

HAWAII-AMERICAN WATER COMPANY
GENERAL WASTEWATER SERVICE RULES AND REGULATIONS
COVERING THE PROVISION OF
WASTEWATER SERVICE TO CUSTOMERS

TABLE OF CONTENTS

<u>Original Volume No. 1</u>	<u>Sheet Number</u>
Preliminary Statement	3
Service Area Map	4
Schedule of Rates	5
Rules and Regulations	6
Form of Application for Service	35

PRELIMINARY STATEMENT

HAWAII-AMERICAN WATER COMPANY, is a corporation formed under the laws of the State of Nevada. Pursuant to Decision and Order No. 36962, issued on January 22, 2020, in Docket No. 2019-0039, Hawaii-American Water Company was authorized to provide waste water treatment services in the South Kohala area of the County, Island and State of Hawaii.

Service Area Map



Per Decision and Order No. 34795, issued on September 8, 2017, in Docket No. 2016-0335.

SCHEDULE OF RATES TO BE CHARGED

The monthly service charges to various customers for wastewater (sewer) services shall be as indicated in the following schedule of rates:

<u>Customer Class</u>	<u>Charge</u>
Residential	
Flat-Rate Charge for each Residential single-family Unit	\$126.81per month
Flat-Rate Charge for each Residential multi-family Unit	\$126.81 per month
Commercial (All other facilities including commercial, recreational, schools, churches, etc.)	
Charge based on water usage for each Customer	\$16.84 per 1,000 gallons** (including North Hawaii Community Hospital ("NHCH") and Elderly Housing)

RULES AND REGULATIONS

FOREWORD

These Rules and Regulations have been adopted to establish uniform practices governing sewer service and to define the obligations of the Company to customers and of customers to the Company.

It is the policy of the Company to render fully satisfactory service to all customers and to encourage courtesy to the public by all its employees. Customers are advised to obtain information from the Company on the availability of sewer service, acceptable and unacceptable discharge practices, and other pertinent data to assure satisfactory service.

It is the Company's objective to provide sanitary sewer service primarily to single-family residential, multifamily residential, and commercial projects of a size that makes a sewer system desirable or required, at a reasonable cost consistent with the Company receiving a reasonable rate of return.

The Company's service areas include the one located in South Kohala, Island of Hawaii, as shown on its Service Area Map, and is defined in the certificate of public convenience and necessity issued by the Hawaii Public Utilities Commission.

RULES AND REGULATIONS

RULE I DEFINITIONS

For the purpose of these Rules and Regulations, unless it is plainly evident from the context that a different meaning is intended, the following words and terms used herein are defined as follows:

1. The word "Company" shall mean the Hawaii-American Water Company, a Nevada corporation, authorized to do business in the State of Hawaii.
2. The word "Customer" or "customer" shall mean the person or persons, firm, corporation, association or governmental department, whether owner or tenant, whose name(s) appears on the records of the Company as the party responsible and liable for payment of charges to the Company.
3. The term "cost of service connection" shall mean the sum of the cost of the labor, materials, transportation, equipment, and road repair, if any, and other incidental charges necessary for the complete installation of a service connection.
4. The term "Company's sewer system" means the system owned and operated by the Company.
5. The term "garbage" shall mean solid wastes resulting from preparing, cooking and dispensing food and from handling, storing, and selling produce.
6. The term "garbage properly shredded" shall mean garbage that has been shredded to such a degree that all particles can be carried freely under normal flow conditions in the Company's sewer system.
7. The term "slug" shall mean any discharge of water, sewage, or industrial waste that, in concentration of a given constituent or in quantity of flow, exceeds for at least 15 minutes more than five times the average flow during a normal 24-hour period of operation.
8. The term "BOD" (denoting Biochemical Oxygen Demand) shall mean the quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedure in five (5) days at 20°C, expressed in milligrams per liter (mg/l).

RULES AND REGULATIONS

9. The term "pH" shall mean the logarithm of the reciprocal of the weight of hydrogen ions in grams per liter (gm/l) of solution.
10. The term "Company's sewer" shall mean the sewer lines and facilities on the side of the Service Connection leading to the Sewage Treatment Plant.
11. The term "Building sewer" or "building sewer" shall mean the sewer line running from the drains within the Customer's property which receive and pass the discharge from soil, waste and other drainage pipes of the Customer to the Service Connection.
12. The term "Service Connection" or "service connection" shall mean the point and installation where the Company's sewer is connected to the Building sewer. In most cases, the Service Connection is located at the customer's property line where the lower elbow of the customer's clean out discharges into the company's sewer. This location is easily identified with a closed circuit TV camera (CCTV).
13. The term "contribution in aid of construction" ("CIAC") shall mean the fee charged the applicant or Customer by the Company to install or pay for existing, new, or expanded collection and/or treatment plant facilities required to serve an applicant or Customer receiving service or substantially increasing sewage outflow volume from new or substantially modified premises and Developments.
14. The term "development" shall mean the improvement of, or construction of improvements on, a lot. The term shall include subdivisions, planned development projects, cluster developments, site development plans, condominium projects and other similar improvements.
15. The term "special facilities" shall mean those sewerage facilities including, without limitation, pumping stations which in addition to the Company's then existing sewerage system may be necessary or reasonably required by the Company to transport and dispose of a particular development's sewerage.

RULES AND REGULATIONS

RULE II GENERAL CONDITIONS

1. Any prospective customer whose single-family residential, multifamily residential, or commercial premises are within the areas covered by a certificate of public convenience and necessity for sewer service issued by the Hawaii Public Utilities Commission may obtain sewer service from the Company, provided that the Company has sufficient sewage treatment plant capacity to take on new or additional service without detriment to those already served or promised service and provided, further, that the following design flows are not exceeded.
 - a. Design flows: In determining the required capacities of sanitary sewers, the following factors shall be considered:
 - (1) Average Daily per Capita Flow: New sewer systems shall be designed on the basis of an average per capita flow of wastewater of 80 gallons per day, unless other current data has been established by the County of Hawaii. Densities of residential occupancy shall be assumed to be 4 persons per home and 2.8 persons per apartment unit.
 - (2) Other Average Flows: Other wastewater flows shall be based on land use or best available data, whichever is higher. Considerations shall be given for high wastewater generation for particular types of industries. The following equivalent populations or average flow data shall be used for the various land uses:

(a)	Central Business	300 cpa*
(b)	Community Business	140 cpa
(c)	Neighborhood Business	40 cpa
(d)	Resort	400 cpa

