

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)	
)	
WAIKOLOA RESORT UTILITIES,)	Docket No. 2024-0224
INC., dba WEST HAWAII UTILITY)	
COMPANY, WAIKOLOA SANITARY)	
SEWER COMPANY, INC., dba WEST)	
HAWAII SEWER COMPANY, WAIKOLOA)	
WATER CO., INC., dba WEST HAWAII)	
WATER COMPANY)	
)	
For Approval of a General Rate Increase and)	
Certain Tariff Changes.)	
_____)	

APPLICATION

EXHIBITS WU-T-100 through WU-T-609

and

CERTIFICATE OF SERVICE

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CO., INC., dba WEST HAWAII WATER
COMPANY

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WATER CO., INC., dba WEST HAWAII)	
WATER COMPANY)	
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For Approval of a General Rate Increase and)	
Certain Tariff Changes.)	
_____)	

APPLICATION

Applicants Waikoloa Resort Utilities, Inc., dba West Hawaii Utility Company (“WHUC”), Waikoloa Sanitary Sewer Company, Inc., dba West Hawaii Sewer Company (“WHSC”), and Waikoloa Water Co., Inc., dba West Hawaii Water Company (“WHWC”) (collectively, “Applicants,” “Waikoloa Utilities,” or “WU”), pursuant to Hawaii Revised Statutes (“HRS”) § 269-16, as amended, and Hawaii Administrative Rules (“HAR”) Title 16, Chapter 601, hereby submits this application (the “Application”) requesting that the Hawaii Public Utilities Commission (the “Commission”):¹

1. Determine this Application to be complete, pursuant to HRS § 269-16 and HAR § 16-601-87;²

¹ See Notice of Intent, filed on July 30, 2024, in Docket No. 2024-0224; see also Order No. 41063 *Granting Applicants’ Motion for Approval to Consolidate General Rate Case Applications*, filed on September 26, 2024 in Docket No. 2024-0024 (“Order No. 41063”) (authorizing Applicants to file a consolidated rate case application).

² Applicants’ annual revenues will exceed \$2,000,000. See Order No. 41063 at 8. Therefore, the requirements of HAR § 16-601-87 apply to this Application.

2. Conduct a public hearing on the island of Hawaii to consider this Application in accordance with HRS §§ 269-12 and 269-16, and HAR § 16-601-30;
3. Find that Applicants' present rates for its customers are unjust and unreasonable, and will not allow Applicants to recover all of its reasonably incurred expenses, nor allow Applicants a reasonable opportunity to earn a fair return on its prudently incurred investments in utility property;
4. Approve, pursuant to HRS § 269-16, the water, sewer, and irrigation service rates and charges proposed by Applicants as set forth in Exhibits WU-T-607 (WHUC), WU-T-608 WHWC Step One, WU-T-608 WHWC Step Two, WU-T-609 WHSC Step One, and WU-T-609 WHSC Step Two, and authorize Applicants to put into effect the proposed rates after the date of authorization by the Commission;
5. Conduct this proceeding pursuant to HRS § 269-16(d), as amended, and complete its deliberations and issue a decision and order within nine (9) months following the filing of a complete Application, pursuant to HRS § 269-16(d), as amended;
6. Waive the requirement under HAR § 16-601-75 for audited financial statements and accept Applicants' unaudited financial statements filed herein;
7. Approve the proposed tariff changes including, without limitation, the applicable revised rate schedules as set forth in Exhibits WU-T-607 (WHUC), WU-T-608 WHWC Step One, WU-T-608 WHWC Step Two, WU-T-609 WHSC Step One, and WU-T-609 WHSC Step Two, and supported by the applicable testimonies/exhibits, as previously discussed; and

8. Grant such other relief, including any interim rate increase, as may be just and reasonable under the circumstances.

In support of this Application, Applicants provides the following information:

I. COMMUNICATIONS REGARDING THIS APPLICATION

All pleading, correspondence and communications regarding this Application should be addressed as follows:

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II. DESCRIPTION AND BACKGROUND OF APPLICANTS

Applicants are Hawaii corporations with their principal place of business at 68-1845 Waikoloa Rd., Unit 216, Waikoloa, Hawaii 96738, and their legal offices at 1720 North First Street, San Jose, California 95112.

WHUC is a public utility that provides water and wastewater service to condominiums, hotels and commercial establishments within Waikoloa Beach Resort area on the Island of Hawaii. WHUC also provides irrigation water service to two golf courses within Waikoloa Beach Resort. WHUC'S customers consist of two hotels (the Waikoloa Beach Marriott and the Hilton Waikoloa Village), three golf courses and related facilities, as well as 43 other commercial customers and residential customers – including 69 single family units and multi-family complexes. On average, WHUC distributed approximately 3.5 million gallons of water per day to its customers for the

calendar year ending December 31, 2023. WHUC also owns, operates, and maintains a sewage collection system and wastewater treatment facility (the “R-Plant”).

WHSC is a public utility that provides wastewater collection and treatment service within the Waikoloa Village on the Island of Hawaii. WHSC’s customers consist of approximately 322 single family, 33 multiple residence, 7 commercial, and 5 public authority customers. WHSC owns and operates two wastewater treatment plants: (1) the Waikoloa Auwaiakeakea Wastewater Treatment Plant (the “A-Plant”), which treats wastewater from the service area located in the southern end of Waikoloa village; and (2) the Waikoloa Kamakoa Wastewater Treatment Plant (the “K-Plant”), which treats wastewater from several Hawaii County Housing Projects and the Waikoloa Elementary School in Waikoloa Village.

WHWC is a public utility that provides potable water service to residences, condominiums and commercial establishments within Waikoloa Village on the Island of Hawaii. WHWC’s customers consist of approximately 2,157 single family, 38 multi-family, 34 commercial, and 8 public authority customers. On average, WHWC distributed approximately 2.08 million gallons of water per day for the calendar year ending December 31, 2023. WHWC AND WHUC jointly own, operate, and maintain a potable water system that includes potable water wells, storage tanks, and transmission and distribution lines, pursuant to an Amended and Restated Water Sharing Agreement.

Applicants are wholly owned by Hawaii Water Service Company, Inc. (“Hawaii Water”).³ Hawaii Water also owns Kona Water Service Company, Inc. (“KWSC”), which provides water and wastewater services to certain areas in Kona on the island of

³ See Decision and Order, filed on August 20, 2008, in Docket No. 2008-0018.

Hawaii, and Kalaeloa Water Company, LLC, which provides water and wastewater services in Kalaeloa on the island of Oahu.⁴ Hawaii Water also holds a certificate of public convenience and necessity (“CPCN”) to provide potable water service in Ka’anapali, Maui,⁵ a CPCN to provide potable and non-potable water service and wastewater collection service in Kapalua, Maui,⁶ and a CPCN to provide wastewater collection and treatment service in Pukalani, Maui,⁷ in the Keauhou area of North Kona, Hawaii,⁸ and in Poipu⁹ and Kukui`ula, Kauai.¹⁰

Hawaii Water is a wholly-owned subsidiary of California Water Service Group (“CWSG”), a holding company incorporated in Delaware. CWSG has provided high-quality water utility services through its subsidiaries since 1926. Besides Hawaii Water, CWSG’s operating subsidiaries include California Water Service Company (water service), New Mexico Water Service Company (water and wastewater services),

⁴ See Decision and Order, filed on December 1, 2008, in Docket No. 2008-0109, at 24-27; Decision & Order No. 37325, filed on September 2, 2020, in Docket No. 2019-0144, at 39.

⁵ See Decision and Order No. 6230, filed on June 9, 1980, in Docket No. 3700.

⁶ See Decision and Order No. 37822, filed on June 9, 2021, in Docket No. 2020-0086.

⁷ Pursuant to the Decision and Order filed on June 12, 2008, in Docket No. 2007-0238, the Commission approved the transfer of Pukalani STP Co., Ltd.’s (“Pukalani STP”) CPCN to Hawaii Water.

⁸ See Docket No. 2021-0160, Decision and Order No. 38648, filed October 11, 2022 (approving the sale and transfer of Keauhou Community Services, Inc.’s (“KCSI”) wastewater utility assets to Hawaii Water). This sale and transfer of KCSI’s assets closed on December 15, 2022.

⁹ See Docket No. 2021-0147, Decision and Order No. 38447, filed June 24, 2022 (approving the sale and transfer of HOH Utilities, LLC’s wastewater utility assets to Hawaii Water). This sale and transfer of HOH’s assets closed on December 29, 2023.

¹⁰ See Docket No. 2022-0257, Decision and Order No. 41058, filed September 25, 2024 (approving the sale and transfer of Kukui`ula South Shore Community Services, LLC’s (“KSSCS”) utility assets to Hawaii Water). This sale and transfer of KSSCS’s assets is still pending.

Washington Water Service Company (water and wastewater services), and CWS Utility Services, a non-regulated subsidiary, and HWS Utility Services LLC, a non-regulated subsidiary. CWSG is a public company traded on the New York Stock Exchange under the symbol “CWT.” CWSG’s audited financial statements are available on the SEC’s website.

III. DESCRIPTION OF RATE RELIEF REQUESTED

A. Rate Relief Requested

The following proposed revenue increases will provide Applicants a reasonable opportunity to earn a fair rate of return:

a. WHUC

WHUC seeks the review and approval by the Commission for a 2025 test year (the “Test Year”) revenue increase of \$1,543,408 for its water operations, \$635,062 for its sewer operations, and a (\$31,040) decrease in irrigation operations.¹¹ See Exhibit WHUC 6 for each system. This amounts to an increase of 30% for water operations from the pro forma revenue amount of \$5,145,224 at present rates for the Test Year, an increase of 12% for sewer operations from the pro forma revenue amount of \$5,272,848 at present rates for the Test Year, and a decrease of 9.2% for irrigation operations from the pro forma revenue amount of \$338,039 at present rates for the Test Year, as shown on Exhibit WHUC 6 for each system, attached hereto and as further described in the Direct Testimony of Jason Mumm in Exhibit WU-T-400-WHUC. If approved, the proposed revenue increase will provide WHUC with a 8.01% rate of return on its

¹¹ Pursuant to HAR § 16-601-88(3)(A), the Test Year is calendar year 2025 because this Application is being filed within the last six months of calendar year 2024.

prudently incurred system improvements, as shown on Exhibit WHUC 10 for each system.

b. WHSC

WHSC seeks the review and approval by the Commission the Test Year revenue increase of \$1,242,020 for its sewer operations. See Exhibit WHSC 6, Line 9, column 2. This amounts to an approximate increase of 55.3% from the pro forma revenue amount of \$2,243,994 at present rates for the Test Year, as shown on Exhibit WHSC 6, attached hereto and as further described in the Direct Testimony of Jason Mumm in Exhibit WU-T-400-WHSC. If approved, the proposed revenue increase will provide WHSC with a 8.01% rate of return on its prudently incurred system improvements, as shown on Exhibit WHSC 10.

c. WHWC

WHWC seeks the review and approval by the Commission for the Test Year revenue increase of \$1,876,050 for its water operations. See Exhibit WHWC 6, Line 8, column 2. This amounts to an approximate increase of 67.9% from the pro forma revenue amount of \$2,761,513 at present rates for the Test Year, as shown on Exhibit WHWC 6, attached hereto and as further described in the Direct Testimony of Jason Mumm in Exhibit WU-T-400-WHWC. If approved, the proposed revenue increase will provide WHWC with a 8.01% rate of return on its prudently incurred system improvements, as shown on Exhibit WHWC 10.

