13,271	\$ 14,322	\$ 1,050	7.9%
40000	137.0	\$ 15,161	\$ 16,361	\$ 1,200	7.9%
45000	154.1	\$ 17,052	\$ 18,401	\$ 1,350	7.9%
50000	171.2	\$ 18,942	\$ 20,441	\$ 1,499	7.9%
<b>Low Load Factor (20%)</b>					
2000	13.7	\$ 841	\$ 908	\$ 67	7.9%
4000	27.4	\$ 1,643	\$ 1,773	\$ 130	7.9%
6000	41.1	\$ 2,444	\$ 2,637	\$ 193	7.9%
8000	54.8	\$ 3,245	\$ 3,502	\$ 257	7.9%
10000	68.5	\$ 4,047	\$ 4,367	\$ 320	7.9%
15000	102.7	\$ 6,050	\$ 6,529	\$ 479	7.9%
20000	137.0	\$ 8,054	\$ 8,691	\$ 637	7.9%
25000	171.2	\$ 10,057	\$ 10,853	\$ 796	7.9%
30000	205.5	\$ 12,061	\$ 13,015	\$ 954	7.9%
35000	239.7	\$ 14,064	\$ 15,177	\$ 1,113	7.9%
40000	274.0	\$ 16,068	\$ 17,340	\$ 1,271	7.9%
45000	308.2	\$ 18,072	\$ 19,501	\$ 1,430	7.9%
50000	342.5	\$ 20,076	\$ 21,664	\$ 1,588	7.9%
<b>High Load Factor (60%)</b>					
2000	4.6	\$ 781	\$ 843	\$ 62	7.9%
4000	9.1	\$ 1,521	\$ 1,642	\$ 120	7.9%
6000	13.7	\$ 2,263	\$ 2,442	\$ 179	7.9%
8000	18.3	\$ 3,004	\$ 3,242	\$ 238	7.9%
10000	22.8	\$ 3,744	\$ 4,041	\$ 296	7.9%
15000	34.2	\$ 5,597	\$ 6,040	\$ 443	7.9%
20000	45.7	\$ 7,450	\$ 8,039	\$ 590	7.9%
25000	57.1	\$ 9,302	\$ 10,038	\$ 736	7.9%
30000	68.5	\$ 11,154	\$ 12,037	\$ 883	7.9%
35000	79.9	\$ 13,007	\$ 14,036	\$ 1,030	7.9%
40000	91.3	\$ 14,859	\$ 16,035	\$ 1,176	7.9%
45000	102.7	\$ 16,711	\$ 18,034	\$ 1,323	7.9%
50000	114.2	\$ 18,564	\$ 20,034	\$ 1,469	7.9%
<b>"Average" Customer (Load Factor = 38%)</b>					
<b>13,489</b>	<b>49</b>	<b>\$ 5,157</b>	<b>\$ 5,565</b>	<b>\$ 408</b>	<b>7.9%</b>



Schedule L (Large Power Primary Service) Bill Impact Analysis

	Present Rates (L)	Proposed Rates (LP)
Customer Charge (\$/Month)	\$ 355.08	\$ 396.63
Energy Charge (\$/kWh)	\$ 0.33209	\$ 0.36562
Demand Charge (\$/kW)	\$ 13.94	\$ 12.86
Minimum Bill (\$/Month)	[cust + dmd]	[cust + dmd]

kWh Usage	kW Demand	Total Monthly Bill (\$)		Change	
		Present Rates	Proposed Rates	\$	%
<b>Mid Load Factor (50%)</b>					
10,000	27.4	\$ 4,058	\$ 4,405	\$ 347	8.6%
50,000	137.0	\$ 18,869	\$ 20,439	\$ 1,570	8.3%
100,000	274.0	\$ 37,384	\$ 40,482	\$ 3,099	8.3%
500,000	1,369.9	\$ 185,496	\$ 200,824	\$ 15,328	8.3%
1,000,000	2,739.7	\$ 370,635	\$ 401,249	\$ 30,614	8.3%
<b>Low Load Factor (30%)</b>					
10,000	45.7	\$ 4,313	\$ 4,641	\$ 328	7.6%
50,000	228.3	\$ 20,142	\$ 21,614	\$ 1,472	7.3%
100,000	456.6	\$ 39,929	\$ 42,831	\$ 2,902	7.3%
500,000	2,283.1	\$ 198,226	\$ 212,567	\$ 14,341	7.2%
1,000,000	4,566.2	\$ 396,097	\$ 424,738	\$ 28,641	7.2%
<b>High Load Factor (70%)</b>					
10,000	19.6	\$ 3,949	\$ 4,305	\$ 356	9.0%
50,000	97.8	\$ 18,323	\$ 19,935	\$ 1,612	8.8%
100,000	195.7	\$ 36,292	\$ 39,475	\$ 3,183	8.8%
500,000	978.5	\$ 180,040	\$ 195,790	\$ 15,750	8.7%
1,000,000	1,956.9	\$ 359,723	\$ 391,182	\$ 31,459	8.7%
<b>"Average" Customer (Load Factor = 57%)</b>					
<b>252,928</b>	<b>607</b>	<b>\$ 92,812</b>	<b>\$ 100,679</b>	<b>\$ 7,867</b>	<b>8.5%</b>



Schedule P (Large Power Secondary Service) Bill Impact Analysis

	Present Rates (P)	Proposed Rates (LP)
Customer Charge (\$/Month)	\$ 369.38	\$ 396.63
Energy Charge (\$/kWh)	\$ 0.34179	\$ 0.36562
Demand Charge (\$/kW)	\$ 11.14	\$ 12.86
Minimum Bill (\$/Month)	[cust + dmd]	[cust + dmd]

kWh Usage	kW Demand	Total Monthly Bill (\$)		Change		
		Present Rates	Proposed Rates	\$	%	
<b>Mid Load Factor (50%)</b>						
10,000	27.4	\$ 4,093	\$ 4,405	\$ 313	7.6%	
25,000	68.5	\$ 9,677	\$ 10,418	\$ 741	7.7%	
50,000	137.0	\$ 18,985	\$ 20,439	\$ 1,454	7.7%	
75,000	205.5	\$ 28,293	\$ 30,461	\$ 2,168	7.7%	
100,000	274.0	\$ 37,601	\$ 40,482	\$ 2,881	7.7%	
200,000	547.9	\$ 74,831	\$ 80,567	\$ 5,735	7.7%	
300,000	821.9	\$ 112,063	\$ 120,652	\$ 8,590	7.7%	
<b>Low Load Factor (30%)</b>						
10,000	45.7	\$ 4,296	\$ 4,641	\$ 344	8.0%	
25,000	114.2	\$ 10,186	\$ 11,006	\$ 819	8.0%	
50,000	228.3	\$ 20,002	\$ 21,614	\$ 1,611	8.1%	
75,000	342.5	\$ 29,819	\$ 32,223	\$ 2,404	8.1%	
100,000	456.6	\$ 39,635	\$ 42,831	\$ 3,195	8.1%	
200,000	913.2	\$ 78,901	\$ 85,264	\$ 6,364	8.1%	
300,000	1,369.9	\$ 118,167	\$ 127,700	\$ 9,532	8.1%	
<b>High Load Factor (70%)</b>						
10,000	19.6	\$ 4,006	\$ 4,305	\$ 299	7.5%	
25,000	48.9	\$ 9,459	\$ 10,166	\$ 707	7.5%	
50,000	97.8	\$ 18,548	\$ 19,935	\$ 1,387	7.5%	
75,000	146.8	\$ 27,639	\$ 29,706	\$ 2,067	7.5%	
100,000	195.7	\$ 36,729	\$ 39,475	\$ 2,747	7.5%	
200,000	391.4	\$ 73,088	\$ 78,554	\$ 5,466	7.5%	
300,000	587.1	\$ 109,447	\$ 117,633	\$ 8,186	7.5%	
<b>"Average" Customer (Load Factor = 50%)</b>						
<b>83,495</b>	<b>230</b>	<b>\$ 31,473</b>	<b>\$ 33,886</b>	<b>\$ 2,413</b>	<b>7.7%</b>	

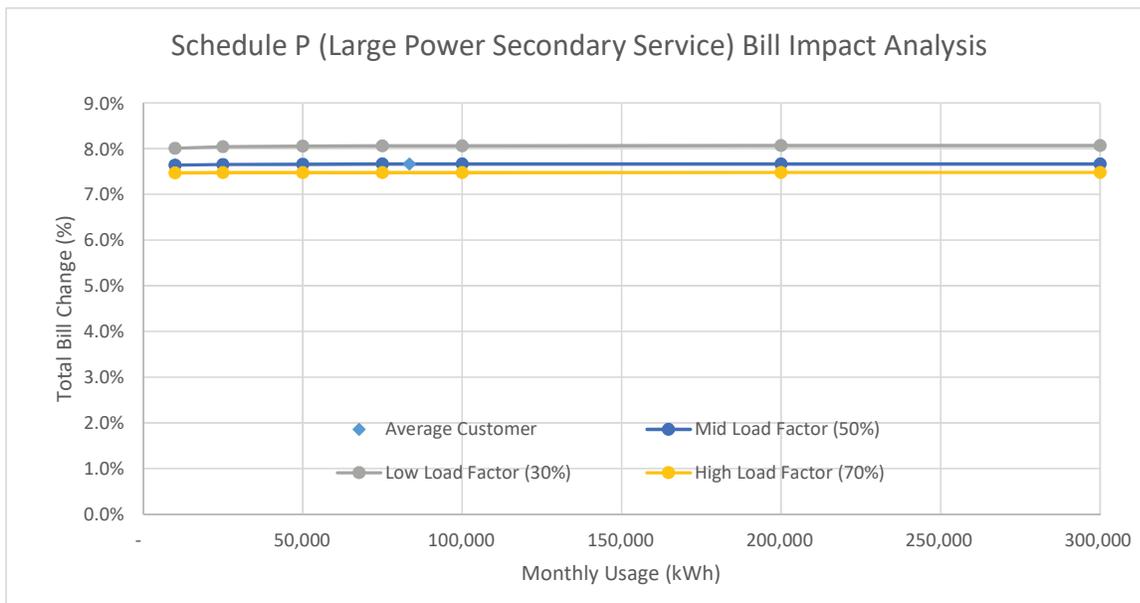


EXHIBIT 4  
(Clean)

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
Second Revised Sheet 63  
Cancels First Revised Sheet 63

SCHEDULE "D"  
Residential Service

Availability:

Applicable to lighting, heating, cooking, air conditioning and single-phase residential service in single-family dwellings metered and billed separately by the Company. This schedule does not apply where residence and business are combined. Service supplied under this rate is subject to the Rules of the Company.

Storage water heaters may be connected to this service, provided that each element is controlled by a thermostat and the maximum wattage of the heating elements that may be energized at any one time shall not exceed 5,000 watts.

Rate:

Customer Charge:	(Per Customer per month)	\$11.42
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Energy Charge:

Non-Fuel Energy Charge (Non-Fuel and Non-Purchased Power Energy Cost only)	(To be added to Customer Charge) All kWh	\$0.20704 per kWh
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Fuel and Purchased Power Energy Charge (may include ERAC on customer bills)	(To be added to Customer Charge) All kWh	\$0.20188 per kWh
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Energy Rate Adjustment Clause (ERAC)	(To be added to Customer Charge) All kWh	See below
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Minimum Charge:	The minimum monthly charge shall be - (Per Customer per month)	\$13.50
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Resource Cost Adjustment Surcharge:

The Resource Cost Adjustment Surcharge shall be added to the Customer and Energy Charges, and energy cost adjustment.

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Issued: TBD  
By: David Bissell, President  
and Chief Executive Officer

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Effective: TBD  
Decision and Order No. TBD

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
Original Sheet 64

SCHEDULE "D" (Continued)  
Residential Service

Apartment House Collection Arrangement:

Any apartment owner having title to three or more apartments at one location, each apartment being separately metered and billed by the Company on Residential Rate Schedule, may elect to accept a commission of ten per cent (10%) of the amount of the bills rendered for such apartments not to exceed \$5.00 per month for each apartment upon entering into a collection arrangement with the Company under the following terms and conditions.