RULES AND REGULATIONS

(e)	Apartment (high density)	390 cpa
(f)	Apartment (medium density)	250 cpa
(g)	Apartment (low density)	85 cpa
(h)	General Industry	100 cpa
(i)	Waterfront Industry	40 cpa
(j)	School	25 gpcd**
(k)	Institution (hospital, etc.)	200 gpcd

* cpa = capital per acre

** gpcd = gallon per capita per day

- (3) Average Wastewater Flow: The average wastewater flow is the sum of the applicable wastewater flow obtained in Sections (1) and (2) above.
- The amounts to be paid for sewer service and CIAC shall be in accordance with the rates on file with the Public Utilities Commission of the State of Hawaii.
 - A nonrefundable CIAC may be required as a condition to receiving service in accordance with Rule XII.
 - The Company shall not be obligated to provide sewer service to an applicant for service until the applicant for service has paid, in full, the applicable CIAC charge as set forth in the rate schedule on file with the Public Utilities Commission.
 - Where an extension of secondary mains is necessary, refer to Rule XII.
 - Application for sewer service and service connection shall be made in accordance with Rule V of these Rules and Regulations.
 - Billing, payment of bills, and late payment charges for sewer service shall be in accordance with Rule VI of these Rules and Regulations.

RULES AND REGULATIONS

**RULE III
INTERRUPTION OF SERVICE**

1. The Company will exercise reasonable diligence and care to provide adequate sewer service to the customer and to avoid interruptions in service, but will not be liable for any interruption or insufficiency of service or any loss or damage occasioned thereby. Nor will it be liable for termination of services for reasons deemed necessary and proper, as provided herein.
2. The Company reserves the right at any and all times to shut off service without notice for the purpose of making repairs, extensions, alterations, or for other reasons. Repairs or improvements will be prosecuted as rapidly as practicable and, insofar as practicable, at such times as will cause the least inconvenience to the customer. Except in the case of emergency repairs, the Company shall use its best efforts to give the Customer at least 24 hours notice before shutting off service.

RULES AND REGULATIONS

**RULE IV
UNACCEPTABLE WASTES**

1. No person shall discharge or cause to be discharged any storm water, surface water, ground water, roof run-off, subsurface drainage, swimming pool water, uncontaminated cooling water, or unpolluted industrial process waters to any sanitary sewer.
2. No person shall discharge or cause to be discharged any of the following described waters or wastes to any sewers of the Company:
 - (a) Any gasoline, benzene, naphtha, fuel oil, or other flammable or explosive liquid, solid, or gas.
 - (b) Any waters or wastes containing toxic or poisonous solids, liquids, or gases in sufficient quantity, either singly or by interaction with other wastes, to injure or interfere with any sewage treatment process, constitute a hazard to humans or animals, create a public nuisance, or create any hazard in the receiving waters of the sewage treatment plant, including but not limited to cyanides in excess of two (2) mg/l as CN in the wastes as discharged to the sewer of the Company.
 - (c) Any waters or wastes having a pH lower than 5.5 or having any other corrosive property capable of causing damage or hazard to structures, equipment, and personnel of the sewer works.
 - (d) Solid or viscous substances in quantities or of such size capable of causing obstruction to the flow in sewers, or other interference with the proper operation of the sewer works such as, but not limited to, ashes, cinders, sand, mulch, straw, shavings, metals, glass rages, feathers, tar, plastic, wood, unground garbage, whole blood, paunch manure, hair and fleshing entrails, and paper dishes, cups, and milk containers, etc., either whole or ground by garbage grinders.
3. No person shall discharge or cause to be discharged the following described substances, materials, waters or wastes if it appears likely in the opinion of

RULES AND REGULATIONS

the Company that such wastes can harm either the sewers, sewage treatment process or equipment, have an adverse effect on the receiving stream, or can otherwise endanger life, limb, public or private property, or constitute a nuisance. In forming an opinion as to the acceptability of these wastes, the Company will give consideration to such factors as the quantities of subject wastes in relation to flows and velocities in the sewers, materials of construction of the sewers, nature of the sewage treatment process, capacities of the sewage treatment plant, degree of treatability of wastes in the sewage treatment plant, and other factors. The substances prohibited are:

- (a) Any liquid or vapor having a temperature higher than one hundred fifty (150) degrees F.
- (b) Any waters or waste containing fats, wax, grease, or oils, whether emulsified or not, in excess of one hundred (100) mg or containing substances that may solidify or become viscous at temperatures between thirty-two (32) and one hundred fifty (150) ° F.
- (c) Any garbage that has not been properly shredded. The installation and operation of any garbage grinder equipped with a motor of three-fourths (3/4) horsepower or greater shall be subject to the review and approval of the Company.
- (d) Any waters or wastes containing strong iron pickling wastes or concentrated plating solutions, whether neutralized or not.
- (e) Any waters or wastes containing iron, chromium, copper, zinc, and similar objectionable or toxic substances; or wastes exerting an excessive chlorine requirement, to such degree that any such material received in the composite sewage at the sewage treatment works exceeds the limits established by the Company for such materials.
- (f) Any waters or wastes containing phenols or other taste- or odor-producing substances, in such concentrations exceeding limits which may be established by the Company as necessary, after treatment

RULES AND REGULATIONS

of the composite sewage, to meet the requirements of the State, Federal, or other public agencies of jurisdiction for such discharge to the receiving waters.

- (g) Any radioactive wastes or isotopes of such half-life or concentration as may exceed limits established by the Company in compliance with applicable State or Federal regulations.
 - (h) Any waters or wastes having a pH in excess of 9.5.
 - (i) Materials which exert or cause:
 - (1) Unusual concentrations of inert suspended solids (such as, but not limited to, fuller's earth, lime slurries, and lime residues) or of dissolved solids (such as, but not limited to, sodium chloride and sodium sulfate).
 - (2) Excessive discoloration (such as, but not limited to, dye wastes and vegetable tanning solutions).
 - (3) Unusual BOD, biochemical oxygen demand, or chlorine requirements in such quantities as to constitute a significant load on the sewage treatment works.
 - (4) Unusual volume of flow or concentration of wastes constituting "slugs" as defined herein.
 - j) Waters or wastes containing substances that are not amenable to treatment or reduction by the sewage treatment process employed, or are amenable to treatment only to such degree that the sewage treatment plant effluent cannot meet the requirements of other agencies having jurisdiction over discharge to the receiving waters.
4. If any waters or wastes are discharged, or are proposed to be discharged to the Company's sewers, which waters contain the substances or possess the characteristics enumerated in Paragraph 3 of this rule, and which in the judgment of the Company may have a deleterious effect upon the sewage works of the Company, processes, equipment, or receiving waters, or which that otherwise create a hazard to life or constitute a public nuisance, the Company may:

RULES AND REGULATIONS

- (a) Reject the wastes,
- (b) Require pre-treatment to an acceptable condition for discharge to the sewers of the Company,
- (c) Require control over the quantities and rates of discharge to the sewers of the Company,
- (d) Require payment to cover the added cost of handling and treating the wastes not covered by existing sewer charges under the provisions of Paragraph 9 of this rule.