B. Justification for Rate Relief Requested

WHSC's and WHWC's last general rate increase became effective on January 1, 2019.¹² The last general rate increase for WHUC became effective on February 8, 2019.¹³ It has been almost six years since their last rate increase.

Applicants' current rates do not now and will not in the foreseeable future produce sufficient revenues to allow them a reasonable opportunity to earn a fair rate of return on their prudently incurred investment.

- For calendar year 2023, WHUC had revenues of approximately \$5,387,556 and a 5.41% rate of return for its water service, revenues of approximately \$5,851,136 and a rate of return of 9.01% for its sewer service, and revenues of approximately \$334,554 and a rate of return of 14.08% for its irrigation water service. See Exhibit TU-T-401-WHUC Schedule 9 for each operation__. For the Test Year, WHUC projects revenues and a rate of return at present rates as follows:
 - Water service: \$5,145,224 total revenue and a -1.65% rate of return;
 - Sewer service: \$5,272,848 total revenue and a 5.81% rate of return;
 - Irrigation service: \$338,039 total revenue and a 27.26% rate of return.See Exhibit WU-T-401-WHUC Exhibit 6 for each operation.
- For calendar year 2023, WHSC had revenues of approximately \$2,258,111 and a 1.67% rate of return for its wastewater operations. See Exhibit WU-T-401-WHSC

¹² See Decision and Order No. 35976, filed on December 24, 2018, in Docket No. 2017-0449; see *also* Decision and Order No. 35977, filed on December 24, 2018, in Docket No. 2017-0450.

¹³ See Decision and Order No. 36045, filed on January 7, 2019, in Docket No. 2017-0350.

Schedule 9. For the Test Year, WHSC projects revenues of approximately \$2,243,994 and a -1.05% rate of return at present rates. See Exhibit WHSC 6.

- For calendar year 2023, WHWC had revenues of approximately \$3,018,310 and a -13.44% rate of return for its water service operations. See Exhibit WU-T-401-
WHWC Schedule 9. For the Test Year, WHWC projects revenues of approximately \$2,761,513 and a -15.23% rate of return at present rates. See Exhibit WHWC 6.

Moreover, Applicants have made significant capital improvements and plan to make additional capital improvements in the Test Year. These capital improvements, which are necessary to meet the current needs of Applicants' customers, are discussed in the Direct Testimony of Julian Gandara in Exhibit WU-T-300.

Finally, Applicants' operating expenses have increased since their last rate case. The proposed rate increases are necessary to cover the increased operating expenses and ensure that Applicants continue to provide high-quality water, sewer, and irrigation utility service to their customers. In sum, the instant rate case is designed to give Applicants an opportunity to earn a fair and reasonable return on its prudently incurred costs for utility assets providing water, sewer and irrigation service to their customers.

IV. NOTICE OF INTENT

Applicants filed a notice of intent to file the Application on July 30, 2024 ("Notice of Intent"), initiating this rate case proceeding in Docket No. 2024-0224. The Notice of Intent was served on the Commission, the Mayor of Hawaii County, and the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs (the "Consumer Advocate"), pursuant to HAR § 16-601-85(a).

V. PRESENT AND PROPOSED RATES

WHWC's, WHSC's, and WHUC's present and proposed rates are set forth in the redlined tariffs attached as Exhibits WU-T-605, WU-T-606, and WU-T-607, respectively, and discussed further in the Direct Testimony of Gregory D. Shimansky in Exhibit WU-T-600. Applicants hereby respectfully request that they be authorized to charge the proposed rates. In addition to reflecting and passing through to customers increased costs to the Applicants, the increases reflect a rate of return of 8.01%, as discussed in Section III.A. of the Application, and increases in rate bases.

Applicants do not propose to change the existing rate design for its water service rates and charges at this time.

VI. PROPOSED TARIFF RIDERS

Applicants are proposing two tariff riders in this Application: (1) a surcredit to return the over-collected income tax expense resulting from the Tax Cuts Jobs Act ("TCJA") reducing the corporate tax rate from a 35% to 21%; and (2) a surcharge to collect deferred COVID-19 expenses related to the COVID-19 Pandemic. Each rider is summarized below and discussed further in the Direct Testimony of Gregory D. Shimansky in Exhibit WU-T-600.

A. Tax Cuts and Jobs Act Tariff

The TCJA was signed into law on December 22, 2017, and became effective on January 1, 2018. This law lowered the corporate tax rate from 35% to 21%. Based on the applicable authorized rates at that time, Applicants continued to collect revenues that were built around a 35% tax rate until January 2019. In January 2019, rates were updated through approved rate cases to capture tax rates at the 21% corporate tax

level. Therefore, the over-collection associated with the TCJA represents that difference in rates collected covering the tax rates for just 2018.

Applicants' proposed monthly surcredit is calculated to return the sum of the over-collected 2018 revenues associated with the TCJA tax rate change divided by the number of customers, further divided by the surcredit period. Applicants are proposing a surcredit period of one year (12 months) to get the refund back to customers expeditiously.

B. COVID-19 Tariff

In Docket 2020-0091, Hawaii Water and its affiliates filed an application seeking Commission approval of deferred accounting treatment to establish regulatory assets associated with the COVID-19 Pandemic beginning from March 3, 2020, the date the Governor of the State of Hawaii issued an emergency proclamation relating to the COVID-19 Pandemic. The Commission approved deferred accounting treatment through June 30, 2021.¹⁴ Applicants propose to collect deferred COVID-19 expenses through a single tariff rider surcharge ("COVID-19 surcharge"). The proposed surcharge is the sum of deferred COVID-19 expenses divided by the number of customers, further divided by the surcharge period.

Similar to the TCJA surcredit, Applicants proposes a monthly flat surcharge to collect the COVID-19 balance. However, Applicants propose a four-year (48 months) collection period to smooth out the impact this surcharge may have on customers. A detailed calculation of the COVID-19 surcharge is presented in Exhibit WU-T-603.

¹⁴ See Decision and Order No. 37679, filed on March 17, 2021, in Docket No. 2020-0091.

VII. PROPOSED TARIFF CHANGES

Applicants request Commission approval to revise their Tariffs to reflect the updated rates and charges, including the Power Cost Charge, as applicable, and the proposed TCJA and COVID-19 riders. The proposed changes are described in the Direct Testimony of Gregory D. Shimansky in Exhibit WU-T-600 and shown in the redlined versions of the proposed revised Tariff pages, which are attached as Exhibits WU-T-607 through WU-T-609.

VIII. FINANCIAL INFORMATION AND EXHIBITS

In accordance with HAR §§ 16-601-86 and 16-601-87, Applicants hereby file and incorporate by reference the following exhibits and attachments:

Exhibit Number	Exhibit Description
Exhibit WU-T-201	Financial statements under HAR § 16-601-75. <u>Schedules</u> A. Amount and kinds of stock authorized by articles of incorporation and amount outstanding. B. Terms of preference of preferred stock, whether cumulative or participate or on dividends of assets, or otherwise. C. Description of each security agreement, mortgage, and deed of trust. D. Unaudited Financial Statements for the year ended December 31, 2022. E. Unaudited Financial Statements for the year ended December 31, 2023. F. Amount of bonds authorized and issued. G. Each note outstanding. H. Other indebtedness. I. Rate and amount of dividends paid during the five previous calendar years. J. The total earnings results for the total utility operations of Applicants. K. Option elected by Applicants in computing

Exhibit Number	Exhibit Description
	<p>deferred taxes, investment tax credit and depreciation deduction in determining its federal income tax payments, and whether Applicants have used the same method in calculating federal income taxes for the Test Year for ratemaking purposes.</p> <p>L. CWSG's last annual report to stockholders.</p> <p>M. CWSG's last proxy statement sent to stockholders.</p> <p>N. The latest form 10(k), Annual Report filed with the Securities and Exchange Commission.</p> <p>O. Statement regarding whether or not the increase reflects and passes through to customers only increased costs to the Applicants for the services or commodities furnished by it.</p>
Exhibits WU-T-101 WHWC WHSC WHUC	General Description of Applicants' Property and Equipment.
Exhibits WU-T-401- WHWC 7.5 WHSC 7.5 WHUC-Water 7.5 WHUC-Sewer 7.5 WHUC-Irrigation 7.5	Property and Equipment, and Accumulated Depreciation for Applicants.
Exhibit WU-605 (WHWC) Exhibit WU-606 (WHSC) Exhibit WU-607 (WHUC)	Present Rate Schedules and Proposed Rate Schedules (proposed rates are redlined as new language; present rates are redlined as deletions)
Exhibits WU-T-401- WHWC 6 WHSC 6 WHUC-Water 6 WHUC-Sewer 6 WHUC-Irrigation 6	Revenue Requirement and Rate of Return Summaries at Present and Proposed Rates Pro Forma for the Test Year Ended December 31, 2025.
Exhibits WU-T-401- WHWC 7 WHSC 7	Average Rate Bases

Exhibit Number	Exhibit Description
WHUC-Water 7 WHUC-Sewer 7 WHUC-Irrigation 7	
Exhibits WU-T-401- WHWC 8 WHSC 8 WHUC-Water 8 WHUC-Sewer 8 WHUC-Irrigation 8	Test Year Pro Forma Historical Summaries
Exhibits WU-T-401- WHWC 9 WHSC 9 WHUC-Water 9 WHUC-Sewer 9 WHUC-Irrigation 9	Results of Operations Pro Forma December 31, 2023 at present and proposed rates.
Exhibits WU-T-401- WHWC 10 WHSC 10 WHUC-Water 10 WHUC-Sewer 10 WHUC-Irrigation 10	Rate of Returns
Exhibit 11 WHUC-Water Exhibit 11 WHUC-Sewer Exhibit 11 WHUC-Irrigation Exhibit 11 WHSC Exhibit 11 WHWC	Phase-in Schedules
Exhibits WU-T-401- WHWC 12 WHSC 12 WHUC-Water 12 WHUC-Sewer 12 WHUC-Irrigation 12	Rate Designs
Exhibit WU-607 (WHUC) Exhibit WU-608 WHWC Step One Exhibit WU-608 WHWC Step Two Exhibit WU-609 WHSC	Proposed Changes to Tariffs

Exhibit Number	Exhibit Description
Step One Exhibit WU-609 WHSC Step Two	
Exhibit WU-T-100	Testimony of Geoff Fulks <ul style="list-style-type: none"> • Exhibit WU-T-101-WHUC • Exhibit WU-T-101-WHSC • Exhibit WU-T-101-WHWC
Exhibit WU-T-200	Testimony of Robert Stout <ul style="list-style-type: none"> • Exhibit WU-T-201 • Exhibit WU-T-202
Exhibit WU-T-300	Testimony of Julian Gandara <ul style="list-style-type: none"> • Exhibit WU-T-301-WHSC • Exhibit WU-T-301-WHUC • Exhibit WU-T-302-WHWC
Exhibit WU-T-400-WHSC Exhibit WU-T-400-WHWC Exhibit WU-T-400-WHUC	Testimony of Jason Mumm (WHSC) <ul style="list-style-type: none"> • Exhibit WU-T-401-WHSC Testimony of Jason Mumm (WHWC) <ul style="list-style-type: none"> • Exhibit WU-T-401-WHWC Testimony of Jason Mumm (WHUC) <ul style="list-style-type: none"> • Exhibit WU-T-401-WHUC-Water • Exhibit WU-T-401-WHUC-Sewer • Exhibit WU-T-401-WHUC-Irrigation
Exhibit WU-T-500	Testimony of Jimmy Yee <ul style="list-style-type: none"> • Exhibit WU-T-501 • Exhibit WU-T-502 • Exhibit WU-T-503 • Exhibit WU-T-504