1. All accounts shall be kept in the name of the apartment house owner who shall assume the responsibility for the payment of all bills before they become past due.
2. All accounts shall remain active at all times and, though vacant, shall be subject to the minimum charge applicable.
3. Failure to comply with 1 or 2 above shall terminate the Apartment House Agreement.
4. The Company will render individual bills for each apartment on a regular billing period basis and will also furnish a statement showing gross and net billings.
5. Provision of this section applies to all existing Apartment House Agreements. No new Agreements will be accepted as of January 1, 1994.

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Issued: October 15, 2010  
By: Randall J. Hee, President  
and Chief Executive Officer

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Effective: October 12, 2010  
Decision and Order No. 19658,  
Interim Decision and Order (April 29,  
2010)/Order (May 26, 2010), and  
Decision and Order (September 9, 2010)

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
Third Revised Sheet 65  
Cancels Second Revised Sheet 65

SCHEDULE "D" (Continued)  
Residential Service

Energy Rate Adjustment Clause (ERAC):

This ERAC shall include the following:

FUEL AND PURCHASED ENERGY - The above rates are based on a cost of fuel for Company generation of 2332.22 cents per million Btu for fuel delivered in its service tanks and a cost for purchased energy (Purchased Energy) of 17.559 cents per kilowatthour. The term "Purchased Energy" shall mean all capacity and purchased energy charges and payments (including revenue taxes) that the Commission has authorized to include in this ERAC. Company-generated energy from non-fuel sources shall be considered as zero fuel cost in the determination of the composite fuel cost. When the Company-generated net energy cost is more or less than 2332.22 cents per million Btu, and/or the Purchased Energy cost is more or less than 17.559 cents per kilowatthour, a corresponding adjustment (Energy Rate Adjustment Factor) to the energy charge shall be made. This adjustment shall be comprised of a Company Generation Component and a Purchased Energy Component.

The Company Generation Component shall be the difference in current generation cost and base generation cost, adjusted for additional revenue taxes. The current generation cost shall be determined by the current fuel cost in cents per million Btu, multiplied by a generation conversion factor of 0.009750 million Btu per kilowatthour, weighted by the proportion of current Company generation to total system net energy in kilowatthours. The base generation cost is the base fuel cost of 2332.22 cents per million Btu multiplied by a generation conversion factor of 0.009750 million Btu per kilowatthour, weighted by the proportion of the 2023 test year generation to total system energy in kilowatthours.

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Issued: TBD  
By: David Bissell  
President & Chief Executive Officer

Effective: TBD  
Decision and Order No.  
TBD

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
Third Revised Sheet 66  
Cancels Second Revised Sheet 66

SCHEDULE "D" (Continued)  
Residential Service

The Purchased Energy Component shall be the difference between (1) the current Purchased Energy cost weighted by the proportion of current Purchased Energy to total system net energy, and (2) the base Purchased Energy cost of 17.559 cents per kilowatthour weighted by the proportion of the 2023 test year Purchased Energy to total system net energy, adjusted to the sales delivery level and for additional revenue taxes. The Energy Rate Adjustment Factor shall be the sum of the Generation Component and the Purchased Energy Component.

The revenue tax requirement shall be calculated using current rates of the Franchise Tax, Public Service Company Tax, and Public Utilities Commission fee.

The Energy Rate Adjustment shall be effective on the date of cost change. When a cost change occurs during a customer's billing period, the Energy Rate Adjustment will be prorated for the number of days each cost was in effect.

This ERAC is consistent with the terms of the Company's operations and Purchased Energy contracts and may be revised to reflect any revisions or changes in operations and the Purchased Energy contracts, subject to approval by the Commission.

Reconciliation Adjustment:

In order to reconcile any differences that may occur between recorded and forecasted Energy Rate Adjustment Clause revenues, the year-to-date recorded revenue from the Energy Rate Adjustment Clause will be compared with the year-to-date revenue expected from the Energy Rate Adjustment Clause on a quarterly basis. If there is a variance between the recorded Energy Rate Adjustment Clause revenue and the expected Energy Rate Adjustment Clause revenue, an adjustment, lagged by two months, shall be made to the Energy Rate Adjustment Clause to reconcile the revenue variance over the sales estimated for the subsequent quarter.

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Issued: TBD  
By: David Bissell  
President & Chief Executive Officer

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Decision and Order No. TBD

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
Second Revised Sheet 69  
Cancels First Revised Sheet 69

SCHEDULE "G"  
General Light and Power Service

Availability:

Applicable for general light and/or power supplied through a single meter. Available to all consumers whose maximum demand is not greater than 30 kW for any fifteen consecutive minutes during a month, or whose energy consumption is less than 10,000 kWh in any month and who do not qualify under Schedule "D" - except Public Street and Highway Lighting Service - for all purposes including lighting, cooking, heating, refrigeration and general power. Service supplied under this rate is subject to the Rules of the Company.

Rate:

Customer Charge:	(Per customer, per month)	\$25.70
Energy Charge:		
Non-Fuel Energy Charge (Non-Fuel and Non- Purchased Power Energy Cost only)	(To be added to Customer Charge) All kWh	\$0.21811 per kWh
Fuel and Purchased Power Energy Charge (may include ERAC on customer bills)	(To be added to Customer Charge) All kWh	\$0.20188 per kWh
Energy Rate Adjustment Clause (ERAC)	(To be added to Customer Charge) All kWh	See below
Minimum Charge:	The minimum monthly charge shall be - (Per customer, per month)	\$25.70

Resource Cost Adjustment Surcharge:

The Resource Cost Adjustment Surcharge shall be added to the Customer and Energy Charges, and energy cost adjustment.

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Issued: TBD  
By: David Bissell, President  
and Chief Executive Officer

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Decision and Order No. TBD

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
Third Revised Sheet 70  
Cancels Second Revised Sheet 70

SCHEDULE "G" (Continued)  
General Light and Power Service

Master Metering:

This schedule is not applicable to multi-family residential dwelling units or to two or more commercial or industrial customers through one meter on a single premise, except where:

1. the individual tenant does not control a substantial portion of the energy consumed, or
2. master metered service will tend to encourage conservation or the efficient use of energy.

The determination of master metering for apartments, condominiums and multi-unit buildings shall be made by the Company.

Energy Rate Adjustment Clause (ERAC):

This ERAC shall include the following:

FUEL AND PURCHASED ENERGY - The above rates are based on a cost of fuel for Company generation of 2332.22 cents per million Btu for fuel delivered in its service tanks and a cost for purchased energy (Purchased Energy) of 17.559 cents per kilowatthour. The term "Purchased Energy" shall mean all capacity and purchased energy charges and payments (including revenue taxes) that the Commission has authorized to include in this ERAC. Company-generated energy from non-fuel sources shall be considered as zero fuel cost in the determination of the composite fuel cost. When the Company-generated net energy cost is more or less than 2332.22 cents per million Btu, and/or the Purchased Energy cost is more or less than 17.559 cents per kilowatthour, a corresponding adjustment (Energy Rate Adjustment Factor) to the energy charges shall be made. This adjustment shall be comprised of a Company Generation Component and a Purchased Energy Component.

The Company Generation Component shall be the difference in current generation cost and base generation cost, adjusted for additional revenue taxes. The current generation cost shall be determined by the current fuel cost in cents per million Btu, multiplied by a generation conversion factor of 0.009750 million Btu per kilowatthour, weighted by the proportion of current Company generation to total system net energy in kilowatthours.

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Issued: TBD  
By: David Bissell  
President & Chief Executive Officer

Effective: TBD  
Decision and Order No. TBD

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
Third Revised Sheet 71  
Cancels Second Revised Sheet 71

SCHEDULE "G" (Continued)  
General Light and Power Service

The base generation cost is the base fuel cost of 2332.22 cents per million Btu multiplied by a generation conversion factor of 0.009750 million Btu per kilowatthour, weighted by the proportion of the 2023 test year generation to total system energy in kilowatthours.

The Purchased Energy Component shall be the difference between (1) the current Purchased Energy cost weighted by the proportion of current Purchased Energy to total system net energy, and (2) the base Purchased Energy cost of 17.559 cents per kilowatthour weighted by the proportion of the 2023 test year Purchased Energy to total system net energy, adjusted to the sales delivery level and for additional revenue taxes. The Energy Rate Adjustment Factor shall be the sum of the Generation Component and the Purchased Energy Component.

The revenue tax requirement shall be calculated using current rates of the Franchise Tax, Public Service Company Tax, and Public Utilities Commission fee.

The Energy Rate Adjustment shall be effective on the date of cost change. When a cost change occurs during a customer's billing period, the Energy Rate Adjustment will be prorated for the number of days each cost was in effect.

This ERAC is consistent with the terms of the Company's operations and Purchased Energy contracts and may be revised to reflect any revisions or changes in operations and the Purchased Energy contracts, subject to approval by the Commission.

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Issued: TBD  
By: David Bissell  
President & Chief Executive Officer

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Decision and Order No. TBD

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
Second Revised Sheet 72  
Cancels First Revised Sheet 72

SCHEDULE "G" (Continued)  
General Light and Power Service

Reconciliation Adjustment:

In order to reconcile any differences that may occur between recorded and forecasted Energy Rate Adjustment Clause revenues, the year-to-date recorded revenue from the Energy Rate Adjustment Clause will be compared with the year-to-date revenue expected from the Energy Rate Adjustment Clause on a quarterly basis. If there is a variance between the recorded Energy Rate Adjustment Clause revenue and the expected Energy Rate Adjustment Clause revenue, an adjustment, lagged by two months, shall be made to the Energy Rate Adjustment Clause to reconcile the revenue variance over the sales estimated for the subsequent quarter.

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By: David Bissell, President  
and Chief Executive Officer

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Decision and Order No. TBD

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
Second Revised Sheet 75  
Cancels First Revised Sheet 75

SCHEDULE "J"  
General Light and Power Service

Availability:

Applicable for general light and/or power supplied through a single meter. Available when the customer's energy consumption exceeds 10,000 kWh in any month or the customer's load exceeds 30 kilowatts during any consecutive 15-minute period in any month, and to all consumers whose maximum demand is not greater than 100 kW for any fifteen consecutive minutes during a month, and who do not qualify under Schedule "D" - except Public Street and Highway Lighting Service - for all purposes including lighting, cooking, heating, refrigeration and general power. Service supplied under this rate is subject to the Rules of the Company.

Rate:

Customer Charge:	(Per customer, per month)	\$42.83
Demand Charge:	(To be added to Customer Charge)	\$7.14 per month per kW of monthly demand

Energy Charge:

Non-Fuel Energy Charge (Non-Fuel and Non-Purchased Power Energy Cost only)	(To be added to Customer Charge and Demand Charge) All kWh	\$0.18163 per kWh
Fuel and Purchased Power Energy Charge (may include ERAC on customer bills)	(To be added to Customer Charge) All kWh	\$0.20188 per kWh
Energy Rate Adjustment Clause (ERAC)	(To be added to Customer Charge) All kWh	See below

Determination of Billing Demand:

The monthly billing demand shall be the greater of (a) the highest Kilowatt demand during the month or (b) 75% of the highest Kilowatt demand during the preceding eleven months, as registered during an interval of fifteen consecutive minutes by an indicating demand meter.

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By: David Bissell, President  
and Chief Executive Officer

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KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
Second Revised Sheet 76  
Cancels First Revised Sheet 76

SCHEDULE "J" (Continued)  
General Light and Power Service

Minimum Charge:

The minimum monthly charge shall be:

Demand Service:

The sum of the Customer Charge and the Demand Charge.

