

Kaua'i Island Utility Cooperative

CURRENTS



***Making friends
and memories***

Read story on Page 8



INSIDE

Committed to Serving:
Meet KIUC's Newest Director

2025
Annual Report

**FALL
2026**



2026 REBATES

HOME
APPLIANCES



AIR
CONDITIONERS



EV
CHARGERS



MEDICAL DEVICE
POWER BACKUP



RESIDENTIAL & COMMERCIAL MEMBERS!

Take advantage of savings on energy-efficient appliances & EV chargers.

Eligibility requirements & applications online.



KIUC is an equal opportunity provider and employer.



CONTACT US
808.246.4300
info@kiuc.coop

inside CURRENTS



11

Go Paperless

Currents is mailed quarterly to members of Kaua'i Island Utility Cooperative. All issues are available online at kiuc.coop/currents. Want to go paperless? Send a note to info@kiuc.coop with your name and account number to be taken off the mailing list. Mahalo for reading Currents.

KIUC is an equal opportunity provider and employer.

- 4 Chairman's Message
- 5 Board Actions
- 6 Committed to Serving:
Meet KIUC's Newest Director
- 7 A Short History of Rates
- 8 2026 Electric Cooperative
Youth Tour
- 11 2025 Annual Report
- 28 KIUC in the Community
- 29 Member Mahalos
- 31 Keiki Corner
- 32 Easy Dips
- 35 Statement of Operations

Editor

Beth Amaro

Contributors

Beth Amaro, Allison Young, Shelley Paik, Erin Tsuda, Allan Smith, Bryson Ponce, Jim Mayfield, Cambell Donahoe, Olivia Ogihara, Daniel Satumba, Kahi Sugahara, Joey Leibrecht, Jennifer Paton

On The Cover

KIUC's 2026 Youth Tour delegates pose at the U.S. Capitol. From the top are Daniel Satumba, Cambell Donahoe, Olivia Ogihara and Kahi Sugahara.



8



28



Chairman’s Message

Aloha,

We were pleased to see many community members at KIUC’s 24th Annual Membership Meeting in July at the Philippine Cultural Center. There was much progress to share from the previous year.

If you could not attend, don’t worry. The presentation slides are available on KIUC’s website. The annual report is included in this issue, along with additional contributions from the 2026 Youth Tour delegates about their scholarship trip to Washington, D.C.

As a cooperative that puts its members first, there were many highlights from 2025. Financially, the year was marked by returning patronage capital to members in the form of credits on monthly bills. There were continued improvements to infrastructure, which build resiliency and help reliability. Renewable progress keeps Kaua’i on a path to above 90% renewable generation.

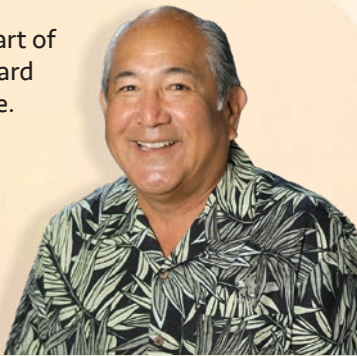
Keeping our members and our island safe from harm, KIUC implemented a new emergency notification system, added an after-hours call center, received approval of a wildfire plan and made progress on its habitat conservation plan.

Members were treated to student Brynn Lee Hirata’s award-winning speech about lei, belonging and being part of a cooperative. We talked story with members, and attendees were given a chili bowl and the traditional bag of rice to take home. Afterwards, KIUC donated almost 760 lbs of rice to our local food banks.

As board directors, we represent all of you. The monthly board meetings and actions are shared on our website. To better understand the role we play, in this issue, Director Bryson Ponce explains the training process required for all board directors to help the co-op set and achieve its goals. Director Jim Mayfield shares how the cooperative model is the root of renewable progress and keeping rates down.

Mahalo to everyone who has been a part of the co-op story thus far. We look forward to progressing further in years to come.

Mahalo Nui Loa,
Allan A. Smith



Board members, staff and co-op members gather at KIUC’s 24th Annual Membership Meeting in July.



Board Actions

Actions taken by the KIUC Board of Directors from May 2026 to July 2026.

May 12, 2026, Special Board Meeting
Approved, approved limits of settlement authority in active litigation
May 28, 2026
Approved, NRECA Nominating Committee delegate – Michael Yamane
Approved, NRECA Resolutions Committee delegate – Edmund Acoba
Approved, NRECA voting delegate – Peter Yukimura
Approved, in-house facilitator for strategic planning retreat
Approved, Policy 19 – Anti-Retaliation and Whistleblowing
Approved, DHHL GL No. 299, road fund, Anahola – extension request
June 25, 2026
Approved, Resolution 03-26 – Commendation for Calvin Murashige, KIUC Director 2012-2026
Approved, Policy 27 – Communications by Directors to the Public
Approved, KIUC real estate matter
July 13, 2026, Special Board Meeting
Approved, Wildfire cost recovery mechanism – authorization to file the PUC application
July 30, 2026
Approved, board approval request for Battery Storage Project
Approved, board approval request for Kilohana Switchyard
Approved, board approval request for additional regulatory-legal fees
Approved, Policy 21 – Fraud



KIUC donated nearly 760 pounds of rice to the Hawai’i Food Bank - Kaua’i and Kaua’i Independent Food Bank following the annual meeting.

Committed to Serving: Meet KIUC's Newest Director

By Bryson Ponce, Board of Directors

Most Kaua'i residents know where their power comes from. But many don't know all the details behind their electric utility and what makes a cooperative different than investor-owned utilities.

One of the major differences in being a co-op is the principle of Democratic Member Control. To become a director, any KIUC member must campaign and be elected by fellow KIUC members. I was honored to be inaugurated onto the KIUC Board of Directors in March.

Some people think you need a background in engineering or utilities to be on the KIUC board, but it is mostly about desire to serve and a willingness to learn. My background includes working for 25 years as police officer for the Kaua'i Police Department, and I continue to serve the people of Kaua'i in my new role.

Directors are required to become certified with the National Rural Electric Cooperative Association as a Credentialed Cooperative Director. I attended the weeklong training in Louisville, Kentucky, alongside new directors from across the country. The training taught us about strategic planning, finances and the cooperative difference, and allowed us to connect with other co-ops so we could all return to our communities with best practices.

Being a KIUC board director requires ongoing education. KIUC directors learned about operations at a tour of Kapaia Power Station.



Since becoming a director, I have toured KIUC's locations in Anahola, Kapaia and Port Allen. I was already impressed with KIUC from my time at KPD, when we collaborated on emergency response and utility work that affected traffic. Now I have much more appreciation for their operations behind-the-scenes: the diversity in our electricity generation, including fuels, solar, hydro and biomass; a team of skilled and dedicated employees making sure the lights stay on; and use of innovative technologies to help monitor everything.

Our responsibilities as directors are to KIUC and its members. We serve as a conduit between them. The KIUC president and CEO reports to the directors. Our job is to approve strategic plans, budgets and large projects and collaborating to make KIUC successful. It involves a lot of reading and strategic thinking, and we ask tough questions. When we vote on issues, like the strategic plan, budget analysis, wildfire mitigation and facilities upgrades, our votes are methodical and deeply thought out.

We're also responsible for representing members. In my training, I was pleased when the other co-op directors widely agreed that KIUC sets a high bar for transparency and information. KIUC.coop has information on co-op plans, member services, community engagement and useful tools such as SmartHub for members to monitor their accounts.

Members can contact us to discuss their concerns, and they can follow what happens at our board meetings every month by visiting kiuc.coop/meetings-agendasminutes. To communicate with your board members, go to kiuc.coop/contact-us and send us a message. We know people are busy, but we want members to participate, vote during elections and attend annual membership meetings.

Being a KIUC director is an honor and privilege, and I'm so happy I decided to run. I'm enjoying how much a board member can contribute to the membership on Kaua'i, and I hope to help members better understand KIUC and the cooperative difference. ⚡

A Short History of Rates

By Jim Mayfield, Board of Directors

As a director, I have been fortunate to be part of KIUC's cooperative journey since the beginning. In a time when many of us are feeling the strain of rising living costs, KIUC's board is working diligently to advocate for members and implement long-term cost-saving measures. Our history as a cooperative proves that this work can—and will—continue.

The Cooperative Model

When KIUC became a cooperative in 2002, it had one of the highest electricity rates in the nation.

Hawai'i's unique circumstances as an island state make it especially vulnerable to higher fuel costs and supply-chain challenges. Each island must generate, transmit and distribute electricity without the benefit of a larger interstate grid. Our geography and protected species further limit the types of generation possible. Fuels must be shipped in, and their prices are highly volatile. Global events—such as the Russia-Ukraine conflict and, more

recently, the Iran conflict—can drive fuel costs even higher and increase rate volatility.

Over the past two decades, KIUC and its board have made extraordinary progress. Since May 2022, KIUC has consistently recorded the lowest—or among the lowest—electricity rates in the state. This is largely due to decisions made by the board of directors and KIUC leadership—with the support of our members—to diversify energy sources, resulting in a strong renewable portfolio and rates that are more stable and lower than those on islands that rely more heavily on fossil fuels.