Exhibit Number	Exhibit Description
Exhibit WU-T-600	<p>Testimony of Gregory D. Shimansky</p> <ul style="list-style-type: none"> • Exhibit WU-T-601 • Exhibit WU-T-602 • Exhibit WU-T-603 • Exhibit WU-T-604 • Exhibit WU-T-605 • Exhibit WU-T-606 • Exhibit WU-T-607 • Exhibit WU-T-608 • Exhibit WU-T-609

IX. FINANCIAL STATEMENTS WAIVER REQUEST

Pursuant to HAR § 16-601-92, Applicants respectfully request that their unaudited financial statements (Exhibit WU-T-201, Schedules D and E) submitted with this Application be accepted in lieu of audited financial statements otherwise required by HAR §§ 16-601-75 and 16-601-86.¹⁵ Because Applicants are small utilities, requiring Applicants to file audited financial statements would result in a hardship. CWSG, Hawaii Water's 100% shareholder, has received an estimate of \$220,000 annually for its auditor, Deloitte & Touche, LLP, to conduct an independent audit of Hawaii Water. If the Commission orders the financial statements to be routinely audited, Applicants will

¹⁵ HAR Chapter 16-601, Subchapter 8, governs rate increase applications and tariff changes. HAR § 16-601-86, in relevant part, requires a public utility requesting authority to change its rates, schedules, or charges to file an application, and a financial statement under HAR § 16-601-75. Specifically, HAR § 16-601-75(b)(1) requires financial statements be accompanied by "[a]n audited balance sheet, including any pertinent notations and explanations contained therein, as of the end of the last calendar year[.]" Under HAR § 16-601-92, the Commission may modify the requirements of HAR Chapter 16-601, Subchapter 8, in its discretion, if the requirements of the subchapter would impose a financial hardship on the applicant or be unjust or unreasonable.

need additional expense recovery in rates to support that effort. CWSG is regularly audited by Deloitte & Touche, LLP. A copy of CWSG's latest annual report showing audited financial statements is available on CWSG's website and is incorporated by reference.

Applicants note that the Commission has previously waived the audited financial statement requirement for other similarly situated utilities. *See, e.g., Hawaii Water Service Company, Inc.*, Docket No. 2022-0140; *Hawaii Water Service Company, Inc.*, Docket No. 2022-0186; *Lanai Water Company, Inc.*, Docket No. 2022-0233; *Hana Water Systems, LLC*, Docket Nos. 2017-0446 and 2017-0447; *Laie Water Company, Inc.*, Docket No. 2016-0229; *HOH Utilities, LLC*, Docket No. 2015-0350; *Hawaiian Beaches Water Company, Inc.*, Docket No. 2013-0203; *Waikoloa Water Co., dba West Hawaii Water Company*, Docket No. 2012-0148; *Waikoloa Resort Utilities, Inc., dba West Hawaii Utility Company*, Docket No. 2011-0331; *Hawaiian Beaches Water Company, Inc.*, Docket No. 2009-0161; *Kapalua Water Company, Ltd.*, Docket No. 2008-0325; *Waimea Wastewater Company, Inc.*, Docket No. 2008-0261; *Kukio Utility Co., LLC*, Docket No. 2007-0198; *Laie Water Co., Inc.*, Docket No. 2006-0502; *Miller & Lieb Water Co., Inc.*, Docket No. 2006-0442; *Puhi Sewer & Water Co., Inc.*, Docket No. 2006-0423; *KRWC Corp., dba Kohala Ranch Water Co.*, Docket No. 05-0334; *Pukalani STP Co., Ltd.*, Docket No. 05-0025; and *HOH Utilities, LLC*, Docket No. 05-0024.

Consistent with the above Commission decisions, Applicants are seeking a waiver of the rate case application requirement, pursuant to HAR § 16-601-92, requiring audited financial statements under HAR § 16-601-75.

X. CONCLUSION

WHEREFORE, Applicant respectfully prays as follows:

1. That this Application be deemed complete, pursuant to HRS § 269-16 and HAR § 16-601-87;
2. That a public hearing be conducted on the island of Hawaii to consider this Application in accordance with HRS §§ 269-12 and 269-16, and HAR § 16-601-30;
3. That the Commission find that Applicants' present rates for its customers are unjust and unreasonable, and will not allow Applicants to recover all of its reasonably incurred expenses, nor allow Applicants a reasonable opportunity to earn a fair return on its prudently incurred investments in utility property, as required by law;
4. That the Commission approve, pursuant to HRS § 269-16, the water, sewer, and irrigation service rates and charges proposed by Applicants as set forth in Exhibits WU-T-607 (WHUC), WU-T-608 WHWC Step One, WU-T-608 WHWC Step Two, WU-T-609 WHSC Step One, and WU-T-609 WHSC Step Two, and authorize Applicants to put into effect the proposed rates after the date of authorization by the Commission;
5. That the Commission conduct this proceeding pursuant to HRS § 269-16(d), as amended, and complete its deliberations and issue a decision and order within nine (9) months following the filing of a complete Application, pursuant to HRS § 269-16(d);
6. That the Commission waive the requirement under HAR § 16-601-75 for audited financial statements and accept Applicant's unaudited financial statements filed herein;

7. That the Commission approve the proposed tariff changes including, without limitation, the applicable revised rate schedules as set forth in Exhibits WU-T-607 (WHUC), WU-T-608 WHWC Step One, WU-T-608 WHWC Step Two, WU-T-609 WHSC Step One, and WU-T-609 WHSC Step Two, and supported by the applicable testimonies/exhibits, as previously discussed; and

8. That the Applicants be granted such other relief, including any interim rate increase, as may be just and reasonable under the circumstances.

DATED: Honolulu, Hawaii, October 31, 2024.

/s/ David Y. Nakashima
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SEWER COMPANY, WAIKOLOA WATER CO.,
INC., dba WEST HAWAII WATER COMPANY

Exhibit WU-T-100

Direct Testimony of Geoff Fulks

OVERVIEW OF GENERAL RATE CASE REQUEST



**General Rate Case of
Waikoloa Resort Utilities, Inc., Waikoloa Sanitary
Sewer Company, Inc., and Waikoloa Water Co., Inc.
Docket 2024-0224
October 2024**

Table of Contents

Introduction..... 1

Introduction of Witnesses 2

Rate Increase Overview 3

Key Issues of Rate Case..... 4

WEST HAWAII UTILITY, SEWER, AND WATER GENERAL RATE CASE

DIRECT TESTIMONY OF GEOFF FULKS

OVERVIEW OF GENERAL RATE CASE REQUEST

Introduction

Q. Please state your name, position, and business address.

A. My name is Geoff Fulks. My business mailing address is P.O. Box 384809, Waikoloa, Hawaii, 96738. I am the General Manager of Hawaii Water Service Company, Inc. ("Hawaii Water").

Q. Please summarize your educational background, current job responsibilities, and professional experience.

A. I have a Bachelor's degree in Finance from the University of Arizona. I also hold California D5 and T3 Certifications as well as an AWWA Cross Connection Control Specialist. As General Manager of Hawaii Water, I have general oversight of operations, customer service, and water quality of Hawaii Water's operating districts, which includes Waikoloa on Hawaii Island. I am a veteran and served in the United States Air Force. I have over 20 years of experience in water utility operations and management.

Q. Please explain the various utilities involved in this case.

A. This rate case represents the revenue requirement and associated rate update for the following utilities: Waikoloa Resort Utilities, Inc. dba West Hawaii Utility Company ("WHUC"), Waikoloa Sanitary Sewer Company, Inc. dba West Hawaii Sewer Company ("WHSC"), and Waikoloa Water Co., Inc. dba West Hawaii Water Company ("WHWC"), collectively known as the "Waikoloa Utilities" ("WU" or the "Applicants"). In Order No. 41063, filed on September 26, 2024, the Public Utilities Commission of the State of Hawaii ("Commission") approved Applicants' motion to consolidate the three rate case filings into one. Throughout the case, we will present the requests by the Waikoloa Utilities. There are various facts, expenses, and issues that are common to all three utilities that will be combined as applicable for efficiency of presentation.

Q. How do these utilities relate to Hawaii Water?

A. As mentioned above, I am the General Manager of Hawaii Water operating within the Hawaii General Office. Hawaii Water has 10 service areas across four islands in the State of Hawaii. The Waikoloa Utilities are subsidiaries of Hawaii Water and fall within my area of responsibility.

Q. What is the purpose of your testimony in this proceeding?

A. I will provide an overview of Waikoloa Utilities' rate request, introduce the other witnesses, and describe the key proposals presented in the present rate case application.

Testimony Attachments

Q. Are you sponsoring any attachments with your testimony?

A. Yes. I am sponsoring Exhibit WU-T-101 that has three separate files representing the three Waikoloa utilities, WU-T-101-WHWC, WU-T-101-WHSC, and WU-T-101-WHUC. These exhibits are descriptions of the property and equipment for the respective utilities.

Introduction of Witnesses

Q. Please introduce the other witnesses filing testimony in this case.

A. Mr. Robert Stout, who is Hawaii Water's Accounting Manager, sponsors testimony in Exhibit WU-T-200 regarding Waikoloa Utilities' financial information and schedules provided in this Application, as well as the four-factor methodology for allocating costs across the utilities.¹

Mr. Julian Gandara of Hawaii Water sponsors testimony in Exhibit WU-T300 regarding the project justification documents provided in the filing and explains that investments in capital improvements were prudently made in the Waikoloa District and are used and useful in providing water services to Hawaii Water's customers.²

¹ See Direct Testimony of Robert Stout, Exhibit WU-T-200.

² See Direct Testimony of Julian Gandara, Exhibit WU-T-300.

1 Mr. Jason Mumm of FCS Group sponsors testimony in Exhibit WU-T400 regarding the rate
2 filing package included in the Application, discusses its various components, and provides an
3 overview of the water and/or wastewater revenue requirement.³

4 Mr. Jimmy Yee sponsors testimony in Exhibit WU-T-500 related to the calculation and
5 treatment of excess deferred income taxes related to the Tax Cuts and Jobs Act (“TCJA”).⁴

6 Finally, Mr. Gregory Shimansky sponsors testimony in Exhibit WU-T-600 related to the
7 TCJA return of over-collection, the COVID surcharge calculations, rate proposals, and tariff
8 redlines.⁵

9
10 **Rate Increase Overview**

11 **Q. Please provide an overview of the water increase presented in this rate case.**

12 **A.** As mentioned above, this application represents the consolidation of the applications for the
13 three Waikoloa Utilities, which were previously processed as separate dockets. In one of the
14 three utilities presented here, WHUC, there are three subsets – water, sewer, and irrigation.
15 From an accounting standpoint, each of the five systems (WHWC, WHSC, and WHUC’s three
16 subsets) can be referenced by the following:

17 **WHWC – Waikoloa Water 721**

18 **WHSC – Waikoloa Sewer 722**

19 **WHUC – Waikoloa Resorts Water 723**

20 - Waikoloa Resorts Sewer 724

21 - Waikoloa Resorts Irrigation 725

22 As mentioned in the Applicants’ Motion for Approval to Consolidate General Rate Case
23 Applications (“Motion to Consolidate”), we present consolidated information for efficient
24 review as these utilities share common issues.⁶ Being efficient in this manner will avoid

³ See Direct Testimony of Jason Mumm, Exhibit WU-T-400.