Resource Cost Adjustment Surcharge:

The Resource Cost Adjustment Surcharge shall be added to the Customer and Energy Charges, and energy cost adjustment.

Master Metering:

This schedule is not applicable to multi-family residential dwelling units or to two or more commercial or industrial customers through one meter on a single premise, except where:

1. the individual tenant does not control a substantial portion of the energy consumed, or
2. master metered service will tend to encourage conservation or the efficient use of energy.

The determination of master metering for apartments, condominiums and multi-unit buildings shall be made by the Company.

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By: David Bissell, President  
and Chief Executive Officer

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Decision and Order No. TBD

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
Third Revised Sheet 77  
Cancels Second Revised Sheet 77

SCHEDULE "J" (Continued)  
General Light and Power Service

Energy Rate Adjustment Clause (ERAC):

This ERAC shall include the following:

FUEL AND PURCHASED ENERGY - The above rates are based on a cost of fuel for Company generation of 2332.22 cents per million Btu for fuel delivered in its service tanks and a cost for purchased energy (Purchased Energy) of 17.559 cents per kilowatthour. The term "Purchased Energy" shall mean all capacity and purchased energy charges and payments (including revenue taxes) that the Commission has authorized to include in this ERAC. Company-generated energy from non-fuel sources shall be considered as zero fuel cost in the determination of the composite fuel cost. When the Company-generated net energy cost is more or less than 2332.22 cents per million Btu, and/or the Purchased Energy cost is more or less than 17.559 cents per kilowatthour, a corresponding adjustment (Energy Rate Adjustment Factor) to the energy charges shall be made. This adjustment shall be comprised of a Company Generation Component and a Purchased Energy Component.

The Company Generation Component shall be the difference in current generation cost and base generation cost, adjusted for additional revenue taxes. The current generation cost shall be determined by the current fuel cost in cents per million Btu, multiplied by a generation conversion factor of 0.009750 million Btu per kilowatthour, weighted by the proportion of current Company generation to total system net energy in kilowatthours. The base generation cost is the base fuel cost of 2332.22 cents per million Btu multiplied by a generation conversion factor of 0.009750 million Btu per kilowatthour, weighted by the proportion of the 2023 test year generation to total system energy in kilowatthours.

The Purchased Energy Component shall be the difference between (1) the current Purchased Energy cost weighted by the proportion of current Purchased Energy to total system net energy, and (2) the base Purchased Energy cost of 17.559 cents per kilowatthour weighted by the proportion of the 2023 test year Purchased Energy to total system net energy, adjusted to the sales delivery level and for additional revenue taxes. The Energy Rate Adjustment Factor shall be the sum of the Generation Component and the Purchased Energy Component.

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Issued: TBD  
By: David Bissell  
President & Chief Executive Officer

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Decision and Order No. TBD

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
Third Revised Sheet 78  
Cancels Second Revised Sheet 78

SCHEDULE "J" (Continued)  
General Light and Power Service

The revenue tax requirement shall be calculated using current rates of the Franchise Tax, Public Service Company Tax, and Public Utilities Commission fee.

The Energy Rate Adjustment shall be effective on the date of cost change. When a cost change occurs during a customer's billing period, the Energy Rate Adjustment will be prorated for the number of days each cost was in effect.

This ERAC is consistent with the terms of the Company's operations and Purchased Energy contracts and may be revised to reflect any revisions or changes in operations and the Purchased Energy contracts, subject to approval by the Commission.

Reconciliation Adjustment:

In order to reconcile any differences that may occur between recorded and forecasted Energy Rate Adjustment Clause revenues, the year-to-date recorded revenue from the Energy Rate Adjustment Clause will be compared with the year-to-date revenue expected from the Energy Rate Adjustment Clause on a quarterly basis. If there is a variance between the recorded Energy Rate Adjustment Clause revenue and the expected Energy Rate Adjustment Clause revenue, an adjustment, lagged by two months, shall be made to the Energy Rate Adjustment Clause to reconcile the revenue variance over the sales estimated for the subsequent quarter.

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Issued: TBD  
By: David Bissell  
President & Chief Executive Officer

Effective: TBD  
Decision and Order No. TBD

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
Second Revised Sheet 80  
Cancels First Revised Sheet 80

SCHEDULE "LP"  
Large Power Service

Availability:

Applicable for primary or secondary large light and/or power service supplied and metered at a single delivery point.

Available to all power users with metered loads in excess of 100 Kilowatts during any consecutive fifteen minute period in any month except Public Street and Highway Lighting Service. Such customers must sign a contract for service for a minimum period of twelve (12) months except for temporary services. Service supplied under this rate shall be subject to the Rules of the Company.

Rate:

Customer Charge:	per Customer per month	\$396.63
Demand Charge:	(To be added to Customer Charge)	\$12.86 per kW of monthly demand
Energy Charge:	(To be added to Customer Charge and Demand Charge)	
Non-Fuel Energy Charge (Non-Fuel and Non-Purchased Power Energy Cost only)	All kWh	\$0.16374 per kWh
Fuel and Purchased Power Energy Charge (may include ERAC on customer bills)	All kWh	\$0.20188 per kWh
Energy Rate Adjustment Clause (ERAC)	All kWh	See below

Determination of Billing Demand:

The monthly billing demand shall be the greater of (a) the highest Kilowatt demand during the month or (b) 75% of the highest Kilowatt demand during the preceding eleven months, as registered during an interval of fifteen consecutive minutes by an indicating demand meter.

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Issued: TBD  
By: David Bissell, President  
and Chief Executive Officer

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Effective: TBD  
Decision and Order No. TBD

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
Second Revised Sheet 81  
Cancels First Revised Sheet 81

SCHEDULE "LP" (Continued)  
Large Power Service

Minimum Charge:

The minimum monthly charge shall be the sum of the Customer Charge and the Demand Charge.

Power Factor:

The above rate is based on an average power factor of 85%. If the power factor is found to average below 85%, 1/2 of 1% shall be added to the kWh for each 1% of average power factor below 85%. If the power factor is found to average above 85%, 1/2 of 1% shall be deducted from the kWh for each 1% of average power factor above 85%. The maximum increase or decrease shall in no case exceed 5%.

Determination of Power Factor:

The average monthly power factor for this rate schedule shall be determined by a computation from the reading of a reactive KVARH meter and a kWh meter, according to the following formula:

$$\text{Power factor (\%)} = \frac{\text{kWh}}{\sqrt{\text{kWh}^2 + \text{KVARH}^2}} \times 100$$

The KVARH meter shall be ratcheted to prevent reverse rotation on leading power factor.

Resource Cost Adjustment Surcharge:

The Resource Cost Adjustment Surcharge shall be added to the Customer and Energy Charges, and energy cost adjustment.

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
Third Revised Sheet 82  
Cancels Second Revised Original Sheet 82

SCHEDULE "LP" (Continued)  
Large Power Service

Lighting:

Service supplied under this rate may be used for lighting purposes, provided that the energy is taken at the same voltage as any power load covered by the contract.

Master Metering:

Master Metering is not applicable to multi-family residential dwelling units or to two or more commercial or industrial customers through one meter on a single premise, except where:

1. the individual tenant does not control a substantial portion of the energy consumed, or
2. master metered service will tend to encourage conservation or the efficient use of energy.

The determination of master metering for apartments, condominiums and multi-unit buildings shall be made by the Company.

Energy Rate Adjustment Clause (ERAC):

This ERAC shall include the following:

FUEL AND PURCHASED ENERGY - The above rates are based on a cost of fuel for Company generation of 2332.22 cents per million Btu for fuel delivered in its service tanks and a cost for purchased energy (Purchased Energy) of 17.559 cents per kilowatthour. The term "Purchased Energy" shall mean all capacity and purchased energy charges and payments (including revenue taxes) that the Commission has authorized to include in this ERAC. Company-generated energy from non-fuel sources shall be considered as zero fuel cost in the determination of the composite fuel cost. When the Company-generated net energy cost is more or less than 2332.22 cents per million Btu, and/or the Purchased Energy cost is more or less than 17.559 cents per kilowatthour, a corresponding adjustment (Energy Rate Adjustment Factor) to the energy charges shall be made. This adjustment shall be comprised of a Company Generation Component and a Purchased Energy Component.

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By: David Bissell  
President & Chief Executive Officer

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TBD

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
Third Revised Sheet 83  
Cancels Second Revised Sheet 83

SCHEDULE "LP" (Continued)  
Large Power Service

The Company Generation Component shall be the difference in current generation cost and base generation cost, adjusted for additional revenue taxes. The current generation cost shall be determined by the current fuel cost in cents per million Btu, multiplied by a generation conversion factor of 0.009750 million Btu per kilowatthour, weighted by the proportion of current Company generation to total system net energy in kilowatthours. The base generation cost is the base fuel cost of 2332.22 cents per million Btu multiplied by a generation conversion factor of 0.009750 million Btu per kilowatthour, weighted by the proportion of the 2023 test year generation to total system energy in kilowatthours.

The Purchased Energy Component shall be the difference between (1) the current Purchased Energy cost weighted by the proportion of current Purchased Energy to total system net energy, and (2) the base Purchased Energy cost of 17.559 cents per kilowatthour weighted by the proportion of the 2023 test year Purchased Energy to total system net energy, adjusted to the sales delivery level and for additional revenue taxes. The Energy Rate Adjustment Factor shall be the sum of the Generation Component and the Purchased Energy Component.

The revenue tax requirement shall be calculated using current rates of the Franchise Tax, Public Service Company Tax, and Public Utility Commission fee.

The Energy Rate Adjustment shall be effective on the date of cost change. When a cost change occurs during a customer's billing period, the Energy Rate Adjustment will be prorated for the number of days each cost was in effect.

This ERAC is consistent with the terms of the Company's operations and Purchased Energy contracts and may be revised to reflect any revisions or changes in operations and the Purchased Energy contracts, subject to approval by the Commission.

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Issued: TBD  
By: David Bissell  
President & Chief Executive Officer

Effective: TBD  
Decision and Order No. TBD

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
Second Revised Sheet 84  
Cancels First Revised Sheet 84

SCHEDULE "LP" (Continued)  
Large Power Service

Reconciliation Adjustment:

In order to reconcile any differences that may occur between recorded and forecasted Energy Rate Adjustment Clause revenues, the year-to-date recorded revenue from the Energy Rate Adjustment Clause will be compared with the year-to-date revenue expected from the Energy Rate Adjustment Clause on a quarterly basis. If there is a variance between the recorded Energy Rate Adjustment Clause revenue and the expected Energy Rate Adjustment Clause revenue, an adjustment, lagged by two months, shall be made to the Energy Rate Adjustment Clause to reconcile the revenue variance over the sales estimated for the subsequent quarter.

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Issued: TBD  
By: David Bissell, President  
and Chief Executive Officer

Effective: TBD  
Decision and Order No. TBD

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
Second Revised Sheet 90  
Cancels First Revised Sheet 90

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KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
Second Revised Sheet 91  
Cancels First Revised Sheet 91

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Issued: TBD  
By: David Bissell, President  
and Chief Executive Officer

Effective: TBD

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
Third Revised Sheet 92  
Cancels Second Revised Sheet 92

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Issued: TBD  
By: David Bissell  
President & Chief Executive Officer

Effective: TBD

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
Third Revised Sheet 93  
Cancels Second Revised Sheet 93

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KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
Second Revised Sheet 94  
Cancels First Revised Sheet 94

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Issued: TBD  
By: David Bissell, President  
and Chief Executive Officer

Effective: TBD

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
Third Revised Sheet 103  
Cancels Second Revised Sheet 103

SCHEDULE "SL"  
Street Lighting

Availability:

Applicable to public street and highway lighting service. Available in general, where the Company owns, maintains and operates the street lighting facilities and has already installed primary distribution circuits. Service supplied under this rate is subject to the Rules of the Company.

