

Kalaeloa Water Company, LLC
A subsidiary of Hawaii Water Service Company, Inc.
Kalaeloa, Hawaii

KWC Tariff No. 1
Original Title Sheet

KALAELOA WATER COMPANY, LLC

A subsidiary of Hawaii Water Service Company, Inc.

RULES AND REGULATIONS

GOVERNING RATE SCHEDULES AND THE PROVISION OF POTABLE WATER SERVICE TO CONSUMERS

Post Office Box 384809
Waikoloa, Hawaii 96738

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Kalaeloa Water Company, LLC
A subsidiary of Hawaii Water Service Company, Inc.
Kalaeloa, Hawaii

KWC Tariff No. 1
First Revision of Sheet 5
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FOREWORD

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

It is the policy of the Company to render fully satisfactory service to all Consumers and to encourage courtesy to the public by all its employees. The Company desires to cooperate with Consumers to eliminate the waste of water and thus minimize charges to the Consumer.

The Company will provide water utility service to all existing Consumers and prospective Consumers within the limits of the water resources and system capacities available in its service territory.

Consumers are advised to obtain information from the Company on the availability of water, pressure conditions and other pertinent data to assure satisfactory service. It is the Company's objective to deliver potable water to Consumers at a minimum cost consistent with the Company receiving a reasonable rate of return.

The Company will comply with the Clean Water Act and all State Department of Health drinking-water program requirements.

SYMBOLS

When a change in tariff sheet is filed with the Public Utilities Commission of the State of Hawaii ("Commission"), attention shall be directed to such change by a symbol along the right-hand margin of the tariff sheet utilizing the following symbols as appropriate:

- (C) To signify change in wording of text which may result in change in rate, rule or condition.
- (D) To signify discontinued material, including listing, rate, rule or condition.
- (I) To signify increase.
- (L) To signify material relocated from or to another part of tariff schedules with no change in text, rate, rule or condition.
- (N) To signify new material including listing, rate, rule or condition.
- (R) To signify reduction.
- (T) To signify change in wording of text but not change in rate, rule or condition.

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, certain words and phrases used herein are defined as follows:

1. The word "Company" shall mean the Kalaeloa Water Company, LLC, a Hawaii limited liability company, a subsidiary of HAWAII WATER SERVICE COMPANY, INC, a Hawaii corporation, pursuant to Decision and Order No. 37325, filed on September 25, 2020, in Docket No. 2019-0144.
2. "Company water system" means the system owned and operated by the Company.
3. The word "Consumer" shall mean the person or persons, firm, corporation, association, or governmental department, whether owner or tenant, whose name(s) appear on the records of the Company as the party receiving water service and responsible and liable for payment of charges to the Company.
4. The term "Consumer's supply pipe" shall mean the pipe extending from the shut-off valve to the Consumer's facility.
5. 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, including the cost of the meter.
6. The term "day" shall mean calendar day.
7. The word "main" or "main pipe" shall mean the Company's supply or distribution pipe to which service connections are made.
8. The term "Notice of discontinuance" means oral or written notice to the Company by a customer that the customer wishes to discontinue service. Oral or written notice will be received only during business hours, Monday through Friday, not including holidays.
9. The term "Rules and Regulations" means the Rules and Regulations Governing Rate Schedules and the Provision of Potable Water Service to Consumers (also referred to herein as "these Rules and Regulations") adopted by the Company and as the same may be modified or amended from time to time by the Company as approved by the Public Utilities Commission of the State of Hawaii.
10. The term "service connection" shall mean the main tap, pipe, fittings, and valves,

from the water main to and including the meter and shut-off valve.

11. The word "standby charge" is a service charge that seeks to recover some of the administrative and maintenance costs associated with providing potable water services including, but not limited to, the costs of meter reading, billing, collections, accounting and maintenance for water meters.
12. The word "subdivision" shall mean improved or unimproved land or lands divided or proposed to be divided into two or more lots, parcels, sites, or other divisions of land for purposes, whether immediate or future, of sale, lease, rental, transfer of title to or interest in any or all of such parcels, and shall include resubdivision, and when appropriate to the context shall relate to the process of subdividing of the land or territory subdivided. Easements for roadway or access purposes shall be construed as subdivided land. The term includes a building or group of buildings, other than a hotel, containing or divided into three or more dwelling units. Planned unit development and condominiums shall be included in this definition for purposes of this rule.

RULE II
GENERAL CONDITIONS

1. Any prospective Consumer whose premises are within service limits established by the Company and adjacent to a distribution main, where pressure conditions permit, may obtain water service provided that the Company has a sufficient water supply developed for domestic use, fire protection and for existing irrigation and non-potable use to take on new or additional service without detriment to those already served. The Consumer shall be responsible for potable and non-potable water uses within its premises when required by the Company.
2. Where an extension of mains is necessary or where large quantities of water are required or a substantial investment is necessary to provide service, the Consumer will be informed by the Company as to the conditions and charges to be made for the particular area and situation in question before water service may be approved.
3. All water supplied by the Company will be measured by means of suitable meters registering in gallons. When it is impractical to meter the service, a flat rate may be charged. The amounts to be paid for water and water service shall be in accordance with the rates on file with the Public Utilities Commission of the State of Hawaii. The Company will determine the location and size of all meters and service connections to its system. All service connections shall become the property of the Company for operation and maintenance after installation and new connections or disconnections may be made thereto by the Company at any time.
4. The Company shall provide services in the areas listed and identified on the map attached as Exhibit "A".
5. Fire hydrants and necessary pipelines and appurtenances shall be installed by the developer in residential, business, industrial, apartment, duplex, commercial, airport, and hotel districts as required by the Company for adequate fire protection. The Honolulu Board of Water Supply Water System Standards shall be used as a guide in designing mains for fire flow requirements as covered in Rule XXIII of these Rules and Regulations.
6. The developer shall install, in accordance with these Rules and Regulations and the Honolulu Board of Water Supply Water System Standards, and pay for the water system required for the development.
7. Payment to the Company for all fees, charges, and other payments due Company shall be made in U.S. dollars.

RULE III
CONSERVATION MEASURES AND INTERRUPTION OF WATER SUPPLY

1. The Company will exercise reasonable diligence and care to deliver an adequate supply of water to the Consumer, to avoid shortages or interruptions in water service and to maintain adequate pressure in its water mains. It will not be liable for any interruption, shortage, insufficiency of supply, lack of or excessive water pressure, or for termination of water service without notice for conservation measures and for other reasons deemed necessary and proper.

The Company will not be liable for temporary colored or turbid water conditions caused by emergency repair of water mains.

2. Whenever, in the Company's opinion, special conservation measures are advisable in order to forestall water shortage and a consequent emergency, the Company may restrict the use of water by any reasonable method of control. In determining the priorities in restricting the use of water, the health and safety of the public shall be given first consideration over other uses.
3. The Company reserves the right to shut off water from the mains for the purpose of making repairs, extensions, alterations, or for other reasons, and will not be responsible or liable for any property loss or damage incurred by the Consumer due to such interruption of service. Except in cases of emergency repairs, the Company shall use its best efforts to give Consumers 24 hours notice before shutting off water. Consumers depending upon a continuous supply of water shall provide emergency water storage and any check valves or other devices necessary for the protection of plumbing or fixtures against failure of the pressure or supply of water in the Company's mains. 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 Consumer.

RULE IV
ELEVATION AGREEMENT, PRESSURE CONDITIONS

1. Where property is situated at such an elevation that it cannot be assured of a dependable supply or of adequate service from the Company's distribution system, the Consumer, in consideration of connection with the Company's system, must agree to accept such water service as the Company is able to render from its existing facilities, or to install if necessary and maintain at the Consumer's expense a tank and pump of suitable design and of sufficient capacity to furnish an adequate and dependable supply of water. The Company shall make every effort to maintain pressure in its water mains, but shall not accept responsibility for failing to maintain pressure or accept any liability for any loss due to lack of pressure. The Consumer shall execute a written release in favor of the Company for all claims on account of any inadequacy in the Company's system or inadequacy of water supply to the Consumer.
2. When the pressure of the Company's supply fluctuates or is higher than that for which individual fixtures are designed, the Consumer shall protect such fixtures by installing and maintaining pressure reducing and relief valves. The Company will not be liable for damage due to pressure conditions or caused by or arising from the failure or defective condition of such pressure regulators and relief valves or for damage that may occur through the installation, maintenance, or use of such equipment.
3. When required by the Company, the Consumer shall install an air gap or other protective devices between the Consumer's supply pipe and the service connection.
4. Wherever a check valve or pressure reducing valve is installed on the Consumer's cold water supply line between the main and a hot water storage tank and/or heater, there shall be installed on the Consumer's hot water distributing system a suitable pressure relief valve.
5. The Company will not accept responsibility to maintain pressure in its water mains under this rule.

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RULE V

APPLICATION FOR WATER SERVICE AND SERVICE CONNECTION

1. Each prospective Consumer may be required to sign the standard application form for the water service desired, assuming responsibility for the payment of future charges for water service at the designated location, before water is turned on for any use whatever. The Consumer signing the application form shall be held liable for the payment of all charges for Service at the designated location.
2. Service may be granted only to property owners or to those having leases with at least a one-year term. Service may be provided to tenants of any lessee or owner if the lessee or owner will guarantee the tenant's service charges. If a tenant is responsible to pay water bills rendered, and fails to pay the water bills, the landlord who co-signed the application for service, shall pay such bills and in the event of his failure to do so, the Company may refuse to furnish services until the outstanding bills are paid.
3. Charges will begin when the water service is established and will continue until notification to stop is received from the Consumer or until discontinuation by the Company for failure of the Consumer to comply with the Rules and Regulations.
4. When an application for water service is made by a Consumer who was responsible for and failed to pay all bills previously rendered, regardless of location or time incurred, the Company may refuse to furnish water service to such applicant until the outstanding bills are paid. Further, in this case Company may charge a deposit equal to three months estimated billing. Such deposit shall be held for the benefit of Consumer and interest accrued at the business savings account rate of the financial institution in which the funds are deposited. Deposit with interest shall be refunded within 30 days after final bill is paid or twelve (12) months of timely payment, whichever comes first.
5. A Consumer taking possession of property and using water without having made an application for the transfer of water service shall be held liable for the water delivered from the date of the last recorded meter reading. If proper application for transfer is not made, and accumulated bills for water service are not paid upon presentation, the water service may be discontinued five days after written notice is given to the user.

RULE VI
ESTABLISHMENT AND RE-ESTABLISHMENT OF CREDITS AND DEPOSITS

1. **Establishment of Credit.** Each applicant for service will be required to establish credit in one of the following ways before service will be rendered:
 - (a) Establish a record of prompt payment for service for one (1) year without having been disconnected for nonpayment during such period.
 - (b) Have a substantial equity in the premises to be served, or in other real estate located within the Company's area of service of substantial value in relation to charges for service to be rendered.
 - (c) Furnish a guarantor satisfactory to the Company to secure payment of bills for the service requested.
 - (d) Make a cash deposit to secure payment of bills for service to be furnished by the Company, as provided in paragraph 3 of this rule.

2. **Re-establishment of Credit.**
 - (a) An applicant who previously has been a Customer of the Company and whose service has been discontinued for nonpayment of bills shall be required, before service is rendered, to pay all amounts owing to the Company and to establish credit as provided in paragraph 1 of this rule.
 - (b) A Customer may be required to reestablish his credit in the manner prescribed in paragraph (a) of this rule in case the basis on which credit was originally established has materially changed.
 - (c) A Customer who fails to pay a bill before it becomes past due, and who further fails to pay such bill within five (5) days after receipt of a discontinuance of service notice from the Company for such nonpayment, may be required to pay such bill and reestablish credit in the manner provided in paragraph 1(d) of this rule. Failure to reestablish credit at the request of the Company will subject the Customer to a discontinuation of water service.

3. **Deposits.** The Company may require from any Customer a deposit intended to guarantee payment of bills for water service. The amount of the deposit required under this rule shall be not less than the Company's estimated total charges for service for the subject premises for a period of two (2) consecutive months, ("standard Customer deposits") or as may reasonably be required by the Company in cases involving service for short periods or for special occasions or for large or unusual uses. Deposits shall not be transferable.
4. **Interest on Deposits.** Simple interest at the business savings account rate of the financial institution in which the funds are deposited shall be paid by the Company on standard Customer deposits described in paragraph 3 of this rule for the time it is held by the Company after credit is established. If the refund of deposit is made within 30 days of the establishment of credit, no interest payment is required. If the Company retains the deposit more than 30 days after the establishment of credit, payment of interest shall be made retroactive to the date of establishment of credit.
5. **Refunds.**
 - (a) Upon discontinuance of service, the Company will refund the excess, if any, of a Customer's deposit over all unpaid sums due from the Customer to the Company for water service or otherwise.
 - (b) A deposit is refundable in cash or by credit to the Customer's account when bills are paid before becoming past due for a continuous period of at least twelve months.
 - (c) The Company may refund the deposit at any time upon request, provided that the Customer's credit may otherwise be established as provided in paragraph 1 of this rule.
 - (d) The Company may require the Customer to return the Company's deposit receipt properly endorsed or sign a cancellation receipt before the refund is made.

RULE VII
CONNECTIONS AND CUT-OFFS

1. **Installation.** 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. There shall be one meter for each service connection unless the Company, because of operating necessity, installs two or more meters in parallel. All meters will be sealed by the Company before installation and no seal shall be altered or broken except by one of its authorized employees. All meters shall be installed in locations selected by the Company. The stop-cock before the meter is installed for the sole use of employees of the Company. All service connections shall 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.
2. **Deposit.** A deposit at least equal to the Company's estimate of the cost of the service connection may be required of the applicant before the connection is installed. If the actual cost of the connection is in excess of the deposit, the applicant will be billed and shall pay for the difference. Installation cost shall be based on the cost of installation as established by the Company. In the event that a meter box is required, the Consumer shall be responsible for construction of the meter box in accordance with the Company's standards.
3. **Consumer's Supply Pipe.** The Consumer shall install and connect at his expense his supply pipe to the shut-off valve installed by the Company. The Consumer's supply pipe shall at all times remain the sole property of the Consumer, who shall be responsible for its maintenance and repair. If the Consumer's supply pipe is installed before the service connection is set, the Company will not be responsible for the connection to it.
4. **Connection to the Main.** Only employees of the Company will be allowed to connect or disconnect the service connection to or from the Company's main.
5. **Compensation.** Employees of the Company are strictly forbidden to demand or accept personal compensation for services rendered.
6. **Pipe Through Wall.** Where the applicant requires his supply pipe extended through a wall, he shall provide the entranceway through such wall and be responsible for the service connection. The Company will not be responsible for any damage caused by leakage through or inside such entranceway. (T)

7. Location of Service Connection or Main. The Company will determine the location and size of all service connections to its systems. No service connection or water main will be installed by the Company in any private road, lane, street, alley, court or place, until such private streets 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 water service to property fronting on such private roads, lanes, etc., must extend his supply pipe to the nearest public street on which a main exists.
8. Change in Location or Size of Service. When the proper size of a 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, he shall bear all costs of such change.
9. Shut-Off Valve. A readily accessible shut-off valve controlling all outlets will be installed by the Company at the expense of the Consumer on his supply pipe at a location to be determined by the Company. If a replacement of the shut-off valve is necessary, it shall be paid for by the Consumer.
10. Alteration to Water System. All work and materials in connection with the change in location or elevation of any part of the existing water system made necessary by the new service connection shall be at the expense of the applicant.
11. Contours or Elevations. When required by the Company, contours or elevations shall be furnished by the applicant, based upon the City and County of Honolulu elevation datum.
12. Size of Meter or Service Connection. The Company will determine the location and size of all meters and service connections to its system.
13. Number of Meters. The Company will provide service to one meter per lot, unless the Company of operating necessity requires additional meters to be installed. Sharing of meters between lots is not permitted.