If the Company permits the pre-treatment or equalization of waste flows, the design and installation of the plants and equipment shall be subject to the review and approval of the Company, and subject to the requirements of all applicable codes, ordinances, and laws.

- 5. Grease, oil, and sand interceptors shall be provided when, in the opinion of the Company, they are necessary for the proper handling of liquid wastes containing grease in excessive amounts, or any flammable wastes, sands, or other harmful ingredients. All interceptors shall be of a type and capacity approved by the Company and shall be located as to be readily and easily accessible for cleaning and inspection.
- 6. Where preliminary treatment, flow-equalization or interceptor facilities are provided for any waters or wastes, they shall be maintained continuously in satisfactory and effective operation by customer at his expense.
- 7. When required by the Company, the customer having of any property serviced by a building sewer carrying industrial or commercial wastes shall install a suitable control manhole together with such necessary meters and other appurtenances in the building sewer to

RULES AND REGULATIONS

facilitate observation, sampling, and measurement of the wastes. Such manhole, when required, shall be accessibly and safely located and shall be constructed in accordance with plans approved by the Company. The manhole shall be installed by the customer at his expense and shall be maintained by the customer so as to be safe and accessible at all times.

8. All measurements, tests, and analyses of the characteristics of waters and wastes to which reference is made in these Rules and Regulations shall be determined in accordance with the latest edition of "Standard Methods for the Examination of Water and Wastewater," published by the American Public Health Association, and shall be determined at the control manhole or such sampling station or stations as the Company deems appropriate.

In the event that no special manhole has been required, the control manhole shall be considered to be the nearest downstream manhole in the Company's sewer to the point at which the building sewer is connected. Sampling shall be carried out by customary accepted methods to reflect the effects of constituents upon the sewage works and to determine the existence of hazards to life, limb, and property. (The particular analyses involved will determine whether a twenty-four (24) hour composite of all outfalls of a premise is appropriate or whether a grab sample or samples should be taken. Normally, but not always, BOD and suspended solid analyses are obtained from 24-hour composites of all outfalls whereas pHs are determined from periodic grab samples.)

9. No statement contained in this Rule shall be construed as preventing any special agreement or arrangement between the Company and any industrial or commercial concern whereby an industrial or commercial waste of unusual strength or character may be accepted by the Company for treatment, subject to payment therefor, by such concern.

RULES AND REGULATIONS

RULE V APPLICATION FOR SEWER SERVICE AND SERVICE CONNECTION

1. Each prospective customer will be required to sign the standard application form (see attached) for the sewer service desired, assuming responsibility for the payment of future charges for sewer service at the designated location, before any use whatever. The person signing the application form shall be the Customer and liable for the payment of all charges for sewer service at the designated location. The Company shall require each prospective customer to provide the Company with the following information:
 - (a) Name of Customer
 - (b) Location of premises to be served
 - (c) Date customer will be ready for service
 - (d) Whether the premises have been theretofore supplied
 - (e) Purpose for which service is to be used, with the description of equipment
 - (f) Whether applicant is fee owner or ground lessee of premises
 - (g) Mailing address
 - (h) Business address and occupation
 - (i) Reference as requested
 - (j) Such other information as the Company may reasonably require, including, without limitation, plans and specifications for any building sewer proposed by the Customer.

All Customers irrespective of whether or not they have signed an application for service shall comply with the Rules and Regulations and the rate schedules of the Company.

The application is merely a request for service and does not bind the Company to serve except under conditions and provisions of these rules and regulations, nor does it bind the Customer to take service for a period longer than the minimum requirements of the applicable rate schedule.

2. Service will be granted, without advance deposit required, to property owners. Service will be granted to and an advance deposit equal to three months' estimated billing may be required from those having leases with at least a one-year term. Service may be provided to tenants of shorter duration if a deposit is made equal to three months' estimated billing. The deposit shall be subject to the provisions set forth in Paragraph 4 of this Rule.

RULES AND REGULATIONS

3. Unless otherwise provided by mutual agreement between the Company and the Customer, charges will begin when connection of the building sewer is made to the Company's sewer and will continue thereafter until disconnected by the Customer or by the Company for failure of the Customer to comply with the Rules and Regulations.
4. When an application for sewer service is made by a customer who was responsible for and failed to pay all bills previously rendered, the Company may refuse to furnish sewer service to such customer until the outstanding bills are paid. Further, in this case the Company may charge a deposit equal to three months' estimated billing. Such deposit shall be held for the benefit of the customer and interest accrued at six (6) per cent annual simple interest. Deposit with interest shall be refunded within 30 days after final bill is paid or two years of timely payment, whichever comes first. If proper application for sewer service is not made upon notification to do so by the Company, and if accumulated bills for sewer service are not paid within 30 days after deposit in the United States mail or upon presentation to the Customer, the sewer service shall be subject to discontinuance without further notice.
5. A connection deposit of not less than \$200.00 and at least equal to the Company's estimate of the cost of the service connection shall be required of the customer before the connection is installed. If the actual cost of the

RULES AND REGULATIONS

connection is in excess of the deposit, the customer will be billed and shall pay for the difference. If the actual cost is less than the deposit, the customer will be refunded the difference.

6. When the application for service connection has been approved, such connection will be installed by the Company at the expense of the applicant and thereafter will be maintained by the Company at its expense.
7. All service connections will become the property of the Company for its operation and maintenance after installation, and new connections or disconnections may be made thereto by the Company at any time.
8. Only employees of the Company, or the Company's agents, will be allowed to connect, disconnect, or provide maintenance to the service connection to the Company's sewer system.
9. A consumer, prior to making any material change in the size, character, or extent of the equipment or operations for which the Company's service is utilized, shall give the Company written notice of the extent and nature of the change not less than ten (10) days before the change is made.
10. When the proper size of service connection for any premises has been determined and the installation has been made, the Company has fulfilled its obligations insofar as the size of the service and the location are concerned. If the consumer subsequently desires a change in size of the service connection or a change in the location thereof, the customer shall bear all costs of such change.
11. All work and materials in connection with the change in location or elevation of any part of the existing sewer system made necessary by the new service connection will be at the expense of the applicant.
12. When required by the Company, contours or elevations shall be furnished by the applicant, based upon U.S.G.S. or County of Hawaii data

RULES AND REGULATIONS

13. The Company will determine the location and size of all service connections to its systems. No service connection or sewer main will be installed by the Company in any private road, lane, street, alley, court, or place, until such private areas are open to the public and brought to proper grade and unless the Company is given proper easements or other rights satisfactory to the Company for the main or service connection. Otherwise, an applicant desiring sewer service to property fronting on such private areas, must extend the applicant's collection pipe to the sewer line within the nearest public street.