Rate:

1. Fixture Charge:

- a. Monthly charge for standard incandescent fixtures with not in excess of 4000 lumen lamps - \$4.36 per fixture, per month.
- b. Monthly charge for standard mercury vapor fixture with not in excess of 21,000 lumen lamps - \$7.50 per fixture, per month.
- c. Monthly charge for standard high pressure sodium vapor fixtures:
 

1 - <=100 watt	\$7.50 per fixture, per month
2 - 101-150 watt	\$7.50 per fixture, per month
3 - 151-200 watt	\$7.76 per fixture, per month
4 - 201-250 watt	\$7.76 per fixture, per month
5 - 251+ watt	\$8.10 per fixture, per month
- d. Monthly charge for standard light emitting diode ("LED") fixtures:
 

1- <=45 watt	\$9.82 per fixture, per month
2 - 46-98 watt	\$10.18 per fixture, per month
3 - 99+ watt	\$10.28 per fixture, per month

2. Energy Charge:

Non-Fuel Energy Charge (Non-Fuel and Non-Purchased Power Energy Cost only)	(To be added to Customer Charge) All kWh	\$0.33444 per kWh
Fuel and Purchased Power Energy Charge (may include ERAC on customer bills)	(To be added to Customer Charge) All kWh	\$0.20188 per kWh
Energy Rate Adjustment Clause (ERAC)	(To be added to Customer Charge) All kWh	See below

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
Second Revised Sheet 104  
Cancels First Revised Sheet 104

SCHEDULE "SL" (Continued)  
Street Lighting

**Minimum Charge:**

The minimum monthly charge will be the above Fixture Charge per fixture connected to the circuit.

**Unmetered Service:**

When Mercury Vapor service is unmetered and lamps are individually controlled for normal dusk-to-dawn operation, the monthly Kilowatthours per lamp billed at the above rates will be uniform at 76, 104, and 164 Kilowatthours for the 175, 250, and 400-watt mercury vapor lamps, respectively.

When High Pressure Sodium Vapor service is unmetered and lamps are individually controlled for normal dusk-to-dawn operation, the monthly Kilowatthours per lamp billed at the above rates will be uniform at 53, 74, 94, 114, and 176 Kilowatthours for the 100, 150, 200, 250, and 400-watt high pressure sodium vapor lamps, respectively.

When LED service is unmetered and lamps are individually controlled for normal dusk-to-dawn operation, the monthly Kilowatthours per lamp billed at the above rates will be uniform at 16.2, 35.28, and 46.8 Kilowatthours for the 45, 98, and 130 watt LED lights, respectively, multiplied by the applicable percentage dimming factor, if any. Customer has the option to select a percentage dimming factor, which is available in 5% increments (e.g., 95%, 90%, 85%, etc.).

Night-time hours of lamp and ballast operation reflect an average 360 hours per month.

**Resource Cost Adjustment Surcharge:**

The Resource Cost Adjustment Surcharge shall be added to the Customer and Energy Charges, and energy cost adjustment.

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Issued: September 15, 2015  
By: David Bissell, President  
and Chief Executive Officer

Effective: October 16, 2015  
Decision and Order No. 19658, Interim  
Decision and Order (April 29, 2010)/Order  
(May 26, 2010), and Decision and Order  
(September 9, 2010)

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
Third Revised Sheet 105  
Cancels Second Revised Sheet 105

SCHEDULE "SL" (Continued)  
Street Lighting

Term of Contract:

If the Company is asked to remove or relocate facilities within 60 months after installation, the customer shall make a contribution in the amount of the estimated net removal or relocation cost.

Energy Rate Adjustment Clause (ERAC):

This ERAC shall include the following:

FUEL AND PURCHASED ENERGY - The above rates are based on a cost of fuel for Company generation of 2332.22 cents per million Btu for fuel delivered in its service tanks and a cost for purchased energy (Purchased Energy) of 17.559 cents per kilowatthour. The term "Purchased Energy" shall mean all capacity and purchased energy charges and payments (including revenue taxes) that the Commission has authorized to include in this ERAC. Company-generated energy from non-fuel sources shall be considered as zero fuel cost in the determination of the composite fuel cost. When the Company-generated net energy cost is more or less than 2332.22 cents per million Btu, and/or the Purchased Energy cost is more or less than 17.559 cents per kilowatthour, a corresponding adjustment (Energy Rate Adjustment Factor) to the energy charges shall be made. This adjustment shall be comprised of a Company Generation Component and a Purchased Energy Component.

The Company Generation Component shall be the difference in current generation cost and base generation cost, adjusted for additional revenue taxes. The current generation cost shall be determined by the current fuel cost in cents per million Btu, multiplied by a generation conversion factor of 0.009750 million Btu per kilowatthour, weighted by the proportion of current Company generation to total system net energy in kilowatthours. The base generation cost is the base fuel cost of 2332.22 cents per million Btu multiplied by a generation conversion factor of 0.009750 million Btu per kilowatthour, weighted by the proportion of the 2023 test year generation to total system energy in kilowatthours.

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Issued: TBD  
By: David Bissell  
President & Chief Executive Officer

Effective: TBD  
Decision and Order No. TBD

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
Third Revised Sheet 106  
Cancels Second Revised Sheet 106

SCHEDULE "SL" (Continued)  
Street Lighting

The Purchased Energy Component shall be the difference between (1) the current Purchased Energy cost weighted by the proportion of current Purchased Energy to total system net energy, and (2) the base Purchased Energy cost of 17.559 cents per kilowatthour weighted by the proportion of the 2023 test year Purchased Energy to total system net energy, adjusted to the sales delivery level and for additional revenue taxes. The Energy Rate Adjustment Factor shall be the sum of the Generation Component and the Purchased Energy Component.

The revenue tax requirement shall be calculated using current rates of the Franchise Tax, Public Service Company Tax, and Public Utilities Commission fee.

The Energy Rate Adjustment shall be effective on the date of cost change. When a cost change occurs during a customer's billing period, the Energy Rate Adjustment will be prorated for the number of days each cost was in effect.

This ERAC is consistent with the terms of the Company's operations and Purchased Energy contracts and may be revised to reflect any revisions or changes in operations and the Purchased Energy contracts, subject to approval by the Commission.

Reconciliation Adjustment:

In order to reconcile any differences that may occur between recorded and forecasted Energy Rate Adjustment Clause revenues, the year-to-date recorded revenue from the Energy Rate Adjustment Clause will be compared with the year-to-date revenue expected from the Energy Rate Adjustment Clause on a quarterly basis. If there is a variance between the recorded Energy Rate Adjustment Clause revenue and the expected Energy Rate Adjustment Clause revenue, an adjustment, lagged by two months, shall be made to the Energy Rate Adjustment Clause to reconcile the revenue variance over the sales estimated for the subsequent quarter.

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Issued: TBD  
By: David Bissell  
President & Chief Executive Officer

Effective: TBD  
Decision and Order No. TBD

**EXHIBIT 4**  
**(Blacklined)**

KAUAI ISLAND UTILITY COOPERATIVE  
 Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
~~Second First~~ Revised Sheet 63  
 Cancels ~~First Revised Original~~ Sheet 63

SCHEDULE "D"  
 Residential Service

Availability:

Applicable to lighting, heating, cooking, air conditioning and single-phase residential service in single-family dwellings metered and billed separately by the Company. This schedule does not apply where residence and business are combined. Service supplied under this rate is subject to the Rules of the Company.

Storage water heaters may be connected to this service, provided that each element is controlled by a thermostat and the maximum wattage of the heating elements that may be energized at any one time shall not exceed 5,000 watts.

Rate:

Customer Charge:	(Per Customer per month)	<del>\$11.42</del> <del>\$10.58</del>
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Energy Charge:

Non-Fuel Energy Charge (Non-Fuel and Non-Purchased Power Energy Cost only)	(To be added to Customer Charge) All kWh	<del>\$0.20704</del> <del>\$0.15600</del> per kWh
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Fuel and Purchased Power Energy Charge (may include ERAC on customer bills)	(To be added to Customer Charge) All kWh	<del>\$0.20188</del> <del>\$0.19143</del> per kWh
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Energy Rate Adjustment Clause (ERAC)	(To be added to Customer Charge) All kWh	See below
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Minimum Charge:	The minimum monthly charge shall be - (Per Customer per month)	\$13.50
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Resource Cost Adjustment Surcharge:

The Resource Cost Adjustment Surcharge shall be added to the Customer and Energy Charges, and energy cost adjustment.

Issued: ~~October 15, 2010~~ ~~TBD~~  
 By: ~~David Bissell~~ ~~Randal J. Hee~~, President  
 and Chief Executive Officer

Effective: ~~TBD~~ ~~October 12, 2010~~  
 Decision and Order No. ~~TBD~~ ~~19658~~,  
~~Interim Decision and Order (April 29,~~  
~~2010)~~ ~~Order (May 26, 2010), and Decision~~  
~~and Order (September 9, 2010)~~

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
Original Sheet 64

SCHEDULE "D" (Continued)  
Residential Service

Apartment House Collection Arrangement:

Any apartment owner having title to three or more apartments at one location, each apartment being separately metered and billed by the Company on Residential Rate Schedule, may elect to accept a commission of ten per cent (10%) of the amount of the bills rendered for such apartments not to exceed \$5.00 per month for each apartment upon entering into a collection arrangement with the Company under the following terms and conditions.

1. All accounts shall be kept in the name of the apartment house owner who shall assume the responsibility for the payment of all bills before they become past due.
2. All accounts shall remain active at all times and, though vacant, shall be subject to the minimum charge applicable.
3. Failure to comply with 1 or 2 above shall terminate the Apartment House Agreement.
4. The Company will render individual bills for each apartment on a regular billing period basis and will also furnish a statement showing gross and net billings.
5. Provision of this section applies to all existing Apartment House Agreements. No new Agreements will be accepted as of January 1, 1994.

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Issued: October 15, 2010  
By: Randall J. Hee, President  
and Chief Executive Officer

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Effective: October 12, 2010  
Decision and Order No. 19658,  
Interim Decision and Order (April 29,  
2010)/Order (May 26, 2010), and  
Decision and Order (September 9, 2010)

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
~~Third~~Second Revised Sheet 65  
Cancels ~~Second~~First Revised Sheet 65

SCHEDULE "D" (Continued)  
Residential Service

Energy Rate Adjustment Clause (ERAC):

This ERAC shall include the following:

FUEL AND PURCHASED ENERGY - The above rates are based on a cost of fuel for Company generation of ~~2332.224735-83~~ cents per million Btu for fuel delivered in its service tanks and a cost for purchased energy (Purchased Energy) of ~~17.55947-384~~ cents per kilowatthour. The term "Purchased Energy" shall mean all capacity and purchased energy charges and payments (including revenue taxes) that the Commission has authorized to include in this ERAC. Company-generated energy from non-fuel sources shall be considered as zero fuel cost in the determination of the composite fuel cost. When the Company-generated net energy cost is more or less than ~~2332.224735-83~~ cents per million Btu, and/or the Purchased Energy cost is more or less than ~~17.55947-384~~ cents per kilowatthour, a corresponding adjustment (Energy Rate Adjustment Factor) to the energy charge shall be made. This adjustment shall be comprised of a Company Generation Component and a Purchased Energy Component.

The Company Generation Component shall be the difference in current generation cost and base generation cost, adjusted for additional revenue taxes. The current generation cost shall be determined by the current fuel cost in cents per million Btu, multiplied by a generation conversion factor of ~~0.0097500-009850~~ million Btu per kilowatthour, weighted by the proportion of current Company generation to total system net energy in kilowatthours. The base generation cost is the base fuel cost of ~~2332.224735-83~~ cents per million Btu multiplied by a generation conversion factor of ~~0.0097500-009850~~ million Btu per kilowatthour, weighted by the proportion of the ~~20232010~~ test year generation to total system energy in kilowatthours.