RULE VIII
METER READING, RENDERING OF BILLS AND PAYMENT OF BILLS

1. All water supplied by the Company will be measured by means of suitable meters registering in gallons.
2. Meters are read and bills are rendered monthly. Special readings will be made, when necessary, for closing accounts or for other reasons.
3. Readings of separate meters are not combined. For the purpose of computing charges, all meters serving the Consumer's premises shall be considered separately, and the readings thereof shall not be combined except in cases where the Company, because of operating necessity, installs two or more meters in parallel to serve the same Consumer's supply pipe.
4. All bills shall be due and payable upon deposit in the United States mail, receipt by the Consumer, or other presentation to the Consumer. Payment shall be made at the office of the Company or, at the Company's option, to duly authorized collectors of the Company. If any bill is not paid within thirty (30) days after presentation or deposit in the United States mail, the water service shall be subject to discontinuance without further notice.
5. If the charges payable hereunder by Customer are not paid on or before the due date, there shall be added as a late payment charge an amount equal to one percent (1%) per month of the delinquent balance.
 - (a) Consumers who become delinquent and cause their water to be cut off shall pay a charge of Two Hundred Fifty and No/100 Dollars (\$250) to cover costs of cutting off and turning on water before service will be resumed.
6. Bank fees for a returned check plus the Company's processing fees will be added to the overdue amount to be paid by the Consumer. If a Consumer fails to pay the charges payable hereunder on or before the due date and the Company is required to undertake additional measures to pursue collection of the overdue sums, in addition to the remedies available herein, the Consumer shall reimburse the Company for the reasonable costs (i.e., court costs and attorney's fees) incurred by the Company in connection with such collection measures.
7. Consumers shall submit any dispute regarding the charges appearing on the bill to the Company in writing no 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 of or any adjustments to the bill within fifteen (15) days of its receipt of the written dispute. The Consumer shall pay any amount due within five (5) days after the Company's response. If the Consumer still disputes the amount, the Consumer shall still pay the

undisputed amount to the Company within five (5) days. The Consumer may contact the Commission regarding the disputed amount, or any other complaint, by writing to the Commission at 465 South King Street; Kekuanaoa Building, Room 103; Honolulu, Hawaii 96813; Telephone No. (808) 586-2020, for final determination.

8. If a meter fails to register due to any cause except the non-use of water, an average bill for a period of up to one (1) year may be rendered. Such average bill will be subject to equitable adjustment taking into account all factors before, during, and after the period of said bill.

RULE IX

METER TESTS AND ADJUSTMENTS OF BILLS FOR METER ACCURACY

1. Any Consumer who, for any reason, doubts the accuracy of the meter serving his premises may request a test of the meter. The Consumer, if he so requests, will be notified as to the time of the test and may witness the test if he so desires. No charge will be made for meter tests if the meter is inaccurate. The Consumer will be charged the actual costs connected with such test if the meter is accurate within range of plus or minus five percent (5%).
2. If as a result of the test, the meter is found to register more than five percent (5%) fast under conditions of normal operation, the Company will refund to the Consumer the overcharge based on past consumption, for a period not exceeding six (6) months unless it can be proved that the error was due to some cause, the date of which can be fixed. In this latter case, the overcharge shall be computed back to, but not beyond, such date.

If, as a result of the test, the meter is found to register more than five percent (5%) slow under conditions of normal operation, the Company will bill the Consumer the undercharge based on past consumption, for a period not exceeding six (6) months, unless it can be proven that the error was due to some cause, the date of which can be fixed. In this latter case, the additional charge shall be computed back to, but not beyond, such date.

3. The Consumer will be responsible for maintenance and repairs to pipes and fixtures on the Consumer's side of the meter.

RULE X
TERMINATION OF SERVICE AND DISCONNECTION

1. Each Consumer about to vacate any premises supplied with water by the Company, or otherwise terminate Company water service, shall give fifteen (15) days notice of his intention to vacate or terminate service prior thereto, specifying the date service is desired to be discontinued, Consumer name, account number, service address, contact person, and contact information; otherwise the Consumer shall be held responsible for all water service furnished to such premises until the Company has received such notice of discontinuance. Before any buildings are demolished the Company should be notified at least fifteen (15) days prior to the demolition so that the service connection can be closed.
2. 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 pro-rated Monthly Standby Service Charge.
3. Water service may be discontinued for non-payment of a bill within sixty (60) days after the mailing or presentation thereof to the Consumer.
4. If the Consumer 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.
5. The Company may refuse to grant service or may discontinue existing water service to any premises to protect itself against fraud, abuse or unauthorized use of water.
6. Where negligent or wasteful use of water exists on any premises, the Company may discontinue the service if such conditions are not corrected within five (5) days after giving the Consumer written notice of intent to do so.
7. The Company may refuse to furnish water, and may discontinue the service to any premises, where the demands of the Consumer 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 an abuse of service that adversely affects the Company water system or its service to other Consumers, a Consumer shall be given at least five (5) days written notice prior to termination of service, and the Consumer's service shall not be discontinued on the day preceding or days on which the Company's business office is closed.

Kalaeloa Water Company, LLC

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Kalaeloa, Hawaii

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9. The Company may assess a penalty of Fifty and No/100 Dollars (\$50.00) on any customer in lieu of discontinuance of service. Each day in which a violation occurs shall be considered a separate violation and upon five (5) successive days of violation, service will be discontinued in addition to the monetary penalties assessed. Any change in ownership or occupancy shall not be cause for reducing or eliminating these penalties.

RULE XI
RESTORATION OF WATER SERVICE

If water service is turned off because of failure to pay a bill, for violation of any of the regulations of the Company, or for other reasons, all outstanding accounts against the Consumer plus the charge for reopening, reinstallation or reconnection must be paid before water service will be restored. Said charges shall be as established by the Company.

The charge for restoration of service due to failure to pay a bill shall be Two Hundred Fifty and No/100 Dollars (\$250). The charge for restoration of service due to other reasons shall be equal to the actual cost of restoring the water service, but in no event shall be less than \$250.

RULE XII

DAMAGE AND ACCESSIBILITY TO COMPANY'S PROPERTY,
METER DAMAGED BY HOT WATER, RELIEF VALVES

1. Any damage to water mains, service connections, valves, fire hydrants, or other property of the Company, including consequential damage caused by damage to water facilities, shall be paid for by the person or organization responsible for the damage.
2. All equipment belonging to the Company and installed upon the Consumer's premises for measurement, test, check or any other purpose, shall continue to be the property of the Company, and may be repaired, replaced or removed by the Company at any time without the consent of the Consumer. The Consumer shall exercise reasonable care to prevent damage to meters and other equipment of the Company upon said premises and shall in no way interfere with the operation of the same.
3. The Consumer shall be liable for any damage to a meter or other equipment or property of the Company caused by the Consumer or his tenants, agents, employees, contractors, licensees or permittees, on the Consumer's premises, and the Company shall be promptly reimbursed by the Consumer for any such damage upon presentation of a bill therefore.
4. When a meter is found to have been damaged by hot water or steam emanating from the premises served, the Consumer shall pay for all costs required to repair the meter.
5. No obstruction shall be placed on or around any water meter, fire hydrant or valve so as to render it inaccessible.
6. Wherever a check valve or pressure reducing valve is installed on the Consumer's cold water supply line between the main and a hot water storage tank and/or heater, there shall be installed on the Consumer's hot water distributing system a suitable pressure relief valve.

RULE XIII
INGRESS TO AND EGRESS FROM CONSUMER'S PREMISES

Any officer or employee of the Company shall have the right of ingress to and egress from the Consumer's premises at all reasonable hours for purposes reasonably connected with the furnishing of water to said premises and the exercise of any and all rights secured to the Company by law or these Rules and Regulations. In case any such officer or employee is refused admittance to any premises, or being admitted shall be hindered or prevented from making such inspection, the Company may cause the water to be turned off from said premises after giving twenty-four (24) hours notice to the owner or occupant of said premises of its intention to do so, except that if the Company's business office is closed (for weekend, holiday, or overnight) at the time the 24-hour period expires, shut-off will not occur until any earlier than 10:00 a.m. on the morning that Company's business office is next open.

RULE XIV
RESPONSIBILITY FOR WATER RECEIVING EQUIPMENT

1. The Consumer shall at his own risk and expense furnish, install and keep in good and safe condition all equipment that may be required for receiving, controlling, applying and utilizing water. The Company will not be responsible for any loss or damage caused by the improper installation of such equipment, or the negligence, want of proper care, or wrongful act of the Consumer or of any of his tenants, agents, employees, contractors, licensees or permittees in installing, maintaining, using, operating or interfering with any such equipment.
2. Water service may be discontinued to any Consumer whose water system includes plumbing fixtures, or water containers in any form, or of any use, which in the opinion of the Company may endanger the Company's water supply from a public health standpoint. Any such discontinuation of service shall continue until objectionable installations have been corrected and the Company has been assured that the objectionable uses and practices will not be resumed.
3. The Company will not be responsible, and the Consumer will be responsible, for water damage or other damage to property caused by spigots, faucets, valves and other equipment that may be open when water is turned on at the meter, whether this occurs at the time of first installation or after a temporary shutdown.

4. All equipment belonging to the Company and installed upon the Customer's premises for measurement, test, check or any other purpose, shall continue to be the property of the Company, and may be repaired, replaced or removed by the Company at any time without the consent of the Customer. The Company shall make reasonable efforts to notify the Customer of any necessary repairs. The Customer shall exercise reasonable care to prevent damage to meters and other equipment of the Company upon said premises and shall in no way interfere with the operation of the same.

RULE XV
ABATEMENT OF NOISES

Where it has been determined that noises emanating from a Consumer's premises are caused by plumbing fixtures or other equipment attached to water pipes and such noises are being transmitted through the water pipes and causing annoyance to other Consumers, the Company may issue a notice in writing to the offending Consumer or to the owner of such premises, or to his agent, giving reasonable time within which to correct or to remove the cause of complaint. Failure on the part of such Consumer, owner, or person responsible to correct or remove the cause of the noise will be sufficient reason for discontinuance of water service to the Consumer until such time as the condition complained of has been remedied.

RULE XVI
ELECTRICAL GROUNDING

1. Protective grounding of electrical circuits of any kind to any portion of the water system shall not be permitted.
2. Whenever grounding fault occurs and causes electrical current to flow into the pipeline system, the Consumer shall have the corrections made immediately and shall pay for any damages attributable to such grounding fault. Corrections not made will be subject to discontinuance of water service.
3. Electrical grounding of electric circuits to the water system existing at the effective date of these Rules shall be discontinued within twelve months of the effective date of these Rules at the Consumer's expense.

RULE XVII
CONSUMER'S PUMPING INSTALLATIONS

1. Consumers shall not be permitted to install or operate pumps pumping water directly from the mains of the Company's system except in cases approved in writing. No such approval will be given in cases where it is the opinion of the Company that such an installation and the operation thereof may adversely affect the water service extended by the Company to other Consumers.
2. Consumer pumping installations existing at the effective date of these Rules are required to be reported to the Company for approval within ninety (90) days following the effective date of these Rules.
3. Approvals given by the Company under this section will be qualified by clauses making them revocable upon sixty (60) days' notice during which period the Consumer, if he desires to continue the operation of the pump, shall eliminate the objectionable features causing the giving of such notice.
4. No pump shall be equipped with a direct water supply connection for priming purposes except with the written permission of the Company.
5. The Consumer shall be responsible for proper operation, maintenance, and repair of pump installation. Failure to properly operate, maintain, and repair pump installation, and/or other conditions which pose a threat to the water system is grounds for immediate revocation of permit and discontinuance of water service.

RULE XVIII
CROSS-CONNECTIONS, BACKFLOW PROTECTION AND
IRRIGATION SYSTEM ANTI-SIPHON VALVES

1. In order to provide proper sanitary protection to the Company's water supply and to comply with the applicable regulations of the United States Environmental Protection Agency and of the State Department of Health, as adopted or amended from time to time, the Company will require that following the effective date of these Rules and Regulations no cross-connections with other water supplies, or other physical connections, shall exist, or be installed, located, maintained or operated which could permit backflow of contaminated water or any other dangerous, impure, unsanitary, or unpotable substance from the Consumer's premises into the Company's water supply system, except as provided below:
 - (a) Owners or operators of presently existing water supplies which are in active use and cross-connected to the Company's system will be required to secure permits for the continuance of such cross-connections. Permits will be granted on a provisional basis, renewable yearly, under the following conditions:
 - (i) Where such water supplies are regularly examined by the Company, or other agencies satisfactory to the Company, and are approved by the Company as acceptable, safe and sanitary supplies and continue as such at all times while the connections are in existence.
 - (ii) Where such water supplies do not meet the requirements of (i) above, are not normally under pressure and are maintained solely for firefighting purposes, and where adequate protection against backflow to the Company's water system is provided by mechanical, or other, methods or devices satisfactory to the Company.
 - (iii) The company may waive the requirement of a permit and allow cross-connections to be continued or established if the connections are with water supplies defined as primary or community supplies by the State Department of Health and approved by the Company and the State Department of Health as acceptable, safe and sanitary supplies.

- (b) Other physical connections may be permitted if, in the judgment of the Company, adequate protection can be provided to the water supply of the Company against backflow by the installation of mechanical, or other methods or devices approved by the Company and installed, maintained and operated by the Consumer in a manner satisfactory to the Company at all times; provided, however, that the Company may require the Consumer to eliminate or rearrange designated plumbing or piping connections or fixtures, or to install a backflow device at the meter or other location subject to the approval of the company, as an added safety measure in addition to any and all other backflow protection required or provided by mechanical or other, methods or devices, whenever (i) the Consumer is engaged in the handling of dangerous or corrosive liquids or industrial or process waters, highly contaminated water or sewage, or is engaged in the medical or dental treatment of persons who might have diseases transmittable by water, or whenever (ii) in the judgment of the Company there exists a danger of backflow into the Company's mains because of the possibility of unauthorized connections being created through non-compliance or inadvertence on account of the complexity of the system or systems or because of failure by the Consumer to provide adequately qualified personnel and supervision for maintenance and extension of the Consumer's piping system or systems, or for any other sufficient reason or cause.
2. The Company will require the installation of mechanical, or other, methods or devices on the Consumer's side of the meter to prevent backflow whenever the Consumer maintains a separate pressure system or a separate storage facility, or in any way increases the pressures of the water within his premises above the pressure furnished by the Company or has such equipment devices or arrangement of piping, storage or industrial methods or processes that might under certain conditions raise the pressure of the water within his premises above the pressure of the water in the mains of the Company. Plans for such installations must be approved by the Company.
3. As a protection to the Consumer's plumbing system a suitable pressure relief valve must be installed and maintained by him at his expense when backflow devices are installed on the Consumer's side of the meter.

4. Any device installed for the prevention of backflow as may be required under these Rules and Regulations, shall, unless the Company approves otherwise in writing, be located above ground and in such a manner as to be safe from flooding or submergence in water or other liquids, properly protected from external damage, freely accessible and with adequate working room for inspections, testing and repairing. All such devices shall be tested at least annually and inspected internally not less than once annually. The Company may require more frequent testing and inspection of devices. Repairs, replacement of parts, etc., shall be made whenever necessary at the expense of the Consumer. Making of tests and annual inspections shall be the responsibility of the Consumer and shall be made by the Consumer or other qualified person or persons in accordance with methods acceptable to the Company. Records of tests and inspections shall be made on forms prescribed by the company and a copy of such records shall be furnished to the Company. Failure of the Consumer to make the proper tests and submission of records may, at the option of the Company, result in the Company's making the tests, needed repairs and replacements and charging the costs thereof to the Consumer.
5. In the case the Consumer connects an irrigation system to the Company's system, an anti-siphon valve or back-flow prevention valve, which provides an air gap when there is no water flow into the irrigation system, shall be installed before the irrigation system begins. Inspection and approval of such devices shall be by the Company. Installation, maintenance and operation shall be by the Consumer.
6. Upon request of the Company, the Consumer shall present an affidavit either certifying to the fact that there are no connections or other installations of the type prohibited in paragraph 1 of this Rule on his premises or describing in detail all non-conforming connections or installations.
7. The several conditions relative to the installation and maintenance of cross-connections and other physical connections referred to in this Rule shall be subject to change to meet changing requirements of the State and Federal health authorities and of the City and County of Honolulu Building Code.
8. Failure on the part of the Consumer to comply with the Company's requirements relative to cross-connections and backflow protection will be sufficient reason for discontinuing water service until such time as the requirements have been met.