⁴ See Direct Testimony of Jimmy Yee, Exhibit WU-T-500.

⁵ See Direct Testimony of Gregory Shimansky, Exhibit WUSC-T-600

⁶ The Motion to Consolidate was filed on August 27, 2024.

1 duplicative discovery, testimony, procedural requirements, and ultimate expenses. Most
2 schedules supporting this rate request will be identical in format across the utilities.

3 This application is requesting:

Utility	Percent change	Revenue Requirement change
WHWC	67.9%	\$1,876,050
WHSC	55.3%	\$1,242,020
WHUC Water	30.0%	\$1,543,408
WHUC Sewer	12.0%	\$635,062
WHUC Irrigation	(9.2%)	(\$31,040)

4
5 This proposal is meant to promote conservation and balance financial stability for the Waikoloa
6 Utilities and by association, Hawaii Water. The rates established to collect the forecasted
7 revenues can be found in the testimonies of Jason Mumm and Gregory Shimansky. Because
8 the WU has not been in for a rate case since rates were updated in January 2019, the increases
9 on our Village customers are 67.9% and 55.3% for Water and Sewer, respectively. Hawaii
10 Water is sensitive to our customers' financial situations and also to the affordability of water.
11 As such, Mr. Shimansky proposes a rate phase in for these utilities to mitigate potential rate
12 shock in his testimony (Exhibit WU-T-600). The creation of the overall revenue requirement
13 and total rates are explained in Mr. Mumm's five exhibits (Exhibit WU-T-401-WHWC, -
14 WHSC, -WHUC Water, -WHUC Sewer, and -WHUC Irrigation).

15
16 **Key Issues of Rate Case**

17 **Q. Please provide an overview of the key proposals presented in this rate case.**

18 **A.** In addition to our rate increase request for water and wastewater services, there are two main
19 proposals for which the Applicant is requesting Commission approval. The first key proposal
20 is the establishment of pass-through riders. One rider covers the costs related to the TCJA that
21 will be returned to rate payers. The second rider is to collect deferred expenses related to the

1 COVID-19 Pandemic. Mr. Shimansky will discuss these tariff riders in more detail in his Direct
2 Testimony and also the corresponding rate impacts on customers.

3 **Q. Does this conclude your testimony?**

4 **A.** Yes.

West Hawaii Sewer Company
Property and Equipment

Waikoloa Sanitary Sewer Company, Inc. doing business as West Hawaii Sewer Company (“WHSC” or the “Company”), provides sewer services in two distinct service areas in Waikoloa Village (the “Village”), South Kohala on the Island of Hawaii. The southernmost service area is served by the Auwaiakeakua Waste Water Treatment Plant or A-Plant and the northernmost service area is served by the Kamakoa Waste Water Treatment Plant or K-Plant.

A-Plant

Sewer collection systems, placed in service when the Company was first formed, collect wastewater from 16 separate condominium projects, five commercial customers, and two public authority customers and deliver it to the A-Plant located just west or makai of the Village area adjacent to Auwaiakeakua Gulch. The collection system is currently made up of approximately 24,000 lineal feet of gravity sewer line and 123 manholes.

The A-Plant currently has an average daily capacity of 530,000 gallons per day. The plant uses a Moving Bed Bio-Reactor (MBBR) treatment system. Raw wastewater entering the plant is first screened and de-gritted before going to the MBBR process. Each of two MBBR aeration tanks operate in parallel, treating the screened and de-gritted wastewater. The treated MBBR aeration tank effluent then goes through a Dissolved Air Flotation (DAF) process to remove biosolids from the effluent. There are two DAF units, one normally operating and the second on standby, which allows one unit to be offline for maintenance as needed. The DAF effluent is then disinfected and disposed of via a reuse irrigation system and infiltration pits on the A-Plant site. The biosolids are separated as “float” by the DAF process. The float is then pumped to the solids handling system for stabilization and dewatering.

Sludge float from the DAF process is pumped to a 2-stage aerobic digester process where it is stabilized. The stabilized sludge from the aerobic digester process is dewatered by one of two centrifuges (one operating and one standby). The dewatered sludge cake from the centrifuge discharges to a roll-off bin and is then transported to the County Sanitary Landfill for disposal. Power to operate the facility is provided by an overhead powerline drop from Hawaii Electric Light Company (HELCO) with an onsite backup diesel-powered electricity generator for emergency resiliency.

K-Plant

The existing K-Plant is located below Waikoloa Village adjacent to the Kamakoa Gulch and currently provides service to 174 single family residences in Paniolo Estates, three multifamily projects, the Waikoloa Elementary & Middle School, and approximately 89 single family homes in the 94 lot Kamakoa Workforce County Housing Project. Wastewater is collected through sanitary sewer lines and 112 manholes located within the development area and is transported to the K-Plant by gravity through the sewer pipes and sewer manhole system

Similar to the A-Plant, the K-Plant uses a MBBR treatment system. This treatment system received its Approval to Construct by the Department of Health Wastewater Branch on June 12, 2012. It has been in service since June 2013. The current Phase 1 configuration of the K-Plant has a daily capacity of 200,000 gallons per day. Raw wastewater entering the plant is first screened before entering the MBBR process. Unlike the A-Plant, there is only one wastewater treatment train at the K-Plant. The treated MBBR aeration basin effluent then goes through a DAF process to remove biosolids from the effluent. There are two DAF units, one normally operating and the second on standby, which allows one unit to be offline for maintenance as needed. The DAF effluent is then disposed of via a leachfield gallery on the K-Plant site. The biosolids are separated as “float” by the DAF process. The float is then pumped to the solids handling system for stabilization and dewatering.

Sludge float from the DAF process is pumped to anaerobic digester process where it is minimally stabilized. The sludge from the aerobic digester process is dewatered by

Docket No. 2024-0224
Exhibit WU-T-101
Description of Property and Equipment WHSC
Witness: Fulks

roll-off Detainer bins. The dewatered sludge cake in the roll-off Detainer is then transported to the County Sanitary Landfill for disposal. Power to operate the facility is provided by an overhead powerline drop from Hawaii Electric Light Company (HELCO) with an onsite backup diesel-powered electricity generator for emergency resiliency

West Hawaii Utility Company

Property and Equipment

Waikoloa Resort Utilities, Inc., doing business as West Hawaii Utility Company (“WHUC”), provides potable water, sewage treatment services, and irrigation water to the Waikoloa Beach Resort (“Resort”) area in South Kohala on the Island of Hawaii. Since the company first began its operations in 1980, it had developed potable water wells, tanks, and transmission/distribution lines. New facilities also include a wastewater treatment and collection system and a non-potable irrigation water delivery system including wells and transmission lines.

Potable Water System

WHUC operates a potable water system serving residential and commercial developments within the Resort. The system is a part of the overall potable water system, which serves the entire Waikoloa area including Waikoloa Village, Waikoloa Highlands and Ranchlands (undeveloped), and Waikoloa Beach Resort. The wells, transmission lines, and the majority of the storage facilities of this system are jointly owned, operated, and maintained by WHUC and West Hawaii Water Company (“WHWC”) pursuant to a Water Sharing Agreement (Docket 96-0003).

Potable Water Wells

Potable water delivered to the WHUC and WHWC service areas is pumped from seven deep wells located in two well fields at an elevation of 1,200 feet east of Waikoloa Village. These include:

<u>Well</u>	<u>Depth</u>	<u>HP</u>	<u>Capacity (GPM)</u>	<u>Owner</u>
DW-1	1,350’	700	1,400	WHUC
DW-2	1,309’	450	1,000	WHUC
DW-3	1,285’	450	1,000	WHUC/WHWC
DW-4	1,229’	350	750	WHWC
DW-5	1,250’	350	750	WHWC
DW-6	1,350’	500	1,000	WHUC/WHWC
DW-7	1,346’	500	1,250	WHUC/WHWC

One additional well, DW-8 is under development and is scheduled to be completed and operational by the end of 2018. The operation of the wells is monitored and controlled via a telemetering system based at the utility base yard adjacent to Waikoloa Village. The telemetering system alerts utility personnel when outages occur and allows WHUC and WHWC to maintain peak avoidance contracts with Hawaii Electric Light Company (HELCO), minimizing total electrical costs to operate these wells.

Potable Water Tanks

The WHUC/WHWC water system includes seven storage tanks:

1. A one million gallon concrete tank owned by WHWC is located in the north well field (Tank 1200N-1),
2. A one million gallon glass lined, steel bolted tank owned by WHWC and WHUC is located at the north well field (Tank 1200N-2).
3. A one million gallon glass lined, steel bolted tank owned by WHUC is located at the south well field (Tank 1200S-1),
4. A one million gallon glass lined, steel bolted tank jointly owned by WHUC and WHWC is located at the south well field (Tank 1200S-2),
5. A one million gallon welded steel tank owned by WHUC is located above the Waikoloa Resort at an elevation of 300 feet (Tank 300-1),
6. Two (2), two million five hundred thousand gallon post-tension concrete tanks owned by WHUC are located above the Waikoloa Resort at an elevation of 300 feet (Tank 300-2 and Tank 300-3).

The system also includes a flow control tank located at an elevation of 900 feet. All of the potable water tanks are connected to the telemetering system to facilitate monitoring of tank levels from the utility baseyard.

Potable Water Transmission and Distribution Lines

WHUC and WHWC own and maintain approximately 11.8 miles of transmission water lines, which deliver potable water from the potable well fields to their respective service areas.

Operation and maintenance costs associated with that portion of the transmission lines that serve both service areas are shared by the companies pursuant to the Water Sharing Agreement. WHUC is responsible for the operation and maintenance of the transmission line below the Village delivering water to the Resort.

Within the Resort, WHUC operates 7.7 miles of transmission and distribution lines.

Sewer System

WHUC operates a sewage collection system within Waikoloa Beach Resort and transports the wastewater to its wastewater reclamation facility located east of Waikoloa Beach Resort and across the Queen Kaahumanu Highway. Wastewater is treated to R-1 quality effluent mandated by DOH requirements. The R-1 quality effluent is then mixed with brackish groundwater pumped by the company's irrigation wells and then delivered to two golf courses within the Resort for use as irrigation water. When the effluent quality does not meet R-1 standards, the effluent is sent to an underground injection well on the west side of Queen Kaahumanu Highway. When the golf courses do not need any irrigation water, the effluent can be diverted into the injection well. A description of the injection well follows later in this narrative.