Issued: ~~July 17, 2015~~TBD  
By: David Bissell  
President & Chief Executive Officer

Effective: ~~TBD~~August 18, 2015  
Decision and Order No. ~~19658,~~  
~~Interim Decision and Order (April 29,~~  
~~2010)/Order (May 26, 2010), Decision~~  
~~and Order (September 9, 2010), and~~ —  
—TBD

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
~~Third Second~~ Revised Sheet 66  
Cancels ~~Second First~~ Revised Sheet 66

SCHEDULE "D" (Continued)  
Residential Service

The Purchased Energy Component shall be the difference between (1) the current Purchased Energy cost weighted by the proportion of current Purchased Energy to total system net energy, and (2) the base Purchased Energy cost of ~~17.559~~~~17.384~~ cents per kilowatthour weighted by the proportion of the ~~2023~~~~2010~~ test year Purchased Energy to total system net energy, adjusted to the sales delivery level and for additional revenue taxes. The Energy Rate Adjustment Factor shall be the sum of the Generation Component and the Purchased Energy Component.

The revenue tax requirement shall be calculated using current rates of the Franchise Tax, Public Service Company Tax, and Public Utilities Commission fee.

The Energy Rate Adjustment shall be effective on the date of cost change. When a cost change occurs during a customer's billing period, the Energy Rate Adjustment will be prorated for the number of days each cost was in effect.

This ERAC is consistent with the terms of the Company's operations and Purchased Energy contracts and may be revised to reflect any revisions or changes in operations and the Purchased Energy contracts, subject to approval by the Commission.

Reconciliation Adjustment:

In order to reconcile any differences that may occur between recorded and forecasted Energy Rate Adjustment Clause revenues, the year-to-date recorded revenue from the Energy Rate Adjustment Clause will be compared with the year-to-date revenue expected from the Energy Rate Adjustment Clause on a quarterly basis. If there is a variance between the recorded Energy Rate Adjustment Clause revenue and the expected Energy Rate Adjustment Clause revenue, an adjustment, lagged by two months, shall be made to the Energy Rate Adjustment Clause to reconcile the revenue variance over the sales estimated for the subsequent quarter.

~~In addition, for any given month, if the Company operates either below or above the range of 0.00980 million Btu per kilowatthour to 0.00990 million Btu per kilowatthour, the Company can elect to modify its Generation Component such that the Generation Component will recover only the difference between the Company's actual generation cost and base generation cost for that month by providing notice to the Commission together with a written report, which election will be effective upon the filing of the notice. This difference shall be reflected as an adjustment to the actual revenues collected for the period in question and applied as part of the reconciliation adjustment. The report will explain the reasons why the Company operated outside of the range, the expected duration that it will operate outside of the range, and, if the Company is operating above the range, what steps it will be taking to attempt to rectify the situation. Upon review of the written report, the Commission and the Division of Consumer Advocacy will have the opportunity to make further inquiries on the matter, and the Commission, at its discretion, may institute an investigatory proceeding on the matter should it believe such proceeding is warranted.~~

Issued: ~~July 17, 2015~~~~TBD~~  
By: David Bissell  
President & Chief Executive Officer

Effective: ~~TBD~~~~August 18, 2015~~  
Decision and Order No. ~~TBD~~~~19658~~,  
~~Interim Decision and Order (April 29,~~  
~~2010)/Order (May 26, 2010), and~~  
~~Decision and Order (September 9,~~  
~~2010), and \_\_\_\_\_~~

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
~~Second First~~ Revised Sheet 69  
Cancels ~~First Revised Original~~ Sheet 69

SCHEDULE "G"  
General Light and Power Service

Availability:

Applicable for general light and/or power supplied through a single meter. Available to all consumers whose maximum demand is not greater than 30 kW for any fifteen consecutive minutes during a month, or whose energy consumption is less than 10,000 kWh in any month and who do not qualify under Schedule "D" - except Public Street and Highway Lighting Service - for all purposes including lighting, cooking, heating, refrigeration and general power. Service supplied under this rate is subject to the Rules of the Company.

Rate:

Customer Charge:	(Per customer, per month)	<del>\$25.70</del> <u>23.82</u>
Energy Charge:		
Non-Fuel Energy Charge (Non-Fuel and Non-Purchased Power Energy Cost only)	(To be added to Customer Charge) All kWh	<del>\$0.21811</del> <u>\$0.16626</u> per kWh
Fuel and Purchased Power Energy Charge (may include ERAC on customer bills)	(To be added to Customer Charge) All kWh	<del>\$0.20188</del> <u>\$0.19143</u> per kWh
Energy Rate Adjustment Clause (ERAC)	(To be added to Customer Charge) All kWh	See below
Minimum Charge:	The minimum monthly charge shall be - (Per customer, per month)	<del>\$25.70</del> <u>26.45</u>

Resource Cost Adjustment Surcharge:

The Resource Cost Adjustment Surcharge shall be added to the Customer and Energy Charges, and energy cost adjustment.

Issued: ~~October 15, 2010~~TBD  
By: ~~David Bissell~~Randall J. Hee, President  
and Chief Executive Officer

Effective: ~~TBD~~October 12, 2010  
Decision and Order No. ~~TBD~~19658, Interim Decision and Order (April 29, 2010)/Order (May 26, 2010), and Decision and Order (September 9, 2010)

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
~~Third~~Second Revised Sheet 70  
Cancels ~~Second~~First Revised Sheet 70

SCHEDULE "G" (Continued)  
General Light and Power Service

Master Metering:

This schedule is not applicable to multi-family residential dwelling units or to two or more commercial or industrial customers through one meter on a single premise, except where:

1. the individual tenant does not control a substantial portion of the energy consumed, or
2. master metered service will tend to encourage conservation or the efficient use of energy.

The determination of master metering for apartments, condominiums and multi-unit buildings shall be made by the Company.

Energy Rate Adjustment Clause (ERAC):

This ERAC shall include the following:

FUEL AND PURCHASED ENERGY - The above rates are based on a cost of fuel for Company generation of ~~2332.224735.83~~ cents per million Btu for fuel delivered in its service tanks and a cost for purchased energy (Purchased Energy) of ~~17.55947.384~~ cents per kilowatthour. The term "Purchased Energy" shall mean all capacity and purchased energy charges and payments (including revenue taxes) that the Commission has authorized to include in this ERAC. Company-generated energy from non-fuel sources shall be considered as zero fuel cost in the determination of the composite fuel cost. When the Company-generated net energy cost is more or less than ~~2332.224735.83~~ cents per million Btu, and/or the Purchased Energy cost is more or less than ~~17.55947.384~~ cents per kilowatthour, a corresponding adjustment (Energy Rate Adjustment Factor) to the energy charges shall be made. This adjustment shall be comprised of a Company Generation Component and a Purchased Energy Component.

The Company Generation Component shall be the difference in current generation cost and base generation cost, adjusted for additional revenue taxes. The current generation cost shall be determined by the current fuel cost in cents per million Btu, multiplied by a generation conversion factor of ~~0.0097500.009850~~ million Btu per kilowatthour, weighted by the proportion of current Company generation to total system net energy in kilowatthours.

Issued: ~~July 17, 2015~~TBD  
By: David Bissell  
President & Chief Executive Officer

Effective: ~~TBD-August 18, 2015~~  
Decision and Order No. ~~TBD49658, Interim Decision and Order (April 29, 2010), Order (May 26, 2010), Decision and Order (September 9, 2010), and~~ \_\_\_\_\_

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
~~Third~~Second Revised Sheet 71  
Cancels ~~Second~~First Revised Sheet 71

SCHEDULE "G" (Continued)  
General Light and Power Service

The base generation cost is the base fuel cost of ~~2332.22~~~~1735.83~~ cents per million Btu multiplied by a generation conversion factor of ~~0.0097500~~~~0.009850~~ million Btu per kilowatthour, weighted by the proportion of the ~~2023~~~~2010~~ test year generation to total system energy in kilowatthours.

The Purchased Energy Component shall be the difference between (1) the current Purchased Energy cost weighted by the proportion of current Purchased Energy to total system net energy, and (2) the base Purchased Energy cost of ~~17.559~~~~17.384~~ cents per kilowatthour weighted by the proportion of the ~~2023~~~~2010~~ test year Purchased Energy to total system net energy, adjusted to the sales delivery level and for additional revenue taxes. The Energy Rate Adjustment Factor shall be the sum of the Generation Component and the Purchased Energy Component.

The revenue tax requirement shall be calculated using current rates of the Franchise Tax, Public Service Company Tax, and Public Utilities Commission fee.

The Energy Rate Adjustment shall be effective on the date of cost change. When a cost change occurs during a customer's billing period, the Energy Rate Adjustment will be prorated for the number of days each cost was in effect.

This ERAC is consistent with the terms of the Company's operations and Purchased Energy contracts and may be revised to reflect any revisions or changes in operations and the Purchased Energy contracts, subject to approval by the Commission.

Issued: ~~July 17, 2015~~TBD  
By: David Bissell  
President & Chief Executive Officer

Effective: ~~TBD~~August 18, 2015  
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~~Decision and Order (April 29, 2010)/Order~~  
~~(May 26, 2010), Decision and Order~~  
~~(September 9, 2010), and \_\_\_\_\_~~

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
~~Second~~First Revised Sheet 72  
Cancels ~~First Revised~~Original Sheet 72

SCHEDULE "G" (Continued)  
General Light and Power Service

Reconciliation Adjustment:

In order to reconcile any differences that may occur between recorded and forecasted Energy Rate Adjustment Clause revenues, the year-to-date recorded revenue from the Energy Rate Adjustment Clause will be compared with the year-to-date revenue expected from the Energy Rate Adjustment Clause on a quarterly basis. If there is a variance between the recorded Energy Rate Adjustment Clause revenue and the expected Energy Rate Adjustment Clause revenue, an adjustment, lagged by two months, shall be made to the Energy Rate Adjustment Clause to reconcile the revenue variance over the sales estimated for the subsequent quarter.

~~In addition, for any given month, if the Company operates either below or above the range of 0.00980 million Btu per kilowatthour to 0.00990 million Btu per kilowatthour, the Company can elect to modify its Generation Component such that the Generation Component will recover only the difference between the Company's actual generation cost and base generation cost for that month by providing notice to the Commission together with a written report, which election will be effective upon the filing of the notice. This difference shall be reflected as an adjustment to the actual revenues collected for the period in question and applied as part of the reconciliation adjustment. The report will explain the reasons why the Company operated outside of the range, the expected duration that it will operate outside of the range, and, if the Company is operating above the range, what steps it will be taking to attempt to rectify the situation. Upon review of the written report, the Commission and the Division of Consumer Advocacy will have the opportunity to make further inquiries on the matter, and the Commission, at its discretion, may institute an investigatory proceeding on the matter should it believe such proceeding is warranted.~~

Issued: ~~October 15, 2010~~TBD  
By: ~~David Bissell~~Randall J. Hee, President  
and Chief Executive Officer

Effective: ~~TBD~~October 12, 2010  
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Decision and Order (April 29, 2010)/Order  
(May 26, 2010), and Decision and Order  
(September 9, 2010)

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
~~Second First~~ Revised Sheet 75  
Cancels ~~First Revised Original~~ Sheet 75

SCHEDULE "J"  
General Light and Power Service

Availability:

Applicable for general light and/or power supplied through a single meter. Available when the customer's energy consumption exceeds 10,000 kWh in any month or the customer's load exceeds 30 kilowatts during any consecutive 15-minute period in any month, and to all consumers whose maximum demand is not greater than 100 kW for any fifteen consecutive minutes during a month, and who do not qualify under Schedule "D" - except Public Street and Highway Lighting Service - for all purposes including lighting, cooking, heating, refrigeration and general power. Service supplied under this rate is subject to the Rules of the Company.