RULE XIX
AUTOMATIC FIRE SPRINKLER SERVICE

1. Automatic fire sprinkler service may be furnished only where adequate provision is made to prevent diversion of water through such service to other purposes. The fire service connection will be installed by the Company and shall be paid for by the Consumer in accordance with the provisions for the installation of new service connections. After the water is turned on, the Company assumes no liability for damage of any kind whatsoever that may occur to the premises served, regardless of cause.
2. No charge will be made for water used through such connection for fire protection purposes but any water lost through leakage or used in violation of the conditions contained herein shall be paid for by the Consumer at the regular schedule of water rates and charges. The Company may disconnect and remove the said service connection if water is used for other than fire protection purposes or if leaks are not corrected. Whenever such disconnection is in effect, the Company shall not be held in any way liable for loss or damage sustained due to such condition.
3. Service charges will be in accordance with the rates established by the Company from time to time.
4. All automatic fire sprinkler services shall be metered with a double check detector check valve and a bypass meter of a type approved by the Company. The meter and the meter box required therefore shall be furnished by the Company at the cost of its service connection. All service connections shall become the property of the Company after installation.
5. All Consumer automatic fire sprinkler services existing at the effective date of these Rules are required to be reported to the Company for review and inspection for conformance with this Rule within sixty (60) days following the effective date of these Rules. As part of the review and inspection, the Consumer shall provide calculations from a qualified engineer licensed in the State of Hawaii that demonstrates the detector check valve and bypass meter meets the flow and other requirements of the installed fire sprinkler installation. Automatic fire sprinkler services not in conformance with this Rule shall be modified at Consumer's expense to be in conformance with this Rule or shall be discontinued.

RULE XX

USE OF AND DAMAGE TO FIRE HYDRANTS, CHANGE IN
HYDRANT LOCATION, RESPONSIBILITY FOR MAINTENANCE
AND OPERATION OF PRIVATE HYDRANTS

1. Any use of a fire hydrant or tampering therewith or the taking of water there from for purposes other than fire protection by persons other than authorized employees of the Fire Department or the Company is prohibited, except upon prior application to and written permit by the Company. The Fire Department shall have the prior right to use any hydrant at any time and shall have the authority to remove peremptorily, if necessary in case of fire, any connection that may be made to a hydrant under a permit and the connections thereto shall be subject to the direction and approval of the Company. The Consumer shall not use hydrant main line valves to control flows.
2. Application for a permit for the use of a fire hydrant for purposes other than fire protection shall be made in writing to the Company. A permit administrative fee of Fifty and No/100 dollars (\$50) shall be assessed at the time of the permit application. It shall be non-transferable and shall be shown upon demand by the permittee, its agents or employees. The Company reserves the right to reject any application, to refuse to issue any permit and to revoke any permit at any time. The Company also reserves the right to perform for the permittee at his expense the work of installing and removing the connections and of operating the hydrant. No permit will be issued unless the permittee agrees to notify the Company as soon as the use of the hydrant is finished. In the event that a permit shall be revoked, the use of the hydrant thereunder shall cease immediately and all connections thereto shall be properly removed forthwith. The Company will inspect each hydrant which has been used under a permit, and all costs of repairs which the Company may adjudge to be due to such use and the cost of inspection shall be paid for by the permittee. All water drawn from a hydrant under permit shall be metered or estimated as to quantity in a manner satisfactory to the Company and shall be paid for by the permittee at the current water rates. The permittee shall pay all of the costs of connecting to and disconnecting from the hydrant.
3. Only regulation fire hydrant wrenches which shall have been approved by the Company shall be used for the operation of fire hydrants. The use of any other type of wrench or operating device shall not be permitted. The permit will be revoked if other than approved regulation fire hydrant wrenches are used.

4. The permittee shall report promptly any defect in or damage to the hydrant. The cost of any damage to property or of any injury to persons resulting from the use of the hydrant shall be paid for by the permittee. The Company will not be held responsible for any damage to property or injury to persons arising from the use of any hydrant for any cause whatsoever. Any damage to fire hydrants shall be paid by the person or organization responsible for the damage.
5. The Company will, if it approves the request for a change in location of a hydrant, change such location provided the cost of all labor, material, equipment and all other charges are paid by the person requesting such change.
6. The Consumer shall at his expense test periodically and keep in good and safe working condition including proper maintenance all private hydrants under his control and not under the jurisdiction of the Company.
7. There shall be Monthly Service Charges for private hydrants service connections, the charges will be in accordance with the rates established by the Company from time to time, and stated in this Tariff under the Schedule of Rates.
8. All private hydrants or private stand pipes will be metered with a double check detector check valve and a by-pass meter of a type approved by the Company. An engineer licensed in the State of Hawaii shall submit the design for the private hydrant to be approved by the company and the City and County of Honolulu Fire Department. The meter and the meter box required therefore shall be furnished by the Company at the cost of its service connection. All installations must be done by a licensed contractor or the Company and be inspected by the Company during construction. Upon a final inspection and approval by the Company the service connections shall become the property of the Company after installation.
9. All Consumer private hydrants existing at the effective date of these Rules are required to be reported to the Company for review and inspection for conformance with this Rule within sixty (60) days following the effective date of these Rules. As part of the review and inspection, the Consumer shall provide calculations from a qualified engineer licensed in the State of Hawaii that demonstrates the private hydrant installation meets the flow and other requirements of these Rules. Private hydrants not in conformance with this Rule shall be modified at Consumer's expense to be in conformance with this Rule or shall be discontinued.

RULE XXI
REFRIGERATION AND AIR CONDITIONING EQUIPMENT

1. All Consumer refrigeration and air conditioning equipment requiring the use of water from the Company water system existing at the effective date of these Rules are required to be reported to the Company within sixty (60) days following the effective date of these Rules.
2. No new installation or replacement installation of refrigeration or air conditioning equipment requiring the use of water from the Company water system shall be made on any premises until a permit authorizing such installation has been issued by the Company. Before a permit is issued the owner shall inform the Company in writing of the make, type, horsepower and tonnage of installation, the minimum and maximum water use, premises where the unit is to be installed, and such additional information regarding the proposed installation as may be required by the Company.
3. Any water using unit of refrigeration or air conditioning equipment of small size shall be equipped with an automatic water regulating device and/or water conserving device which will limit the total flow of water to six (6) gallons per minute momentary actual load or two (2) gallons per minute per ton of refrigeration, whichever is the less, and which will automatically stop the flow of water when the unit stops.
4. Any large size water using unit of refrigeration or air conditioning equipment shall be equipped with water conserving device which will (a) limit the flow of water to not more than 0.2 gallons per minute per ton of refrigeration, actual load and (b) automatically stop the flow of water when the unit is shut down.
5. For the purpose of these regulations a unit of less than twenty-five (25) tons rated capacity shall be considered a small unit.
6. Where several units serve the same premises, their combined capacity shall be considered to be the capacity of the unit.
7. All installations of water using refrigeration and air conditioning equipment, regardless of capacity, which are to be served by the Company water system must conform with all other applicable Rules and Regulations.

RULE XXII
RESALE OF WATER

Unless specifically agreed upon, the Consumer shall not resell any water received from the Company.

RULE XXIII

REQUIREMENTS FOR DEVELOPMENT AND SUBDIVISION WATER SYSTEMS

1. Extensions or Connections. Extensions or connections of the water system from the development and/or subdivision to the public water system shall be approved by the Company upon determination of the point of adequacy, provided that the Company has a sufficient water supply developed for fire protection, domestic, and irrigation purposes to take on new or additional service without detriment to those already served and the subdivision water system otherwise conforms to these rules and regulations. The developer or subdivider shall install and pay for the development/subdivision water system. All such water systems shall be designed and located in accordance with these rules and regulations and the standards of the Company.
2. Source, Treatment, and Reservoirs.
 - (a) Developer/ subdividers shall install and pay for any required additional water source, treatment, storage tanks, appurtenances, and pipeline from the source, treatment and tank site to the development/subdivision proper required for the development/subdivision in accordance with the Company standards or as approved by the Company.

Source, treatment, storage, and transmission facilities required shall be in accordance with the Honolulu Board of Water Supply and Hawaii Department of Health standards in effect at the time of the development/subdivision application for water service.
 - (b) Source, treatment, and tank site lots, access road and pipeline easements shall be dedicated to the Company before final subdivision approval.
 - (c) Whenever the developer/subdivider is required to install source, treatment, or a reservoir, together with appurtenances of greater capacity than is necessary to serve his development/subdivision, the Company shall make a lump sum reimbursement to the developer/subdivider of the difference in cost, of such larger facilities and the facilities that would otherwise have been required; provided, however, that no reimbursement shall be made where such larger facilities shall serve only areas of land under the same ownership as the developer/subdivision in question.
 - (d) Where it is determined by the Company that the development/subdivision does not warrant additional facilities or if the facilities are already available, the developer/subdivider shall be assessed by the Company for the cost of the required available reserve facilities capacity. Any such facilities reserve charge shall be in an amount as provided for in the rates and fees of the Company.

- (a) The developer/subdivider shall install, in accordance with these rules and regulations and the standards of the Company, and pay for the development/subdivision water system required for the development/subdivision.

Main sizes shall be designed to deliver water in adequate quantities at adequate pressures for both (a) domestic use and irrigation under peak consumption conditions and (b) maximum day flow, plus fire protection.

- (b) Size of water mains.

Current Standards of the Honolulu Board of Water Supply in effect at the time of the application shall be used as a guide in designing mains.

- (c) Valves, pressure reducing units, etc., of such sizes, types, and classes shall be installed as designated and required by the Company.

4. Fire Protection.

- (a) All development/subdivisions in business, industrial, hotel, commercial, duplex, apartment, airport, rural, agricultural, and residential districts shall be required to install fire hydrants which shall be paid for by the subdivider and shall be in accordance with these regulations.

- (b) Fire hydrants shall be spaced along the streets not more than 250 feet apart in the business, commercial, industrial, hotel, and apartment districts, not more than 350 feet apart in residential districts, and not more than 500 feet apart in rural and agricultural districts.

The Company shall approve the location of all hydrants. All fire hydrants required for adequate fire protection of a development/subdivision shall normally be located within the development/subdivision.

If, in the interest of better fire protection, it is determined that one or more of the required hydrants may serve the development/subdivision to better advantage if located outside the development/subdivision, they may be so located with cost to be borne by the developer/subdivider.

- (c) In fixing the standards for fire protection insofar as water supply is concerned, the Company shall be guided by the standards of the Honolulu Board of Water Supply.

- (d) Fire hydrants are not required for new developments/subdivisions which

fall completely within a radius of (1) 250 feet from the nearest existing fire hydrant in business, industrial, commercial, hotel, and apartment districts, (2) 350 feet from the nearest existing fire hydrant in residential districts, and (3) 500 feet from the nearest existing fire hydrant in rural and agricultural districts. Where subdivisions or any portion of the new subdivision is outside such radius, compliance with subsections (a) and (b) shall be required.

5. Increase in Size of Water Mains.

- (a) Increase in Size of Water Main Extensions for Service to Other Areas. Whenever the Company finds it is necessary that the water mains proposed to deliver water to a development/subdivision should be of a greater capacity, in order to supply water and fire protection to other property, the Company will require the installation of larger size main.
- (b) Increase in Size of Water Mains Within Developments/Subdivisions for Benefit of Other Areas. Whenever, in order to provide for existing or future services beyond the boundaries of a development/subdivision, the Company finds that the mains to be installed within the development/subdivision should be of greater capacity than would otherwise be required, the Company will require the installations of larger size mains.

6. Main extension. If the Company's facilities in the area are inadequate, or where facilities are not readily available to serve a development/subdivision, the developer/subdivider must extend a water main from the nearest adequate facility. The water main so constructed, connecting the development/subdivision water system to the nearest point of adequacy of the Company water system, is termed a main extension.

7. Laterals, Deed-Ends, Alterations to Public Water System.

- (a) Laterals. Where water main construction is necessary, the developer/subdivider shall provide each lot in the development/subdivision with a service lateral from the water main to the lot boundary as specified in the "Standards for Water System Construction".

Where the lots to be created front along an existing water main, service laterals as required above shall be installed by the developer/subdivider and supervised by the Company, or as agreed upon with the Company.

- (b) Dead-Ends. Where water mains proposed by a developer/subdivider would result in dead-ends, the developer/subdivider shall correct the condition by the installation of circuits or interconnections as may be required by the Company. Clean-outs, blowoffs, or air valve assemblies shall be installed as required by the Company.
- (c) Alternations to Company System.
 - (i) All work and materials in connection with the change in location or place of any part of the existing Company water system made necessary by the development/subdivision shall be at the expense of the developer/subdivider.
 - (ii) When required by the Company, contours or elevations shall be furnished by the developer/subdivider based upon the City and County of Honolulu datum.

8. Preparation of Plans, Information on Plans, Approval of Plans, Delays in Construction.

- (a) All Construction plans governing water system shall be prepared by a registered engineer to the extent of his professional qualifications under the laws of the State and shall include a certification of compliance with these Rules and Regulations. Preliminary maps and final maps of subdivisions to be reviewed by the Company shall fully conform to the requirements of these rules and regulations.
- (b) The construction plans, insofar as the water system is concerned, shall show the following on standard 22" x 36-1/2" with a 1/4" border size sheet or sheets:
 - (i) Name of development/subdivision, name of developer/subdivider, name of engineer, and location of development/subdivision.
 - (ii) Date, north arrow, scale, tax key.
 - (iii) The proposed development/subdivision water system, complete in both plan and profile, and its interrelationship with street lines, lot lines, curb grades, electrical and telephone conduits, sewers and drains, both existing and proposed, as well as any other features, natural or artificial, necessary for a complete understanding of the water system design.
- (iv) Plan views drawn to a scale of one inch equals 40 feet or one inch

equals 20 feet. Profile views drawn to a vertical scale of one inch equals 4 feet or larger. Manhole, fire hydrant, lateral, and other details drawn to a scale of one-half inch equals one foot or larger.

- (v) The designation, including alignment and width, of all easement for parts of the water system which will not be in street areas to be dedicated to the public.
 - (vi) A general layout map showing the locations of lots and streets within the development/subdivision and its near vicinity together with existing and proposed water system.
 - (vii) A small key location inset or vicinity map showing the proposed development/subdivision in relationship to streets and water mains in the area.
 - (viii) In cases in which the owner, developer, or subdivider also owns areas contiguous to the proposed development/subdivision or separation therefrom by a street, a sketch of the future street and lot pattern and the water system proposed to serve such contiguous areas shall be furnished for study with the construction plans.
- (c) No construction of a development/subdivision water system or any portions thereof, to be connected to the Company Water System shall be undertaken prior to approval of the final construction plans and specifications by the Company, as required. After said approval, the developer/subdivider shall transmit four (4) sets of all final construction plans and specifications and an electronic copy on Compact Disc (CD) to the Company. After completion of construction of the water system and prior to acceptance of water system by the Company, the developer/subdivider shall transmit two (2) sets of the as-built constructions plans to the Company.
- (d) If any period exceeding one year or such extensions as may be granted passes without substantial progress in the construction of the water facilities, after approval of plans and specifications by the Company, the plans and specifications thereof shall be resubmitted to the Company for review and for making such changes as it deems proper because of changed conditions or revision of standards.