Sewage Collection System

WHUC's existing sewage collection system consists of:

1. Gravity collection system including approximately 12,726 feet of gravity sewer lines 8 to 18 inches in diameter and 53 manholes. The gravity pipelines deliver raw sewage to four sewage pump stations,
2. Sewage Pump Stations (SPS). The SPS's are underground pumping stations with multiple pump configurations and complete backup power and emergency alarms systems.
 - SPS#1: This station pumps all of the raw sewage generated in the Resort except for SPS#3, to the wastewater reclamation facility. It consists of three pumps (two rated 2,200 gpm at 165' TDH, and one rated at 770 gpm at 90' TDH), a

Docket No. 2024-0224
Exhibit WU-T-101
Description of Property and Equipment WHUC
Witness: Fulks

400 KW Caterpillar emergency generator, and a 3,000 gallon diesel fuel storage tank.

- SPS#2: This station currently pumps sewage collected from the northern side of the Resort to SPS#1. SPS#2 consists of two pumps (each rated 1,458 gpm at 36' TDH), a 175 KW Caterpillar generator, and a 300 gallon diesel fuel storage tank.
 - SPS #3. This station pumps sewage from the northeast side of the Resort and pumps directly to the wastewater reclamation facility. It consists of three pumps (one lead pump rated at 1,260 gpm at 83' TDH and two lag pumps rated at 1,700 gpm at 99' TDH, a 250 KW Cummins emergency generator, and a 4,000 gallon diesel fuel storage tank.
 - Naupaka Sewage Pumping Station. This station pumps sewage from the Naupaka subdivision to SPS#2. The pumping station consists of two pumps (each rated 73 gpm at 31 ft TDH) a 20 KW emergency generator, and a 300 gallon LPG fuel storage tank.
3. Force Main System. Three force mains are used to pump raw sewage from the lowest collection points in the Resort (near sea level) to the wastewater reclamation facility (elevation 64').
- Naupaka Sewage Pumping Station to SPS#2. A 3" force main is used to deliver sewage from Naupaka Sewage Pumping Station approximately 650 feet to a sewer manhole where it then gravity feeds to SPS#2.
 - SPS#2 to SPS#1: An 8" force main is used to deliver sewage from SPS#2 approximately 440 feet to a sewer manhole where it then gravity feeds to SPS#1.
 - SPS#1 to Reclamation Facility: This force main is 12" in diameter and 7,036 feet long.
 - SPS#3 to Reclamation Facility: This force main is 12" in diameter and is 3,376 feet long.

Wastewater Reclamation Facility

WHUC's wastewater reclamation facility is a Membrane Bio-Reactor (MBR) wastewater reclamation plant with an operating capacity of 1,000,000 gallons per day which produces R-1 effluent, satisfying the Department of Health's guideline for reuse of this effluent for golf course irrigation in the proximity of residential homes. The effluent is disinfected by an ultraviolet disinfection system. The treated effluent is normally mixed with brackish water for irrigation water on two golf courses within the Resort. Facilities within the reclamation plant include:

1. Fine Screens: Two rotating drum fine screens material that would damage the downstream equipment in the sewage treatment process. The waste screenings are disposed of at a sanitary landfill.
2. Splitter Box: The screened wastewater is mixed with return activated sludge (RAS) forming the mixed liquor which then flows to the existing anoxic selector basin (a second parallel basin is planned for the next plant expansion to 2MGD capacity).
3. Anoxic Selector Basin: The anoxic selector basin reduces the ammonia nitrogen in the wastewater and also acts as a flow equalization basin for the downstream processes. From the anoxic basin the mixed liquor is pumped to the pre-aeration basin.
4. Pre-aeration Basin: The pre-aeration basin is where most of the Biochemical Oxygen Demand (BOD) in the mixed liquor is consumed by the mixed liquor organisms under aeration. The mixed liquor from the pre-aeration basin then flows to the feed channel.
5. Feed Channel: The feed channel transports and splits the flow of the mixed liquor from the pre-aeration basin to the MBR basins using two adjustable weir gates.
6. MBR Basins: The special flat plate membranes in the aerated MBR basins separate and concentrate the mixed liquor and allow permeate (the highly purified effluent) to pass through the membranes. The permeate flows or is pumped from membrane cartridges in the basin

to the ultraviolet (UV) disinfection system. The concentrated mixed liquor in the form of Return Activated Sludge (RAS) is piped back to the splitter box where it mixes with the screened raw wastewater.

7. UV Disinfection System: The permeate for the MBR basin is transported via pipe to the UV disinfection system where the permeate is radiated with high intensity UV light to disinfect the permeate making it R-1 quality effluent. The R-1 effluent from the UV channel passes through the effluent control valve vault where two automatic control valves are used to either send the effluent to the Waikoloa golf courses to be used for irrigation or to effluent disposal in the injection well when irrigation water is not needed or turbidity is too high for R-1 requirements.
8. Waste Activated Sludge (WAS) Basins: The additional mixed liquor grown in the pre-aeration basin and MBR basin is sent to the WAS basins where it is further stabilized under aeration and stored before being transferred by pump to the sludge screw press.
9. Sludge Screw Press: The sludge screw press dewateres the stabilized WAS producing a liquid extract which is recycled back to the plant and a dewatered sludge which is disposed at a sanitary landfill in a roll-off bin.
10. Sodium Hypochlorite Generator: Sodium hypochlorite used at the reclamation plant is generated by a generator system which uses electrolysis to convert salt to sodium hypochlorite. A covered hypochlorite generator equipment area and storage area provides a safe working area for this process. The sodium hypochlorite is used to clean the MBR plates for regularly needed maintenance.
11. Laboratory and Office Building: The Company has a water testing laboratory and office located within the confines of the wastewater reclamation facility. The company maintains a compliment of

potable water and wastewater testing facilities for periodic process testing and regulatory testing requirements.

Irrigation System

West Hawaii Water Company

Property and Equipment

Waikoloa Water Company, Inc., doing business as West Hawaii Water Company (“WHWC”), provides potable water and irrigation water to the Waikoloa Village area (“The Village”) in South Kohala on the island of Hawaii. Since the company began operations in 1970, it has developed potable water wells, storage tanks, and transmission/distribution lines as needed to keep pace with the growth of the community. Facilities also include a non-potable irrigation well and transmission main (owned by Waikoloa Village Association) serving the Waikoloa Village golf course.

Potable Water System

WHWC operates a potable water system serving residential (condominium and single family), public authority and commercial developments within the Village. This system is part of an overall potable water system serving the entire Waikoloa area including Waikoloa Village, Waikoloa Highlands and Ranchlands, and the Waikoloa Beach Resort. The wells, transmission lines, and the majority of the storage facilities of the system are jointly operated and maintained by WHWC and West Hawaii Utility Company (“WHUC”) pursuant to a Water Sharing Agreement (Docket 96-0003).¹

¹ Water Sharing Agreement was amended and restated in October 2017. A copy is attached as Exhibit WHWC-T-104.

Potable Water Wells

Potable water delivered to WHWC and WHUC service areas is pumped from six deep wells located in two well fields at the 1200' elevation east of Waikoloa Village. These include:

Well	Total Depth	Horse Power	Capacity (GPM)	Owner
DW-1	1,350	700	1,400	WHUC
DW-2	1,309	450	1,000	WHUC
DW-3	1,285	450	1,000	WHWC/WHUC
DW-4	1,229	350	750	WHWC
DW-5	1,250	400	800	WHWC
DW-6	1,391	500	1,000	WHUC/WHWC
DW-7	1,346	500	1,250	WHUC/WHWC

An eighth potable water well (DW-8) is currently under development. Drilling and testing have been completed. The well will be outfitted and brought on line by the end of 2018. Well DW-8 will be owned by both WHUC and WHWC.

The operation of the wells is monitored and controlled via a telemetering system based at the utility base yard adjacent to Waikoloa Village. This telemetering system alerts utility personnel when outages occur and allows WHWC and WHUC to maintain peak avoidance contracts with Hawaii Electric Light Company ("HELCO"), minimizing total electric costs to operate the wells.

Potable Water Tanks

The WHWC/WHUC water system includes seven storage tanks as follows:

1. A 1.0 million gallon concrete tank owned by WHWC is located at the north well field (Tank 1200N-1),
2. A 1.0 million gallon glass lined steel tank owned by WHWC and WHUC is located at the north well field (Tank 1200N-2).

3. A 1.0 million gallon glass lined steel tank owned by WHUC is located at the south well field (Tank 1200S-1),
4. A 1.0 million gallon glass lined steel tank owned by WHWC and WHUC is located at the south well field (Tank 1200S-2), and
5. A 1.0 million gallon welded steel tank owned by WHUC is located above the Waikoloa Beach Resort at the 300' elevation (Tank 300-1).
6. A 2.5 million gallon pre-stressed concrete tank owned by WHUC located above the Waikoloa Beach Resort at the 300' elevation (Tank 300-2)
7. A 2.5 million gallon pre-stressed concrete tank owned by WHUC located above the Waikoloa Beach Resort at the 300' elevation. (Tank 330-3).

The system also includes a flow control tank located at an elevation of 900 feet. All of the potable water tanks are connected to the centralized telemetering system to facilitate monitoring of tank levels from the utility base yard.

Potable Water Transmission and Distribution Lines

WHWC and WHUC own and maintain approximately 11.8 miles of transmission water lines to deliver potable water from the potable water well fields to their respective service areas. Operation and maintenance costs associated with that portion of the transmission lines that serve both service areas are shared by the companies pursuant to the Water Sharing Agreement. WHUC is solely responsible for the operation and maintenance of the transmission and distribution lines below the 300' elevation, which deliver water to the Resort.

Within the Village, WHWC operates approximately 16.0 miles of distribution lines.

Irrigation System

Since 1970, WHWC has provided non-potable water to one golf course within the Waikoloa Village. This service is provided under a contractual agreement with the Waikoloa Village Association (“WVA”) (Notice Filings effective December 11, 1987, March 21, 1997 and June 22, 2001). The water delivered for this purpose is brackish ground water. The well is located at the 800’ elevation immediately west of Waikoloa Village and approximately 6 miles north of Waikoloa Beach Resort. The well currently delivers varying amounts of water, up to 1.0 MGD, to the main irrigation lake on the golf course. The golf course operator is responsible for pressurizing the golf course irrigation system.

A Third Amendment to the Irrigation Water Agreement executed December 1, 2004 relieves WHWC from the responsibilities of operating and maintaining the irrigation water well. Waikoloa Village Association pays a royalty fee to WHWC for all water used and is responsible for the operating and maintenance costs.

Exhibit WU-T-200

Direct Testimony of Robert Stout

FINANCIAL STATEMENTS



**General Rate Case of
Waikoloa Resort Utilities, Inc., Waikoloa Sanitary
Sewer Company, Inc., and Waikoloa Water Co., Inc.
Docket 2024-0224
October 2024**

Table of Contents

Introduction	1
Description of Sponsored Schedules	1
Four-Factor Allocation	4
Cost of Service Studies	5

HAWAII WATER SERVICE COMPANY GENERAL RATE CASE

DIRECT TESTIMONY OF ROBERT STOUT

FINANCIAL STATEMENTS

Introduction

Q. Please state your name, position, and business address.

A. My name is Robert Stout. I am the Accounting Manager of Hawaii Water Service Company, Inc. ("Hawaii Water" or "Company"). My business mailing address is P.O. Box 384809, Waikoloa, Hawaii, 96738.

Q. Please summarize your educational background and professional experience.

A. I hold a Bachelor of Science Degree in Finance from California State University, Chico. I spent 25 years in the hospitality industry, the final seven as Controller of a Hawaii Island resort. I have 14 years with Hawaii Water and have served as the Accounting Manager since January 2013.

Q. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony is to support the financial information being presented in Exhibit WU-T-201, Schedules A, B, C, D, E, F, G, H, I, J, K, L, M, N and O (collectively, "Financial Schedules"). I will also discuss the four-factor allocation methodology and provide quotes to perform a cost-of-service study and audited financial statements.

Description of Sponsored Schedules

Q. Please generally describe the financial schedules.

A. These exhibits contain Hawaii Water's financial information as required by the filing requirements of the Public Utilities Commission of the State of Hawaii ("Commission"). Generally, the exhibits show the ownership interests in the Company, audited and unaudited financial information,

1 information on the capital structure of the Company, dividends paid and a statement whether the
2 increase reflects only costs being passed through the utility.