Rate:

Customer Charge:	(Per customer, per month)	<del>\$42.83</del> <del>\$39.69</del>
Demand Charge:	(To be added to Customer Charge)	<del>\$7.14</del> <del>\$6.62</del> per month per kW of monthly demand
Energy Charge:		
Non-Fuel Energy Charge (Non-Fuel and Non-Purchased Power Energy Cost only)	(To be added to Customer Charge and Demand Charge) All kWh	<del>\$0.18163</del> <del>\$0.13247</del> per kWh
Fuel and Purchased Power Energy Charge (may include ERAC on customer bills)	(To be added to Customer Charge) All kWh	<del>\$0.20188</del> <del>\$0.19143</del> per kWh
Energy Rate Adjustment Clause (ERAC)	(To be added to Customer Charge) All kWh	See below

Determination of Billing Demand:

The monthly billing demand shall be the greater of (a) the highest Kilowatt demand during the month or (b) 75% of the highest Kilowatt demand during the preceding eleven months, as registered during an interval of fifteen consecutive minutes by an indicating demand meter.

Issued: ~~October 15, 2010~~~~TBD~~  
By: ~~David Bissell~~~~Randall J. Hee~~, President  
and Chief Executive Officer

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KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
~~Second First~~ Revised Sheet 76  
Cancels ~~First Revised Original~~ Sheet 76

SCHEDULE "J" (Continued)  
General Light and Power Service

Minimum Charge:

The minimum monthly charge shall be:

Demand Service:

The sum of the Customer Charge and the  
\_\_\_\_\_ Demand Charge ~~but not less than \$198.42 per month.~~

Resource Cost Adjustment Surcharge:

The Resource Cost Adjustment Surcharge shall be added to the Customer and Energy Charges, and energy cost adjustment.

Master Metering:

This schedule is not applicable to multi-family residential dwelling units or to two or more commercial or industrial customers through one meter on a single premise, except where:

1. the individual tenant does not control a substantial portion of the energy consumed, or
2. master metered service will tend to encourage conservation or the efficient use of energy.

The determination of master metering for apartments, condominiums and multi-unit buildings shall be made by the Company.

Issued: ~~October 15, 2010~~ TBD  
By: ~~David Bissell~~ Randall J. Hee, President  
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~~Decision and Order (April 29, 2010)/Order~~  
~~(May 26, 2010), and Decision and Order~~  
~~(September 9, 2010)~~

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
~~Third~~Second Revised Sheet 77  
Cancels ~~Second~~First Revised Sheet 77

SCHEDULE "J" (Continued)  
General Light and Power Service

Energy Rate Adjustment Clause (ERAC):

This ERAC shall include the following:

FUEL AND PURCHASED ENERGY - The above rates are based on a cost of fuel for Company generation of ~~2332.224735.83~~ cents per million Btu for fuel delivered in its service tanks and a cost for purchased energy (Purchased Energy) of ~~17.55947.384~~ cents per kilowatthour. The term "Purchased Energy" shall mean all capacity and purchased energy charges and payments (including revenue taxes) that the Commission has authorized to include in this ERAC. Company-generated energy from non-fuel sources shall be considered as zero fuel cost in the determination of the composite fuel cost. When the Company-generated net energy cost is more or less than ~~2332.224735.83~~ cents per million Btu, and/or the Purchased Energy cost is more or less than ~~17.55947.384~~ cents per kilowatthour, a corresponding adjustment (Energy Rate Adjustment Factor) to the energy charges shall be made. This adjustment shall be comprised of a Company Generation Component and a Purchased Energy Component.

The Company Generation Component shall be the difference in current generation cost and base generation cost, adjusted for additional revenue taxes. The current generation cost shall be determined by the current fuel cost in cents per million Btu, multiplied by a generation conversion factor of ~~0.0097500.009850~~ million Btu per kilowatthour, weighted by the proportion of current Company generation to total system net energy in kilowatthours. The base generation cost is the base fuel cost of ~~2332.224735.83~~ cents per million Btu multiplied by a generation conversion factor of ~~0.0097500.009850~~ million Btu per kilowatthour, weighted by the proportion of the ~~20232010~~ test year generation to total system energy in kilowatthours.

The Purchased Energy Component shall be the difference between (1) the current Purchased Energy cost weighted by the proportion of current Purchased Energy to total system net energy, and (2) the base Purchased Energy cost of ~~17.55947.384~~ cents per kilowatthour weighted by the proportion of the ~~20232010~~ test year Purchased Energy to total system net energy, adjusted to the sales delivery level and for additional revenue taxes. The Energy Rate Adjustment Factor shall be the sum of the Generation Component and the Purchased Energy Component.

Issued: ~~July 17, 2015~~TBD  
By: David Bissell  
President & Chief Executive Officer

Effective: ~~TBD~~August 18, 2015  
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~~(May 26, 2010), Decision and Order~~  
~~(September 9, 2010), and \_\_\_\_\_~~

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
~~Third~~Second Revised Sheet 78  
Cancels ~~Second~~First Revised Sheet 78

SCHEDULE "J" (Continued)  
General Light and Power Service

The revenue tax requirement shall be calculated using current rates of the Franchise Tax, Public Service Company Tax, and Public Utilities Commission fee.

The Energy Rate Adjustment shall be effective on the date of cost change. When a cost change occurs during a customer's billing period, the Energy Rate Adjustment will be prorated for the number of days each cost was in effect.

This ERAC is consistent with the terms of the Company's operations and Purchased Energy contracts and may be revised to reflect any revisions or changes in operations and the Purchased Energy contracts, subject to approval by the Commission.

Reconciliation Adjustment:

In order to reconcile any differences that may occur between recorded and forecasted Energy Rate Adjustment Clause revenues, the year-to-date recorded revenue from the Energy Rate Adjustment Clause will be compared with the year-to-date revenue expected from the Energy Rate Adjustment Clause on a quarterly basis. If there is a variance between the recorded Energy Rate Adjustment Clause revenue and the expected Energy Rate Adjustment Clause revenue, an adjustment, lagged by two months, shall be made to the Energy Rate Adjustment Clause to reconcile the revenue variance over the sales estimated for the subsequent quarter.

~~In addition, for any given month, if the Company operates either below or above the range of 0.00980 million Btu per kilowatthour to 0.00990 million Btu per kilowatthour, the Company can elect to modify its Generation Component such that the Generation Component will recover only the difference between the Company's actual generation cost and base generation cost for that month by providing notice to the Commission together with a written report, which election will be effective upon the filing of the notice. This difference shall be reflected as an adjustment to the actual revenues collected for the period in question and applied as part of the reconciliation adjustment. The report will explain the reasons why the Company operated outside of the range, the expected duration that it will operate outside of the range, and, if the Company is operating above the range, what steps it will be taking to attempt to rectify the situation. Upon review of the written report, the Commission and the Division of Consumer Advocacy will have the opportunity to make further inquiries on the matter, and the Commission, at its discretion, may institute an investigatory proceeding on the matter should it believe such proceeding is warranted.~~

Issued: ~~July 17, 2015~~TBD  
By: David Bissell  
President & Chief Executive Officer

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KAUAI ISLAND UTILITY COOPERATIVE  
 Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
~~Second~~~~First~~ Revised Sheet 80  
 Cancels ~~First Revised~~~~Original~~ Sheet 80

SCHEDULE "LP"  
 Large Power ~~Primary~~ Service

Availability:

Applicable for primary or secondary large light and/or power service supplied and metered at primary voltage and a single delivery point.

Available to all power users with metered loads in excess of 100 Kilowatts during any consecutive fifteen minute period in any month except Public Street and Highway Lighting Service. Such customers must sign a contract for service for a minimum period of twelve (12) months except for temporary services. Service supplied under this rate shall be subject to the Rules of the Company.

Rate:

Customer Charge:	per Customer per month	<del>\$396.63</del> <del>\$355.08</del>
Demand Charge:	(To be added to Customer Charge)	<del>\$12.86</del> <del>\$13.94</del> per kW of monthly demand
Energy Charge:	(To be added to Customer Charge and Demand Charge)	
Non-Fuel Energy Charge (Non-Fuel and Non-Purchased Power Energy Cost only)	<u>All kWh</u>	<u>\$0.16374 per kWh</u>
<del>—————</del> <del>First</del>	<del>400 kWh per kW demand</del>	<del>\$0.11273 per kWh</del>
<del>—————</del> <del>All Over</del>	<del>400 kWh per kW demand</del>	<del>\$0.08998 per kWh</del>
Fuel and Purchased Power Energy Charge (may include ERAC on customer bills)	All kWh	<del>\$0.20188</del> <del>\$0.19143</del> per kWh
Energy Rate Adjustment Clause (ERAC)	All kWh	See below

Determination of Billing Demand:

The monthly billing demand shall be the greater of (a) the highest Kilowatt demand during the month or (b) 75% of the highest Kilowatt demand during the preceding eleven months, as registered during an interval of fifteen consecutive minutes by an indicating demand meter.

Issued: ~~October 15, 2010~~TBD  
 By: ~~David Bissell~~~~Randall J. Hee~~, President  
 and Chief Executive Officer

Effective: ~~October 12, 2010~~TBD  
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KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
~~Second~~First Revised Sheet 81  
Cancels ~~First Revised~~Original Sheet 81

SCHEDULE "LP" (Continued)  
Large Power ~~Primary~~ Service

Minimum Charge:

The minimum monthly charge shall be the sum of the Customer Charge and the Demand Charge.

~~Primary Delivery:~~

~~The above rate is based on power and energy metered on the primary side of Customer-owned transformers.~~

Power Factor:

The above rate is based on an average power factor of 85%. If the power factor is found to average below 85%, 1/2 of 1% shall be added to the kWh for each 1% of average power factor below 85%. If the power factor is found to average above 85%, 1/2 of 1% shall be deducted from the kWh for each 1% of average power factor above 85%. The maximum increase or decrease shall in no case exceed 5%.

Determination of Power Factor:

The average monthly power factor for this rate schedule shall be determined by a computation from the reading of a reactive KVARH meter and a kWh meter, according to the following formula:

$$\text{Power factor (\%)} = \frac{\text{kWh}}{\sqrt{\text{kWh}^2 + \text{KVARH}^2}} \times 100$$

The KVARH meter shall be ratcheted to prevent reverse rotation on leading power factor.

Resource Cost Adjustment Surcharge:

The Resource Cost Adjustment Surcharge shall be added to the Customer and Energy Charges, and energy cost adjustment.

Issued: ~~October 15, 2010~~TBD  
By: ~~David Bissell~~Randall J. Hee, President  
and Chief Executive Officer

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Decision and Order (April 29, 2010), Order  
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(September 9, 2010)~~

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
~~Third~~~~Second~~ Revised Sheet 82  
Cancels ~~Second~~~~First~~ Revised Original Sheet 82

SCHEDULE "LP" (Continued)  
Large Power ~~Primary~~ Service

Lighting:

Service supplied under this rate may be used for lighting purposes, provided that the energy is taken at the same voltage as any power load covered by the contract.

Master Metering:

Master Metering is not applicable to multi-family residential dwelling units or to two or more commercial or industrial customers through one meter on a single premise, except where:

1. the individual tenant does not control a substantial portion of the energy consumed, or
2. master metered service will tend to encourage conservation or the efficient use of energy.

The determination of master metering for apartments, condominiums and multi-unit buildings shall be made by the Company.

Energy Rate Adjustment Clause (ERAC):

This ERAC shall include the following:

FUEL AND PURCHASED ENERGY - The above rates are based on a cost of fuel for Company generation of ~~2332.224735.83~~ cents per million Btu for fuel delivered in its service tanks and a cost for purchased energy (Purchased Energy) of ~~17.55947.384~~ cents per kilowatthour. The term "Purchased Energy" shall mean all capacity and purchased energy charges and payments (including revenue taxes) that the Commission has authorized to include in this ERAC. Company-generated energy from non-fuel sources shall be considered as zero fuel cost in the determination of the composite fuel cost. When the Company-generated net energy cost is more or less than ~~2332.224735.83~~ cents per million Btu, and/or the Purchased Energy cost is more or less than ~~17.55947.384~~ cents per kilowatthour, a corresponding adjustment (Energy Rate Adjustment Factor) to the energy charges shall be made. This adjustment shall be comprised of a Company Generation Component and a Purchased Energy Component.