9. Subdivision Elevation Agreement.

- (a) Whenever a lot or lots within a subdivision are at such an elevation that they cannot be assured of a dependable water supply, the approval of the construction drawings shall be subject to each owner of such lot or lots signing an "elevation agreement" whereby such lot owner agrees to accept such water service as the Company is able to render, and such owners agree to construct and maintain at his expense a tank, a pump with a tank, or other appurtenances as may be in accordance with the standards and requirements of the Company and which shall be of sufficient capacity to furnish a supply of water at such times as the pressure in the water at such times as the pressure in the water mains may be inadequate.
- (b) Any subdivision for which elevation agreements have been signed may be permitted to connect to the Company water system while at the same time maintaining its own private subdivision water system pursuant to the requirements, conditions, and specifications of the Company.
- (c) Any such agreement shall be recorded with the Bureau of Conveyances.

10. Materials and Construction Standards, Installation of Water Service, Inspection of Work.

- (a) Materials and Construction Standards. All pipes, fittings, and valves shall be of manufacture and grade acceptable to the Company and shall meet the American Water Works Association specifications, and the current Standards of the Honolulu Board of Water Supply. All pipes in sizes 2-1/2 inches and less shall be standard galvanized pipe or equal, except that service laterals and connections shall be hard-drawn copper tubing, Type K, soldered joints or polyethylene as approved by the Company, and all fittings for same shall be copper fittings or polyethylene as approved by the Company. Pipes shall be centrifugally cast ductile iron, Class 52 with a maximum of 1/8-inch cement mortar lining.

All cast iron fittings shall be Class "D" or equal, cement mortar lined.

Pipes, fittings, valves, and other appurtenances required in the installation of mains within a development/subdivision shall be new.

The design, construction procedures, and workmanship with respect to any development/subdivision water system, or any portion thereof that are to be connected to the public water system shall be in accordance with the requirements of the Honolulu Board of Water Supply, the State Department of Health and all applicable laws.

- (b) Installation of Water Service. No water service shall be approved, except a service for development/subdivision construction purposes, until the development/subdivision water system has been completed and accepted by the Company and all the improvements required by the these rules and regulations have been completed, and subject to approval by appropriate agencies.
- (c) Inspection of Work. The Company shall have free access at all times to all installations made for the development/subdivision and shall be given any assistance required and every facility, information and means of thoroughly inspecting the work to be done and the materials used or to be used. All work shall be done during the normal work week and no work shall be permitted during Saturdays, Sundays, and holidays, except during an emergency or under such conditions as may be approved by the Company, in which case such services shall be paid for by the developer/subdivider.
- (d) The developer/subdivider shall notify the Company three (3) days in advance prior to commencement of work.
11. Ownership of Installed Water System. As a condition precedent to connecting the development/subdivision water system to the Company water system, unless otherwise specified in these regulations, the developer/subdivider shall convey the development/subdivision water system to the Company by letter, and shall submit together therewith an affidavit showing the breakdown as to the cost of such installation, and said development/subdivision water system, after being accepted by the Company, shall thereafter be maintained and operated as a part of the Company water system; provided, however, that the Company may refuse to operate and maintain facilities installed without the Company's prior approval. Prior to the commencement of water service, and as prerequisite to such service, the developer/subdivider shall deliver to the Company perpetual easements for all portions of the development/subdivision water system installed in other than Company-owned property. The developer/subdivider shall also convey to the Company fee simple title to all sites on which are located source, treatment works, tanks, reservoirs, and pumps constructed by the developer/subdivider and connected to the Company water system together with easements for ingress and egress.

In areas where there is no Company water supply available to serve the development, plans and specifications for providing water sources, including wells, tunnels, shafts, pumps, buildings, mains, and other appurtenant structures and devices, shall be in conformance with the standards of the Company, and shall be approved by the Company in their entirety prior to construction. The Company shall be reimbursed for all reasonable costs and expenses incurred by

the Company in its review of the plans and specifications. The plans and specification shall be approved by the Department of Health, State of Hawaii, as required.

12. Modification of Requirements. When conditions pertaining to any development/subdivision are such that the Consumer may be properly served with water and with fire protection without full and strict compliance with these rules and regulations, or where the development/subdivision site or layout is such that the Consumer's interest will be adequately protected, such modification thereof as is reasonably necessary or expedient, and not contrary to law or the intent and purpose of these rules and regulation, may be made by the Company.

The Company retains the right to modify any requirement, provided that the modification will in no way jeopardize those already served in the area.

13. Construction Agreement and Bond. To secure approval prior to construction of the required improvements, insofar as the construction of the project water system in concerned, the developer/subdivider shall enter into an agreement with the Company to make, install and complete all of the required improvements within a specified time and file with the Company a surety bond or other security, as hereinafter specified, to assure the Company the actual construction and installation of the improvements and utilities shown on the approved construction plans.

The agreement shall specify, insofar as the project water system is concerned, that the developer/subdivider will complete the same to the satisfaction of the Company, and shall provide that if the developer/subdivider shall fail to so complete such work within the time specified, or such extension as may be mutually agreed upon, the Company may complete the same and recover the full cost and expense thereof from the developer/subdivider.

The bond or other security to be filed with the Company with the aforesaid agreement shall be one of the following (provided, that in all instances where a surety bond is filed, it shall be executed by the subdivider, as principal, and by a surety company authorized to transact a surety business in the state, as surety):

- (a) A surety bond in a sum equal to the cost of the work required to be done as estimated by the Company; payable to the Company, and conditioned

upon the faithful performance of all work required to be done by the subdivider, and upon the further condition that should the subdivider fail to complete all work required to be done within a specified time, the Company may cause all work which is not finished to be completed, and the parties executing the bond shall be firmly bound for the payment of all costs therefor; or

- (b) Where the developer/subdivider has entered into a contract with a reputable contractor, and has filed with the Company all three of the following: (1) a certified copy of his said contract and specifications, (2) a certified copy of the performance bond of his contractor, and (3) a surety bond in a sum equal to at least fifty percent (50%) of the cost of all work required to be done by the subdivider as estimated by the Company and payable and conditioned as above set forth; or
 - (c) The developer/subdivider shall make a deposit of money with the Company, or a responsible escrow agent designated by the Company as agent of the Company, in an amount equal to the cost of the construction of said improvements as estimated by the Company. Under this arrangement, the agreement may provide for approved progress payments to be made to the contractor for materials used and services and labor performed out of said deposit as the work progresses; provided that said progress payments shall at no time exceed the value of the completed portion of said improvements; or
 - (d) In lieu of said surety bond or deposit in escrow mentioned in paragraphs (a), (b), and (c) above, the developer/subdivider may deposit with the Company bonds or other negotiable securities acceptable to the Company in the amount provided by paragraphs numbered (a), (b), and (c), respectively, of this paragraph.
14. Repair and Replacement of Improvements. Prior to acceptance, the developer/subdivider shall enter into an agreement with the Company and shall file with the company a surety bond or other approved bond to insure the repair and replacement of subdivision water system improvements in accordance with standards acceptable to the company for a period of one year from the date of dedication to and acceptance by the Company. The amount of the surety bond or other approved bond shall be at least ten percent (10%) of the cost of construction as estimated by the Company.

RULE XXIV
FACILITIES RESERVE CHARGE

The facilities reserve charge is a fee to be paid by owners and applicants for new or larger water meters as their proportionate share in improvements to the Company's water system. The facilities reserve charge will not be chargeable to any Consumer who was an existing user of the Company water system as of the effective date of these Rules, provided, however, that said Consumers may be subject to the facilities reserve charge if they request new or larger water meters than those meters servicing said Consumers as the effective date of these Rules.

In addition to the charges for the installation of the service connection and meters, the owner or applicant shall pay the applicable facilities reserve charge, the amount of which shall be dependent upon the size of the water meter to be installed and the following fee schedule:

<u>Size of Meter</u>	<u>First Meter Per Parcel of Land</u>
5/8 inch	\$0.00
3/4 inch	\$0.00
1 inch	\$0.00
1-1/2 inch	\$0.00
2 inch	\$0.00
3 inch	\$0.00
4 inch	\$0.00
6 inch	\$0.00
Over 6 inch	\$0.00

In the case of increasing the size of an existing meter, the difference between the large and smaller facilities reserve charges shall be paid. No refund will be made in the case of reducing the size of an existing meter.

RULE XXV
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.

RULE XXVI
CONTRIBUTIONS IN AID OF CONSTRUCTION
(FACILITIES CHARGES)

1. As a condition of receiving service or substantially increasing water consumption to new or substantially modified facilities, developer and commercial applicants shall be required to pay a contribution in aid of construction ("CIAC") to the Company, which shall be non-refundable except as provided in this Rule.
2. CIAC payments are used by the Company for the purpose of expanding the capacity of the water system, including:
 - (a) Construction of new wells or increasing the capacity of existing wells;
 - (b) Construction of new reservoirs;
 - (c) Construction of new primary transmission system or improvements to increase the capacity or efficiency of the existing primary transmission system;
 - (d) Construction of water treatment facilities;
 - (e) Related improvements intended to increase the capacity, efficiency or quality of the primary water system; and
 - (f) Increased capacity or improved service of electrical systems required for Items 2(a) – (e) above.
3. New facilities shall mean shall mean premises or facilities that have been connected to the Company's water system after January 1, 2021.
4. Substantially modified facilities shall mean premises or facilities to which any material change is made in the size of the premises or facilities, or in the character or extent of any commercial activities conducted at the premises or facilities, that results in an estimated increase in annual average water usage by the customer in excess of 300 gallons per day.

(N)

(N)

5. The CIAC required as a condition of service to a new facility shall be payable only once for such facility, provided that an additional CIAC may be required from developers or commercial customers for facilities that are substantially modified.

(N)

6. The amount of the CIAC shall be equal to an equivalent per gallon charge, calculated as follows:

(a) If the Company has no capacity available at the time a request for service or substantial modification is made, the CIAC payment shall be based on the Company's good faith estimate, based on engineering and construction analyses, of the anticipated total cost to construct the next capacity addition, and is calculated as follows:

Estimated Daily Gallons for Proposed or Existing Development	x	Estimated Cost per Gallon of the Company's Next Capacity Addition	x	If CIAC is Based On Historical Costs: CPI in the year of payment / CPI for the base year (last capacity addition used in calculating CIAC)
--	---	---	---	--

(b) If the Company has capacity available at the time the request for service is made, the applicant shall pay a CIAC payment as follows:

Estimated Daily Gallons for Proposed or Existing Development	x	Actual Cost per Gallon of the Company's Most Recent Capacity Addition	x	CPI in year of contribution payment / CPI for base year (last capacity addition used in calculating CIAC)
--	---	---	---	---

"CPI" shall mean the "Consumers Price Index for all urban Consumers, Honolulu, Hawaii, ALL ITEMS", as published by the Bureau of Labor Statistics, United States Department of Labor.

(c) Where the CIAC is based on estimated construction costs, promptly following completion of construction, the Company shall deliver to the applicant a statement showing the actual costs of construction and a recalculation of the CIAC based on actual construction costs. Any difference between the originally calculated and recalculated CIAC shall be payable by the Company or the applicant, as applicable, within thirty (30) days of the date of the statement.

(N)

7. The CIAC shall be calculated on the basis of the Company's estimate of (a) the customer's annual average water consumption, in the case of new facilities, or (b) the customer's increased water consumption, above historical trends in the case of substantially modified facilities. (N)
8. Guidelines used by the Company to estimate water consumption are to be based on Water System Standards for the State of Hawaii.
- (a) Estimates of consumption are to be made by the Company and, if by the customer, will require adequate justification for Company approval.
9. Notwithstanding anything contained herein to the contrary, an additional CIAC may be required from customers whose water consumption results in an increase in annual average water usage in excess of the greater of 300 gallons per day or 20% over the annual average water consumption that was initially utilized in calculating the CIAC initially paid by a developer in the case of new or modified facilities pursuant to paragraph 6.
10. The CIAC for new facilities shall be estimated at the time that an applicant makes a request of the Company for a "will serve" letter. A subsequently issued "will serve" letter will only state the Company's ability and willingness to supply the applicant with the requested service, conditioned upon the applicant's execution of an Extension Agreement within a specified period of time, payment of the CIAC, and construction of or contribution to the cost of any special facilities required to serve the applicant that are not paid for with CIAC. The total CIAC fee to be paid will be dependent on the rate provided for in the Company's Rules and Regulations in effect at the time that final payment is tendered. CIAC shall be payable in full upon execution of an Extension Agreement. If the full CIAC is not paid upon execution of the Extension Agreement, the Extension Agreement and the "will serve" letter shall be null and void. Any Extension Agreement issued by the Company shall not be binding until payment is received.
11. The CIAC for substantially modified facilities shall be payable (a) within thirty (30) days after the customer receives a building permit, or (b) as of the date upon which the customer increases water usage as a result of the modification if the customer fails to provide the company with prior written notice of the modification. (N)

12. Any will-serve agreement entered into on or after January 1, 2021 shall automatically terminate if the applicant does not execute an Extension Agreement and satisfy all other conditions contained in the will-serve agreement within the time set forth in the will-serve agreement. In addition, any Extension Agreement entered into after January 1, 2021 shall automatically terminate if the applicant has not completed construction of the project for which service was requested within one year after the date of the Extension Agreement, or such longer or shorter time as may be set forth in the Extension Agreement. The Company may agree to extend this date if facilities constructed or to be constructed with the CIAC are not required by another user. In the event of such termination of either the will-serve agreement or the Extension Agreement: (a) the Company's commitment to reserve capacity for the applicant shall be null and void; and (b) if the applicant subsequently requests service for the same property, applicant will be required to sign a new will-serve agreement and a new Extension Agreement under which the contribution-in-aid of construction will be recalculated based on the cost of facilities required to serve applicant and applicant will receive a credit in the amount of the unreimbursed balance of the CIAC previously paid. In the event of such termination, the Company shall have no obligation to reimburse the applicant for any CIAC paid by the applicant. However, the Company will reimburse the applicant for all or a part of the CIAC paid by the applicant if (i) such funds have not yet been used and are not required to complete construction of the facilities for which they were collected, or (ii) to the extent that the Company has received contributions in aid of construction from another applicant who will utilize the capacity originally reserved for the applicant.
- (N)
13. In lieu of requiring an applicant to pay a CIAC pursuant to this Rule, the Company may, in its discretion, allow an applicant to contribute or construct facilities that are required to serve the applicant's project pursuant to Rule XXVII, System Extensions. Such facilities may include those described in Section 2 of this Rule. Further, in addition to requiring an applicant to pay a CIAC pursuant to this Rule, the Company may require an applicant to construct or contribute to the cost of constructing special facilities that are required to serve the Applicant pursuant to Rule XXVII to the extent that the cost of such facilities is not included in the CIAC.
14. Section 12 of this Rule shall not apply to any applicant who has entered into a will-serve agreement before January 1, 2021. Section 6 of this Rule shall not apply to any applicant who has entered a will serve agreement before January 1, 2021, except to the extent that the terms of such agreement are consistent with the terms of Section 6; provided that, if full payment of the CIAC due under such will-serve agreement has not been paid and the will-serve agreement provides that final payment will be dependent on the rate in effect at the time of such payment, the total CIAC payable will be calculated in accordance with Section 6 above.
- (N)

RULE XXVII
SYSTEM EXTENSIONS

(N)

1. General Provisions and Definitions

(a) Applicability

- i. All extensions of distribution mains, force mains, or gravity mains, from the Company's basic production and transmission system, existing distribution system, or sewer collection system to serve new customers, shall be made under the provisions of this rule unless specific authority is first obtained from the Commission to deviate therefrom. An extension contract shall be executed by the Company and the applicant or applicants for the system extension before the Company commences construction work on said extensions or, if constructed by applicant or applicants, before the facilities comprising the system extension are transferred to the Company.
- ii. The cost of extensions primarily for fire hydrant, private fire protection, resale, temporary, standby, or supplemental service and any related installations, shall be borne by the applicant, with no refund, as further affirmed in Section 2.
- iii. The Company may, but will not be required to, make extensions under this rule 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 applicant or applicants for the system extension shall deposit with the Company, at the time of execution of the system extension agreement, funds sufficient to pay for the estimated net cost of relocating, raising or lowering facilities upon establishment of final grades.