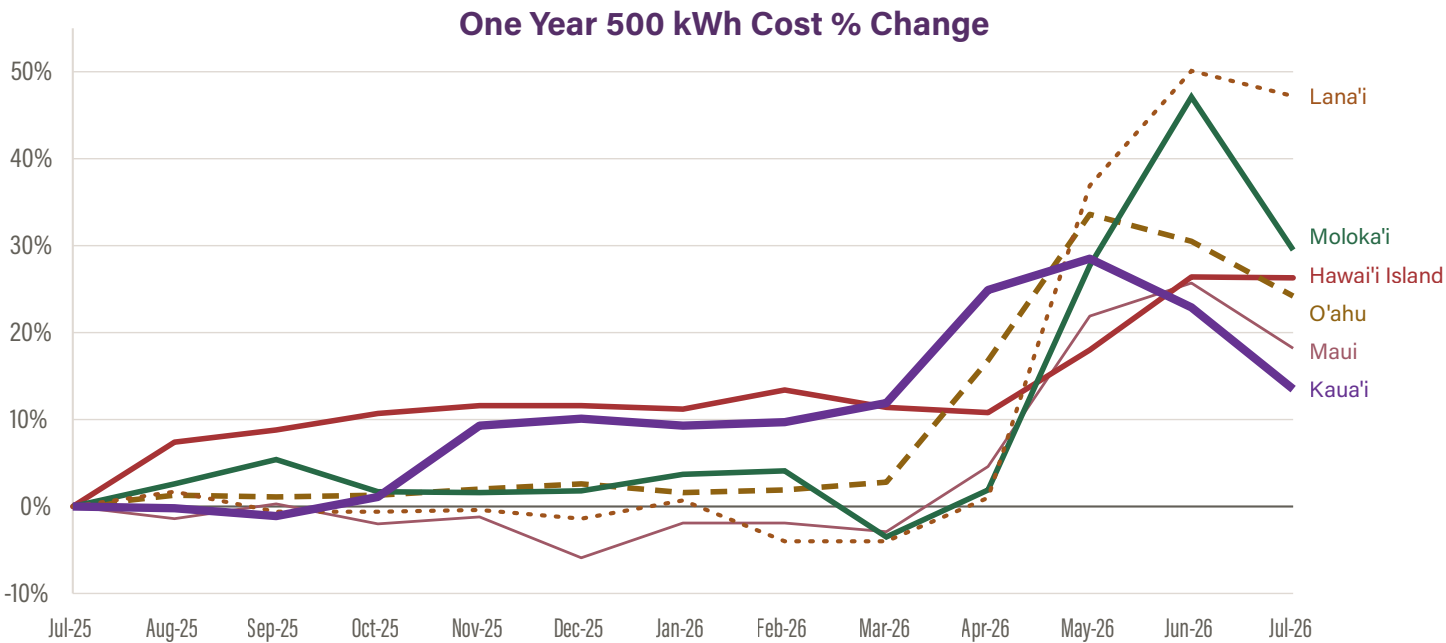
As a not-for-profit cooperative, KIUC has access to low-cost lending from the United States Department of Agriculture Rural Utilities Service and may apply for and receive federal grants. These funds support reliability and resiliency improvements, including battery storage, grid-forming inverters, synchronous condenser conversions and other innovative technologies.

KIUC continues to develop new energy projects under long-term fixed price agreements, ensuring long-term benefits for members. The AES Hawai'i Kaawanui and Mānā solar-plus-battery projects on the west side will help stabilize rates and bring KIUC close to 90% renewable generation.

Accountability and Service to Members

Alongside these examples of global leadership, KIUC and its board prioritize members through decisions such as the retirement of patronage capital in April 2026, which returned money to members through credits on their May electricity bills. Residential and commercial members have access to a wide range of resources, including rebates, grants and financial assistance.

KIUC's board and staff are committed to seeking ways to keep rates as low as possible while continuing to lead in innovation and service. ⚡



Renewable energy projects have helped stabilize and lower rates for KIUC members.

2026 Electric Cooperative Youth Tour

Each year, KIUC selects four Kaua'i juniors to attend the Electric Cooperative Youth Tour to Washington, D.C., in June. This year, Cambell Donahoe, from Hawai'i Technology Academy, Olivia Ogihara, from Kapa'a High, Daniel Louis Satumba, from Waimea High, and Kahi Sugahara, from Kamehameha Schools Kapālana, traveled with the Hawai'i Kansas Maine delegation to D.C.

From left are Kahi Sugahara, Olivia Ogihara, Cambell Donahoe and Daniel Satumba.



A Week I'll Never Forget — By Cambell Donahoe

Going into Youth Tour, I felt both excited and honored to have the opportunity to participate. After hearing about the memorable experiences of past alumni, I hoped to create similar memories of my own. Despite my excitement, there was one feeling lingering in the background: the nervousness of meeting people from another state I had never met before and spending an entire week with them.

As we went through tours, bus rides and various activities together, those worries quickly began to fade. I realized how welcoming everyone was and how comfortable I felt simply being myself. The connections and memories I made throughout Youth Tour will stick with me forever. The people truly made everything we did memorable, whether it was singing songs together during bus rides or exploring museums and historical sites as a group.

History is something I have loved over the years, and being able to experience it in such historic and meaningful places was incredible. I learned by seeing and experiencing these places firsthand rather than only through textbooks, and I will cherish that opportunity forever. Some of the most impactful moments of Youth Tour came during our time with our tour guide, Amy Gold. It was inspiring to see how much knowledge and compassion she had for every memorial she guided us through.

One moment that especially stood out to me was learning about the Vietnam Veterans Memorial. It was powerful to hear that names are still being added to the memorial due



Olivia, Cambell and other delegates listen as tour guide Amy Gold teaches delegates how to find names of missing soldiers on the Vietnam Wall.

to the lasting effects of the war. Amy showed us how to find the names that were added, which made me reflect on all the lives affected and lost because of the war. Her compassion for those remembered at every memorial made me appreciate the sacrifices of those who served our country even more.

I am truly grateful to have been given the opportunity of a lifetime through the National Rural Electric Cooperative Association and Kaua'i Island Utility Cooperative. I am also honored to have been selected to represent Hawai'i on this year's Youth Leadership Council. The memories, friendships and lessons I gained from this experience are ones I will carry with me forever. ⚡

More in Common Than I Expected — By Olivia Ogihara

At first, I was shocked to hear that we would be traveling with delegates from Kansas and Maine. I assumed that the differences between our backgrounds and cultures would make connection challenging. Instead, we quickly discovered we had much more in common than I had anticipated. Traveling together as companions made the experience even more delightful as we shared so many unforgettable memories I will cherish for a lifetime.

Although I had learned a bit about U.S. history in school, physically seeing the historic buildings and landmarks had a much greater impact as they lay right in front of my eyes. Standing in places I've only ever read about gave me a deeper appreciation for the people and events that shaped our nation.

My favorite place we visited was the Hart Office Building, where we learned more about our nation's Capitol. Its beauty was breathtaking: a towering place filled with granite and marble structures, and murals chock-full of the rich history they represent. Even more astonishing, however, was the inspiring hustle and bustle of the lively people working there.



Kahi, Cambell, Olivia and Daniel meet with Sen. Brian Schatz in his office at the Hart Office Building.

This once-in-a-lifetime opportunity broadened my horizons and opened my eyes to so many new possibilities. I'm so incredibly grateful for the chance to represent Hawai'i as one of KIUC's delegates. This is an experience I will always remember. ⚡

Stepping Off the Island and Into History — By Daniel Louis Satumba

When I first heard about Youth Tour, I thought it was way too good to be true. How could electric cooperatives send delegates on an all-expenses-paid trip to tour our nation's capital every year? Yet, I was given the honor of representing Hawai'i at the 2026 Youth Tour, where I met people from all over and experienced the world beyond our island home. It was engaging, eye-opening and truly a life-changing experience.

Throughout the week, we visited many of Washington, D.C.'s, most historical sites. At Mount Vernon, we walked through the home of George Washington, one of our nation's primary Founding Fathers. Standing where he once stood was incredible, but as a kid from Hawai'i, it also served as a reminder that everything starts somewhere, and that we must always remember and honor our roots.

We also encountered deeply moving moments that brought history to life. At Arlington National Cemetery, we visited the Tomb of the Unknown Soldier. Seeing it firsthand was a solemn reminder of those who made the ultimate sacrifice and remain unidentified, offering a place of memory and closure for their families.

The lessons I learned and the memories I made on Youth Tour are ones I will cherish for the rest of my life. ⚡



Delegates watch the changing of the guard at the Tomb of the Unknown Soldier.

"Standing where George Washington once stood was a reminder that everything starts somewhere, and that we must always remember and honor our roots."

