

# SCHNEIDER TANAKA RADOVICH

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January 12, 2024

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) – Tariff Sheets Effective January 11, 2024

Dear Commissioners and Commission Staff:

On January 11, 2024, the Commission issued Order No. 40523 (“Order No. 40523”) in the above-referenced docket affirmatively approving the revised tariff sheets filed by Kauai Island Utility Cooperative (“KIUC”) on November 30, 2023, with an effective date of January 11, 2024.

Pursuant to Ordering Paragraph Nos. 1 and 2 (Sections III.1 and III.2) of Order No. 40523,<sup>1</sup> KIUC hereby submits its Commission-approved tariff sheets, which include the applicable issued (i.e., January 12, 2024) and effective (i.e., January 11, 2024) dates, as well as a reference to said Order No. 40523.

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<sup>1</sup> Ordering Paragraph Nos. 1 and 2 (Sections III.1 and III.2) of Order No. 40523 provide, in pertinent part, as follows:

1. The revised tariff sheets filed by KIUC on November 30, 2023, are approved. KIUC’s interim rates shall take effect from the date of this Order.
2. KIUC shall promptly file copies of its revised tariff sheets with the applicable issued and effective dates.

The Honorable Chairman and Members of the  
Hawaii Public Utilities Commission  
January 12, 2024  
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Thank you for your consideration in this matter. If you should you have any questions, please do not hesitate to contact the undersigned.

/s/ Lianna L. Figueroa  
KENT D. MORIHARA  
PETER Y. KIKUTA  
LIANNA L. FIGUEROA

Schneider Tanaka Radovich Andrew &  
Tanaka, LLLC  
Attorneys for KAUAI ISLAND UTILITY  
COOPERATIVE

Enclosure

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.

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.

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.

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.

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.

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.



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.

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.

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.

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.

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.

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.

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.

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.



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.

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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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



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.

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.

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, issue on March 14, 2022, and which sets forth e-filing procedures as authorized by Act 72, Session Laws of Hawaii 2021.

DEPARTMENT OF COMMERCE AND  
CONSUMER AFFAIRS DIVISION OF  
CONSUMER ADVOCACY  
335 Merchant Street  
Room 326  
Honolulu, Hawaii 96813

[mangelo@dcca.hawaii.gov](mailto:mangelo@dcca.hawaii.gov)  
[consumeradvocate@dcca.hawaii.gov](mailto:consumeradvocate@dcca.hawaii.gov)

LAW OFFICE OF BIANCA ISAKI  
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[ryan@rdhlawhi.com](mailto:ryan@rdhlawhi.com)

DATED: Honolulu, Hawaii, January 12, 2024.

/s/ Lianna L. Figueroa  
KENT D. MORIHARA  
PETER Y. KIKUTA  
LIANNA L. FIGUEROA

Schneider Tanaka Radovich Andrew &  
Tanaka, LLLC  
Attorneys for KAUAI ISLAND UTILITY  
COOPERATIVE