Adjustment of any difference between the amount so deposited and the actual cost of relocating, raising or lowering facilities shall be made within ten days after the Company has ascertained such actual cost. The net deposit representing actual cost is not subject to refund. The entire deposit related to the proposed relocation, raising or lowering shall be refunded when such displacements are determined by proper authority to not be required.

(N)

(b) Definitions

- i. A "bona-fide customer," for the purposes of this rule, shall be a customer (excluding any customer formerly served at the same location) who has given satisfactory evidence that service will be reasonably permanent to the property which has been improved with a building of a permanent nature, and to which service has commenced. The provision of service to a real estate developer or builder, during the construction or development period, shall not establish such a person as a bona-fide customer.
- ii. A "real estate developer" or "builder," for the purposes of this rule, shall include any individual, association of individuals, partnership, or corporation that divides a parcel of land into two or more portions, or that engages in the construction and resale of individual structures on a continuing basis.
- iii. The "adjusted construction cost," for the purposes of this rule, shall be reasonable and shall not exceed the costs recorded in conformity with generally accepted water utility accounting practices, and as specifically defined in the Uniform System of Accounts for Water Utilities prescribed by the Commission for the installing facilities of adequate capacity for the service requested. If the Company, at its option, should install facilities with a larger capacity or resulting in a greater footage of extension than required for the service requested, the "adjusted construction cost," for the purpose of this rule, shall be determined by the application of an adjustment factor to actual construction cost of facilities installed. This factor shall be the ratio of estimated cost of required facilities to estimated cost of actual facilities installed.

(c) Ownership, Design, and Construction of Facilities

- i. Any facilities installed hereunder shall be the sole property of the Company. In those instances which title to certain portions of the installation, such as fire hydrants, will be held by a political subdivision, such facilities shall not be included as a part of the system extension under this rule, and will neither be owned by the Company nor subject to refund under the provisions of Section 2(b) of this rule.
- ii. The size, type, quality of materials, and their location shall be specified by the Company; and the actual construction shall be done by the Company or by a constructing agency acceptable to it.

- iii. Where the property of an applicant is located adjacent to a right-of-way, exceeding 70 feet in width, for a street, highway, or other public purpose, regardless of the width of the traveled way or pavement; or on a freeway, waterway, or railroad right-of-way, the Company may elect to install a system extension on the same side thereof as the property of the applicant, and the estimated and adjusted construction costs in such case shall be based upon such an extension.
- iv. When an extension must comply with an ordinance, regulation, or specification of a public authority, the estimated and adjusted construction costs of said extension shall be based upon the facilities required to comply therewith.
- v. Prevailing provisions for water conservation included in local building codes and/or ordinances shall apply.

(d) Estimates, Plans, and Specifications

- i. Any applicant for a service extension requesting the Company to prepare detailed plans, specifications, and cost estimates shall be required to deposit with the Company an amount equal to the estimated cost of preparation of such material. The Company shall, upon request, make available within 45 days after receipt of the deposit referred to above and all required information to design the system extension, such plans, specifications, and cost estimates of the proposed system extension. If the extension is to include oversizing of facilities to be done at the Company's expense, appropriate details shall be set forth in the plans and cost estimates.
- ii. In the event a system extension contract with the Company is executed within 180 days after the Company furnishes the detailed plans and specifications, the deposit shall become a part of the advance, and shall be refunded in accordance with the terms of the system extension contract. If such contract is not so executed, the deposit to cover the cost of preparing plans, specifications, and cost estimates shall be forfeited by the applicant for the system extension and the amount of the forfeited deposit shall be credited to the account or accounts to which the expense of preparing said material was charged.

(N)

(N)

iii. When detailed plans, specifications and cost estimates are requested, the applicant for a system extension 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, this additional expense shall be borne by the applicant.

(N)

(e) Timing and Adjustment of Advances

- i. Unless the applicant for the system extension elects to arrange for the installation of the extension by the applicant, as permitted by Section 2, the full amount of the required advance or an acceptable surety bond must be provided to the Company at the time of execution of the system extension agreement.
- ii. If the applicant for a system extension posts a surety bond in lieu of cash, such surety bond must be replaced with cash not less than ten calendar days before construction is to commence; provided, however, that if special facilities are required primarily for the service requested, the applicant for the extension may be required to deposit sufficient cash to cover the cost of such special facilities before they are ordered by the Company.
- iii. An applicant for a system extension who advances funds shall be provided with a statement of actual construction cost and adjusted construction cost showing in reasonable detail the costs incurred for material, labor, any other direct and indirect costs, overheads, and total costs; or unit costs; or contract costs, whichever are appropriate.
- iv. Said statement shall be submitted within 60 days after the actual construction costs of the installation have been ascertained by the company. In the event that the actual construction costs for the entire installations shall not have been determined within 120 days after the completion of construction work, a preliminary determination of actual and adjusted construction costs shall be submitted, based upon the best available information at that time.
- v. Any differences between the adjusted construction costs and the amount advanced shall be shown as a revision of the amount of advance and shall be payable within thirty days of date of submissions of statement.

(N)

(f) Assignment of System Extension Contracts

(N)

Any contract entered into under Section 2 of this rule, or under similar provisions of former rules, may be assigned, after settlement of adjusted construction costs, after written notice to the Company by the holder of said contract as shown by the Company's records. Such assignment shall apply only to those refunds which become due more than thirty 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.

2. Extensions to Serve Subdivisions, Tracts, Housing Projects; Industrial Developments, Commercial Buildings, or Shopping Centers

(a) Advances

- i. Unless the procedure outlined in Section 2(a)iii , is followed, an applicant for a system extension to serve a new subdivision, tract, housing project, industrial development, or organized commercial district shall be required to advance to the Company, before construction is commenced, the estimated reasonable cost of the 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 customers and a reasonable estimate of the potential customers who might be served directly from the system extension. The costs of the extension shall include necessary service stubs or service pipes, fittings, valves and housing therefor, and meter boxes, but shall not include meters. To this shall be added the cost of fire hydrants when requested by the applicant for the extension or required by public authority, whenever such hydrants are to become the property of the Company.
- ii. If special facilities consisting of items not covered by Section 2(a)i are required for the service requested and, when such facilities to be installed will supply both the system extension and other parts of the Company's system, and at least 50 percent of the design capacity (in gallons, gpm, or other appropriate units) of the special facilities is required to supply the system extension, the cost of such special facilities may be included in the advance, subject to refund, as hereinafter provided, along with refunds of the advance of the cost of the extension facilities described in Section 2(a)i above.

(N)

- iii. In lieu of providing the advances in accordance with Sections 2(a)i and 2(a)ii, the applicant for a system extension shall be permitted, if qualified in the reasonable judgment of the Company, to construct and install the facilities itself, or arrange for the construction and installation by a contractor that is qualified in the reasonable judgment of the Company. The cost, including the cost of engineering, inspection and supervision by the Company, shall be paid directly by applicant. Prior to construction and installation, the applicant shall provide a detailed cost estimate to the Company for review and approval. Following construction and installation, the applicant shall provide the Company with a statement of actual construction cost in reasonable detail. The amount to be treated as an advance subject to refund shall be the lesser of (1) the actual cost or (2) the detailed cost estimate approved by the Company. The installation shall be in accordance with the plans and specifications submitted by the Company pursuant to Section 1(d)i.
- (N)
- iv. If, in the opinion of the Company, it appears that a proposed system extension will not, within a reasonable period, develop sufficient revenue to make the extension self-supporting, or if for some other reason it appears to the Company that a system extension contract would place an excessive burden on existing customers, the Company may require a non-refundable contribution of plant facilities from developers in lieu of a system extension contract pursuant to Rule XXVI Contribution in Aid of Construction Fee (Facilities Charges).

(b) Refunds

- i. The amount advanced under Section 2(a)i, 2(a)ii, and 2(a)iii shall be subject to refund by the Company, in cash, without interest, to the party or parties entitled thereto as set forth in the following two paragraphs with the exception of extensions funded wholly or in part by State or Federal grants, the portion of which that is covered by grant funds is non-refundable. The total amount so refunded shall not exceed the total of the amount advanced and for a period not to exceed 40 years after the date of the contract (an amount equal to 2.5% of the advances until the principal amounts of the contracts have been fully repaid).
- ii. Payment of refunds shall be made twice a year, not later than December 31, and June 30 of each year, beginning the year following execution of contract, or not later than 6 months after the contract anniversary date if on an anniversary basis
- (N)

- iii. Whenever costs of system extensions and/or special facilities have been advanced pursuant to Section 2(a)i, 2(a)ii, or 2(a)iii, the amount so advanced shall be divided by the number of lots (or living units, whichever is greater) which the extension is designed to serve, to obtain an average advance per lot (or living unit) for the extension. The Company shall semi-annually refund to the contract holders an amount equal to the average advance per lot (or living unit) multiplied by the number of lots (or living units) added to the extension during the previous 6 month period until the principal amounts of the contracts have been fully repaid.

(N)

Whenever costs of special facilities have been advanced pursuant to Section 2(a)ii or 2(a)iii., the amount so advanced shall be divided by the number of lots (or living units, whichever is greater) which the special facilities are designed to serve, to obtain an average advance per lot (or living unit) for special facilities. When another builder applies for a system extension to serve any lots for which the special facilities extension to serve any lots for which the special facilities are to be used, the new applicant shall, in addition to the costs of the applicant's proposed system extension, also advance an amount for special facilities. This amount shall be the average advance per lot for special facilities for each lot to be used less 2½ percent of the average advance for each year in which refunds have been due and payable on the original contract, prorated to June 30 on a monthly basis.

Advances and refunds based on additional builder participation will be determined in a similar manner. In no case shall the refund on any contract exceed the amount advanced.

(N)

(c) Termination of System Extension Contracts

- i. Any contract may be purchased by the Company and terminated provided that the terms are mutually agreed to by the parties or their assignees. The maximum price that may be paid by the Company to terminate a contract shall be the remaining unrefunded contract balance.

(N)

(N)

(N)

3. Extensions Designed to Include Fire Protection

- (a) The cost of distribution mains designed to meet fire flow requirements shall be paid to the Company as a Contribution in Aid of Construction.
- (b) The cost of private fire protection services, hydrants and other facilities in addition to distribution mains required to provide supply, pressure, or storage primarily for fire protection purposes, or portions of such facilities allocated in proportion to the capacity designed for fire protection purposes, shall be paid to the Company as a Contribution in Aid of Construction.

4. Facility Relocation or Rearrangement

- (a) Any relocation or rearrangement of Company's existing facilities, at the request of, or to meet the convenience of an applicant or customer, and agreed upon by the Company, normally shall be performed by the Company. Where new facilities can be constructed in a separate location, before abandonment or removal of an existing facility, and applicant requests to perform the new construction work, the applicant shall be permitted, if qualified in the judgment of the Company, to construct and install the facilities itself, or arrange for their installation pursuant to competitive bidding procedures initiated by the applicant and limited to qualified bidders.

In all instances, Company shall abandon or remove its existing facilities at its discretion. The costs of all related relocation of mains, services, and hydrants, rearrangement, removal, and tie-in work shall be paid to the Company as a Contribution in Aid of Construction.

(N)

SCHEDULE OF RATES AND CHARGES

Water Service Rates

The following meter charges apply to all customer classes per installed meter per month. (N)

Meter Charge by Meter Size (inches)	
5/8"	\$23.50
3/4"	\$35.25
1"	\$ 58.75
1 1/2"	\$ 117.50
2"	\$188.00
3"	\$188.00
4"	\$188.00
6"	\$188.00
8"	\$188.00
10"	\$188.00
12"	\$188.00

In addition to the monthly meter charge per installed meter, there will be a monthly water quantity charge applied to all customers for every 1,000 gallons of water consumed. (N)

Quantity Charge	
Per 1,000 gallons of water consumption	\$2.16

Power Cost Charge

All water use shall be subject to a Power Cost Charge (PCC) in addition to the Monthly Stand by and Consumption Charges. The PCC is assessed per 1,000 gallons of metered water usage. The amount of the PCC shall be computed by multiplying the actual cost per kilowatt hour for the billing period by the pump efficiency factor of 1.18 kilowatt hours per thousand gallons, and then adding the associated, most current, Public Service Company tax of 5.885% and the Public Utility Commission fee of 0.50%.

Formula to be used:

$$PCC = AC \times PEF \times (1 + PSC \text{ Tax and PUC Fee rate})$$

Where:

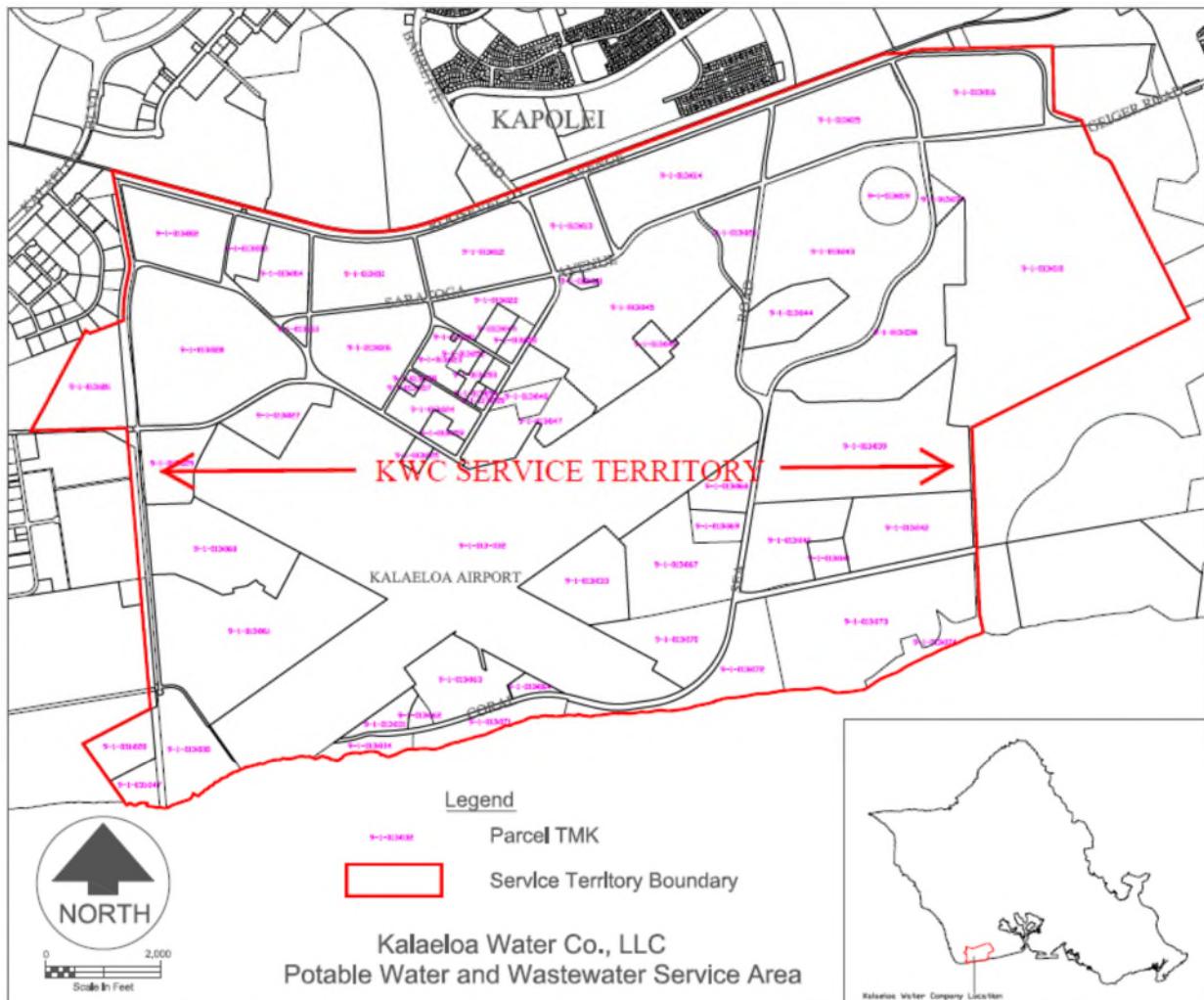
PCC = Power Cost Charge Per Thousand Gallons

AC = Actual electrical cost per kwh

PEF = Pump Efficiency Factor as approved by the Public Utilities Commission

PSC Tax and PUC Fee rate = 5.885% and .50% respectively or the most current approved and noticed by the Public Utility Commission of Hawaii. (N)

SERVICE AREA



Kalaeloa Water Company, LLC
A subsidiary of Hawaii Water Service Company, Inc.
Kalaeloa, Hawaii

KWC Tariff No. 2
Original Title Page

KALAELOA WATER COMPANY, LLC

A subsidiary of Hawaii Water Service Company, Inc.