3
4 **Q. What is the purpose of Exhibit WU 2 Schedule C?**

5 A. Exhibit WU-T-201, Schedule C shows that Hawaii Water has no Security Agreements, Mortgages
6 or Deeds of Trust which affect any of the Company's assets or properties.

7
8 **Q. Please describe the documents provided in Exhibit WU 201 Schedule D.**

9 A. Exhibit WU-T-201 Schedule D shows the balance sheet and income statement as of December 31,
10 2022, as reported to the Hawaii Public Utilities Commission (the "Commission") in Hawaii
11 Water's annual reports.

12
13 **Q. Does Hawaii Water provide the latest available financial results in the application?**

14 A. Yes, Exhibit WU-T-201, Schedule E presents the unaudited financial results for the year ended
15 December 31, 2023, which is the most recent financial information available as reported to the
16 Commission in Hawaii Water's annual reports.

17
18 **Q. Please explain the use of Unaudited Financial Statements.**

19 A. Hawaii Water requests that the Commission waive the requirement to provide audited financial
20 statements. In recent rate cases, for Kona Water Service Company ("KWSC")¹ and Hawaii
21 Water's Pukalani District,² the Commission granted these requests. The estimated cost to hire a
22 third party to perform an audit is at least \$220,000. This would be an undue burden to the
23 customers. California Water Service Group ("CWSG"), Hawaii Water's parent company, has
24 audited financial statements, which include all of its subsidiaries. A copy of CWSG's latest

¹ See Order No. 36298 Regarding Kona Water Service Company Inc.'s Complete Application and Other Initial Matters, filed on May 8, 2019, in Docket No. 2018-0388.

² See Order No. 39072 Regarding Hawaii Water Service Company Inc.'s Completed Application and Other Initial Matters, filed on March 30, 2023 in Docket No. 2022-0186.

audited statement is included in CWSG's Form 10K, which is located on CWSG's website. A link to the latest Form 10K is found in Exhibit WU-T-201 Schedule N.

Q. Please describe the schedules labelled WU-T-201 Schedule F, Schedule G, and Schedule H.

A. These exhibits present information on the amount of bonds and notes outstanding. Hawaii Water has one note issued by California Water Service Company, Inc. to the Pukalani District.

Q. Has Hawaii Water paid dividends during the previous five calendar years?

A. Yes. Dividends paid at the Hawaii Water level from 2020 through September 2024 are presented in Exhibit WU-T-201, Schedule I.

Q. What information is included in Exhibit WU-T-201, Schedule K?

A. Exhibit WU-T-201, Schedule K describes the option taken by Hawaii Water in computing the depreciation of assets for tax and regulatory purposes. Due to differences in asset depreciation lives used for the calculation of rate base and those used for tax purposes, which are generally accelerated in relation to the straight-line depreciation method used for calculating rate base and depreciation expense, timing differences exist that result in a balance of accumulated deferred income taxes. Customers of the utility receive the benefit of these timing differences through a reduction in rate base equal to the amount of deferred tax benefit. As shown in Schedule K, Hawaii Water has included the calculation of this balance in Exhibit 7 in Exhibit WU-T-401-WHWC, WHSC, and WHUC (Water, Sewer, and Irrigation).

Q. Please describe the Exhibits labelled WU-T-201-L, WU-T-201-M, and WU-T-201-N.

A. These exhibits, Exhibit WU-T-201, Schedule L, presents the utilities' Annual Report to Shareholders; Schedule M, presents the utilities latest Proxy Statement; and Schedule N, presents the utilities latest Form 10(k) filed at the Securities and Exchange Commission. Hawaii Water

1 does not present this information on a standalone basis. Rather, the Exhibits present information
2 at the CWSG level.

3
4 **Q. Is the increase proposed by Hawaii Water limited to only increased costs for services and**
5 **commodities which Hawaii Water is passing through to customers?**

6 A. No. As stated on Exhibit WU-T-201 Schedule O, Hawaii Water's increase includes both increased
7 costs that are being passed through to customers and a reasonable return on assets of the utility
8 which is addressed in the Direct Testimony of Mr. Jason Mumm.

9
10 **Four-Factor Allocation**

11 **Q. Why is recovery of allocated Hawaii General Office and Big Island office expenses**
12 **appropriate?**

13 A. Hawaii General Office ("HGO") and Big Island expenses are, to the extent possible, assigned
14 directly to the operating department (e.g. Waikoloa Village Water and Waikoloa Resort Water)
15 which benefits from the work. For instance, if an employee is performing work for Waikoloa
16 Resort Water, those expenses are recorded directly on Waikoloa Resort Water's books. However,
17 there are expenses that cannot be directly assigned as they benefit all the operating departments,
18 and those expenses must be fairly spread across the departments to which they apply.
19 HGO allocated operations benefit all of Hawaii Water's seventeen systems. Big Island allocated
20 expenses benefit the Waikoloa Water, Waikoloa Sewer, Waikoloa Resort Water, Waikoloa Resort
21 Sewer, Waikoloa Resort Irrigation, Kona Water, Kona Sewer, Keauhou operating departments. A
22 four-factor methodology is used to fairly apportion costs between the systems.

23
24 **Please describe how the four-factor methodology and the rationale for using it.**

25 A. Hawaii Water uses an internal 4-factor methodology to allocate general operations costs among its
26 regulated utility companies. The four factors used to determine the allocation include the number
27 of customer equivalents, gross plant in service, direct operations & maintenance expenses, and

1 direct gross payroll. Customer equivalents are used because of the correlation between the number
2 of customers in a system, and the billing and service costs associated with those customers. This
3 is also a good indicator of the size of the system. The difference between customers and customer
4 equivalents in a multi-family unit is one customer for billing purposes, but the customer
5 equivalents accounts for the number of units in the complex. Plant in service is used because many
6 general costs are related to the level of capital investment used in a system and there is a general
7 relationship between the amount of this capital investment and the general costs allocated to
8 effectively operate that infrastructure. Additionally, direct operation & maintenance expenses are
9 also good indicators of the size of the system. Finally, direct gross payroll is used because it
10 represents the number of employees working in the system that are served by various general office
11 departments. These four factors can vary between systems, but by not equally weighting all four,
12 individual systems are not penalized in their general allocation for any one factor that is higher
13 than the other systems.³

14
15 **Cost of Service Studies**

16 **Q. Did WHWC conduct a cost-of-service study for this proceeding?**

17 A. No. In the most recent rate cases for WU, the Commission ordered it to complete and file a Cost-
18 of-Service Study (“COSS”) with its next rate case application.⁴ However, the Commission
19 provided that “if [WU] finds that completing such a study to be cost prohibitive, [WU] shall
20 provide details, including at least one price quote, to demonstrate that it is cost prohibitive.”⁵ In
21 order to comply with the Commission’s order, WU requested a quote from EXP 1, LLC to perform
22 COSSs for WU. This consultant prepared the prior COSSs for WU and is familiar with its
23 operations. The estimated costs to perform COSSs for WU are \$180,000, excluding out-of-pocket

³ See Docket No. 2022-0186, Docket No. 2021-0005, Docket No. 2018-0388, and Docket No. 2017-0350.

⁴ See Proposed D&O No. 35877 at p. 96, Proposed D&O No. 35878 at pp. 92-93, and D&O 36045 at p. X. Provisions of the Proposed D&Os were adopted by D&O No. 35976, Ordering Paragraph No. 2 and D&O 35977, Ordering Paragraph No. 2, respectively.

⁵ *Id.*

1 expenses, which WU considers to be prohibitively expensive as the size and structure of the
2 Waikoloa systems have not materially changed since the prior study was prepared. The quote can
3 be found in Exhibit WU-T-202.

4
5 **Q. Does this complete your testimony at this time?**

6 **A.** Yes, it does.

Hawaii Water Service Company, Inc.
Amount and Kinds of Stock Authorized by
Articles of Incorporation and Amount Outstanding

<u>Description</u>	<u># of Shares Authorized</u>	<u># of Shares Issued</u>	<u>PAR Value Per Share</u>	<u>Total PAR Value</u>
Preferred Stock	None	None	N/A	N/A
Common Stock*	1000	1000	\$1.00	\$1,000.00

*All shares of stock are owned by California Water Service Group

Hawaii Water Service Company, Inc.
Terms of Preference of Preferred Stock, Whether Cumulative of
Participate or on Dividends of Assets, or Otherwise

None

Hawaii Water Service Company, Inc.
Description of Each Security Agreement, Mortgage, and Deed of Trust

None

WEST HAWAII WATER COMPANY
F.K.A. WAIKOLOA WATER COMPANY, INC.
BALANCE SHEET
FOR YEAR ENDED DECEMBER 31, 2022

<u>ACCOUNT NUMBER</u>	<u>ASSETS & OTHER DEBITS</u>	<u>BALANCE 12/31/2022</u>
	<u>UTILITY PLANT</u>	
303.	Land	0
101.	Utility Plant in Service	26,171,161
105.	Construction Work in Progress	183,014
108.	Accum. Depreciation of Utility Plant in Service	<u>(9,266,690)</u>
	Total Utility Plant Less Reserves	17,087,484
	<u>OTHER PROPERTY & INVESTMENTS</u>	
121.	Nonutility Property	291,186
122.	Accum. Depreciation of Nonutility Plant	<u>(86,677)</u>
	Total Other Property & Investments	204,509
	<u>CURRENT & ACCRUED ASSETS</u>	
131.	Cash	0
141.	Customer Accounts Receivable	136,577
142.	Accounts Receivable Other	(3,564)
143.	Accum. Provision for Uncollectible Accts - Contra	(13,360)
145.	Accounts Receivable From Associated Companies	30,392,938
151.	Other Materials & Supplies	37,901
162.	Prepayments	281,315
173.	Accrued Utility Revenues	175,964
174.	Miscellaneous Other Assets	<u>0</u>
	Total Current & Accrued Assets	31,007,770
	<u>DEFERRED DEBITS</u>	
184.	Clearing Accounts	0
186.	Miscellaneous Deferred Debits	<u>377,033</u>
	Total Deferred Debits	377,033
	TOTAL ASSETS & OTHER DEBITS	<u>48,676,797</u>

**WEST HAWAII WATER COMPANY
F.K.A. WAIKOLOA WATER COMPANY, INC.
BALANCE SHEET
FOR YEAR ENDED DECEMBER 31, 2022**

<u>ACCOUNT NUMBER</u>	<u>EQUITY CAPITAL & LIABILITIES</u>	<u>BALANCE 12/31/2022</u>
	<u>STOCKHOLDER'S EQUITY</u>	
201.	Common Stock	0
211.	Other Paid-In-Capital	0
215.	Unappropriated Retained Earnings	(4,271,182)
435.	Balance Transferred from Income	(55,969)
438.	Dividends Declared - Common Stock	0
	Total Stockholder's Equity/(Deficit)	(4,327,150)
	<u>LONG TERM DEBT</u>	
223.	Advances from Associated Companies	0
224.	Other Long Term Debt	0
	Total Long Term Debt	0
	<u>CURRENT & ACCRUED LIABILITIES</u>	
231.	Accounts Payable	363,855
233.	Accounts Payable to Associated Companies	46,794,259
234.	Notes Payable to Associated Companies	0
225.	Capitalized Lease Obligation	0
236.	Accrued Taxes Payable	211,314
239.	Matured Long Term Debt	0
241.	Other Liabilities	11,433
	Total Current & Accrued Liabilities	47,380,861
	<u>DEFERRED CREDITS</u>	
252.	Advances for Construction	48,160
253.	Other Deferred Credits	488,629
	Total Deferred Credits	536,789
	<u>OPERATING RESERVES</u>	
265.	Misc. Operating Reserves	0
	<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	
271.	Contributions in Aid of Construction	12,994,544
272.	Accum. Amortization of CIAC	(7,904,845)
	Total Contributions in Aid of Construction - Net	5,089,699
	<u>DEFERRED INCOME TAXES</u>	
283.	Accum. Deferred Income Taxes	(3,402)
	TOTAL LIABILITIES & OTHER CREDITS	<u>48,676,797</u>