RULES AND REGULATIONS

**RULE VI
CONNECTIONS AND CUT-OFFS**

1. **SERVICE CONNECTION.** When the application for service connection has been approved, such connection will be installed by the Company at the expense of the applicant customer and thereafter will be maintained by the Company at its expense. The Customer shall be responsible for the maintenance and repair of the Building sewer, while the Company shall be responsible for the maintenance and repair of the Company's sewer. In the event any portion of the Building sewer is located outside the Customer's property, it shall nevertheless remain the responsibility of the Customer to maintain and repair, as well as to obtain sufficient easement and/or access rights on and over such property for the location, maintenance and repair of that portion of the Building sewer. Notwithstanding the above, the Customer shall be liable for damage to equipment, lines or other Company property, wherever located, if the damage is caused by the Customer. If the damage is caused by tree roots, the Company shall be responsible for initial tree root damage or blockage to sewer lines within the public right-of-way or within a utility easement along the Company's sewer main. If damage is caused by a tree on the Customer's property, or which is the responsibility of the Customer to maintain, the Customer shall be responsible for the Company's costs to repair subsequent damage to the sewer lines. The size, alignment, materials and method of construction, including, without limitation, jointing and testing of the service connection shall conform to the building and plumbing code or other applicable rules and regulations of the County of Hawaii and the Company. In the event of any conflict between the building and plumbing code or other applicable rules and regulations of the County of Hawaii and the rules and regulations of the Company, the stricter shall apply, unless otherwise agreed to by the Company.

RULES AND REGULATIONS

2. BUILDING SEWER.

(a) The Customer shall install the building sewer at Customer's expense. The building sewer shall at all times remain the sole property of the Customer, who shall be responsible for its maintenance and repair. The size, slope, alignment, materials and method of construction of the building sewer, including, without limitation, the methods to be used in excavating, placing of pipe, jointing, testing and backfilling the trench, shall conform to the requirements of the building and plumbing code or other applicable rules and regulations of the City and County of Honolulu and the Company. In the event of any conflict between the building and plumbing code or other applicable rules and regulations of the County of Hawaii and the rules and regulations of the Company, the stricter shall apply, unless otherwise agreed to by the Company. Wherever any drain is too low to permit gravity flow to the Company's sewer, sewage carried by such drain shall be lifted by an approved means and discharged to the building sewer. All service connection will become the property of the Company for its operation and maintenance after installation, and new connections or disconnections may be made thereto by the Company at any time.

(b) A Customer shall not connect anything other than the sewer line comprising the building sewer to the Company's Sewerage System. A Customer in violation of this prohibition shall immediately remove such connection at its own expense or be subject to discontinuance of service. Connections specifically prohibited include, without limitation, roof gutters and outdoor drains.

3. CONNECTION TO COMPANY'S SEWER MAIN. Only employees of the Company or duly licensed contractors approved by the Company will be allowed to connect or disconnect the service connection to or from the Company's sewer main.
4. SIZE OF SERVICE CONNECTION. The Company will determine the location and size of all service connections to its system. The Company also reserves the right to limit the number of houses or buildings and/or the area of land to be serviced by any one or more service connections.
5. CHANGE IN LOCATION OR SIZE OF SERVICE CONNECTION. If the Customer desires a change in size of the service connection or a change in the location thereof, he shall bear all costs of such change.

RULES AND REGULATIONS

6. SEWER CLEAN-OUT. A readily accessible sewer clean-out will be installed and maintained by the Customer at all times. The sewer clean-out shall be located at the Customer's property or on the Customer's building sewer at a location to be determined by the Company. If a replacement of the clean-out is necessary, it shall be done and paid for by the Customer.
7. ALTERATION TO SEWERAGE SYSTEM. All work and materials in connection with the change in location, elevation or alteration of any kind whatsoever to any part of the Company's existing sewerage system made necessary or required by any change in location, flow, character, size or extent of the equipment or operations for which the Company's service is utilized, shall be done and furnished by the Company or duly licensed contractors approved by the Company and paid for by the Customer. All such work and material when completed and installed shall be and remain the sole property of the Company.
8. ALL CONSTRUCTION AND DONATION OF SEWERAGE SYSTEM FACILITIES DUE TO DEVELOPMENT. An Applicant requesting service of a Development shall give the Company written notice of the extent and nature thereof together with the plans and specifications therefor not less than 90 days before the construction of the Development is to be undertaken. The extent and nature of the Development with respect to sewage disposal shall be subject to the Company's approval, which approval will be contingent upon the Applicant's installation of the sewerage facilities within the Development and such other Offsite and Special Facilities as may be necessary or required by the Company. Upon installation of all such Facilities and the acceptance thereof by the Company, the Applicant shall forthwith donate same to the Company at no cost to the Company. If the Company should require the installation of Offsite and/or Special Facilities in excess of the specific requirements of the Applicant's Development, the Company will reimburse the Applicant the incremental cost of such excess capacity upon the Applicant's donation of such Facilities to the Company. The foregoing requirements are in addition to any Service Extension Charge the Applicant may be required to pay because of his Development

RULES AND REGULATIONS

**RULE VII
METER READING AND RENDERING OF BILLS**

1. **BILLS.** Bills are rendered monthly or bimonthly at the option of the Company. All bills shall be due and payable within thirty (30) days after deposit in the United States mail or presentation to the Customer. Payment shall be made at the office of the Company or, at the Company's option, to duly authorized collectors of the Company, in person or by U.S. mail. If any bill is not paid within thirty (30) days after presentation or deposit in the United States mail, the sewer service will be subject to discontinuance in accordance with Rule VIII, and a reconnection charge of \$25.00 shall be required in addition to payment of the amount due and payable in order to re-establish sewer service.