RULES AND REGULATIONS

GOVERNING RATE SCHEDULES AND THE PROVISION OF WASTEWATER SEWER SERVICES TO CUSTOMERS

Post Office Box 384809
Waikoloa Hawaii 96738

Date Filed:

Effective Date:

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Kalaeloa Water Company, LLC
A subsidiary of Hawaii Water Service Company, Inc.
Kalaeloa, Hawaii

KWC Tariff No. 2
First Revision of Sheet 3
Original Sheet 3

CHECK LIST SHEET

Sheet

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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 adequate and satisfactory service to all Customers and encourage courtesy to the public by all its employees.

The Company will provide wastewater utility service to all existing Consumers and prospective Consumers within the limits of the system capacities in its service territory.

The Company's service area is located in specific locations within Kalaeloa (Former Barbers Point Naval Air Station), City and County of Honolulu, State of Hawaii, as shown on Exhibit "A", and is defined in the Certificate of Public Convenience and Necessity issued by the Hawaii Public Utilities Commission to Kalaeloa Water Co., LLC.

SYMBOLS

When a change in tariff sheet is filed with the Public Utilities Commission of the State of Hawaii ("Commission"), attention shall be directed to such change by a symbol along the right-hand margin of the tariff sheet utilizing the following symbols as appropriate:

- (C) To signify change in wording of text which may result in change in rate, rule or condition.
- (I) To signify increase.
- (L) To signify materials relocated from or to another part of tariff schedules with no change in text, rate, rule or condition.
- (N) To signify new materials including listing, rate, rule or condition.
- (R) To signify reduction.
- (T) To signify change in wording to text but not change in rate, rule or condition.

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 as used herein shall mean:

1. "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).
2. "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 Company's sewer .
3. The word "Company" shall mean KALAELOA WATER CO., LLC, a Hawaii limited liability company, a subsidiary of HAWAII WATER SERVICE COMPANY, INC, a Hawaii corporation, pursuant to Decision and Order No. 37325, filed on September 25, 2020, in Docket No. 2019-0144.
4. "Company's sewer" shall mean the sewer lines and facilities between the Service Connection and the Honouliuli Wastewater Treatment Plant discharge point.
5. "Company's Sewerage System" means the system owned and operated by the Company.
6. "Contribution in aid of Construction (CIAC)" shall mean the fee charged the applicant or consumer by the Company to install or pay for existing, new, or expanded collection and/or treatment plant facilities required to serve an applicant or consumer receiving service or substantially increasing sewage outflow volume from new or substantially modified premises and Developments.
7. "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, including its connection to the sewer main.
8. "Customer" shall mean the person, firm, corporation, limited liability company, partnership, association, or governmental department, whether owner or tenant, whose name appears on the records of the Company as the party responsible and liable for the charges for services from the Company.
9. "Days" shall mean calendar days.

10. "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.
11. "Garbage" shall mean the solid wastes from the preparation, cooking, and dispensing of food and from the handling, storage, and sale of produce.
12. "Garbage Properly Shredded" shall mean garbage that has been properly shredded or otherwise broken down or separated to such a degree that all particles will be carried freely under normal flow conditions in the Company's sewerage system.
13. "Notice of Discontinuance" shall mean written notice to the Company by a Customer that the Customer wishes to discontinue service. Notice is effective the date correspondence is stamped as received by the Company.
14. "Offsite Facilities" shall mean collection or trunk sewers which connect the individual Building Sewers within a particular Development to the nearest practicable point designated by the Company in the Company's sewerage system having a capacity adequate to receive and accommodate the Development's sewerage discharge.
15. "pH" shall mean the logarithm of the reciprocal of the weight of hydrogen ions in grams per liter (mg/l) of solution.
16. "Rules and Regulations" means the Rules and Regulations Governing Rate Schedules and the Provision of Wastewater Services to Consumers (also referred to herein as "these Rules and Regulations") adopted by the Company and as the same may be modified or amended from time to time by the Company as approved by the Public Utilities Commission of the State of Hawaii.
17. "Service Connection" shall mean the point and installation where the Company's sewer is connected to the Building Sewer.
18. "Service Extension Charge" shall mean the fee which the Customer may be required to pay in connection with the Development of his property.
19. "Sewage Treatment Plant" shall mean all the facilities including the sewage pumping stations, force mains and treatment facilities owned and operated by Kalaeloa Water Co., LLC.

20. "Slug" shall mean any discharge of water, sewage, or industrial waste which in concentration of any given constituent or in quantity of flow exceeds for any period of duration longer than 15 minutes more than five times the average 24-hour concentration of flows during normal operation.
21. "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.

RULE II
GENERAL CONDITIONS

1. The Company shall provide wastewater sewer service only in the area shown on the map attached hereto as Exhibit A. Any prospective Customer whose premises are located within said area may upon compliance with these Rules and Regulations obtain wastewater sewer service from the Company.
2. The amounts to be paid for wastewater sewer service shall be in accordance with the rates on file with the Public Utilities Commission of the State of Hawaii (PUC). The Company will be applying to the PUC for sewer service rate increases from time to time to cover (a) operating and other expenses; (b) future capital and plant improvements; (c) other reasonable and appropriate items as authorized by the PUC; and (d) improvements required for compliance with applicable county, state, federal and agency environmental and other laws and regulations. The existing rates and tariffs for the Company are attached hereto as Original Sheet 23 through Sheet 25.
3. The Company shall not be obligated to provide wastewater sewer service to an applicant for service until the applicant for service has paid, in full, the applicable service extension charge per the formula set out in the Company's rate schedule and all other charges required for connection to the Company's system as included in these Rules and Regulations.
4. Application for wastewater sewer service and Service Connection shall be made in accordance with these Rules and Regulations.
5. An applicant for wastewater sewer service will be required to establish or reestablish credit in accordance with these Rules and Regulations. A deposit may be required in connection with sewer service, in accordance with Section IV of these Rules and Regulations.

6. A charge equal to the Company's estimate of the cost of the Service Connection, but in no event less than \$1,500.00, will be paid by the applicant before the connection for wastewater sewer service is made by the Company. Should the actual cost of the Service Connection be greater than the Company's estimate, the Customer shall be billed for the difference. Should the actual cost of the Service Connection be less than the Company's estimate, the Company shall refund the difference to the Customer. If the Customer makes the connection pursuant to Rule V, such charge need not be paid.
7. Billing, payment of bills, and late payment charges for wastewater sewer service shall be in accordance with these Rules and Regulations. Payment to the Company for all fees, charges, and other payments due Company shall be made in U.S. dollars.

RULE III
APPLICATION FOR SEWER SERVICE AND SERVICE CONNECTION

1. Each prospective Customer will be required to sign the standard application form for the wastewater sewer service desired, assuming responsibility for the payment of future charges for wastewater sewer service at the designated location, before wastewater sewer service will be provided for any use whatsoever. The person signing the application form shall be the Customer and liable for the payment of all charges for wastewater sewer service at the designated location. The application form shall require the following information:
 - (a) Name of applicant.
 - (b) Location of premises to be served.
 - (c) Date applicant will be ready for service.
 - (d) Whether the premises have been heretofore supplied.
 - (e) Purpose for which service is to be used, with description of equipment; and estimate quantity of wastewater—daily average and daily maximum.
 - (f) Whether applicant is the owner or ground lessee of premises.
 - (g) Mailing address, telephone number, and e-mail address.
 - (h) Business address and occupation.
 - (i) References 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.
2. All Customers irrespective of whether or not they have signed an application for wastewater service shall comply with the Rules and Regulations and the rate schedules of the Company.
 3. 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.
 4. Service may be granted only to property owners or to those having leases with at least a one (1) year term. Service may be provided to tenants of any lessee or owner if the lessee or owner will guarantee the tenant's service charges.
 5. 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 service is disconnected in accordance with the Rules and Regulations.
 6. When an application for wastewater sewer service is made by a Customer who was responsible for and failed to pay all bills previously rendered by the Company, the Company may refuse to furnish wastewater sewer service to such applicant until the outstanding bills are paid.
 7. A Customer having a right to possession of property without having made application to the Company for wastewater service to such property, shall be held liable for the sewer service from the date of the last payment received by the Company. If proper application for wastewater sewer service is not made upon notification to do so by the Company, and if accumulated bills for wastewater sewer service are not paid within thirty (30) days after deposit in the United States mail or upon presentation to the Customer, the sewer service shall be subject to discontinuance if the Customer fails to take such corrective action within five (5) days after receipt of a discontinuance of service notice from the Company.

8. A Customer, prior to making any material change in the location, size, flow, 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 thereof together with the plans and specifications therefor not less than sixty (60) days before the change is to be undertaken. The extent and nature of the change shall be subject to the Company's approval, which approval may be contingent upon the Customer's payment of the cost of any alteration to the Company's sewerage system as provided in Rule V, paragraph 8 below. The Company's failure to approve or disapprove the change within sixty (60) days after receipt of written notice thereof shall be construed as approval.

RULE IV
ESTABLISHMENT AND RE-ESTABLISHMENT OF CREDITS AND DEPOSITS

1. **Establishment of Credit.** Each applicant for service will be required to establish credit in one of the following ways before service will be rendered:
 - (a) Establish a record of prompt payment for service for one (1) year without having been disconnected for nonpayment during such period.
 - (b) Have a substantial equity in the premises to be served, or in other real estate located within the Company's area of service of substantial value in relation to charges for service to be rendered.
 - (c) Furnish a guarantor satisfactory to the Company to secure payment of bills for the service requested.
 - (d) Make a cash deposit to secure payment of bills for service to be furnished by the Company, as provided in paragraph 3 of this rule.

2. Re-establishment of Credit.

- (a) An applicant who previously has been a Customer of the Company and whose service has been discontinued for nonpayment of bills shall be required, before service is rendered, to pay all amounts owing to the Company and to establish credit as provided in paragraph 1 of this rule.
- (b) A Customer may be required to reestablish his credit in the manner prescribed in paragraph (a) of this rule in case the basis on which credit was originally established has materially changed.
- (c) A Customer who fails to pay a bill before it becomes past due, and who further fails to pay such bill within five (5) days after receipt of a discontinuance of service notice from the Company for such nonpayment, may be required to pay such bill and reestablish credit in the manner provided in paragraph 1.(d) of this rule. Failure to reestablish credit at the request of the Company will subject the Customer to a discontinuation of wastewater sewer service.

3. Deposits. The Company may require from any Customer a deposit intended to guarantee payment of bills for wastewater sewer service. The amount of the deposit required under this rule shall be not less than the Company's estimated total charges for service for the subject premises for a period of two (2) consecutive months, ("standard Customer deposits") or as may reasonably be required by the Company in cases involving service for short periods or for special occasions or for large or unusual uses. Deposits shall not be transferable.

4. Interest on Deposits. Simple interest at the business savings account rate of the financial institution in which the funds are deposited shall be paid by the Company on standard Customer deposits described in paragraph 3 of this rule for the time it is held by the Company after credit is established. If the refund of deposit is made within 30 days of the establishment of credit, no interest payment is required. If the Company retains the deposit more than 30 days after the establishment of credit, payment of interest shall be made retroactive to the date of establishment of credit.

5. Refunds.

- (a) Upon discontinuance of service, the Company will refund the excess, if any, of a Customer's deposit over all unpaid sums due from the Customer to the Company for wastewater sewer service or otherwise.
- (b) A deposit is refundable in cash or by credit to the Customer's account when bills are paid before becoming past due for a continuous period of at least twelve months.
- (c) The Company may refund the deposit at any time upon request, provided that the Customer's credit may otherwise be established as provided in paragraph 1 of this rule.
- (d) The Company may require the Customer to return the Company's deposit receipt properly endorsed or sign a cancellation receipt before the refund is made.

RULE V
CONNECTIONS AND CLEAN-OUTS

- 1. Service Connection. When the application for a Service Connection has been approved, such connection shall be installed by the Customer at its expense. Thereafter the connection shall be and remain the sole property of the Company, but the Customer shall be responsible for its maintenance and repair. 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 City and County of Honolulu and the Rules and Regulations of the Company, the stricter shall apply, unless otherwise agreed to by the Company.
- 2. Reporting and Inspection of Existing Service Connections. All Customer Service Connections existing at the effective date of these Rules are required to be reported to the Company for review and inspection for conformance with this Rule within three months following the effective date of these Rules. Service Connections not in conformance with these Rules shall be modified at the Customer's expense to be in conformance with these Rules or shall be discontinued.

3. **Connection Charge.** If the Company deems it necessary under the circumstances, it may at its option install 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 the Service Connection, but in no event less than \$1,500.00, will be paid by the applicant before the connection is installed. If the actual cost is less than the payment, the applicant will be refunded the difference. If the actual cost is more than the payment, the applicant shall pay the difference to the Company upon receipt of the Company's billing therefor.
4. **Building Sewer.** The Customer shall install his Building Sewer at his 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 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.
5. **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.
6. **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 or houses or buildings and/or the area of land to be serviced by any one or more Service Connections.
7. **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.
8. **Sewer Clean-Out.** A readily accessible sewer clean-out will be installed by the Customer on his 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.

9. Alteration to Sewerage System. All work and materials in connection with the change in location, elevation or alterations 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.
10. Construction and Donation of Sewerage 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 ninety (90) days before the construction of the Development is to be undertaken. The extent and nature of the Development with respect to wastewater 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. Such sewerage facilities shall be designed and installed in compliance with all applicable U.S. Environmental Protection Agency, State of Hawaii, City and County of Honolulu, Company, and other rules, regulations, and standards. 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 and Contribution in Aid of Construction Charges the applicant may be required to pay because of his Development.