A Journey That Changed My Perspective — By Kahi Sugahara

My participation in Youth Tour was an unforgettable experience that gave me a greater appreciation for our nation's history. As Kaua'i residents isolated on an island away from others, we enjoyed learning ways of the government and the people who serve it. The coolest part of the trip was visiting the U.S. Capitol and walking through the underground tunnels connecting the Capitol buildings. Seeing a whole community of leaders made everything I had learned in school feel more meaningful.

One of the best parts of the Youth Tour was the friendships I made. Meeting students from different states meant a lot to me, and sharing this experience with them created memories that I will always cherish.

Another important moment was visiting Arlington National Cemetery. Seeing the rows of headstones was a powerful reminder of the sacrifices made by those who served our country. I am incredibly grateful to all the soldiers and their families for their service and dedication. Imua!

Youth Tour is an experience I will always remember, and I am thankful for everything I learned and everyone I met along the way. This is an experience every high schooler should try out. ⚡



Delegates board the tram to tour Arlington National Cemetery.

"A whole community of leaders made everything I had learned in school feel more meaningful."

COMING FULL CIRCLE

A Cooperative Effort



2025
Annual
Report

 **Kaua'i Island
Utility Cooperative**
Your Touchstone Energy® Cooperative 

Coming Full Circle

A Cooperative Effort

Aloha mai kākou,

A circle is meaningful in many ways. It can signify completion or continuity. In Hawai'i, a circle is also connected with the meaning and significance of lei.

In 2025, KIUC came full circle in an important financial aspect: KIUC's board of directors voted for the first time to retire margins back to our members via patronage capital credits from the earliest years of the cooperative's formation. Members received these funds in their May 2026 electric bills. This is a significant milestone, which we discuss in this report.

By keeping resources within the community, patronage capital is one way KIUC contributes to a circular economy on our island. Developing more renewable energy sources is another way KIUC completes the circle, by keeping generation on-island using natural resources and reducing our use of imported fossil fuel. KIUC is taking important steps in this direction, which is also covered inside these pages.

Since the cooperative was created in 2002, KIUC has given back to our community through the support of local

organizations and education of our youngest members. The Youth Tour program is a great example of how KIUC has helped cultivate future leaders. The co-op sponsors a trip to our nation's capital and offers delegates the opportunity to participate in the national Youth Leadership Council.

This year, one of KIUC's Youth Tour delegates was chosen from among peers all over the nation to address an audience of thousands of electric cooperative leaders from throughout the country. Learn more about her amazing message of unity, belonging and completing the circle on the back cover.

On behalf of all of us at KIUC, we thank you for your support and for helping us stay strong and connected.

Mahalo nui loa,



Allan A. Smith
Chairman of the Board



David J. Bissell
President and CEO



2026 Executive Board

Chairman: Allan A. Smith
Vice Chairman: Jan TenBruggencate
Treasurer: Peter Yukimura
1st Assistant Treasurer: Jim Mayfield
Secretary: Edmund Acoba

1st Assistant Secretary: David Iha
NRECA National Director: Allan A. Smith
Directors: Phil Tacbian, Bryson Ponce, Mike Yamane

2026 Board Committees

Executive
Chairman: Jan TenBruggencate
Members: Edmund Acoba, Allan A. Smith, Peter Yukimura

Finance & Audit
Chairman: Peter Yukimura
Members: Jan TenBruggencate, Jim Mayfield, Bryson Ponce, Allan A. Smith, Erin Tsuda

Government Relations / Legislative Affairs
Chairman: Phil Tacbian
Members: David Iha, Mike Yamane, Peter Yukimura, Beth Amaro, David Bissell

International
Chairman: David Iha
Members: Edmund Acoba, Allan A. Smith, Phil Tacbian, Peter Yukimura

Member Relations
Chairman: Jim Mayfield
Members: Bryson Ponce, Allan A. Smith, Phil Tacbian, Beth Amaro

Policy
Chairman: Bryson Ponce
Members: Edmond Acoba, Phil Tacbian, Jan TenBruggencate, Laurel Loo, David Bissell

Strategic Planning
Chairman: Mike Yamane
Members: David Iha, Jim Mayfield, Allan A. Smith, David Bissell, Brad Rockwell

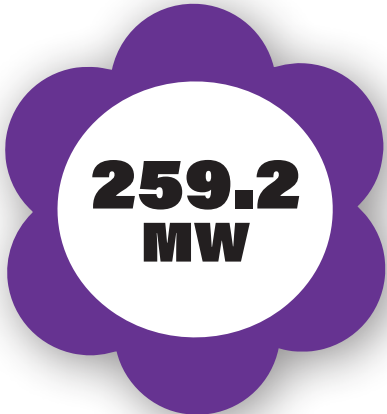
Loan Review
Chairman: Phil Tacbian
Members: Jim Mayfield, Peter Yukimura



2025 KIUC at a Glance

Safety, Preparedness and Resilience

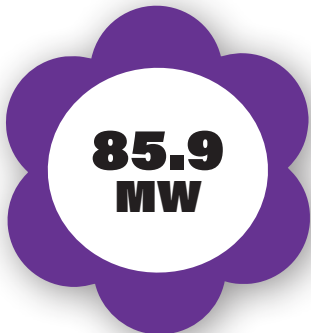
Total Generation Capacity



Renewable Capacity 142.2 MW

Oil Fired Capacity 117 MW

2025 Peak Demand



2025 Total Revenue



2025 MW Hours Generated



Number of Meters



Residential 77%

Miles of Line



Transmission



Distribution

KIUC strengthened our commitment to safety, grid resilience and wildfire preparedness throughout 2025.

From knocking on doors to educate members at their homes, investing in innovative technologies and offering money-saving rebates for emergency equipment, KIUC put our member-owners’ best interests first and continued to prepare for any challenge that might occur.

Be Ready, Be Set, Go Now

KIUC worked closely with county and state agencies to implement a comprehensive Wildfire Mitigation Plan and teach residents in-person how to reduce wildfire risk.

Efforts included multiagency wildfire planning meetings, emergency response coordination and door-to-door outreach in fire-prone neighborhoods in Pākalā, Kaumakani and Anahola. KIUC employees encouraged homeowners to create defensible space, harden their homes, prepare evacuation plans and secure backup power and rebates for life-sustaining medical devices.

Drones in Action: Surveying Our Grid

Technology played an equally important role in improving resilience.

Kaua’i’s Emergency Operations Center

Using drone inspections to photograph and survey equipment, KIUC gathered data giving us a reliable “snapshot in time” of our infrastructure. The benefits include hazard identification, light detection and ranging modeling, thermal imaging, and geographic information system data to flag equipment for maintenance, detect potential hazards, monitor vegetation encroachment and strengthen grid infrastructure before problems could develop into outages or wildfire risks.

Power Outages and Emergency Alerts

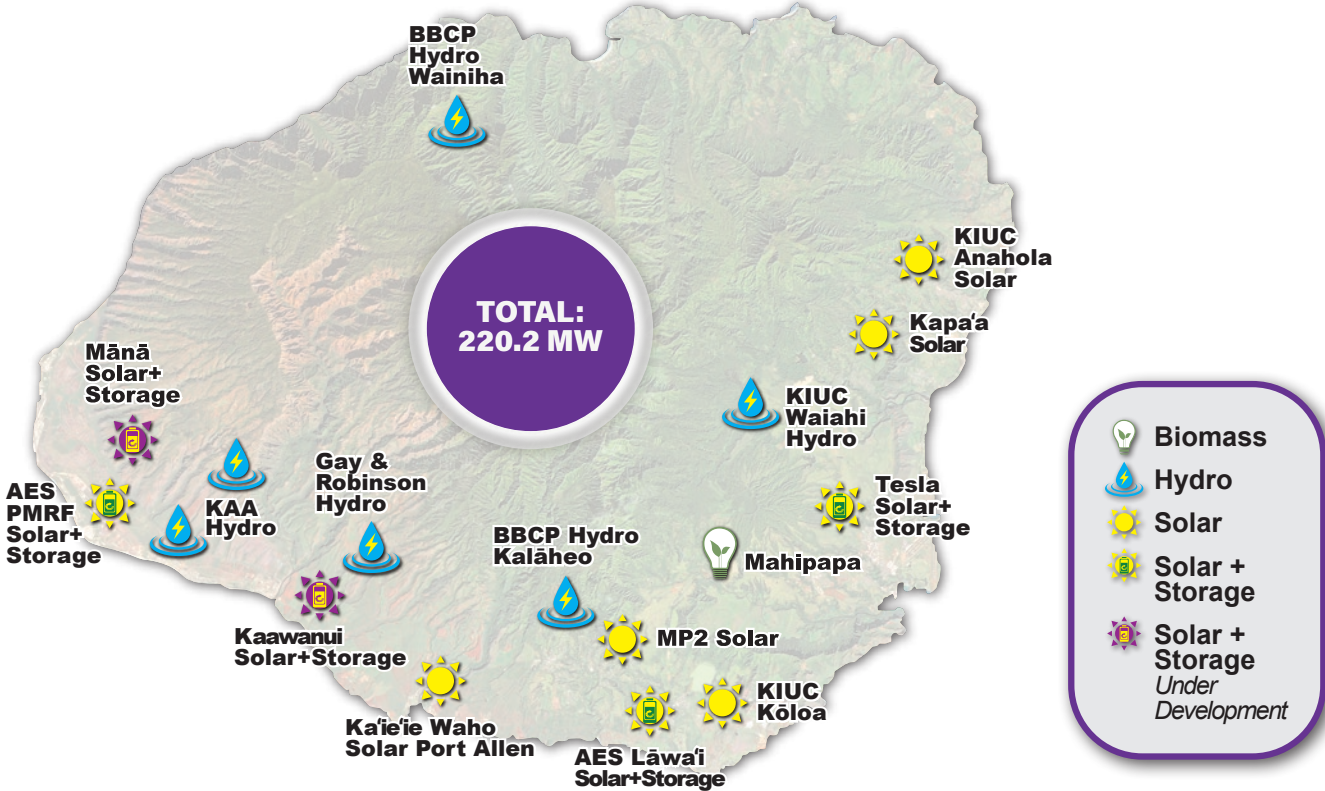
Seeking to keep members informed quickly in an emergency, KIUC adopted the Everbridge Mass Notification System, enabling the co-op to provide urgent outage and emergency alerts via phone, text and email. Members are encouraged to contact KIUC to update their contact information on file to receive alerts.