With respect to each Commercial Customer, the bill will contain a clear listing of all charges, containing at a minimum the following information: (1) meter number/identification of the Customer account, (2) date of the meter reading, (3) current and previous monthly reading for that Customer's meter, (4) the multiple factor used to determine the meter size and the amount of water for the Customer's meter, (5) the computed water use for the Customer's meter, and (6) the rate used in calculating the Customer's bill. The Company will comply with reasonable customer requests for any additional itemized statement of charges. If there is a dispute concerning the amount of the Customer's bill, service will not be discontinued based on the Customer's failure to pay the amount of the bill in dispute (provided that the Customer pays the undisputed amount of the bill within the time period set forth above). If the dispute is not resolved, the Customer will be entitled to contact the Hawaii Public Utilities Commission for a review of the dispute.

2. **LATE PAYMENT CHARGE.** If the charges payable hereunder by the Customer are not paid on or before the due date, there shall be added as a late payment charge an amount equal to 1/2% per month of the delinquent balance.

RULES AND REGULATIONS

3. BILL DISPUTES. The customer shall submit any dispute regarding the charges appearing on the bill to the Company in writing not later than twenty (20) days following the due date for the bill. The Company shall furnish a written response regarding its investigation and determination as to the correctness or any adjustments to the bill within fifteen (15) days of its receipt of the written dispute. The customer may pay the disputed bill under protest within the time required by this Rule VIII to avoid discontinuation of service, in which event the dispute will be submitted to the Public Utilities Commission of the State of Hawaii for final determination.
4. METER READING. When the monthly sewer quantity charge is based on metered domestic water consumption, the meter readings will be performed by the Company, its agent, or the Hawaii County Department of Water Supply (the DWS). Special readings will be made, when necessary, for closing accounts or for other reasons.
 - a. Readings of separate meters will not be combined. For the purpose of computing charges, all meters serving the customer's premises will be considered separately, and the readings thereof will not be combined except in cases where the DWS installs two or more meters in parallel to serve the same customer's supply pipe.

RULES AND REGULATIONS

- b. If the DWS makes an adjustment of a customer's water usage, the Company will make a comparable adjustment of the customer's sewer fee, provided that the customer's sewer fee is based on metered domestic water consumption.
- c. No adjustments will be made nor submetered readings taken to adjust water consumption for irrigation or other non-sanitary uses of water.

RULES AND REGULATIONS

RULE VIII DISCONTINUANCE AND RESTORATION OF SERVICE

1. The Company may refuse or discontinue sewer service for any of the reasons listed below:

- (a) Without notice in the event of a condition determined by the Company to be hazardous. The Company shall have the right to refuse a service to any applicant and to refuse or discontinue service to any Customer whose equipment or use thereof shall be determined by the Company to be unsafe or in violation of applicable laws, ordinances, rules or regulations of any public authority, or if any condition existing upon the applicant's or Customer's premises shall be determined by the Company to endanger the Company's facilities.

The Company does not assume any duty of inspecting or repairing any applicant's or Customer's equipment or any part thereof and assumes no liability therefor.

- (b) Without notice in the event of Customer use of equipment, in such a manner as to adversely affect the Company's equipment or the Company's service to others.
- (c) Without notice in the event of tampering with the equipment furnished and owned by the Company.
- (d) Without notice in the event of unauthorized use or use in violation of applicable laws, ordinances, rules, or regulations of any public authority.
- (e) For violation of and/or noncompliance with the Company's tariff or rules on file with and approved by the Commission. The Company may discontinue service to a Customer if after written notice of such noncompliance the Customer fails to comply within 5 days after date of presentation of such notice or within such other period of time after date of presentation of such notice as may be specified in such notice.

RULES AND REGULATIONS

- (f) For failure of the Customer to fulfill his contractual obligations for service and/or facilities subject to regulation by the Commission.
 - (g) For failure of the Customer to permit the Company reasonable access to its equipment.
 - (h) For non-payment of bill provided that the Company has made a reasonable attempt to affect collection and has given the Customer written notice that he has at least 5 days, excluding Sundays and holidays, in which to make settlement on his account or have his service denied.
- 2. When a Customer desires to terminate his responsibility for service, he shall give the Company not less than 30 days' notice and state the date on which he wishes the termination to become effective. A customer may be held responsible for all service furnished at the premises until 30 days after receipt of such notice by the Company or until the date the building sewer is disconnected by the Customer, at his expense, whichever date is later. The materials and methods employed in disconnecting the building sewer shall conform to the building and plumbing code or other applicable rules and regulations of said City and County of Honolulu and the rules of the Company. In the event of any conflict between the building and plumbing code or applicable rules and regulations of said City and County and the rules of the Company, the stricter shall apply.
 - 3. Closing bills will ordinarily be determined by measuring the amount of water used since the last bill, as indicated by the meter reading, and adding a prorated service charge. In pro-rating service charges, a billing month will be considered as thirty days. If a meter cannot be read, an estimated billing will be rendered.
 - 4. Sewer service may be discontinued for nonpayment of a bill within thirty (30) days after the mailing or presentation thereof to the customer. The Company may pursue any other remedy permitted by law.
 - 5. If the customer fails to comply with any of these Rules and Regulations, or tampers with the service facilities of the Company, the Company will have the right to discontinue the service.
 - 6. The Company may refuse to grant service or may discontinue existing sewer service to any premises to protect itself against fraud, abuse, or disposal of unacceptable wastes.

RULES AND REGULATIONS

7. The Company may refuse to furnish an increased level of service, and may discontinue the sewer service to any premises, where the demands of the customer will result in inadequate service to others.
8. Unless otherwise stated or unless termination without notice is necessary to protect against a condition determined by the Company to be hazardous or to prevent any abuse of service that adversely affects the Company sewer

RULES AND REGULATIONS

9. system or its service to other customers, a customer will be given at least five (5) days' written notice prior to termination of service, and the consumer's service will not be discontinued on the day preceding or days on which the Company's business office is closed. Before restoring service that has been discontinued for nonpayment of bills or for failure to otherwise comply with this tariff, the Customer shall be required to reconnect the service connection at his expense. The size, alignment, materials and method of construction, including, without limitation, jointing and testing of the service connection shall conform to the building and plumbing code or other applicable rules and regulations of the City and County of Honolulu and the Company. In the event of any conflict between the building and plumbing code or other applicable rules and regulations of the Company, the stricter shall apply, unless otherwise agreed to by the Company. Provided, however, that if the, Company deems it necessary under the circumstances, it may at its option reconnect the Customer's service connection at the Customer's expense. In such event a charge equal to the Company's estimate of the cost of such reconnection shall be paid by the Customer before the reconnection is made. If the actual cost is less than the payment, the Customer will be refunded the difference. If the actual cost is more than the payment, the Customer shall pay the difference to the Company upon receipt of the Company's billing therefor.