RULE VI
CONTRIBUTION IN AID OF CONSTRUCTION

1. As a condition of receiving service or substantially increasing sewage outflow volume from new or substantially modified facilities, applicants shall be required to pay a CIAC and special facility costs to the Company. The CIAC shall be non-refundable, except as provided in Sections 7(d) and 12 of this Rule. Special facilities costs shall be governed by Rule XV. (N)
2. CIAC payments are used by the Company to install or pay for sewage treatment plant facilities required to serve such applicants or customers, including:
 - (a) Construction of primary collection main extensions;
 - (b) Construction of percolation ponds and injections wells;
 - (c) Construction of treatment systems or improvements to increase the capacity or efficiency of the existing treatment collection systems;
 - (d) Preparation, engineering and design work necessary to the construction of sewer treatment facilities; and
 - (e) Related improvements intended to increase the capacity, efficiency or quality of the primary sewer collection system.
3. "Special facility costs" are costs to construct facilities that are necessary to serve applicant's project, as set forth in more detail in Rule XV.
4. "New facilities" as named in Section 1 of this Rule shall mean premises or facilities that have been connected to the Company's sewer system after January 1, 2021.
5. Substantially modified "facilities" shall mean premises or facilities to which any material change is made in the size of the premises or facilities, or in the character or extent of any commercial activities conducted at the premises or facilities, that results in an estimated increase in average annual sewage outflow contribution by the premises in excess of twenty (20) per cent.
6. The CIAC required as a condition of service to a new facility shall be payable only once for such facility, provided that an additional CIAC may be required from customers for facilities that are substantially modified.

7. The CIAC for sewer service shall include an equivalent per gallon charge, calculated as follows: (N)

- (a) If the Company has no capacity available at the time a request for service or substantial modification is made, the CIAC payment shall be based on the Company's good faith estimate, based on engineering and analyses, of the anticipated total cost to construct the next capacity addition, but not less than the average cost per gallon of the most recent two phases of plant capacity, and is calculated as follows:

Estimated Daily Gallons for Proposed or Existing Development	X	Estimated Cost per Gallon of the Company's Next Capacity Addition, But In No Event Less Than The Average Cost Per Gallon of the Most Recent Two Phases of Plant Capacity	X	If CIAC is Based On Historical Costs: CPI in the year of payment / CPI for the base year (last capacity addition used in calculating CIAC)
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- (b) If the Company has capacity available at the time the request for service is made, the applicant shall pay a CIAC payment as follows:

Estimated Daily Gallons for Proposed or Existing Development	X	Actual Cost per Gallon of the Company's Most Recent Capacity Addition, But In No Event Less Than The Average Cost Per Gallon of the Most Recent Two Phases of Plant Capacity	X	CPI in year of contribution payment / CPI for base year (last capacity addition used in calculating CIAC)
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"CPI" shall mean the "Consumers Price Index for all urban Consumers, Honolulu, Hawaii, ALL ITEMS", as published by the Bureau of Labor Statistics, United States Department of Labor.

- (c) If the Company collects a greater amount of CIAC than the total cost of all constructed phases of the wastewater treatment plant (an "Over-Collection"), then for purposes of calculating the CIAC to be paid by an applicant who will be served by the next capacity addition of the plant, the cost of such next capacity addition shall be reduced by the net unamortized Over-Collection.
- (d) Where the CIAC is based on estimated construction costs, promptly following completion of construction, the Company shall deliver to the applicant a statement showing the actual costs of construction and a recalculation of the CIAC based on actual construction costs. Any difference between the originally calculated and recalculated CIAC shall be payable by the Company or the applicant, as applicable, within thirty (30) days of the date of the statement. (N)

8. The CIAC shall be calculated on the basis of the Company's estimate of (a) the outflow from the customer's premises in the case of new facilities, or (b) the increase in outflow from the customer's premises in the case of substantially modified facilities.
9. The following guidelines are currently being used by the Company to estimate the demand placed on the Company's sewage treatment plant facilities:
- (a) Residential units:
Single family - 320 gpd
Multi-family - 220 gpd
- (b) Other uses by estimates of sewage flow.
(c) Estimate of sewage flows are to be made by the Company and, if by the customer, they will require adequate justification for Company approval.

These guidelines are approximate and each development will be evaluated based on design and other factors that affect sewage outflow.

10. The CIAC for new facilities shall be estimated at the time that an applicant makes a request of the Company for a "will serve" letter. A subsequently issued "will serve" letter will only state the Company's ability and willingness to supply the applicant with the requested service, conditioned upon the applicant's execution of an Extension Agreement within a specified period of time, payment of the CIAC, and construction of or contribution to the cost of any special facilities required to serve the applicant that are not paid for with CIAC in accordance with Rule XII. The total CIAC fee to be paid will be dependent on the rate provided for in the Company's Rules and Regulations in effect at the time that payment is tendered. CIAC shall be payable in full upon execution of an Extension Agreement. If the full CIAC is not paid upon execution of the Extension Agreement, the Extension Agreement and the "will serve" letter shall be null and void. Any Extension Agreement issued by the Company shall not be binding until payment is received.
11. The CIAC for substantially modified facilities shall be payable (a) within thirty (30) days after the customer receives a building permit, or (b) as of the date upon which the customer increases sewer treatment facility usage as a result of the modification, if the customer fails to provide the company with prior written notice of the modification.

(N)

(N)

12. Any will-serve agreement entered into on or after January 1, 2021 shall automatically terminate if the applicant does not execute an Extension Agreement and satisfy all other conditions contained in the will-serve agreement within the time set forth in the will-serve agreement. (N)
13. Any Extension Agreement entered into after January 1, 2021 shall automatically terminate if the applicant has not completed construction of the project for which service was requested within one year after the date of the Extension Agreement, or such longer or shorter time as may be set forth in the Extension Agreement. The Company may agree to extend this date if facilities constructed or to be constructed with the CIAC are not required by another user.
14. In the event of termination of either the will-serve agreement or the Extension Agreement: (a) the Company's commitment to reserve capacity for the applicant shall be null and void; and (b) if the applicant subsequently requests service for the same property, the applicant will be required to sign a new will-serve agreement and a new Extension Agreement under which the contribution-in-aid of construction will be recalculated based on the cost of facilities required to serve applicant, and applicant will receive a credit in the amount of the unreimbursed balance of the CIAC previously paid, if any.
15. Sections 12, 13, and 14 of this Rule shall not apply to any applicant who has entered into a will-serve agreement before January 1, 2021. Section 7 of this Rule shall not apply to any applicant who has entered a will serve agreement before January 1, 2021, except to the extent that the terms of such agreement are consistent with the terms of Section 7; provided that, if full payment of the CIAC due under such will-serve agreement has not been paid and the will-serve agreement provides that final payment will be dependent on the rate in effect at the time of such payment, the total CIAC payable will be calculated in accordance with Section 7 above.
16. In lieu of requiring an applicant to pay a CIAC pursuant to this Rule, the Company may, in its discretion, allow an applicant to contribute or construct facilities that are required to serve the applicant's project pursuant to Rule XVII, System Extensions. Such facilities may include those described in Section 2 of this Rule. Further, in addition to requiring an applicant to pay a CIAC pursuant to this Rule, the Company may require an applicant to construct or contribute to the cost of constructing special facilities that are required to serve the Applicant pursuant to Rule XVII to the extent that the cost of such facilities is not included in the CIAC. (N)

RULE VII
PAYMENT OF BILLS

1. **Bills.** The Customer will be billed each month for wastewater sewer service. 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. Sewer service charges shall be based on sewage volume collected from the Customer, calculated as a percentage of metered monthly potable water consumption. In addition to the sewage volume charge, a monthly service charge will be added to the bill. Strictly irrigation and/or non-potable water use that does not return any water to the sewer will be billed at zero percent (0%) of the monthly metered potable water use. Domestic use in combination with a separate irrigation/non-potable meter will be billed at one hundred percent (100%) of monthly metered domestic potable water use. Combined domestic and/or irrigation/non-potable uses off of the same potable water meter will be billed at eighty percent (82%) of monthly metered potable water use. Sewer service will be charged at approved sewer rates included in the Schedule of Rates and Charges on Sheets 28 through 30. If a meter fails to register due to any cause other than non-use of water, an average bill may be rendered. Such average bill will be subject to equitable adjustment taking into account all factors before, during, and after the period of said bill.
2. **Late Payment and Other Charges.** 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 one percent (1%) per month of the delinquent balance. Bank fees for a returned check plus the Company's processing fees will be added to the overdue amount to be paid by the Customer. If a Customer fails to pay the charges payable hereunder on or before the due date and the Company is required to undertake additional measures to pursue collection of the overdue sums, in addition to the remedies available hereunder, the Customer shall reimburse the Company for the reasonable costs (i.e., court costs and attorney's fees) incurred by the Company in connection with such collection measures.
3. **Discontinuance by the Company.** If undisputed charges for services are not paid within thirty (30) days after deposit in the United States mail or presentation to the Customer, the Company may discontinue service upon five (5) days' written notice to the Customer for non-payment of a bill.

4. Consumers shall submit any dispute regarding the charges appearing on the bill to the Company in writing no 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 of or any adjustments to the bill within fifteen (15) days of its receipt of the written dispute. The Consumer shall pay any amount due within five (5) days after the Company's response. If the Consumer still disputes the amount, the Consumer shall still pay the undisputed amount to the Company within five (5) days. The Consumer may contact the Commission regarding the disputed amount, or any other complaint by writing to the Commission at 465 South King Street; Kekuanaoa Building, Room 103; Honolulu, Hawaii 96813; Telephone No. (808) 586-2020, for final determination.

RULE VIII
UNACCEPTABLE WASTES

1. No person shall discharge or cause to be discharged any storm water, surface water, ground water, roof run-off, subsurface drainage, uncontaminated cooling water, or unpolluted 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 sewage 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 sewerage works such as, but not limited to, ashes, cinders, sand, mulch, straw, shavings, metals, glass, rags, feathers, tar, plastics, wood, underground garbage, whole blood, paunch manure, hair and fleshing, entrails and paper dishes, cups, milk containers, etc., either whole or ground by garbage grinders.
 - (e) Any other water or wastewater substance, of whatever nature or form, disposal of which is prohibited by applicable federal, state, county or agency environmental or other law, rule or regulation.
 - (f) Any liquid or vapor having a temperature higher than one hundred fifty degrees (150°) F.

- (g) Any waters or waste containing fats, wax, grease, or oils, whether emulsified or not, in excess of one hundred (100) mg/l or containing substances which may solidify or become viscous at temperatures between thirty-two (32°) and one hundred fifty degrees (150°) F.
- (h) 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.
- (i) Any waters or wastes containing strong iron pickling wastes, or concentrated plating solutions, whether neutralized or not.
- (j) 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.
- (k) 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 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.
- (l) 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.
- (m) Any waters or wastes having a pH in excess of 9.5.

- (n) 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 "Slug" as defined herein.
- (o) Waters or wastes containing substances which 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.
3. If any waters or wastes are discharged or are proposed to be discharged into the Company's sewers, which waters contain the substances or possess the characteristics enumerated in paragraph 2 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 otherwise create a hazard to life or constitute a public nuisance, the Company may:
- (a) Reject the wastes,
 - (b) Require pretreatment 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 pretreatment or equalization of waste flows, the design and installation of the plants and equipment that provides the pretreatment shall be subject to the review and approval of the Company, and subject to the requirements of all applicable federal, state, and county codes, ordinances, and laws.

The City and County of Honolulu Department of Environmental Services will require certain Customers (determine at the discretion of the Department of Environmental Services based on the nature of the Customer's wastewater) to implement wastewater pretreatment and comply with the Department's pretreatment rules and regulations. Customer will be required to comply with the Department's requirements. Noncompliance with the City and County of Honolulu Department of Environmental Services requirements will result in discontinuance of Customer's sewer service due to noncompliance with Company's Rules and Regulations.

4. Grease, oil, and sand interceptors shall be provided and maintained by the Customer 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, sand, 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.
5. 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 the Customer at his expense.
6. When required by the Company, the Customer having 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 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 him so as to be safe and accessible at all times.

7. 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 at 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 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 solids analyses are obtained from 24-hour composites of all outfalls whereas pH's are determined from periodic grab samples.)

8. 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.

RULE IX **INTERRUPTION OF SERVICE**

1. The Company will exercise reasonable diligence and care to provide adequate wastewater sewer service to the Customer and to avoid interruptions in service; provided, however, that the Company shall in no event be liable for any interruption or insufficiency of service, any loss or damage occasioned thereby, nor for any termination or discontinuance of service 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.

RULE X
DISCONTINUANCE OF SERVICE

Wastewater sewer service may be discontinued, without any liability to the Company, for the reasons listed below:

1. **Customer Notice.** Wastewater sewer service may be discontinued by the Customer by providing notice to the Company that the Customer desires to discontinue service. In such an event, service shall be deemed discontinued on the latter to occur of: (a) the date of the Company's actual receipt of notice, (b) the discontinuance/termination date set forth in the Customer's notice, or (c) the date on which the premises is vacated and service is no longer being provided by the Company.
2. **Nonpayment of Bills.** Wastewater sewer service may be discontinued for nonpayment of a bill within the period prescribed in these Rules and Regulations.
3. **Noncompliance With the Company's Rules and Regulations.** If the Customer fails to comply with any of these Rules and Regulations, or tampers with the service facilities of the Company, the Company reserves the right to discontinue the service within five (5) days after written notice of intent to do so.
4. **Unauthorized Use.** Wastewater sewer service may be discontinued without notice in the event of any unauthorized use of the Company's sewerage system or any use in violation of applicable laws, ordinances, rules or regulations of any public authority. In addition, the Company may discontinue service without notice to protect the Company against fraud, abuse, or disposal of unacceptable wastes.
5. **Failure to Cooperate with the Company.** Wastewater service may also be discontinued without notice for failure of the Customer to permit the Company reasonable access to the Customer's premises and equipment upon request, or to furnish such service equipment, permits, certificates, easements or rights-of-way as shall have been specified by the Company as a condition to obtaining or continuing service, or in the event such service equipment, permits, certificates, easements or rights-of-way are withdrawn, terminated or modified.

6. Restoration - Reconnection Charge. Before restoring service that has been discontinued for nonpayment of bills or for failure to otherwise comply with any of these Rules and Regulations, the Company, at the Customer's sole expense, shall reconnect the Customer's Service Connection. The Customer shall be responsible for all costs incurred in the initial discontinuance of service and in the reconnection thereof (which include those costs described in the definition of the Cost of Service Connection) as well as an administrative reconnection fee of \$250.00. The size, alignment, materials and method of construction, including, without limitation, jointing and testing of the Service Connection, shall conform to all building and plumbing codes or other applicable ordinances, rules and regulations of the City and County of Honolulu and the Company. In the event of any conflict between the requirements of these Rules and Regulations and such ordinances, rules and regulations of the City and County of Honolulu, and/or the State of Hawaii, the strictest shall apply unless the Company agrees otherwise. If the Company deems it necessary under the circumstances, the Company may, at its option, require the Customer to deposit with the Company a sum equal to the Company's estimate of the cost of reconnection (but in no event less than \$500.00) before the reconnection is made. If the actual cost of the reconnection is in excess of the deposit, the Applicant/Customer will be billed and shall pay for the difference within thirty (30) days. If the actual cost is less than the deposit, the Applicant will be refunded the difference.

Notwithstanding anything in the Rules and Regulations to the contrary, Customer shall remain responsible for all charges set forth in the Rules and Regulations until the discontinuance of service as provided herein.

RULE XI
INGRESS TO AND EGRESS FROM CUSTOMERS' PREMISES

Any officer, employee, subcontractor or agent of the Company or agent of the City and County of Honolulu Department of Environmental Services in conjunction with its wastewater sewage pretreatment program shall have the right of ingress to 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 it by law or these Rules and Regulations. Notwithstanding anything in the Rules and Regulations to the contrary, in the case any such officer, employee, subcontractor or agent is refused admittance to any premises or shall be hindered or prevented from exercising the above rights in any manner, the Company may cause the sewer service to be discontinued from said premises after giving 24 hours notice to the Customer or occupant of said premises of its intention to do so.

RULE XII
COMPANY'S EQUIPMENT ON CUSTOMER'S PREMISES

All equipment belonging to the Company and installed upon the Customer's premises for measurement, test, check or any other purpose shall continue to be the property of the Company, and may be repaired, replaced or removed by the Company at any time without the consent of the Customer. The Customer shall exercise reasonable care to prevent damage to equipment of the Company upon the Customer's premises and shall in no way interfere with the operation of the same.