Together, these initiatives demonstrate KIUC’s ongoing commitment to building a safer, more resilient Kaua’i while ensuring the cooperative is prepared to respond quickly and effectively whenever the community needs it most.



High Renewable Generation, Stable Rates

2025 Renewable Energy in Service



KIUC achieved a 52.8% Renewable Portfolio Standard for 2025, the second highest in the state behind Hawai'i Island. KIUC continues to be well ahead of the State of Hawai'i requirement of 40% renewable by 2030 and is on track to meet the mandated 100% renewable generation by 2045.

2025 Renewable Generation Breakdown
The 52.8% for 2025 was reported to the Hawai'i Public Utilities Commission in KIUC's annual RPS filing. The 2025 performance represents a slight increase over 2024, a growth driven primarily by stronger performance from the Mahipapa biomass facility.

Utility-scale solar contributed 24.5% of KIUC's generation in 2023, with 14.3% generated from members' rooftop systems. Other renewables contributing in 2025 were hydropower (9%) and biomass (5%).

Member Savings and Rate Stabilization
KIUC's high percentage of renewable generation has helped stabilize rates, with KIUC consistently posting the lowest, or among the lowest, rates in the state since May 2022.

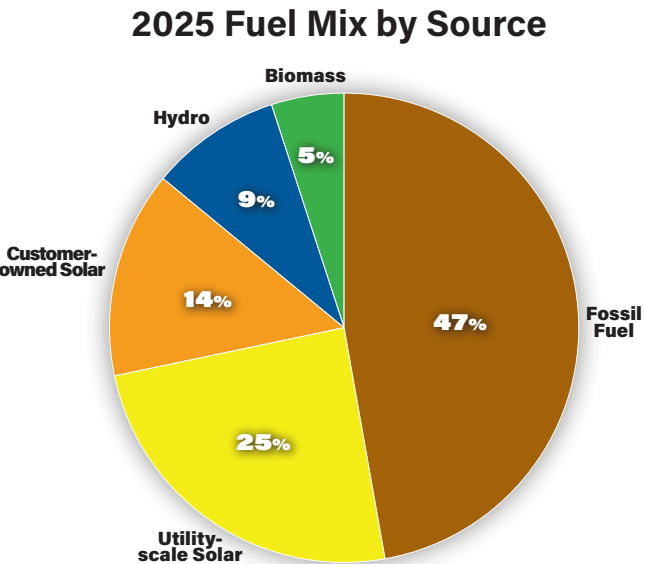
"Our renewable energy is purchased under fixed-price power purchase agreements, which helps buffer our rates from the volatility of global oil pricing," says KIUC President and CEO David Bissell.

Five utility-scale solar projects placed into service since 2014 have been the main drivers for Kaua'i's RPS progress. KIUC Chief of Operations Brad Rockwell says the value

of this renewable transition is most acutely felt when oil prices increase sharply.

"Without those large solar projects, we estimate the average KIUC residential bill in May 2026 would have been \$41 higher," he says.

Meeting Strategic Goals
KIUC's board of directors has set a strategic goal of reaching 100% renewable by 2033—a full 12 years ahead of the State of Hawai'i mandate. If two new renewable projects under development are delivered into service as proposed, KIUC could approach 90% renewable by 2030.



Active In Use	Type	MW	% of Generation
KIUC, Kōloa	Solar	12	3.37
KIUC, Anahola	Solar	12	3.61
Mahipapa	Biomass	6.7	5.01
Ka'ie'ie Waho, Port Allen	Solar	6	1.61
BBCP, Wainiha/Kalāheo	Hydro	6	2.70
KIUC, Waiahi	Hydro	1.5	0.49
Gay & Robinson, Olokele	Hydro	7.3	5.70
KAA, Waimea/Kekaha	Hydro	1.5	0.13
Kapa'a Solar	Solar	1	0.28
Tesla Solar+Storage	Solar	13	3.57
AES Lāwa'i Solar+Storage	Solar	20	7.21
AES PMRF Solar+Storage	Solar	14	4.79
MP2, 'Ōma'o	Solar	0.3	0.07
Customer Solar	Solar	41.4	14.26
Under Development	Type	MW	% of Generation
New Solar+Storage	Solar	78.0	40.0

The AES Mānā Solar + Storage and AES Kaawānui Solar projects are under development.
The two projects are expected to save members at least \$13.4 million in the first year of operation, with total savings of roughly \$800 million over the 25-year power purchase agreement term. Each project will include a component of compatible agriculture through partnership with local, Kaua'i-based companies that bring deep expertise in land stewardship and sustainable practices.

Coming Full Circle



KIUC takes historic step with patronage capital, keeping money in the hands of member-owners

Based on favorable financial results for 2025, Kaua'i Island Utility Cooperative's board of directors voted to return \$2.7 million in patronage capital to members in May 2026. This is the largest retirement of patronage capital since 2018.

Approximately \$1 million of the retirement was related to margins earned during 2025. Roughly \$1.67 million was returned to members based on their use during 2002 and a portion of 2003. This is the first time in KIUC's 23 years of operation that the co-op retired patronage capital from previous years.

"KIUC is in a strong position after more than two decades of responsible financial management," KIUC Board Chair Allan Smith says. "We feel it's time to begin to retire patronage capital accrued by members during the earliest years following our formation whenever our financial performance allows."

Since becoming a cooperative in 2002, KIUC has built \$120 million in equity and retired nearly \$40 million in patronage capital to its members. KIUC's equity-to-capital ratio remains consistently at or above 35%.

What is patronage capital? What are allocations versus retirements?

Patronage capital is created when KIUC's annual revenues exceed expenses. These net operating margins (i.e., profits) are allocated annually to members' individual patronage capital accounts proportional to the amount of electricity they bought throughout the year. This is the members' equity in KIUC.

"If we were an investor-owned utility, that's money that would go back to the company or to shareholders," KIUC President and CEO David Bissell says. "As a cooperative, that money stays in our community in the hands of our member-owners."

KIUC has the option under certain circumstances to return some of the accrued capital credits by issuing patronage capital retirements. KIUC's board of directors, following the cooperative's bylaws as well as regulatory and lender requirements, determines how and when capital credits are retired to members.

"As a new cooperative that was established with 100% debt financing, it was important for KIUC to retain patronage capital in members' accounts to build equity and establish a sound financial foundation for our co-op," David says. "We're pleased that 23 years later, we're able to start retiring those earliest allocations."

Serving Our Members

The Cooperative Difference

KIUC continued to serve our members through improved phone and website access. The co-op helped those in need with community partners through programs, rebates and giveaways.

24/7/365 Call Service

KIUC contracted with Cooperative Response Center—a nationwide, cooperatively owned and operated, 24/7 contact center providing support to rural electric utilities—to accept after-hours and weekend calls, providing greater responsiveness and safety for members without delay.

Improved Website

In 2025, KIUC launched a redesigned website with updated cybersecurity, accessibility and design features using the SHiNE platform from Touchstone Energy Cooperative. In addition to the existing outage center and map, online payment, forms and important documents about our cooperative, there is now an online form for organizations to request KIUC presentations or field trips to KIUC facilities.

Energy Services and Community Outreach

Working with Kumu's Cupboard, county and state affordable housing projects and other community organizations, KIUC gave away a record number of LED lightbulbs.

KIUC partnered with numerous school and community outreach organizations to promote energy efficiency, electrification of transportation, and wildfire safety, including Gather Federal Credit Union's Financial Reality Fair, the Legacy of Aloha Walk and Roll event, the Drive Electric Kaua'i's EV Kaua'i event, and the County of Kaua'i's Be Ready, Be Set, Go Now! wildfire evacuation initiative.