RULES AND REGULATIONS

RULE IX
LIABILITY FOR REPAIR COSTS

The Customer shall be liable for any damage to equipment or property of the Company wherever located caused by the Customer or the Customer's tenants, agents, employees, contractors, licensees, or permittees, on the Customer's premises, and the Company shall be promptly reimbursed by the Customer for any such damage upon presentation of a bill therefor. Any damage to Company facilities shall be reported as soon as possible.

RULES AND REGULATIONS

RULE X
INGRESS TO AND EGRESS FROM CUSTOMER'S PREMISES

Any officer, or employee, or agent of the Company shall have the right to ingress and egress from the Customer's premises at all reasonable hours for any purpose reasonably connected with the furnishing of sewer service to said premises or the operation of the sewer system and the exercise of any and all rights secured to the it by law or these Rules and Regulations.

RULES AND REGULATIONS

**RULE XI
SEVERABILITY**

If any rule, section, sentence, clause, or phrase of these Rules and Regulations or its application to any person or circumstance or property is held to be unconstitutional or invalid, the remaining portions of these Rules and Regulations or the application of these Rules and Regulations to other persons or circumstances or property shall not be affected. The Company hereby declares that it would have adopted these Rules and Regulations, and each and every rule, section, sentence, clause, or phrase thereof, irrespective of the fact that any one or more other rules, sections, sentences, clauses, or phrases be declared unconstitutional or invalid.

RULES AND REGULATIONS

**RULE XII
CONTRIBUTION IN AID OF CONSTRUCTION
(FACILITIES CHARGES)**

1. As a condition of (a) receiving service to a "New Customer Facility" (as defined below) or (b) substantially increasing sewage outflow volume from a "Substantially Modified Customer Facility" (as defined below), a developer or customer may be required to pay a nonrefundable contribution in aid of construction ("CIAC") to the Company. If CIAC is required, the Company will use such CIAC to install or pay for the whole or a portion of any "New or Expanded Utility Premises or Facilities" (as defined below) to the Company's sewer system required to serve such New Customer Facility or Substantially Modified Customer Facility, as applicable. In determining whether a nonrefundable CIAC will be required, the Company will consider factors including:
 - (a) Whether the need for the New or Expanded Utility Premises or Facilities is caused primarily by the New Customer Facility or the Substantially Modified Customer Facility, as applicable; and
 - (b) Whether the Company was considering the construction of the New or Expanded Utility Premises or Facilities as part of its "Common Facilities" (as defined below) prior to the request for the New Customer Facility or Substantially Modified Customer Facility.

As used in this Rule XI, "Common Facilities" means utility premises or facilities which were not installed or constructed by CIAC payments and are generally used to provide sewer services to the Company's customers.

2. CIAC payments are used by the Company to install or pay for the Company's New or Expanded Utility Premises or Facilities required to serve a New Customer Facility or a Substantially Modified Customer Facility. "New or Expanded Utility Premises or Facilities" to the Company's sewer system include, but are not limited to, any of the following which have occurred after July 1, 2013:
 - (a) Construction and permitting of new or expanded primary collection main extensions;
 - (b) Construction and permitting of new or expanded effluent disposal systems;

RULES AND REGULATIONS

- (c) Construction and permitting of new or expanded primary collection system or improvements to increase the capacity or efficiency of the existing primary collection system;
 - (d) Preparation, engineering and design work necessary to the construction of new or expanded sewer treatment facilities; and
 - (e) Related improvements intended to increase the capacity, efficiency or quality of the primary sewer system.
3. As used in this Rule XII, "New Customer Facility" means a premise or facility that the Company has not authorized to connect to the Company's sewer system prior to the date of the requested service.
4. As used in this Rule XII, "Substantially Modified Customer Facility" means a Customer's premise or facility to which any material change is made in the size of the existing premise or facility currently served by the Company, or in the character or extent of any activities conducted at the existing premise or facility, which results in an estimated demand impact of an increase in sewage outflow volume by the premises or facilities in excess of twenty percent (20%).

RULES AND REGULATIONS

5. The CIAC required as a condition of service to a New Customer Facility will be payable only once for such New Customer Facility, provided that, as set forth in this Rule XI, a new CIAC may be required if and when such premise or facility becomes a Substantially Modified Customer Facility.
6. The amount of the CIAC will be based upon the developer's or customer's pro rata share (taking into consideration the average daily demand of the New Customer Facility or the average daily demand impact of the Substantially Modified Customer Facility, as applicable) of the cost of the Company's New or Expanded Utility Premises or Facilities required to serve the New Customer Facility or the Substantially Modified Customer Facility, as applicable. The Company reserves the right to evaluate each development or unit for design wastewater flows expected from such developments and to charge each an amount based upon the applicable cost rate and the design wastewater flow expected.
7. The average daily demand of the New Customer Facility or the average daily demand impact of the Substantially Modified Customer Facility will be based on the design flows set forth in Section 1(a) of Rule 11. These guidelines are approximate, and each New Customer Facility or Substantially Modified Customer Facility, as applicable, will be evaluated based on design.
8. The CIAC for the Company's New or Expanded Utility Premise or Facilities associated with a New Customer Facility shall be payable as follows: (a) the initial 50 percent (50%) of the CIAC shall be paid within ninety (90) days of issuance of a "will serve" letter by the Company for the New Customer Facility, and (b) the remaining 50 percent (50%) of the CIAC shall be paid prior to commencing construction of the Company's New or Expanded Utility Premises or Facilities. If the initial 50 percent (50%) of the CIAC is not paid within ninety (90) days after issuance of the "will serve" letter, the "will serve" letter shall thereafter be null and void.
9. The full amount of the CIAC for the Company's New or Expanded Utility Premises or Facilities associated with a Substantially Modified Customer Facility shall be paid by no later than the earlier of: (a) the thirtieth (30th) day after the developer or customer receives a building permit in connection with the Substantially Modified Customer Facility, or (b) the date upon which the developer or customer increases sewage outflow volume (as described in section 4 above) in connection with the Substantially Modified Customer Facility.