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By: David Bissell  
President & Chief Executive Officer

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~~Decision and Order (April 29, 2010)/Order~~  
~~(May 26, 2010), Decision and Order~~  
~~(September 9, 2010), and \_\_\_\_\_~~~~TBD~~

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
~~Third~~Second Revised Sheet 83  
Cancels ~~Second~~First Revised Sheet 83

SCHEDULE "LP" (Continued)  
Large Power ~~Primary~~ Service

The Company Generation Component shall be the difference in current generation cost and base generation cost, adjusted for additional revenue taxes. The current generation cost shall be determined by the current fuel cost in cents per million Btu, multiplied by a generation conversion factor of ~~0.0097500-009850~~ million Btu per kilowatt-hour, weighted by the proportion of current Company generation to total system net energy in kilowatt-hours. The base generation cost is the base fuel cost of ~~2332.224735-83~~ cents per million Btu multiplied by a generation conversion factor of ~~0.0097500-009850~~ million Btu per kilowatt-hour, weighted by the proportion of the ~~2023-2010~~ test year generation to total system energy in kilowatt-hours.

The Purchased Energy Component shall be the difference between (1) the current Purchased Energy cost weighted by the proportion of current Purchased Energy to total system net energy, and (2) the base Purchased Energy cost of ~~17.55947-384~~ cents per kilowatt-hour weighted by the proportion of the ~~2023-2010~~ test year Purchased Energy to total system net energy, adjusted to the sales delivery level and for additional revenue taxes. The Energy Rate Adjustment Factor shall be the sum of the Generation Component and the Purchased Energy Component.

The revenue tax requirement shall be calculated using current rates of the Franchise Tax, Public Service Company Tax, and Public Utility Commission fee.

The Energy Rate Adjustment shall be effective on the date of cost change. When a cost change occurs during a customer's billing period, the Energy Rate Adjustment will be prorated for the number of days each cost was in effect.

This ERAC is consistent with the terms of the Company's operations and Purchased Energy contracts and may be revised to reflect any revisions or changes in operations and the Purchased Energy contracts, subject to approval by the Commission.

Issued: ~~July 17, 2015~~TBD  
By: David Bissell  
President & Chief Executive Officer

Effective: ~~August 18, 2015~~TBD  
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KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
~~Second~~First Revised Sheet 84  
Cancels ~~First Revised~~Original Sheet 84

SCHEDULE "LP" (Continued)  
Large Power ~~Primary~~ Service

Reconciliation Adjustment:

In order to reconcile any differences that may occur between recorded and forecasted Energy Rate Adjustment Clause revenues, the year-to-date recorded revenue from the Energy Rate Adjustment Clause will be compared with the year-to-date revenue expected from the Energy Rate Adjustment Clause on a quarterly basis. If there is a variance between the recorded Energy Rate Adjustment Clause revenue and the expected Energy Rate Adjustment Clause revenue, an adjustment, lagged by two months, shall be made to the Energy Rate Adjustment Clause to reconcile the revenue variance over the sales estimated for the subsequent quarter.

~~In addition, for any given month, if the Company operates either below or above the range of 0.00980 million Btu per kilowatthour to 0.00990 million Btu per kilowatthour, the Company can elect to modify its Generation Component such that the Generation Component will recover only the difference between the Company's actual generation cost and base generation cost for that month by providing notice to the Commission together with a written report, which election will be effective upon the filing of the notice. This difference shall be reflected as an adjustment to the actual revenues collected for the period in question and applied as part of the reconciliation adjustment. The report will explain the reasons why the Company operated outside of the range, the expected duration that it will operate outside of the range, and, if the Company is operating above the range, what steps it will be taking to attempt to rectify the situation. Upon review of the written report, the Commission and the Division of Consumer Advocacy will have the opportunity to make further inquiries on the matter, and the Commission, at its discretion, may institute an investigatory proceeding on the matter should it believe such proceeding is warranted.~~

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By: ~~David Bissell~~Randall J. Hee, President  
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(May 26, 2010), and Decision and Order  
(September 9, 2010)

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
~~Second~~~~First~~ Revised Sheet 90  
Cancels ~~First Revised~~~~Original~~ Sheet 90

~~SCHEDULE "P" [This sheet intentionally left blank]  
Large Power Secondary Service~~

~~Availability:~~

~~Applicable for secondary large light and/or power service supplied and metered at secondary voltage and a single delivery point.~~

~~Available to all power users with metered loads in excess of 100 Kilowatts during any consecutive fifteen minute period in any month except Public Street and Highway Lighting Service. Such customers must sign a contract for service for a minimum period of twelve (12) months except for temporary services. Service supplied under this rate shall be subject to the Rules of the Company.~~

~~Rate:~~

<del>Customer Charge</del>	<del>per Customer per month</del>	<del>\$369.38</del>
<del>Demand Charge:</del>	<del>(To be added to Customer Charge)</del>	<del>\$11.14 per kW of monthly demand</del>
<del>Energy Charge:</del>	<del>(To be added to Customer Charge and Demand Charge)</del>	
<del>Non-Fuel Energy Charge (Non-Fuel and Non-Purchased Power Energy Cost only)</del>		
<del>—— First</del>	<del>400 kWh per kW demand</del>	<del>\$0.12236 per kWh</del>
<del>—— All Over</del>	<del>400 kWh per kW demand</del>	<del>\$0.09834 per kWh</del>
<del>Fuel and Purchased Power Energy Charge (may include ERAC on customer bills)</del>	<del>All kWh</del>	<del>\$0.19143 per kWh</del>
<del>Energy Rate Adjustment Clause (ERAC)</del>	<del>All kWh</del>	<del>See below</del>

~~Determination of Billing Demand:~~

~~The monthly billing demand shall be the greater of (a) the highest Kilowatt demand during the month or (b) 75% of the highest Kilowatt demand during the preceding eleven months, as registered during an interval of fifteen consecutive minutes by an indicating demand meter.~~

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By: ~~David Bissell~~Randall J. Hee, President  
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(September 9, 2010)~~

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
~~Second First~~ Revised Sheet 91  
Cancels ~~First Revised Original~~ Sheet 91

~~SCHEDULE "P" (Continued) [This sheet intentionally left blank]  
Large Power Secondary Service~~

~~Minimum Charge:~~

~~The minimum monthly charge shall be the sum of the Customer Charge and the Demand Charge.~~

~~Power Factor:~~

~~The above rate is based on an average power factor of 85%. If the power factor is found to average below 85%, 1/2 of 1% shall be added to the kWh for each 1% of average power factor below 85%. If the power factor is found to average above 85%, 1/2 of 1% shall be deducted from the kWh for each 1% of average power factor above 85%. The maximum increase or decrease shall in no case exceed 5%.~~

~~Determination of Power Factor:~~

~~The average monthly power factor for this rate schedule shall be determined by a computation from the reading of a reactive KVARH meter and a kWh meter, according to the following formula:~~

$$\text{Power factor (\%)} = \frac{\text{kWh}}{\sqrt{\text{kWh}^2 + \text{KVARH}^2}} \times 100$$

~~The KVARH meter shall be ratcheted to prevent reverse rotation on leading power factor.~~

~~Resource Cost Adjustment Surcharge:~~

~~The Resource Cost Adjustment Surcharge shall be added to the Customer and Energy Charges, and energy cost adjustment.~~

Issued: ~~October 15, 2010~~TBD  
By: ~~David Bissell~~Randall J. Hee, President  
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(September 9, 2010)~~

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
~~Third~~Second Revised Sheet 92  
Cancels ~~Second~~First Revised Sheet 92

~~SCHEDULE "P" (Continued) [This sheet intentionally left blank]  
Large Power Secondary Service~~

~~Lighting:~~

~~Service supplied under this rate may be used for lighting purposes, provided that the energy is taken at the same voltage as any power load covered by the contract.~~

~~Master Metering:~~

~~Master Metering is not applicable to multi-family residential dwelling units or to two or more commercial or industrial customers through one meter on a single premise, except where:~~

- ~~1. the individual tenant does not control a substantial portion of the energy consumed, or~~
- ~~2. master metered service will tend to encourage conservation or the efficient use of energy.~~

~~The determination of master metering for apartments, condominiums and multi-unit buildings shall be made by the Company.~~

~~Energy Rate Adjustment Clause (ERAC):~~

~~This ERAC shall include the following:~~

~~FUEL AND PURCHASED ENERGY—The above rates are based on a cost of fuel for Company generation of 1735.83 cents per million Btu for fuel delivered in its service tanks and a cost for purchased energy (Purchased Energy) of 17.381 cents per kilowatthour. The term "Purchased Energy" shall mean all capacity and purchased energy charges and payments (including revenue taxes) that the Commission has authorized to include in this ERAC. Company-generated energy from non-fuel sources shall be considered as zero fuel cost in the determination of the composite fuel cost. When the Company generated net energy cost is more or less than 1735.83 cents per million Btu, and/or the Purchased Energy cost is more or less than 17.381 cents per kilowatthour, a corresponding adjustment (Energy Rate Adjustment Factor) to the energy charges shall be made. This adjustment shall be comprised of a Company Generation Component and a Purchased Energy Component.~~

Issued: ~~TBD~~July 17, 2015  
By: David Bissell  
President & Chief Executive Officer

Effective: ~~August 18, 2015~~TBD  
Decision and Order No. 19658, Interim  
Decision and Order (April 9, 2010)/Order  
(May 26, 2010), Decision and Order  
(September 9, 2010), and \_\_\_\_\_

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
~~Third~~Second Revised Sheet 93  
Cancels ~~Second~~First Revised Sheet 93

~~SCHEDULE "P" (Continued)~~ [This sheet intentionally left blank]  
~~Large Power Secondary Service~~

~~The Company Generation Component shall be the difference in current generation cost and base generation cost, adjusted for additional revenue taxes. The current generation cost shall be determined by the current fuel cost in cents per million Btu, multiplied by a generation conversion factor of 0.009850 million Btu per kilowatthour, weighted by the proportion of current Company generation to total system net energy in kilowatthours. The base generation cost is the base fuel cost of 1735.83 cents per million Btu multiplied by a generation conversion factor of 0.009850 million Btu per kilowatthour, weighted by the proportion of the 2010 test year generation to total system energy in kilowatthours.~~

~~The Purchased Energy Component shall be the difference between (1) the current Purchased Energy cost weighted by the proportion of current Purchased Energy to total system net energy, and (2) the base Purchased Energy cost of 17.381 cents per kilowatthour weighted by the proportion of the 2010 test year Purchased Energy to total system net energy, adjusted to the sales delivery level and for additional revenue taxes. The Energy Rate Adjustment Factor shall be the sum of the Generation Component and the Purchased Energy Component.~~

~~The revenue tax requirement shall be calculated using current rates of the Franchise Tax, Public Service Company Tax, and Public Utilities Commission fee.~~

~~The Energy Rate Adjustment shall be effective on the date of cost change. When a cost change occurs during a customer's billing period, the Energy Rate Adjustment will be prorated for the number of days each cost was in effect.~~

~~This ERAC is consistent with the terms of the Company's operations and Purchased Energy contracts and may be revised to reflect any revisions or changes in operations and the Purchased Energy contracts, subject to approval by the Commission.~~

Issued: ~~July 17, 2015~~TBD  
By: David Bissell  
President & Chief Executive Officer

Effective: ~~August 18, 2015~~TBD  
~~Decision and Order No. 19658, Interim  
Decision and Order (April 29, 2010)/Order  
(May 26, 2010), Decision and Order  
(September 9, 2010), and \_\_\_\_\_~~

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
~~Second~~~~First~~ Revised Sheet 94  
Cancels ~~First Revised~~~~Original~~ Sheet 94