Combined, these programs resulted in **2,333,664** kWh of residential energy savings and **1,018,825** kWh of commercial energy savings for our members.

\$305,445

Hawai'i Home Energy Assistance Program

327

Hawai'i Home Energy Assistance Program recipients



9

Qualified Member Appliance Replacement Program recipients

25,350

LED lights distributed

1,169

Appliance rebates processed

202

High-bill phone reviews and home visits

319

HALE program high-bill home visits

\$603,244

in incentives to **61** commercial projects

\$9,768

Small Business Energy-Efficiency Grants to ACE Auto Glass, Barre Soul Kaua'i, Hale Hālāwai 'Ohana O Hanalei and 1433 Roots.

Community Support and Impact



KIUC staff at the Pacific Missile Range Facility Earth Day event. Opposite page: KIUC at the Kukui Grove Back to School Bash, supporting Catholic Charities Hawai'i, Hawai'i Food Bank – Kaua'i, Rice Street Block Party.

Kaua'i is an island full of people who take care of each other. KIUC recognizes the many causes close to our members' hearts. Through in-person outreach events, Youth Tour and educational programs, as well as grants to nonprofit organizations and small businesses, KIUC gives back to our members and the causes they care about.

In 2025, staff represented KIUC at more than **10** events, including the Visitor Industry Charity Walk, county park cleanups and numerous school-based and Earth month events.

KIUC leveraged funds from the U.S. Department of Agriculture for its revolving loan fund to maintain, strengthen and diversify the Kaua'i economy. In 2025, **\$40,520** was granted to Explore Kauai Scuba, LLC.

The KIUC Charitable Foundation awarded **three** need-based scholarships through the University of Hawai'i Foundation and five grants totaling **\$16,157** to the following organizations:

- Kekahu Foundation, governing body of KKCR, Kaua'i Community Radio
- State of Hawai'i Department of Education
- Kaua'i North Shore Food Pantry
- Kaua'i Economic Opportunity
- Kaua'i Police Activities League

The KIUC Charitable Foundation is a 501(c)(3) organization governed by a board of directors made up of community members, KIUC directors and KIUC employees. The foundation's funding comes from unclaimed refunds, the Makana program and an annual fundraising golf tournament.

Sharing of Aloha grants totaled **\$24,000** to numerous Kaua'i organizations, including:

- East Side Sports Club
- E Ola Kākou Hawai'i
- Hawai'i Children's Theatre
- Kalaheo School PTSA
- Kapa'a Middle School Choir Booster Club
- Kaua'i Elite Baseball
- Kaua'i High School
- Kaua'i High School Athletic Boosters
- Kaua'i High School Future
- Farmers of America
- Kaumakani Senior Center
- Kekaha Elementary PTSA
- Kīlauea Neighborhood Association
- King Kaumuali'i Elementary School PTSA
- Friends of Hawai'i Technology Academy
- Japanese Cultural Center of Hawai'i
- Mama Tiff Cares Foundation
- Menehune Athletics
- Nā Kupuna O Kaua'i – Legacy of Aloha
- Pihana Ka Ikena
- Regenerative Services Kaua'i
- Roadside Coconuts, Inc.
- Salvation Army
- Sheila Bradley Usborne Books
- UH Foundation - COGS
- Wiley Yoshioka Foundation
- YWCA

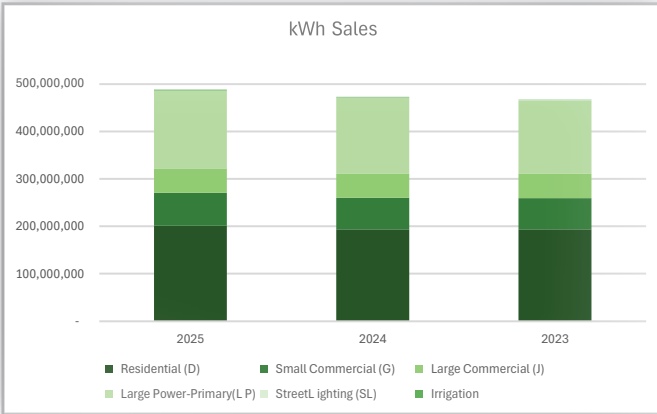


Summary of Operations

For the period 01/01/2025 – 12/31/2025

Organized as a rural electric cooperative, Kaua'i Island Utility Cooperative operates as a not-for-profit entity under section 501(c)(12) of the Internal Revenue Code. Sharing year-end financial results with our members is crucial for several key reasons, including transparency and accountability, allowing members to understand how the organization is managing its financial resources; building trust and confidence through open and accessible financial reporting; promoting member engagement between members and organization leadership; and facilitating informed decision-making and strategic planning by providing members with relevant financial data.

KIUC is pleased to report positive operating results in 2025, with operating revenues of \$177.8 million, less operating costs of \$165.6 million, resulting in a positive net margin of \$6.9 million. In 2025, KIUC invested \$30.9 million in plant assets, including \$7 million in wildfire mitigation efforts, while also repaying \$11.5 million in long-term debt.



REVENUES

Operating revenues totaled \$177.8 million, a reduction of \$7.9 million or 4.2% from the previous year. In 2025, KIUC sold 487 million kilowatt-hours of electricity, which is a 3.2% increase from 2024. Kilowatt-hours sold increased across all classes of service. Despite the year-over-year growth in kWh sold, revenues declined primarily due to lower energy rates driven by a \$9.3 million decrease in commodities costs.

Other operating revenues of \$0.4 million, which include rentals and fees, and the change in the lost gross margin regulatory asset of (\$3.5 million), also contributed to net margins. LGM was accrued during the COVID-19 pandemic to account for significant loss in sales during that period.

POWER GENERATION

Similar to other utilities, the cost of power generation is KIUC's largest expense, totaling \$92.9 million or 52.3% of revenues. Commodities, which are fuel and purchased power costs, are the largest component of power generation, totaling \$75.8 million or 42.7% of revenues. In 2025, KIUC and its members generated more than 238.3 million kWh from renewable sources, such as hydro, solar and biomass, or 46.7% from renewable production.

EXPENSES

Operating expenses, excluding commodities, totaled \$89.8 million, an increase of \$6.4 million or 7.7% over the previous year. In 2025, the cost of operating and maintaining the electric lines totaled \$9.5 million or 5.4% of total revenues. The cost of servicing our members totaled \$2.5 million or 1.4% of revenues, and the cost of keeping our members informed totaled \$1 million or 0.6% of revenues. Administrative and general costs, which include legislative and regulatory expenses, engineering, executive, human resources, safety and facilities, information services, financial and corporate services, and board of director expenses, totaled \$25.6 million or 14.4% of revenues.

KEY RATIOS

The equity-to-total-assets ratio measures the percentage of total assets owned by members and is one of the indicators used to monitor the cooperative's financial health. KIUC's consolidated equity ratio was 37.58% at year-end, compared to 36.01% in the prior year. The debt service coverage ratio measures the cooperative's ability to meet its debt obligations using operating income and is one of the primary metrics reviewed by KIUC's lenders. KIUC's debt service coverage ratio was 1.695 at year-end. KIUC's consolidated long-term debt decreased \$11.5 million from the prior year.

FINANCIAL GOALS

KIUC met its financial goals with positive net margins and maintained compliance with its required loan agreement ratios in 2025. Established by its members to provide service at the lowest possible cost, any excess revenue (or margin) is used to fund growth and maintenance before it is eventually returned to members in the form of capital credit retirements. Since 2002, KIUC has returned \$39.1 million to members in the form of patronage capital retirements. In 2026, KIUC returned \$1 million of margins earned in 2025 and \$1.6 million in margins from 2002 and 2003 as patronage capital retirements.