RULE XIII
CUSTOMER RESPONSIBILITY

1. The Customer shall, at his own risk and expense, furnish, install, and keep in good and safe condition all equipment that may be required for utilizing the wastewater sewer service supplied by the Company.
2. 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, and the Company shall be promptly reimbursed by the Customer for any such damage upon presentation of a bill therefore. Any damage to Company facilities shall be reported as soon as possible.

RULE XIV
SEVERABILITY

If any rule, section, sentence, clause, or phrase of the Rules and Regulations or its application to any person or circumstances or property is held to be unconstitutional or invalid, the remaining portions of the Rules and Regulations or the application of the Rules and Regulations to other persons or circumstances or property shall not be affected. The Company hereby declares that it would have adopted the 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.

RULE XV
SYSTEM EXTENSIONS

A. **General Provisions and Definitions**

(N)

1. **Applicability**

(a) All extensions of distribution mains, force mains, or gravity mains, from the Company's basic production and transmission system, existing distribution system, or sewer collection system to serve new customers, shall be made under the provisions of this rule unless specific authority is first obtained from the Commission to deviate therefrom. An extension contract shall be executed by the Company and the applicant or applicants for the system extension before the Company commences construction work on said extensions or, if constructed by applicant or applicants, before the facilities comprising the system extension are transferred to the Company

(N)

- (b) The cost of extensions primarily for fire hydrant, private fire protection, resale, temporary, standby, or supplemental service and any related installations, shall be borne by the applicant, with no refund, as further affirmed in Section B. (N)
- (c) The Company may, but will not be required to, make extensions under this rule 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 applicant or applicants for the system extension shall deposit with the Company, at the time of execution of the system extension agreement, funds sufficient to pay for the estimated net cost of relocating, raising or lowering facilities upon establishment of final grades. Adjustment of any difference between the amount so deposited and the actual cost of relocating, raising or lowering facilities shall be made within ten days after the Company has ascertained such actual cost. The net deposit representing actual cost is not subject to refund. The entire deposit related to the proposed relocation, raising or lowering shall be refunded when such displacements are determined by proper authority to not be required.

2. Definitions

- (a) A "bona-fide customer," for the purposes of this rule, shall be a customer (excluding any customer formerly served at the same location) who has given satisfactory evidence that service will be reasonably permanent to the property which has been improved with a building of a permanent nature, and to which service has commenced. The provision of service to a real estate developer or builder, during the construction or development period, shall not establish such a person as a bona-fide customer.
- (b) A "real estate developer" or "builder," for the purposes of this rule, shall include any individual, association of individuals, partnership, or corporation that divides a parcel of land into two or more portions, or that engages in the construction and resale of individual structures on a continuing basis. (N)

(c) The "adjusted construction cost," for the purposes of this rule, shall be reasonable and shall not exceed the costs recorded in conformity with generally accepted water utility accounting practices, and as specifically defined in the Uniform System of Accounts for Water Utilities prescribed by the Commission for the installing facilities of adequate capacity for the service requested. If the Company, at its option, should install facilities with a larger capacity or resulting in a greater footage of extension than required for the service requested, the "adjusted construction cost," for the purpose of this rule, shall be determined by the application of an adjustment factor to actual construction cost of facilities installed. This factor shall be the ratio of estimated cost of required facilities to estimated cost of actual facilities installed. (N)

3. Ownership, Design, and Construction of Facilities

- (a) Any facilities installed hereunder shall be the sole property of the Company. In those instances which title to certain portions of the installation, such as fire hydrants, will be held by a political subdivision, such facilities shall not be included as a part of the system extension under this rule, and will neither be owned by the Company nor subject to refund under the provisions of Section B.2 of this rule.
- (b) The size, type, quality of materials, and their location shall be specified by the Company; and the actual construction shall be done by the Company or by a constructing agency acceptable to it.
- (c) Where the property of an applicant is located adjacent to a right-of-way, exceeding 70 feet in width, for a street, highway, or other public purpose, regardless of the width of the traveled way or pavement; or on a freeway, waterway, or railroad right-of-way, the Company may elect to install a system extension on the same side thereof as the property of the applicant, and the estimated and adjusted construction costs in such case shall be based upon such an extension.
- (d) When an extension must comply with an ordinance, regulation, or specification of a public authority, the estimated and adjusted construction costs of said extension shall be based upon the facilities required to comply therewith.
- (e) Prevailing provisions for water conservation included in local building codes and/or ordinances shall apply. (N)

4. Estimates, Plans, and Specifications (N)
- (a) Any applicant for a service extension requesting the Company to prepare detailed plans, specifications, and cost estimates shall be required to deposit with the Company an amount equal to the estimated cost of preparation of such material. The Company shall, upon request, make available within 45 days after receipt of the deposit referred to above and all required information to design the system extension, such plans, specifications, and cost estimates of the proposed system extension. If the extension is to include oversizing of facilities to be done at the Company's expense, appropriate details shall be set forth in the plans and cost estimates.
- (b) In the event a system extension contract with the Company is executed within 180 days after the Company furnishes the detailed plans and specifications, the deposit shall become a part of the advance, and shall be refunded in accordance with the terms of the system extension contract. If such contract is not so executed, the deposit to cover the cost of preparing plans, specifications, and cost estimates shall be forfeited by the applicant for the system extension and the amount of the forfeited deposit shall be credited to the account or accounts to which the expense of preparing said material was charged.
- (c) When detailed plans, specifications and cost estimates are requested, the applicant for a system extension 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, this additional expense shall be borne by the applicant.
5. Timing and Adjustment of Advances (N)
- (a) Unless the applicant for the system extension elects to arrange for the installation of the extension by the applicant, as permitted by Section B, the full amount of the required advance or an acceptable surety bond must be provided to the Company at the time of execution of the system extension agreement.
- (b) If the applicant for a system extension posts a surety bond in lieu of cash, such surety bond must be replaced with cash not less than ten calendar days before construction is to commence; provided, however, that if special facilities are required primarily for the service requested, the applicant for the extension may be required to deposit sufficient cash to cover the cost of such special facilities before they are ordered by the Company.

- (c) An applicant for a system extension who advances funds shall be provided with a statement of actual construction cost and adjusted construction cost showing in reasonable detail the costs incurred for material, labor, any other direct and indirect costs, overheads, and total costs; or unit costs; or contract costs, whichever are appropriate.
- (d) Said statement shall be submitted within 60 days after the actual construction costs of the installation have been ascertained by the Company. In the event that the actual construction costs for the entire installations shall not have been determined within 120 days after the completion of construction work, a preliminary determination of actual and adjusted construction costs shall be submitted, based upon the best available information at that time.
- (e) Any differences between the adjusted construction costs and the amount advanced shall be shown as a revision of the amount of advance and shall be payable within thirty days of date of submissions of statement.

6. Assignment of System Extension Contracts

Any contract entered into under Section B of this rule, or under similar provisions of former rules, may be assigned, after settlement of adjusted construction costs, after written notice to the Company by the holder of said contract as shown by the Company's records. Such assignment shall apply only to those refunds which become due more than thirty 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.

B. Extensions to Serve Subdivisions, Tracts, Housing Projects; Industrial Developments, Commercial Buildings, or Shopping Centers

1. Advances

- (a) Unless the procedure outlined in Section B.1.c., is followed, an applicant for a system extension to serve a new subdivision, tract, housing project, industrial development, or organized commercial district shall be required to advance to the Company, before construction is commenced, the estimated reasonable cost of the 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 customers and a reasonable estimate of the potential customers who might be served directly from the system extension. The costs of the extension shall include necessary service stubs or service pipes, fittings, valves and housing therefor, and meter boxes, but shall not include meters. To this shall be added the cost of fire hydrants when requested by the applicant for the extension or required by public authority, whenever such hydrants are to become the property of the Company.

(N)

- (b) If special facilities consisting of items not covered by section B.1.a. are required for the service requested and, when such facilities to be installed will supply both the system extension and other parts of the Company's system, and at least 50 percent of the design capacity (in gallons, gpm, or other appropriate units) of the special facilities is required to supply the system extension the cost of such special facilities may be included in the advance, subject to refund, as hereinafter provided, along with refunds of the advance of the cost of the extension facilities described in Section B.1.a. above. (N)
- (c) In lieu of providing the advances in accordance with Sections B.1.a. and B.1.b., the applicant for a system extension shall be permitted, if qualified in the reasonable judgment of the Company, to construct and install the facilities itself, or arrange for the construction and installation by a contractor that is qualified in the reasonable judgment of the Company. The cost, including the cost of engineering, inspection and supervision by the Company, shall be paid directly by applicant. Prior to construction and installation, the applicant shall provide a detailed cost estimate to the Company for review and approval. Following construction and installation, the applicant shall provide the Company with a statement of actual construction cost in reasonable detail. The amount to be treated as an advance subject to refund shall be the lesser of (1) the actual cost or (2) the detailed cost estimate approved by the Company. The installation shall be in accordance with the plans and specifications submitted by the Company pursuant to Section A.4.a.
- (d) If, in the opinion of the Company, it appears that a proposed system extension will not, within a reasonable period, develop sufficient revenue to make the extension self-supporting, or if for some other reason it appears to the Company that a system extension contract would place an excessive burden on existing customers, the Company may require a non-refundable contribution of plant facilities from developers in lieu of a system extension contract pursuant to Rule XXVI Contribution in Aid of Construction Fee (Facilities Charges).

2. Refunds

- (a) The amount advanced under Section B.1.a., B.1.b., and B.1.c. shall be subject to refund by the Company, in cash, without interest, to the party or parties entitled thereto as set forth in the following two paragraphs with the exception of extensions funded wholly or in part by State or Federal grants, the portion of which that is covered by grant funds is non-refundable. The total amount so refunded shall not exceed the total of the amount advanced and for a period not to exceed 40 years after the date of the contract (an amount equal to 2.5% of the advances until the principal amounts of the contracts have been fully repaid). (N)

- (b) Payment of refunds shall be made twice a year, not later than December 31, and June 30 of each year, beginning the year following execution of contract, or not later than 6 months after the contract anniversary date if on an anniversary basis. (N)
- (c) Whenever costs of system extensions and/or special facilities have been advanced pursuant to Section B.1.a., B.1.b., or B.1.c., the amount so advanced shall be divided by the number of lots (or living units, whichever is greater) which the extension is designed to serve, to obtain an average advance per lot (or living unit) for the extension. The Company shall semi-annually refund to the contract holders an amount equal to the average.
- (d) Advance per lot (or living unit) multiplied by the number of lots (or living units) added to the extension during the previous 6 month period until the principal amounts of the contracts have been fully repaid.

Whenever costs of special facilities have been advanced pursuant to Section B.1.b. or B.1.c., the amount so advanced shall be divided by the number of lots (or living units, whichever is greater) which the special facilities are designed to serve, to obtain an average advance per lot (or living unit) for special facilities. When another builder applies for a system extension to serve any lots for which the special facilities extension to serve any lots for which the special facilities are to be used, the new applicant shall, in addition to the costs of the applicant's proposed system extension, also advance an amount for special facilities. This amount shall be the average advance per lot for special facilities for each lot to be used less 2 $\frac{1}{2}$ percent of the average advance for each year in which refunds have been due and payable on the original contract, prorated to June 30 on a monthly basis.

Advances and refunds based on additional builder participation will be determined in a similar manner. In no case shall the refund on any contract exceed the amount advanced

(N)

(N)

3. Termination of System Extension Contracts

- (a) Any contract may be purchased by the Company and terminated provided that the terms are mutually agreed to by the parties or their assignees. The maximum price that may be paid by the Company to terminate a contract shall be the remaining unrefunded contract balance.

(N)

(N)

C. Facility Relocation or Rearrangement

Any relocation or rearrangement of Company's existing facilities, at the request of, or to meet the convenience of an applicant or customer, and agreed up on by the Company, normally shall be performed by the Company. Where new facilities can be constructed in a separate location, before abandonment or removal of an existing facilities, and applicant requests to perform the new construction work, the applicant shall be permitted, if qualified in the judgment of the Company, to construct and install the facilities itself, or arrange for their installation pursuant to competitive bidding procedures initiated by the applicant and limited to qualified bidders.

In all instances, Company shall abandon or remove its existing facilities at its discretion. The costs of all related relocation of mains, services, and hydrants, rearrangement, removal, and tie-in work shall be paid to the Company as a Contribution in Aid of Construction.

(N)

(N)

SCHEDULE OF WASTEWATER SERVICE RATES AND CHARGES

Wastewater service charge shall be based on wastewater volume calculated as a percentage of metered monthly potable water consumption.

- Strictly irrigation/non-potable use that does not return any water to sewer will be billed at 0% of metered potable water.
- Domestic use in combination with a separate irrigation/non-potable meter will be billed at 100% of metered water.
- Combined domestic/irrigation/non-potable uses off of same meter will be billed at 82% of metered water.

If a meter fails to register due to any cause other than non-use of water, an average bill may be rendered. Such average bill will be subject to equitable adjustment taking into account all factors before, during, and after the period of said bill.

A monthly service charge will be added to bill.

Wastewater Service Rates:

Customer Class	Rate Per Thousand Gallons Wastewater (TG)	Monthly Service Charge	(R)
Residential	\$8.32 per TG		(R)
Non-Residential	\$8.32 per TG		

Power Cost Charge

In addition to the Monthly Stand-by charge and the Monthly Wastewater Consumption Charge, there shall be a Power Cost Charge per 1,000 gallons of billed wastewater usage provided by the Company per month. The amount of the Power Cost Charge shall be computed as follows:

$$EP = PEC / PM * (1 + PSC \text{ Tax and PUC Fee rate})$$

Where:

EP = Electric Power Cost Per Thousand Gallons ("TG")

PEC = Previous Month's Electricity Cost

PM = Previous Month's Total TG of wastewater billed to the Company's customers

PSC Tax and PUC Fee rate = 5.885% and .50% respectively or the most current approved and noticed by the Public Utility Commission of Hawaii

PURCHASED WASTEWATER TREATMENT PASS THROUGH CHARGE

In addition to the Monthly Consumption Charge, there shall be a Purchased Wastewater Treatment Charge that will be calculated as follows: (N)

Non-Residential Customers (billed by 1,000 gallons of billed wastewater usage)

$$\text{PWT} = (\text{WTC} - \text{RWC} + \text{BT}) / \text{PM} * (1 + \text{PSC Tax and PUC Fee rate})$$

Where:

WTC = Previous Month's Wastewater Treatment Cost

RWC = Previous Month's Wastewater Treatment Cost for Residential Units (Single family and Multiple unit dwelling).

BT = Any billing true ups, charges or credits, billed by ENV during the current month. If the billing true up reflects more than one billing month, the true up amount will be divided and billed by the number of months represented in the true up until fully collected.

PM = Previous Month's Total TG of wastewater billed to the Company's customers

PSC Tax and PUC Fee rate = 5.885% and .50% respectively or the most current approved and noticed by the Public Utility Commission of Hawaii.

Residential Monthly Base Charges (billed per Living Unit)

$$\text{Single Family} = ((\$87.11 * \text{CSFR}) + \text{BT}) * (1 + \text{PSC Tax and PUC Fee rate})$$

$$\text{Multiple Unit Dwelling} = ((\$87.11 * \text{CMUR} * \text{NU}) + \text{BT}) * (1 + \text{PSC Tax and PUC Fee rate})$$

Where:

CSFR = Currently Billed Residential Single-Family Base Rate approved and noticed by the ENV divided by \$87.11

CMUR = Currently Billed Residential Multiple Unit Base Rate approved and noticed by the ENV divided by \$87.11

NU = Number of Units in Multiple Residential Dwellings (N)

Exhibit “A”