Unaudited Financial Results 12-months ended 12/31/2022

Witness: Stout

WEST HAWAII WATER COMPANY
F.K.A. WAIKOLOA WATER COMPANY, INC.
INCOME STATEMENT
FOR YEAR ENDED DECEMBER 31, 2022

<u>ACCOUNT NUMBER</u>		<u>CY 12/31/2022</u>
<u>OPERATING REVENUES</u>		
<u>WATER SALES:</u>		
460.	Unmetered Water Revenue	0
461.	Metered Water Revenue	3,085,033
462.	Fire Protection Revenue	89,031
465.	Sales to Irrigation Customers	37,442
<u>OTHER WATER REVENUES:</u>		
471.	Miscellaneous Service Revenues	58,815
474.	Other Water Revenues - Unbilled Rev Adj	25,544
<u>WASTEWATER SALES</u>		
521.	Flat Rate Revenues	0
522.	Measured Revenue	0
523.	Revenues from Public Authorities	0
524.	Revenues from Other Systems	0
<u>OTHER WASTEWATER REVENUES</u>		
531.	Sale of Sludge	0
536.	Other Wastewater Revenues	0
<u>RECLAIMED WATER SALES</u>		
540.	Flat Rate Reuse Revenues	0
541.	Measured Reuse Revenue	0
544.	Reuse Revenues from Other Systems	0
Total Operating Revenues		<u>3,295,865</u>

Unaudited Financial Results 12-months ended 12/31/2022

Witness: Stout

WEST HAWAII WATER COMPANY
F.K.A. WAIKOLOA WATER COMPANY, INC.
INCOME STATEMENT
FOR YEAR ENDED DECEMBER 31, 2022

**ACCOUNT
NUMBER**

CY 12/31/2022

OPERATING EXPENSES - WATER

610.1	Purchased Water	0
615.1	Purchased Power	1,867,278
601.1	Source of Supply - Salaries & Wages	49,910
616.1	Source of Supply - Fuel for Power Production	0
618.1	Source of Supply - Chemicals	0
631.1	Source of Supply - Contractual Svc - Engr	0
642.1	Source of Supply - Equipment Rental	0
675.1	Source of Supply - Misc Expense	4,934
601.2	Source of Supply - Maint - Salaries & Wages	5,929
620.2	Source of Supply - Maint - Materials & Supplies	0
675.2	Source of Supply - Maint - Misc Expense	55,515
601.3	Water Treatment - Salaries & Wages	2,955
618.3	Water Treatment - Chemicals	25,158
620.3	Water Treatment - Materials & Supplies	0
631.3	Water Treatment - Contractual Svc - Engr	0
635.3	Water Treatment - Contractual Svc - Testing	0
636.3	Water Treatment - Contractual Svc - Other	0
642.3	Water Treatment - Rental of Equipment	0
675.3	Water Treatment - Misc Expense	4,704
601.4	Water Treatment - Maint - Salaries & Wages	27
620.4	Water Treatment - Maint - Materials & Supplies	0
675.4	Water Treatment - Maint - Misc Expense	0
601.5	Trans & Distrib - Salaries & Wages	18,532
635.5	Trans & Distrib - Contractual Svc - Testing	1,208
642.5	Trans & Distrib - Rental of Equipment	0
675.5	Trans & Distrib - Misc Expense	27,797
601.6	Trans & Distrib - Maint - Salaries & Wages	9,363
675.6	Trans & Distrib - Maint - Misc Expense	(467)
	Total Operating Expenses - Water	2,072,842

WEST HAWAII WATER COMPANY
F.K.A. WAIKOLOA WATER COMPANY, INC.
INCOME STATEMENT
FOR YEAR ENDED DECEMBER 31, 2022

<u>ACCOUNT NUMBER</u>		<u>CY 12/31/2022</u>
<u>OPERATING EXPENSES - WASTEWATER</u>		
715.3	Purchased Power	0
701.2	Collection - Maint - Salaries & Wages	0
720.2	Collection - Maint - Materials & Supplies	0
735.2	Collection - Maint - Contractual Svc - Testing	0
775.2	Collection - Maint - Miscellaneous Expense	0
701.3	Pumping - Salaries & Wages	0
716.3	Pumping - Fuel for Power Production	0
718.3	Pumping - Chemicals	0
731.3	Pumping - Contractual Svc - Engr	0
735.3	Pumping - Contractual Svc - Testing	0
742.3	Pumping - Rental of Equipment	0
775.3	Pumping - Miscellaneous Expense	0
701.4	Pumping - Maint - Salaries & Wages	0
775.4	Pumping - Maint - Misc Expense	0
701.5	Treat & Disposal - Salaries & Wages	0
710.5	Treat & Disposal - Purchased WW Treatment	0
711.5	Treat & Disposal - Sludge Removal Expense	0
718.5	Treat & Disposal - Chemicals	0
720.5	Treat & Disposal - Materials & Supplies	0
731.5	Treat & Disposal - Contractual Svc - Engr	0
735.5	Treat & Disposal - Contractual Svc - Testing	0
736.5	Treat & Disposal - Contractual Svc - Other	0
742.5	Treat & Disposal - Rental of Equipment	0
750.5	Treat & Disposal - Transportation Expenses	0
775.5	Treat & Disposal - Miscellaneous Expense	0
701.6	Treat & Disposal - Maint - Salaries & Wages	0
720.6	Treat & Disposal - Maint - Materials & Supplies	0
735.6	Treat & Disposal - Maint - Contractual Svc - Test	0
775.6	Treat & Disposal - Maint - Misc Expense	0
701.9	Reclaimed Wtr Treat - Salaries & Wages	0
718.9	Reclaimed Wtr Treat - Chemicals	0
720.9	Reclaimed Wtr Treat - Materials & Supplies	0
750.9	Reclaimed Wtr Treat - Transportation Expense	0
758.9	Reclaimed Wtr Treat - Insurance - Wrk Comp	0
701.10	Reclaimed Wtr Treat - Maint - Salaries & Wages	0
720.10	Reclaimed Wtr Treat - Maint - Matls & Supplies	0
720.11	Reclaimed Wtr Distr - Materials & Supplies	0
775.11	Reclaimed Wtr Distr - Miscellaneous Expense	0
	Total Operating Expenses - Wastewater	0
	Total Operating Expenses	2,072,842
	NET OPERATING INCOME / (LOSS)	1,223,023

WEST HAWAII WATER COMPANY
F.K.A. WAIKOLOA WATER COMPANY, INC.
INCOME STATEMENT
FOR YEAR ENDED DECEMBER 31, 2022

**ACCOUNT
NUMBER**

CY 12/31/2022

OTHER INCOME & EXPENSES:

403.	Depreciation Expense	248,689
407.	Amortization Expense	4,682
408.	Taxes Other Than Income	233,315
415.	Revenues - Jobbing & Contract Work	(1,149)
416.	Costs & Expenses - Jobbing & Contract Work	0
419.	Interest and Dividend Income	0
421.	Nonutility Income	0
426.	Miscellaneous Nonutility Expenses	0
427.	Interest Expense / (Income)	(43,624)
	Total Other Income & Expenses	441,913

GENERAL & ADMINISTRATIVE EXPENSES:

601.7	Customer Accounts - Salaries & Wages	54,517
670.7	Customer Accounts - Bad Debt Expense	7,969
675.7	Customer Accounts - Misc Expense	9
601.8	Admin & General - Salaries & Wages	11,624
604.8	Admin & General - Empl Pensions & Benefits	158,899
620.8	Admin & General - Materials & Supplies	709
631.8	Admin & General - Contractual Svc - Engr	0
632.8	Admin & General - Contractual Svc - Acctg	0
633.8	Admin & General - Contractual Svc - Legal	0
636.8	Admin & General - Contractual Svc - Other	4,503
641.8	Admin & General - Building/Property Rental	0
657.8	Admin & General - Insurance - Gen Liab	44,256
658.8	Admin & General - Insurance - Worker's Comp	3,974
659.8	Admin & General - Insurance - Other	0
667.8	Admin & General - Regulatory Comm Expense	23,053
675.8	Admin & General - Misc Expense	535,103
	Total General & Administrative Expenses	844,615

NET INCOME/(LOSS) BEFORE INCOME TAXES (63,505)

409.	Income Tax Expense / (Benefit)	(7,537)
------	--------------------------------	---------

NET INCOME/(LOSS) (55,969)

WEST HAWAII SEWER COMPANY
F.K.A. WAIKOLOA SANITARY SEWER COMPANY, INC.
BALANCE SHEET
FOR YEAR ENDED DECEMBER 31, 2022

<u>ACCOUNT NUMBER</u>	<u>ASSETS & OTHER DEBITS</u>	<u>BALANCE 12/31/2022</u>
	<u>UTILITY PLANT</u>	
303.	Land	0
101.	Utility Plant in Service	17,629,391
105.	Construction Work in Progress	1,580,745
108.	Accum. Depreciation of Utility Plant in Service	<u>(8,047,688)</u>
	Total Utility Plant Less Reserves	11,162,448
	<u>OTHER PROPERTY & INVESTMENTS</u>	
121.	Nonutility Property	0
122.	Accum. Depreciation of Nonutility Plant	<u>0</u>
	Total Other Property & Investments	0
	<u>CURRENT & ACCRUED ASSETS</u>	
131.	Cash	0
141.	Customer Accounts Receivable	186,326
142.	Accounts Receivable Other	0
143.	Accum. Provision for Uncollectible Accts - Contra	(18,114)
145.	Accounts Receivable From Associated Companies	48,815
151.	Other Materials & Supplies	37,960
162.	Prepayments	69,326
173.	Accrued Utility Revenues	136,942
174.	Miscellaneous Other Assets	<u>0</u>
	Total Current & Accrued Assets	461,255
	<u>DEFERRED DEBITS</u>	
184.	Clearing Accounts	0
186.	Miscellaneous Deferred Debits	<u>(4,921)</u>
	Total Deferred Debits	(4,921)
	TOTAL ASSETS & OTHER DEBITS	<u>11,618,781</u>

WEST HAWAII SEWER COMPANY
F.K.A. WAIKOLOA SANITARY SEWER COMPANY, INC.
BALANCE SHEET
FOR YEAR ENDED DECEMBER 31, 2022

<u>ACCOUNT NUMBER</u>	<u>EQUITY CAPITAL & LIABILITIES</u>	<u>BALANCE 12/31/2022</u>
	<u>STOCKHOLDER'S EQUITY</u>	
201.	Common Stock	(609,768)
211.	Other Paid-In-Capital	0
215.	Unappropriated Retained Earnings	(5,776,629)
435.	Balance Transferred from Income	121,930
438.	Dividends Declared - Common Stock	0
	Total Stockholder's Equity/(Deficit)	(6,264,468)
	<u>LONG TERM DEBT</u>	
223.	Advances from Associated Companies	0
224.	Other Long Term Debt	0
	Total Long Term Debt	0
	<u>CURRENT & ACCRUED LIABILITIES</u>	
231.	Accounts Payable	38,630
233.	Accounts Payable to Associated Companies	13,156,415
234.	Notes Payable to Associated Companies	0
225.	Capitalized Lease Obligation	0
236.	Accrued Taxes Payable	142,825
239.	Matured Long Term Debt	0
241.	Other Liabilities	639,528
	Total Current & Accrued Liabilities	13,977,398
	<u>DEFERRED CREDITS</u>	
252.	Advances for Construction	0
253.	Other Deferred Credits	0
	Total Deferred Credits	0
	<u>OPERATING RESERVES</u>	
265.	Misc. Operating Reserves	0
	<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	
271.	Contributions in Aid of Construction	5,951,223
272.	Accum. Amortization of CIAC	(2,045,373)
	Total Contributions in Aid of Construction - Net	3,905,851
	<u>DEFERRED INCOME TAXES</u>	
283.	Accum. Deferred Income Taxes	0
	TOTAL LIABILITIES & OTHER CREDITS	11,618,781