ASSETS

	December 31,	
	2025	2024
UTILITY PLANT AT COST		
Electric Plant in Service	614,390,742	610,601,334
Right of Use Asset - Operating Lease	7,565,079	15,801,084
Electric Plant Acquisition Cost	54,852,453	54,852,453
Accumulated Depreciation and Amortization	(365,410,191)	(365,216,992)
Net Electric Plant in Service	311,398,083	316,037,879
Construction Work in Progress	19,692,195	10,277,336
Net Utility Plant	331,090,278	326,315,215
OTHER INVESTMENTS		
Investments in Subsidiary Companies	- 0	- 0
Investments in Associated Organizations	2,074,735	2,013,268
Rural Economic Development Loans	1,869,005	1,965,795
Other Investments [if maturity ≥ 1 yr]	- 0	- 0
Total Other Investments	3,943,740	3,979,063
CURRENT ASSETS		
Cash & Cash Equivalents	28,677,484	44,090,700
Restricted Cash & Cash Equivalents	447,323	322,969
Other Investments [if maturity < 1 yr]	- 0	- 0
Accounts and Notes Receivable (Less allowance for doubtful accounts of \$62,848 in 2025 and \$269,427 in 2024)	12,309,715	13,228,373
Accrued Unbilled Revenue	10,668,521	10,562,913
Energy Rate Adjustment Clause	50,478	144,676
Inventories	24,290,755	22,265,342
Other Current and Accrued Assets	1,678,571	1,610,751
Total Current Assets	78,122,847	92,225,724
POST-RETIREMENT BENEFIT ASSET	1,085,418	805,750
DEFERRED DEBITS	29,280,327	32,739,111
Total Assets	443,522,610	456,064,863
EQUITIES AND LIABILITIES		
EQUITIES AND MARGINS		
Memberships	638	623
Patronage Capital & Margins - Current Year	151,699,785	145,515,129
Other Equity	14,932,041	1,301,373
Post-retirement Benefit Obligation Gain (Loss)	58,406	(213,894)
Controlling Equity Interest	166,690,870	146,603,231
Capital Account - KRS II LLC	- 0	17,625,064
Equity Interest	- 0	17,625,064
Total Equities and Margins	166,690,870	164,228,295
LONG - TERM DEBT	220,606,238	240,993,192
ASSET RETIREMENT OBLIGATION	3,327,470	3,198,096
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	11,847,572	11,528,575
Current Maturities of Operating Lease Obligations	1,105,316	811,177
Accounts Payable	8,341,261	7,250,949
Energy Rate Adjustment Clause	- 0	- 0
Consumer Deposits	1,351,790	1,433,888
Accrued Employee Compensation	2,749,599	2,671,276
Accrued Taxes	9,028,810	9,864,765
Other Current and Accrued Liabilities	1,044,712	1,312,346
Total Current Liabilities	35,469,060	34,872,976
DEFERRED TAX LIABILITY	3,700,363	- 0
DEFERRED CREDITS	13,728,609	12,772,304
Total Liabilities, Equities, and Margins	443,522,610	456,064,863
Equity Percentage	37.58%	36.01%

Consolidated Statement of Income & Patronage Capital

	Year Ended December 31,	
	2025	2024
	Amount	Amount
OPERATING REVENUES		
Residential	77,384,345	79,983,441
Irrigation	428,035	246,415
Commercial and Industrial	102,187,181	107,769,950
Public Street and Highway Lighting	865,391	806,209
Other Operating Revenues	446,347	482,384
Loss gross margin change in deferral	(3,555,418)	(3,881,617)
Total Operating Revenues	177,755,881	185,406,782
OPERATING EXPENSES		
Power Cost	92,972,884	101,712,144
Transmission - Operation	606,440	490,683
Transmission - Maintenance	1,248,995	1,569,829
Distribution - Operation	1,374,133	1,716,440
Distribution - Maintenance	6,309,193	5,482,810
Customer Accounts	2,098,196	2,461,481
Customer Service and Information	422,731	346,099
Administrative and General	26,614,350	26,018,757
Depreciation and Amortization	17,882,471	17,786,292
Taxes	15,923,862	15,706,169
Accretion Expense	129,374	123,061
Other Interest Expense	-	-
Total Operating Expenses	165,582,629	173,413,765
OPERATING MARGINS - Before Interest	12,173,252	11,993,017
INTEREST ON LONG-TERM DEBT	6,657,145	6,956,228
OPERATING MARGINS	5,516,107	5,036,789
NONOPERATING MARGINS		
Interest Income	1,233,577	1,734,110
Capital Credits	94,554	97,845
Loss from Subsidiaries	-	-
Other Nonoperating Income (Expense)	138,464	171,723
Total Nonoperating Margins	1,466,595	2,003,678
EXTRAORDINARY ITEMS	-	-
NET MARGINS	6,982,702	7,040,467
NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTEREST	-	12,244
INCOME TAX BENEFIT	163,896	-
NET MARGINS - COOPERATIVE	7,146,598	7,052,711

Consolidated Statement of Cash Flows

	December 31,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Margins	7,146,598	7,052,711
Adjustments to Reconcile Net Margins to Net Cash from Operating Activities		
Depreciation and Amortization	17,882,471	17,786,292
Amortization of deferred debits	4,271,471	5,056,195
Accretion Expense	129,374	123,061
Noncash Lease Expense	-	(385,033)
Interest Earned on Cushion of Credit	-	(6)
Capital Credits	(92,031)	(97,845)
Income Attributable to Non-Controlling Equity Interest	-	(12,244)
Deferred taxes	(163,056)	-
Change in Assets and Liabilities:		
Accounts and Notes Receivable	813,050	(641,360)
Energy Rate Adjustment Clause	94,198	(789,151)
Inventories and Other Current Assets	(2,093,233)	(264,303)
Deferred Debits	(812,687)	430,691
Post Retirement Benefit Obligations	(7,368)	(10,690)
Payables and Accrued Expenses	(17,052)	696,377
Deferred Credits	956,305	(291,524)
Net Cash from Operating Activities	28,108,040	28,653,171
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to Utility Plant, net	(30,902,777)	(17,832,178)
Rural Economic Development Loans	124,441	(993,724)
Other Investments	2,913	212,664
Net Cash from Investing Activities	(30,775,423)	(18,613,238)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings from Long-Term Debt	-	-
Payments on Long-Term Debt	(11,528,575)	(11,369,323)
Net Activity on Line of Credit	-	-
Contributions from Non-Controlling Equity Interest	-	-
Capital Distributions Paid to Investor	(218,000)	(29,428)
Memberships	15	13
Other Equities	87,023	83,144
Retirement of Patronage Capital	(961,942)	(265,031)
Net Cash from Financing Activities	(12,621,479)	(11,580,625)
CHANGE IN CASH AND CASH EQUIVALENTS	(15,288,862)	(1,540,692)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	44,413,669	45,954,361
CASH AND CASH EQUIVALENTS - END OF YEAR	29,124,807	44,413,669

Vision

Improve the quality of life for
KIUC's members and Kaua'i.

Mission

Be an energy solutions leader by:

- Safely providing reliable power that is fairly and competitively priced.
- Encourage conservation and efficient use of energy resources.
- Increasing sustainable power supply and environmental stewardship.

Culture

The culture is shaped by several elements, all critical to KIUC's success. KIUC embraces the Seven Cooperative Principles and a Hawaiian-based values system, derived from an employee-adopted set of shared values called Ho'oka'ana Waiwai.

Seven Cooperative Principles

- **Voluntary and Open Membership:**
Open to all who can use the cooperative's services and accept the responsibilities of membership, without discrimination.
- **Democratic Member Control:**
Members actively govern the cooperative by setting policies, electing representatives, and exercising equal voting rights.
- **Members' Economic Participation:**
Members contribute equitably to and democratically control the cooperative's capital while sharing in its long-term success.
- **Autonomy and Independence:**
A self-help organization controlled by its members, maintaining democratic independence in all partnerships and agreements.
- **Education, Training, and Information:**
Providing knowledge and training for members, representatives, employees, and the public to strengthen cooperative success.
- **Cooperation Among Cooperatives:**
Working together with other cooperatives to improve services, strengthen local economies, and better serve communities.
- **Concern for Community:**
Supporting the sustainable development and well-being of communities through policies guided and approved by the membership.



Our
Bone & Joint
TEAM is here
for YOU.

Our team uses state-of-the-art technology to provide a wide range of orthopedic care for patients of all ages in Līhu'e, 'Ele'ele and Kapa'a. We offer specialists in joint replacement, robotics-assisted surgery, arthritis, foot/ankle, hand/upper extremity, sports medicine, podiatry, pediatrics and injections.

Call 808-245-1523 or visit WilcoxHealth.org/BoneAndJoint.

HAWAII
PACIFIC
HEALTH

WILCOX
BONE & JOINT CENTER

CREATING A HEALTHIER HAWAII



"Each flower is part of the story."

Brynn Lee Hirata, a Waimea High School graduate, was a 2025 Youth Tour participant and served as KIUC's Youth Leadership Council delegate. She was selected from dozens of her peers throughout the nation to address thousands of electrical cooperative leaders at the 2026 NRECA PowerXchange conference in Nashville, Tennessee.

Brynn's inspiring speech about unity and belonging, tied to the significance of giving and receiving lei in the Hawaiian culture, was met with a standing ovation.

Learn more about the Youth Tour program on the KIUC website (www.kiuc.coop/youth-tour), and use this QR code to view Brynn's unforgettable speech.



Kaua'i Island
Utility Cooperative

Your Touchstone Energy® Cooperative

4463 Pahe'e Street, Suite 1, Līhu'e,
HI 96766-2000
808.246.4300 ■ kiuc.coop

KIUC is an equal opportunity provider and employer.

KIUC in the Community



KIUC staff attended the Kaua'i Police Department's annual Touch-A-Truck event.



KIUC was a sponsor for the Kaua'i United Way golf tournament.



KIUC staff spent a community service day refreshing the Niumalu Park Pavilion.



President & CEO David Bissell spoke at the Lihue Business Association monthly meeting.