RULES AND REGULATIONS

10. Service shall be denied to or disconnected from Applicants who fail to make the contribution in aid of construction payment as described in these rules.
11. In addition to the CIAC charges, applicants and/or Customers shall pay to the Company any and all applicable federal, state, and county taxes (including without limitation any general excise taxes, but excluding federal and state income taxes), charges, fees, or assessments applicable to the CIAC payment and incurred by or payable by the Company.
12. In lieu of providing the CIAC required by this Rule XII, a developer or customer may, at the Company's option, be permitted to construct and install, or to arrange for the construction and installation of, the New or Expanded Utility Premises or Facilities required to serve the New Customer Facility or the Substantially Modified Customer Facility. Such installations, if permitted by the Company, shall be made in accordance with plans and specifications approved by the Company and shall be made by contractors approved by the Company. The cost of such installations, including the cost of inspection and supervision by the Company, shall be paid directly by the developer or customer. The developer or customer, as applicable, shall provide the Company

RULES AND REGULATIONS

with statements of the actual construction cost in reasonable detail. All New or Expanded Utility Premises or Facilities installed hereunder will become the sole property of the Company, and shall be dedicated to the Company upon completion (in a manner satisfactory to the Company), free and clear of any liens, mortgages, or other encumbrances, through appropriate deeds, rights of way, easements, bills of sale, or other instruments as required by the Company. In addition, the developer or customer shall be required to pay to the Company all Hawaii and federal income tax applicable to the contribution of the New or Expanded Utility Premises or Facilities, calculated at the marginal income tax rate applicable to corporations, and the Company will not be required to accept the dedication of the New or Expanded Utility Premises or Facilities prior to the Company's receipt of such payment.

RULES AND REGULATIONS

RULE XIII SYSTEM EXTENSIONS

1. Extensions of secondary sewer mains from the Company sewer system to serve new customers, and connections to sewer main extensions with respect to which customer contributions were made, will be made under the provisions of this rule. A contract concerning extension of the secondary sewer main shall be executed by the Company and the customer before the Company begins construction work on such a main. Or, if the customer constructs an extension of a secondary sewer main, the contract shall be executed before the facilities comprising the extension are transferred to the Company.
2. Customer contributions may be either refundable or nonrefundable depending on their use. For the purposes of this Rule XIII, the "nonrefundable construction cost" will be the cost to install facilities of adequate capacity for the service requested. If the Company, at its option, determines that it is appropriate to install facilities with a larger capacity or with greater footage of extension than required for the service requested, the "oversizing cost," for the purpose of this Rule XIII, will be the difference between the total construction cost of the facilities installed and the nonrefundable construction cost. Such "oversizing cost" will be subject to refund in accordance with Sections 6(g) and 6(h) of this Rule XIII.
3. Ownership, design and construction of facilities will be in accordance with the following provisions:
 - (a) Any facilities installed hereunder will be the sole property of the Company.
 - (b) The size, type, and quality of materials, and their location, will be specified by the Company, and the actual construction will be done by the Company or by a contractor acceptable to it.
 - (c) When an extension must comply with an ordinance, regulation, or specification of a public authority, the estimated and actual construction

RULES AND REGULATIONS

costs of the extension will be based upon the facilities required to comply therewith.

- (d) The Company may, but will not be required to, make secondary sewer extensions under this Rule XIII in easements or rights of way where final grades have not been established, or where street grades have not been brought to those established by public authority. If extensions are made when grades have not been established and there is a reasonable probability that the existing grade will be changed, the Company may require that the applicant or applicants for the secondary sewer main extension deposit, at the time of executing the contract for the extension, the estimated net cost of relocating, raising, or lowering facilities upon final grades. Adjustment of any difference between the amount so deposited and the actual cost of relocating, raising, or lowering facilities will be made within ten (10) days after the Company has ascertained such actual cost. The net deposit representing actual cost is not subject to refund. When such displacements are determined by proper authority not to be required, the entire deposit related to the proposed relocation, raising, or lowering will be refunded without interest.

4. Estimates, plans, and specifications shall be required of the applicant as follows:

- (a) As part of applying for a secondary sewer main extension, the applicant's engineer shall prepare a preliminary sketch and rough estimate of the cost of installation to be contributed by the applicant.
- (b) The Company shall review plans submitted to it within a reasonable time after receipt of such plans, specifications, and cost estimates of the proposed sewer main extension. If the secondary extension is to include oversizing of facilities for which there will be an oversizing cost, appropriate details shall be set forth in the plans, specifications, and cost estimates.

RULES AND REGULATIONS

- (c) The applicant shall furnish a map to a suitable scale showing the street and lot layouts and, when requested by the Company, contours or other indication of the relative elevation of the various parts of the area to be developed. If changes are made subsequent to the presentation of this map by the applicant, and these changes require additional expense in revising plans, specifications, and cost estimates, the applicant's engineer shall make those changes at no expense to the Company.
- 5. Timing and adjustment of the consumer or applicant's contributions will be in accordance with the following provisions:
 - (a) Unless the applicant for the secondary sewer main extension elects to arrange for the installation of the extension by the applicant, as permitted by Section 6(e) of this Rule, the full amount of the required customer contribution shall be required by the Company when the sewer main extension contract is executed. An acceptable surety bond may, at the sole discretion of the Company, also be acceptable.
 - (b) If the applicant for a secondary sewer main extension posts a surety bond in lieu of cash, such surety bond must be replaced with cash not less than ten (10) calendar days before construction is to commence. However, the applicant may be required to deposit sufficient cash to cover the cost of materials before they are ordered by the Company.
 - (c) An applicant for a secondary sewer main extension who makes a contribution shall be provided with a statement of actual construction cost and oversizing cost showing in reasonable detail the costs incurred for material, labor, any other direct and indirect costs, overheads, and total costs, unit costs, or contract costs, whichever are appropriate.
 - (d) The statement shall be submitted within a reasonable time after the actual construction costs of the installation are ascertained by the Company.

RULES AND REGULATIONS

- (e) Any difference between the actual construction costs and the total amount of the customer contribution will be shown as a revision of the amount of the customer contribution, and shall be payable by the applicant, or by the Company, as appropriate, within thirty (30) days after the statement is submitted.
- 6. Customer contributions and refunds will be treated in the following manner:
 - (a) Unless the procedure outlined in Section 6(e) of this Rule is followed, an applicant for a secondary sewer extension to serve a new development, subdivision, tract, industrial or commercial development, or other project shall be required to pay to the Company, before construction commences, a nonrefundable contribution equal to the estimated nonrefundable construction cost of the sewer extension to be actually installed, from the nearest Company facility at least equal in size or capacity to the main required to serve both the new consumer and a reasonable estimate of the potential consumers who might be served directly from the secondary sewer main extension without additional extension. The cost of the secondary sewer extension shall include necessary connections, pipes, fittings, valves, valve boxes, booster stations, pressure regulating stations, and other sewer system collection appurtenances.
 - (b) If special facilities consisting of items not covered by Section 6(a) of this Rule are required for the service requested, the cost of the special facilities shall be included in the customer contribution.
 - (c) In addition to the nonrefundable contribution required by Sections 6(a) and 6(b) of this Rule, an applicant for a secondary sewer main extension shall be required to advance to the Company the oversizing cost estimated by the Company for the secondary sewer main extension deemed to be appropriate by the Company. (This additional contribution will be refundable in accordance with Sections 6(g) and 6(h) of this Rule XIII.)