SCHEDULE "P" (Continued) [This sheet intentionally left blank]  
Large Power Secondary Service

Reconciliation Adjustment:

~~In order to reconcile any differences that may occur between recorded and forecasted Energy Rate Adjustment Clause revenues, the year to date recorded revenue from the Energy Rate Adjustment Clause will be compared with the year to date revenue expected from the Energy Rate Adjustment Clause on a quarterly basis. If there is a variance between the recorded Energy Rate Adjustment Clause revenue and the expected Energy Rate Adjustment Clause revenue, an adjustment, lagged by two months, shall be made to the Energy Rate Adjustment Clause to reconcile the revenue variance over the sales estimated for the subsequent quarter.~~

~~In addition, for any given month, if the Company operates either below or above the range of 0.00980 million Btu per kilowatthour to 0.00990 million Btu per kilowatthour, the Company can elect to modify its Generation Component such that the Generation Component will recover only the difference between the Company's actual generation cost and base generation cost for that month by providing notice to the Commission together with a written report, which election will be effective upon the filing of the notice. This difference shall be reflected as an adjustment to the actual revenues collected for the period in question and applied as part of the reconciliation adjustment. The report will explain the reasons why the Company operated outside of the range, the expected duration that it will operate outside of the range, and, if the Company is operating above the range, what steps it will be taking to attempt to rectify the situation. Upon review of the written report, the Commission and the Division of Consumer Advocacy will have the opportunity to make further inquiries on the matter, and the Commission, at its discretion, may institute an investigatory proceeding on the matter should it believe such proceeding is warranted.~~

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Issued: ~~October 15, 2010~~TBD  
By: ~~Randall J. Hee~~David Bissell, President  
and Chief Executive Officer

Effective: ~~October 12, 2010~~TBD  
~~Decision and Order No. 19658, Interim  
Decision and Order (April 29, 2010)/Order  
(May 26, 2010), and Decision and Order  
(September 9, 2010)~~

KAUAI ISLAND UTILITY COOPERATIVE  
 Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
~~Third~~Second Revised Sheet 103  
 Cancels ~~Second~~First Revised Sheet 103

SCHEDULE "SL"  
 Street Lighting

Availability:

Applicable to public street and highway lighting service. Available in general, where the Company owns, maintains and operates the street lighting facilities and has already installed primary distribution circuits. Service supplied under this rate is subject to the Rules of the Company.

Rate:

1. Fixture Charge:

- a. Monthly charge for standard incandescent fixtures with not in excess of 4000 lumen lamps - ~~\$4.36~~~~\$3.63~~ per fixture, per month.
- b. Monthly charge for standard mercury vapor fixture with not in excess of 21,000 lumen lamps - ~~\$7.50~~~~\$6.25~~ per fixture, per month.
- c. Monthly charge for standard high pressure sodium vapor fixtures:
  - 1 -  $\leq$ 100 watt ~~\$7.50~~~~\$6.25~~ per fixture, per month
  - 2 - ~~101-150~~ watt ~~\$7.50~~~~\$6.25~~ per fixture, per month
  - 3 - ~~151-200~~ watt ~~\$7.76~~~~\$6.47~~ per fixture, per month
  - 4 - ~~201-250~~ watt ~~\$7.76~~~~\$6.47~~ per fixture, per month
  - 5 - ~~251+400~~ watt ~~\$8.10~~~~\$6.75~~ per fixture, per month
- d. Monthly charge for standard light emitting diode ("LED") fixtures:
  - 1-  $\leq$ 45 watt ~~\$9.82~~~~\$8.48~~ per fixture, per month
  - 2 - ~~46-98~~ watt ~~\$10.18~~~~\$8.48~~ per fixture, per month
  - 3 - ~~99+130~~ watt ~~\$10.28~~~~\$8.57~~ per fixture, per month

2. Energy Charge:

Non-Fuel Energy Charge (Non-Fuel and Non-Purchased Power Energy Cost only)	(To be added to Customer Charge) All kWh	<del>\$0.33444</del> <del>\$0.22387</del> per kWh
Fuel and Purchased Power Energy Charge (may include ERAC on customer bills)	(To be added to Customer Charge) All kWh	<del>\$0.20188</del> <del>\$0.19143</del> per kWh
Energy Rate Adjustment Clause (ERAC)	(To be added to Customer Charge) All kWh	See below

Issued: ~~September 15, 2015~~~~TBD~~  
 By: David Bissell, President  
 and Chief Executive Officer

Effective: ~~TBD~~~~October 16, 2015~~  
 Decision and Order No. ~~TBD~~~~19658, Interim~~  
~~Decision and Order (April 29, 2010)/Order~~  
~~(May 26, 2010), and Decision and~~  
~~Order (September 9, 2010)~~

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
Second Revised Sheet 104  
Cancels First Revised Sheet 104

SCHEDULE "SL" (Continued)  
Street Lighting

**Minimum Charge:**

The minimum monthly charge will be the above Fixture Charge per fixture connected to the circuit.

**Unmetered Service:**

When Mercury Vapor service is unmetered and lamps are individually controlled for normal dusk-to-dawn operation, the monthly Kilowatthours per lamp billed at the above rates will be uniform at 76, 104, and 164 Kilowatthours for the 175, 250, and 400-watt mercury vapor lamps, respectively.

When High Pressure Sodium Vapor service is unmetered and lamps are individually controlled for normal dusk-to-dawn operation, the monthly Kilowatthours per lamp billed at the above rates will be uniform at 53, 74, 94, 114, and 176 Kilowatthours for the 100, 150, 200, 250, and 400-watt high pressure sodium vapor lamps, respectively.

When LED service is unmetered and lamps are individually controlled for normal dusk-to-dawn operation, the monthly Kilowatthours per lamp billed at the above rates will be uniform at 16.2, 35.28, and 46.8 Kilowatthours for the 45, 98, and 130 watt LED lights, respectively, multiplied by the applicable percentage dimming factor, if any. Customer has the option to select a percentage dimming factor, which is available in 5% increments (e.g., 95%, 90%, 85%, etc.).

Night-time hours of lamp and ballast operation reflect an average 360 hours per month.

**Resource Cost Adjustment Surcharge:**

The Resource Cost Adjustment Surcharge shall be added to the Customer and Energy Charges, and energy cost adjustment.

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Issued: September 15, 2015  
By: David Bissell, President  
and Chief Executive Officer

Effective: October 16, 2015  
Decision and Order No. 19658, Interim  
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(September 9, 2010)

KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
~~Third~~Second Revised Sheet 105  
Cancels ~~Second~~First Revised Sheet 105

SCHEDULE "SL" (Continued)  
Street Lighting

Term of Contract:

If the Company is asked to remove or relocate facilities within 60 months after installation, the customer shall make a contribution in the amount of the estimated net removal or relocation cost.

Energy Rate Adjustment Clause (ERAC):

This ERAC shall include the following:

FUEL AND PURCHASED ENERGY - The above rates are based on a cost of fuel for Company generation of ~~2332.221735.83~~ cents per million Btu for fuel delivered in its service tanks and a cost for purchased energy (Purchased Energy) of ~~17.55947.384~~ cents per kilowatthour. The term "Purchased Energy" shall mean all capacity and purchased energy charges and payments (including revenue taxes) that the Commission has authorized to include in this ERAC. Company-generated energy from non-fuel sources shall be considered as zero fuel cost in the determination of the composite fuel cost. When the Company-generated net energy cost is more or less than ~~2332.221735.83~~ cents per million Btu, and/or the Purchased Energy cost is more or less than ~~17.55947.384~~ cents per kilowatthour, a corresponding adjustment (Energy Rate Adjustment Factor) to the energy charges shall be made. This adjustment shall be comprised of a Company Generation Component and a Purchased Energy Component.

The Company Generation Component shall be the difference in current generation cost and base generation cost, adjusted for additional revenue taxes. The current generation cost shall be determined by the current fuel cost in cents per million Btu, multiplied by a generation conversion factor of ~~0.0097500.009850~~ million Btu per kilowatthour, weighted by the proportion of current Company generation to total system net energy in kilowatthours. The base generation cost is the base fuel cost of ~~2332.221735.83~~ cents per million Btu multiplied by a generation conversion factor of ~~0.0097500.009850~~ million Btu per kilowatthour, weighted by the proportion of the ~~20232040~~ test year generation to total system energy in kilowatthours.

Issued: ~~July 17, 2015~~TBD  
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President & Chief Executive Officer

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(May 26, 2010), Decision and Order  
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KAUAI ISLAND UTILITY COOPERATIVE  
Lihue, Kauai, Hawaii

KIUC Tariff No. 1  
~~Third~~Second Revised Sheet 106  
Cancels ~~Second~~First Revised Sheet 106

SCHEDULE "SL" (Continued)  
Street Lighting

The Purchased Energy Component shall be the difference between (1) the current Purchased Energy cost weighted by the proportion of current Purchased Energy to total system net energy, and (2) the base Purchased Energy cost of ~~17.55947-384~~ cents per kilowatthour weighted by the proportion of the ~~2023~~2010 test year Purchased Energy to total system net energy, adjusted to the sales delivery level and for additional revenue taxes. The Energy Rate Adjustment Factor shall be the sum of the Generation Component and the Purchased Energy Component.

The revenue tax requirement shall be calculated using current rates of the Franchise Tax, Public Service Company Tax, and Public Utilities Commission fee.

The Energy Rate Adjustment shall be effective on the date of cost change. When a cost change occurs during a customer's billing period, the Energy Rate Adjustment will be prorated for the number of days each cost was in effect.

This ERAC is consistent with the terms of the Company's operations and Purchased Energy contracts and may be revised to reflect any revisions or changes in operations and the Purchased Energy contracts, subject to approval by the Commission.

Reconciliation Adjustment:

In order to reconcile any differences that may occur between recorded and forecasted Energy Rate Adjustment Clause revenues, the year-to-date recorded revenue from the Energy Rate Adjustment Clause will be compared with the year-to-date revenue expected from the Energy Rate Adjustment Clause on a quarterly basis. If there is a variance between the recorded Energy Rate Adjustment Clause revenue and the expected Energy Rate Adjustment Clause revenue, an adjustment, lagged by two months, shall be made to the Energy Rate Adjustment Clause to reconcile the revenue variance over the sales estimated for the subsequent quarter.

~~In addition, for any given month, if the Company operates either below or above the range of 0.00980 million Btu per kilowatthour to 0.00990 million Btu per kilowatthour, the Company can elect to modify its Generation Component such that the Generation Component will recover only the difference between the Company's actual generation cost and base generation cost for that month by providing notice to the Commission together with a written report, which election will be effective upon the filing of the notice. This difference shall be reflected as an adjustment to the actual revenues collected for the period in question and applied as part of the reconciliation adjustment. The report will explain the reasons why the Company operated outside of the range, the expected duration that it will operate outside of the range, and, if the Company is operating above the range, what steps it will be taking to attempt to rectify the situation. Upon review of the written report, the Commission and the Division of Consumer Advocacy will have the opportunity to make further inquiries on the matter, and the Commission, at its discretion, may institute an investigatory proceeding on the matter should it believe such proceeding is warranted.~~

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~~Decision and Order (April 29, 2010)/Order~~  
~~(May 26, 2010), Decision and Order~~  
~~(September 9, 2010), and \_\_\_\_\_~~

## CERTIFICATE OF SERVICE

I hereby certify that on this date a copy of the foregoing document was duly served upon the following party electronically to the email addresses shown below pursuant to HAR § 16-601-21(d), as modified by Order No. 38270 Setting Forth Public Utilities Commission Electronic Filing and Service Procedures, issued on March 14, 2022, and which sets forth e-filing procedures as authorized by Act 72, Session Laws of Hawaii 2021.

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DATED: Honolulu, Hawaii, November 3, 2023.

/s/ Kent D. Morihara  
KENT D. MORIHARA  
PETER Y. KIKUTA  
LIANNA L. FIGUEROA

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

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COMMISSION

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