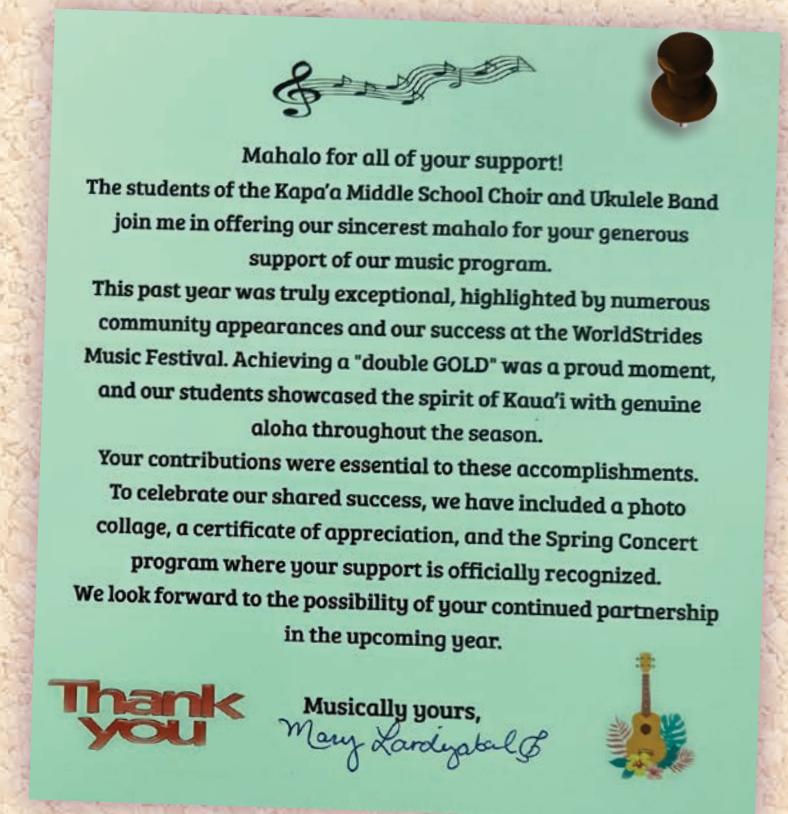
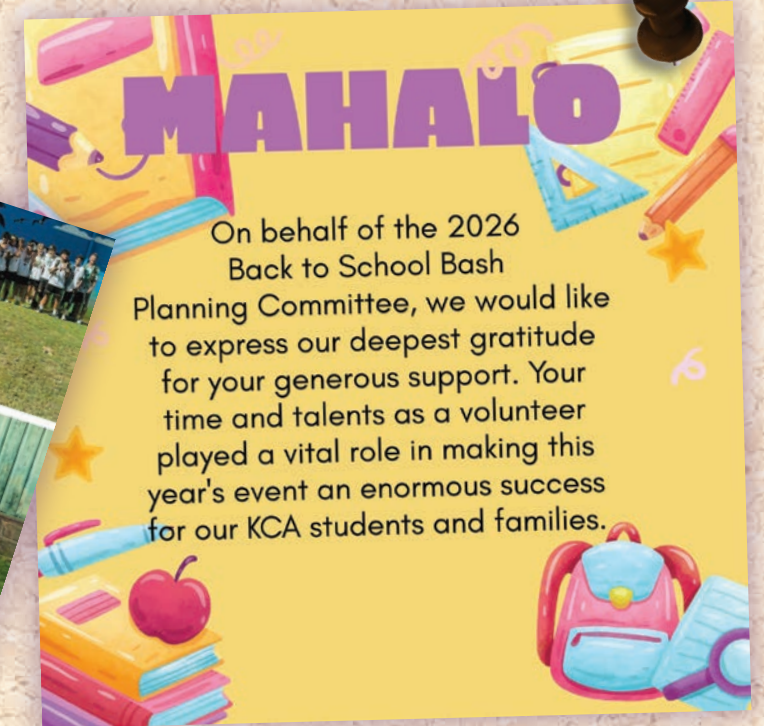


KIUC staff attended the Kukui Grove Back to School Bash.



Cameron Kruse and Scott Sato educated members at the Kukui'ula Preparedness Outreach event with Kaua'i Emergency Management Agency.

Member Mahalos





PROTECT KAUA'I. STOP CRB.

Coconut Rhinoceros Beetle is a destructive pest that attacks palms and other tropical monocot plants. Early detection and management are critical to protect Kauai's ecosystem.

1 LOOK FOR DAMAGE



2 PROTECT & TREAT



3 CONTROL SPREAD



Kui Kaua'i **WANT MORE INFO? SCAN THE QR CODE OR TEXT "CRB" TO (808) 795-5515**



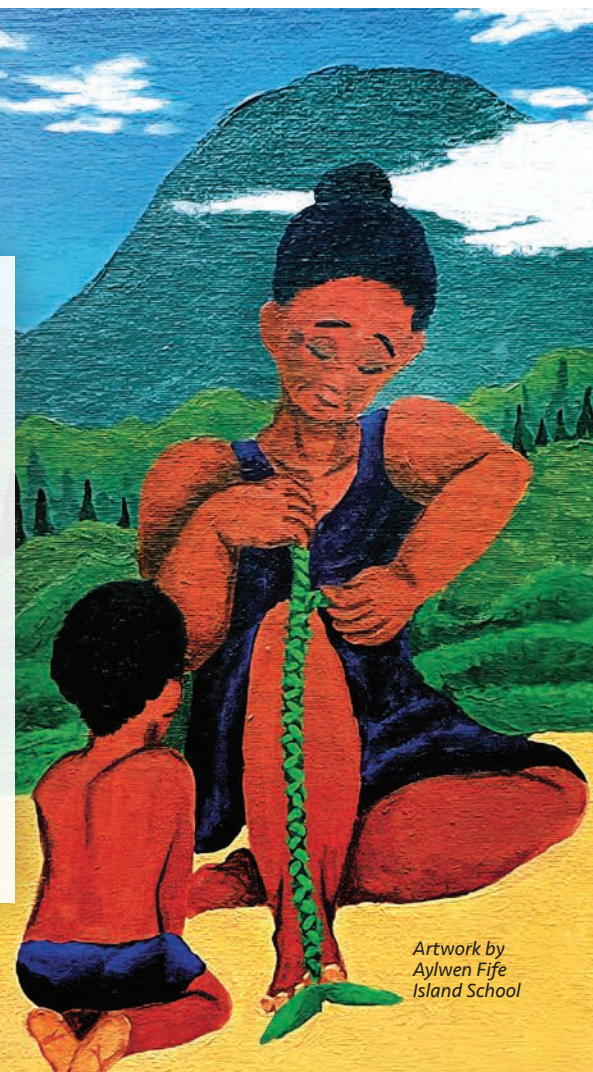
Calling Students Grades K-12!

2027 Calendar of Student Art Contest

KIUC is accepting electronic artwork submissions for the 2027 calendar. No physical submissions are accepted, but most of our traditional rules apply.

For more information, please visit the Calendar of Student Art page on KIUC's website, kiuc.coop/calendarcontest.

The deadline is Wednesday, Oct. 14, 2026.



Artwork by
Aylwen Fife
Island School

KIUC WORD SEARCH

Z	U	T	I	L	I	T	Y	R	L	I	N	E	K	N	N	U	V
S	E	N	E	R	G	Y	S	M	V	O	L	T	A	G	E	E	E
C	U	Q	Z	C	O	O	P	E	R	A	T	I	V	E	P	R	R
U	S	B	U	W	E	J	M	E	M	B	E	R	S	F	Z	E	E
R	S	A	S	U	S	W	R	I	R	H	Y	D	R	O	K	N	L
R	P	O	F	T	W	F	G	E	N	E	R	A	T	O	R	E	I
E	O	F	L	E	A	E	B	I	O	M	A	S	S	Y	J	W	A
N	W	J	Y	A	T	T	Y	W	S	T	O	R	M	Y	F	A	B
T	E	B	Q	Z	R	Y	I	J	B	G	R	I	D	I	H	B	L
Q	R	B	Z	T	O	P	H	O	N	K	J	B	A	O	V	L	E
C	O	M	M	U	N	I	T	Y	N	H	H	S	P	N	F	E	D
F	L	M	Z	E	G	I	T	K	H	F	C	B	I	V	N	P	U

How many of these words can you find?

Cooperative
Substation
Generator
Renewable
Community

Members
Utility
Current
Voltage
Energy

Solar
Hydro
Storm
Grid
Line

Reliable
Biomass
Safety
Power

Easy Party Dips



Italian Chopped Dip

Ingredients

- 2 packages cream cheese, softened
- ½ cup mayonnaise
- 8 ounces shredded Parmesan cheese
- 8 ounces smoked ham, chopped
- 8 ounces pepperoni, chopped
- 8 ounces salami, chopped
- 1 jar pepperoncini, chopped
- 2 tablespoons Italian seasoning
- 1 can sliced olives
- Toasted bread or crackers

Directions

In a bowl, combine cream cheese, mayonnaise and Parmesan. Mix in meats and pepperoncini. Sprinkle with Italian seasoning, then top with olives. Serve with toasted bread or crackers.