RULES AND REGULATIONS

- (d) A "pioneer," for the purposes of this rule, is a developer or consumer who makes a contribution to pay the costs of oversizing a secondary sewer main extension.
- (e) In lieu of providing the customer contribution in accordance with Sections 6(a), 6(b) and 6(c) of this Rule, the applicant for a secondary sewer main extension will be permitted, if deemed to be qualified in the judgment of the Company, to construct and install the facilities, or to arrange for their installation. If secondary main extension facilities are arranged for by the applicant and constructed by others, the secondary extension shall be installed pursuant to competitive bidding procedures unless waived by the Company. The cost, including the cost of inspection and supervision by the Company, shall be paid directly by the applicant. The applicant shall provide the Company with a statement of actual construction cost in reasonable detail. The installation shall be in accordance with the plans and specifications submitted by the Company pursuant to Section 4(b) of this Rule. All facilities shall be dedicated to the Company through appropriate deeds, rights of way, easements, bills of sale, or other instruments as required upon completion, in accordance with Section 3(a) of this Rule XIII.
- (f) If a subsequent applicant connects to a secondary sewer main extension that was paid for by one or more pioneers, that subsequent applicant shall be required to pay a nonrefundable extension refund charge equal to its proportionate share of the oversizing cost of such secondary sewer extension based on anticipated consumption. Such extension refund charge will only be assessed to the extent that it is to be paid by the Company to the pioneer or pioneers pursuant to Sections 6(g) and 6(h) of this Rule.
- (g) A refund of all or part of the refundable customer contribution made by a pioneer will be made if subsequent applicants are provided service from the secondary sewer main extension and pay an extension refund charge based on their proportionate share of the oversizing cost of the secondary

RULES AND REGULATIONS

main extension. The refunds, if any, will be made from subsequent extension refund charges covering a proportionate share of the oversizing cost for the sewer main extension.

- (h) Refunds to pioneers, if any, will be made annually in the first quarter of each applicable year to pioneers on record as of December 31 of the previous year, for a period of ten (10) years following the year that the secondary sewer main extension was placed into service. Refunds will be made without interest. The total refunds that a pioneer may receive will not exceed the amount of the customer contribution paid by the pioneer.
 - (i) All customer contributions and extension refund charges shall include the Hawaii and Federal income tax applicable to the contribution calculated at the marginal income tax rate applicable to corporations.
- 7. Any contract entered into under this Rule XIII may be assigned, after settlement of actual construction costs, after written notice to the Company by the holder of the contract as shown by the Company's records. Such assignment will apply only to those refunds that become due more than thirty (30) days after the date of receipt by the Company of the notice of assignment. The Company shall not be required to make any one refund payment under such contract to more than a single assignee.
- 8. Secondary sewer main extension contracts may be terminated as follows:
Any contract entered into under Section 6 of this rule may be purchased by the Company and terminated, provided the payment is not in excess of the remaining contract balance.

RULES AND REGULATIONS

RULE XIV
AUTOMATIC POWER COST ADJUSTMENT CLAUSE

In December of each year, the Company will calculate the actual rate per kWh for the prior twelve-month period beginning on December 1 of the preceding year and ending on November 30 of the current year ("Measurement Year") by dividing the total electric expense by the total adjusted kWh for that period to determine the Measurement Year electric expense per kWh. The Company will then compare the rate per adjusted kWh for the Measurement Year with the base rate per adjusted kWh as determined in the last rate proceeding and use the difference to determine the Automatic Power Cost Adjustment Clause ("APCAC"), which will be added or subtracted from the Company's then effective rates and applied prospectively for the next twelve (12) months beginning January 1 and ending December 31 ("Implementation Year").

The difference in the electric cost per adjusted kWh will then be multiplied by the base year adjusted kWh, and the result divided by the Measurement Year revenues to obtain an adjustment percentage which shall be applied to the then effective rates as follows:

1. Measurement Year Electricity Cost	* To be determined
2. Measurement Year adjusted kWh Usage	* To be determined
3. Measurement Year Cost per adjusted kWh (Line 1 / Line 2)	* To be determined
4. Base Year Cost per adjusted kWh	\$0.4449
5. Increase (Decrease) in Cost per adjusted kWh (Line 3 - Line 4)	* To be determined
6. Base Year adjusted kWh	236,243
7. Cost Increase (Decrease) (Line 5 * Line 6)	* To be determined
8. Grossed-up for Revenue Taxes @1.0512 (Line 7 * 1.0512)	* To be determined
9. Measurement Year Revenue	* To be determined
10. Percent Increase (Decrease) Required (Line 8 / Line 9)	* To be determined

* The annual APCAC computation will reflect the actual recorded amounts for the Measurement Year. The Percent Increase (Decrease) (i.e., line 10) will be applied to all of the approved rates as set forth in HAWC's Sewer Rate Schedule beginning in January of the Implementation Year. The resulting rates will be billed for each month of the Implementation Year until a new APCAC is computed. The Company will prepare and maintain an annual reconciliation of the APCAC revenue collected during the Implementation Year compared with the change in electricity expense to be recovered through the APCAC for the Measurement Year.

RULES AND REGULATIONS

FORM OF APPLICATION FOR SERVICE

Hawaii-American Water Company

P.O. Box 25010
Honolulu, Hawaii 96825
Telephone: 808-394-1285
Email: lee.mansfield@amwater.com

Application for Wastewater Service

Date: _____ Application #: _____

Applicant's Name/Title: _____

Owner's Name: _____ Phone: _____

Service Address: _____ Fax: _____

Tax Map Key: _____

Lot Size: _____

County Zoning: _____

Type of Use: _____ Residential _____ Commercial _____ Industrial _____ Other

Estimated Daily Sewer Flow: _____ gallons per day

Billing Address: _____

Initial Water Meter Reading _____ gallons Date Read _____

If wastewater service is approved, I hereby authorize the Department of Water Supply to release their records of water consumption to Hawaii-American Water Company for their sewer billing purposes.

Applicant's Signature: _____
Its