Taco Cheese Dip

Ingredients

- 1 pound ground beef
- 1 package taco seasoning
- 1 block Velveeta cheese
- 1 can Rotel diced tomatoes with green chilies
- Tortilla chips

Directions

Brown ground beef in a skillet, then mix in taco seasoning. Lower heat. Add cheese and tomatoes. Stir well, and serve warm with chips.



Office Guacamole

Ingredients

- 1 large avocado, seed removed
- 1 Hawaiian chili pepper, finely minced
- 1 teaspoon salt
- 1 teaspoon pepper
- Chips or crackers

Directions

Combine avocado with chili pepper, salt and pepper. Serve with chips or crackers.



Spinach Artichoke and Jalapeno Dip

Ingredients

- 1 package of frozen spinach, thawed
- 1 can artichoke hearts, drained and chopped
- 1 can dice jalapenos
- 2 blocks cream cheese, softened
- 8 ounces mozzarella cheese
- 8 ounces cheddar cheese
- Toasted bread or crackers

Directions

Heat oven to 400 F. Combine all ingredients in an 8-by-8-inch pan. Bake for 45 minutes. Serve with toasted bread or crackers.

Save Our Shearwaters

SEPT 15-DEC 15



This time of year, seabirds leave their nests at night and are guided by the light of the moon out to sea. Unfortunately, these birds can be attracted to artificial light by mistake and end up grounded. Once grounded they are often unable to regain flight, and become vulnerable to a variety of threats (e.g. predation, contamination, vehicle collisions).

Save Our Shearwaters rehabilitates all native Hawaiian birds and the Hawaiian Hoary Bat. If you find a grounded bird, please drop the bird off at the nearest Aid Station (listed below). Each bird receives a full assessment by SOS staff. Even seemingly healthy birds may need care before they are able to survive at sea!

CALL (808) 635-5117 OR GO TO
SAVEOURSHEARWATERS.ORG FOR ASSISTANCE

AID STATION LOCATIONS

NORTH

KĪLAUEA MEDICAL GROUP
HANAIEI FIRE STATION
HANAIEI LIQUOR

EAST

KAIĀKEA FIRE STATION
KAPA'A FIRE STATION
SOS (7370 KUAMO'O RD)

CENTRAL-SOUTH

LĪHU'E FIRE STATION
KŌLOA FIRE STATION

WEST

WAIMEA FIRE STATION
HANAPĒPĒ FIRE STATION
KALĀHEO FIRE STATION

  @SAVEOURSHEARWATERS



Statement of Operations For the period 01/01/2026 - 06/30/2026

By Erin Tsuda, Financial Vice President and Chief Financial Officer

KIUC reported favorable results of operations through June 30, 2026, with net margins totaling \$4.9 million, compared to \$2.9 million for the same period in 2025.

REVENUES

Operating revenues generated from energy sales totaled \$96.3 million through the second quarter of 2026, an increase of \$10.5 million or 12.2% over the same period in the previous year, which is primarily attributed to an increase in commodities costs. Other operating revenues of \$0.2 million, which include rentals and fees, and the change in the lost gross margin regulatory asset of (\$0.4 million), contribute to net margins.

Through June 2026, KIUC sold 231 million kilowatt-hours of electricity, which is nearly flat to the same period in the previous year. Kilowatt-hours sold declined across all classes of service, except residential, which increased by 2.7 million kWh or 2.8%.

POWER GENERATION

The cost of power generation is KIUC's largest expense, totaling \$53.7 million or 62.7% of revenues. Commodities, which are fuel and purchased power costs, are the largest component of power generation, totaling \$45.9 million or 53.6% of revenues, which was higher by \$6.7 million or 17.1% from the same period in the previous year primarily due to higher fuel costs. Through June 2026, KIUC and its members generated more than 120.4 million kWh from renewable sources, such as hydro, solar and biomass, or 49.6% from renewable production.

EXPENSES

Operating expenses, excluding commodities, totaled \$18.4 million, a moderate increase of \$0.3 million or 1.9% over the same period in the previous year. Through June 2026, the cost of operating and maintaining the electric lines totaled \$5.5 million or 6.4% of total revenues; the cost of servicing our members totaled \$1.7 million or 2% of revenues; and the cost of keeping our members informed totaled \$0.5 million or 0.5% of revenues. Administrative and general costs, which include legislative and regulatory expenses, engineering, executive, human resources, safety and facilities, information services, financial and corporate services, and board of director expenses, totaled \$10.7 million or 12.5% of revenues.

As a capital-intensive business, depreciation and amortization of the utility plant costs totaled \$7.9 million or 9.2% of revenues. As a cooperative, KIUC is not subject to federal income taxes; however, state and local taxes

amounted to \$8.2 million or 9.6% of revenues. Interest on long-term debt totaled \$3.2 million or 3.7% of revenues. Nonoperating net margins (e.g., interest income, income/loss from subsidiaries) were (\$0.3 million).

KEY RATIOS

The equity-to-total-assets ratio measures the percentage of total assets owned by members and is one of the indicators used to monitor the cooperative's financial health. At June 30, 2026, KIUC's equity ratio was 37.38%, compared to 36.19% in the prior year. The debt service coverage ratio measures the cooperative's ability to meet its debt obligations using operating income and is one of the primary metrics reviewed by KIUC's lenders. At June 30, 2026, KIUC's debt service coverage ratio was 1.91, which was consistent with the prior year. KIUC's consolidated long-term debt increased \$3.9 million from the same period in the prior year, due to a \$15 million loan advance from RUS Treasury in March 2026. ⚡

Statement of Operations (Unconsolidated and Unaudited)

(All values are in millions of USD)	YTD	YTD
	6/30/26	6/30/25
Total revenues	\$96.05	\$85.62
Fuel	25.56	20.62
Purchased power	20.32	18.57
Total commodities	45.88	39.19
Production	7.81	7.79
Transmission & Distribution	5.48	4.80
Member Services	1.74	1.67
Communications	0.46	0.47
Administrative, general and other	10.69	11.08
Total operations & maintenance expenses	26.17	25.81
Depreciation and amortization	7.91	7.51
Taxes	8.22	7.95
Interest on long-term debt	3.15	3.08
Non-operating margins	(0.14)	(0.83)
Net margin	\$4.85	\$2.90

Fall 2026
Volume 23, Number 3

David Bissell
President and CEO

KIUC Board of Directors

Chairman: Allan A. Smith

Vice Chairman: Jan TenBruggencate

Treasurer: Peter Yukimura

1st Assistant Treasurer: Jim Mayfield

Secretary: Edmund Acoba

1st Assistant Secretary: David Iha

NRECA National Director: Allan A. Smith

Directors: Phil Tacbian, Bryson Ponce, Mike Yamane

Executive

Chairman: Jan TenBruggencate

Members: Edmund Acoba, Allan A. Smith,
Peter Yukimura

Finance & Audit

Chairman: Peter Yukimura

Members: Jan TenBruggencate, Jim Mayfield,
Bryson Ponce, Allan A. Smith, Erin Tsuda

Government Relations/Legislative Affairs

Chairman: Phil Tacbian

Members: David Iha, Mike Yamane, Peter
Yukimura, Beth Amaro, David Bissell

International

Chairman: David Iha

Members: Edmund Acoba, Allan A. Smith,
Phil Tacbian, Peter Yukimura

Member Relations

Chairman: Jim Mayfield

Members: Bryson Ponce, Allan A. Smith, Phil
Tacbian, Beth Amaro

Policy

Chairman: Bryson Ponce

Members: Edmond Acoba, Phil Tacbian, Jan
TenBruggencate, Laurel Loo, David Bissell

Strategic Planning

Chairman: Mike Yamane

Members: David Iha, Jim Mayfield, Allan A. Smith,
David Bissell, Brad Rockwell

Loan Review

Chairman: Phil Tacbian

Members: Jim Mayfield, Peter Yukimura



4463 Pahe'e Street, Suite 1
Līhu'e, HI 96766-2000
808.246.4300 ■ kiuc.coop
info@kiuc.coop



Wildfire Home Assessment Program

The County of Kaua'i, in partnership with the Hawai'i Wildfire Management Organization, is launching its new Wildfire Home Assessment Program to help residents reduce wildfire risk and strengthen community resilience.

A Wildfire Home Assessment is a free, voluntary and educational walk-around your home to talk about these topics:

- vegetation management
- home-hardening
- property access & evacuation
- other wildfire risks
- site-specific recommendations to help improve wildfire preparedness

Watch our Wildfire Home Assessment video:



Schedule a free home assessment today!

Kaua'i Fire Department

kauai.gov/fire

Click the Prevention Bureau tab

HWMO

hwmo.org/home-assessments

If you need an ASL Interpreter, materials in an alternate format, or other auxiliary aid support, or an interpreter for a language other than English, please contact the Kaua'i Fire Department Prevention Bureau at 808-241-4985 or kfdpreventionbureau@kauai.gov as soon as possible.

Requests made as early as possible will allow adequate time to fulfill your request. Upon request, this notice is available in alternate formats such as large print, Braille, or electronic copy