WEST HAWAII SEWER COMPANY
F.K.A. WAIKOLOA SANITARY SEWER COMPANY, INC.
INCOME STATEMENT
FOR YEAR ENDED DECEMBER 31, 2022

<u>ACCOUNT NUMBER</u>		<u>CY 12/31/2022</u>
<u>OPERATING REVENUES</u>		
<u>WATER SALES:</u>		
460.	Unmetered Water Revenue	0
461.	Metered Water Revenue	0
462.	Fire Protection Revenue	0
465.	Sales to Irrigation Customers	0
<u>OTHER WATER REVENUES:</u>		
471.	Miscellaneous Service Revenues	0
474.	Other Water Revenues - Unbilled Rev Adj	0
<u>WASTEWATER SALES</u>		
521.	Flat Rate Revenues	1,410,698
522.	Measured Revenue	807,509
523.	Revenues from Public Authorities	0
524.	Revenues from Other Systems	0
<u>OTHER WASTEWATER REVENUES</u>		
531.	Sale of Sludge	0
536.	Other Wastewater Revenues	20,100
<u>RECLAIMED WATER SALES</u>		
540.	Flat Rate Reuse Revenues	0
541.	Measured Reuse Revenue	0
544.	Reuse Revenues from Other Systems	0
	Total Operating Revenues	2,238,307

WEST HAWAII SEWER COMPANY
F.K.A. WAIKOLOA SANITARY SEWER COMPANY, INC.
INCOME STATEMENT
FOR YEAR ENDED DECEMBER 31, 2022

**ACCOUNT
NUMBER**

CY 12/31/2022

OPERATING EXPENSES - WATER

610.1	Purchased Water	0
615.1	Purchased Power	0
601.1	Source of Supply - Salaries & Wages	0
616.1	Source of Supply - Fuel for Power Production	0
618.1	Source of Supply - Chemicals	0
631.1	Source of Supply - Contractual Svc - Engr	0
642.1	Source of Supply - Equipment Rental	0
675.1	Source of Supply - Misc Expense	0
601.2	Source of Supply - Maint - Salaries & Wages	0
620.2	Source of Supply - Maint - Materials & Supplies	0
675.2	Source of Supply - Maint - Misc Expense	0
601.3	Water Treatment - Salaries & Wages	0
618.3	Water Treatment - Chemicals	0
620.3	Water Treatment - Materials & Supplies	0
631.3	Water Treatment - Contractual Svc - Engr	0
635.3	Water Treatment - Contractual Svc - Testing	0
636.3	Water Treatment - Contractual Svc - Other	0
642.3	Water Treatment - Rental of Equipment	0
675.3	Water Treatment - Misc Expense	0
601.4	Water Treatment - Maint - Salaries & Wages	0
620.4	Water Treatment - Maint - Materials & Supplies	0
675.4	Water Treatment - Maint - Misc Expense	0
601.5	Trans & Distrib - Salaries & Wages	0
635.5	Trans & Distrib - Contractual Svc - Testing	0
642.5	Trans & Distrib - Rental of Equipment	0
675.5	Trans & Distrib - Misc Expense	0
601.6	Trans & Distrib - Maint - Salaries & Wages	0
675.6	Trans & Distrib - Maint - Misc Expense	0
	Total Operating Expenses - Water	0

WEST HAWAII SEWER COMPANY
F.K.A. WAIKOLOA SANITARY SEWER COMPANY, INC.
INCOME STATEMENT
FOR YEAR ENDED DECEMBER 31, 2022

<u>ACCOUNT NUMBER</u>		<u>CY 12/31/2022</u>
<u>OPERATING EXPENSES - WASTEWATER</u>		
715.3	Purchased Power	293,929
701.2	Collection - Maint - Salaries & Wages	4,145
720.2	Collection - Maint - Materials & Supplies	0
735.2	Collection - Maint - Contractual Svc - Testing	2,055
775.2	Collection - Maint - Miscellaneous Expense	846
701.3	Pumping - Salaries & Wages	47,586
716.3	Pumping - Fuel for Power Production	0
718.3	Pumping - Chemicals	0
731.3	Pumping - Contractual Svc - Engr	0
735.3	Pumping - Contractual Svc - Testing	0
742.3	Pumping - Rental of Equipment	0
775.3	Pumping - Miscellaneous Expense	8,648
701.4	Pumping - Maint - Salaries & Wages	0
775.4	Pumping - Maint - Misc Expense	0
701.5	Treat & Disposal - Salaries & Wages	197,277
710.5	Treat & Disposal - Purchased WW Treatment	0
711.5	Treat & Disposal - Sludge Removal Expense	64,913
718.5	Treat & Disposal - Chemicals	48,096
720.5	Treat & Disposal - Materials & Supplies	14,475
731.5	Treat & Disposal - Contractual Svc - Engr	0
735.5	Treat & Disposal - Contractual Svc - Testing	368
736.5	Treat & Disposal - Contractual Svc - Other	648
742.5	Treat & Disposal - Rental of Equipment	0
750.5	Treat & Disposal - Transportation Expenses	0
775.5	Treat & Disposal - Miscellaneous Expense	68,841
701.6	Treat & Disposal - Maint - Salaries & Wages	0
720.6	Treat & Disposal - Maint - Materials & Supplies	161
735.6	Treat & Disposal - Maint - Contractual Svc - Test	0
775.6	Treat & Disposal - Maint - Misc Expense	0
701.9	Reclaimed Wtr Treat - Salaries & Wages	0
718.9	Reclaimed Wtr Treat - Chemicals	0
720.9	Reclaimed Wtr Treat - Materials & Supplies	0
750.9	Reclaimed Wtr Treat - Transportation Expense	0
758.9	Reclaimed Wtr Treat - Insurance - Wrk Comp	0
701.10	Reclaimed Wtr Treat - Maint - Salaries & Wages	0
720.10	Reclaimed Wtr Treat - Maint - Mats & Supplies	0
720.11	Reclaimed Wtr Distr - Materials & Supplies	0
775.11	Reclaimed Wtr Distr - Miscellaneous Expense	0
	Total Operating Expenses - Wastewater	<u>751,990</u>
	Total Operating Expenses	<u>751,990</u>
	NET OPERATING INCOME / (LOSS)	1,486,317

WEST HAWAII SEWER COMPANY
F.K.A. WAIKOLOA SANITARY SEWER COMPANY, INC.
INCOME STATEMENT
FOR YEAR ENDED DECEMBER 31, 2022

<u>ACCOUNT NUMBER</u>		<u>CY 12/31/2022</u>
<u>OTHER INCOME & EXPENSES:</u>		
403.	Depreciation Expense	569,836
407.	Amortization Expense	0
408.	Taxes Other Than Income	165,939
415.	Revenues - Jobbing & Contract Work	0
416.	Costs & Expenses - Jobbing & Contract Work	0
419.	Interest and Dividend Income	0
421.	Nonutility Income	0
426.	Miscellaneous Nonutility Expenses	0
427.	Interest Expense / (Income)	<u>(62,983)</u>
	Total Other Income & Expenses	672,791
<u>GENERAL & ADMINISTRATIVE EXPENSES:</u>		
601.7	Customer Accounts - Salaries & Wages	11
670.7	Customer Accounts - Bad Debt Expense	5,672
675.7	Customer Accounts - Misc Expense	0
601.8	Admin & General - Salaries & Wages	49
604.8	Admin & General - Empl Pensions & Benefits	159,624
620.8	Admin & General - Materials & Supplies	369
631.8	Admin & General - Contractual Svc - Engr	0
632.8	Admin & General - Contractual Svc - Acctg	0
633.8	Admin & General - Contractual Svc - Legal	0
636.8	Admin & General - Contractual Svc - Other	8,207
641.8	Admin & General - Building/Property Rental	0
657.8	Admin & General - Insurance - Gen Liab	44,506
658.8	Admin & General - Insurance - Worker's Comp	3,986
659.8	Admin & General - Insurance - Other	0
667.8	Admin & General - Regulatory Comm Expense	22,175
675.8	Admin & General - Misc Expense	<u>430,577</u>
	Total General & Administrative Expenses	<u>675,177</u>
	NET INCOME/(LOSS) BEFORE INCOME TAXES	138,349
409.	Income Tax Expense / (Benefit)	<u>16,419</u>
	NET INCOME/(LOSS)	<u><u>121,930</u></u>

**WEST HAWAII UTILITY COMPANY
F.K.A. WAIKOLOA RESORT UTILITIES, INC.
BALANCE SHEET
FOR YEAR ENDED DECEMBER 31, 2022**

<u>ACCOUNT NUMBER</u>	<u>ASSETS & OTHER DEBITS</u>	<u>BALANCE 12/31/2022</u>
	<u>UTILITY PLANT</u>	
303.	Land	1,078,437
101.	Utility Plant in Service	60,813,125
105.	Construction Work in Progress	200,779
108.	Accum. Depreciation of Utility Plant in Service	<u>(22,582,240)</u>
	Total Utility Plant Less Reserves	39,510,100
	<u>OTHER PROPERTY & INVESTMENTS</u>	
121.	Nonutility Property	248,160
122.	Accum. Depreciation of Nonutility Plant	<u>(178,079)</u>
	Total Other Property & Investments	70,081
	<u>CURRENT & ACCRUED ASSETS</u>	
131.	Cash	0
141.	Customer Accounts Receivable	528,993
142.	Accounts Receivable Other	241
143.	Accum. Provision for Uncollectible Accts - Contra	(42,745)
145.	Accounts Receivable From Associated Companies	25,068,359
151.	Other Materials & Supplies	423,931
162.	Prepayments	233,682
173.	Accrued Utility Revenues	702,159
174.	Miscellaneous Other Assets	<u>0</u>
	Total Current & Accrued Assets	26,914,619
	<u>DEFERRED DEBITS</u>	
184.	Clearing Accounts	0
186.	Miscellaneous Deferred Debits	<u>627,821</u>
	Total Deferred Debits	627,821
	TOTAL ASSETS & OTHER DEBITS	<u>67,122,621</u>

**WEST HAWAII UTILITY COMPANY
F.K.A. WAIKOLOA RESORT UTILITIES, INC.
BALANCE SHEET
FOR YEAR ENDED DECEMBER 31, 2022**

<u>ACCOUNT NUMBER</u>	<u>EQUITY CAPITAL & LIABILITIES</u>	<u>BALANCE 12/31/2022</u>
	<u>STOCKHOLDER'S EQUITY</u>	
201.	Common Stock	29,083,302
211.	Other Paid-In-Capital	0
215.	Unappropriated Retained Earnings	8,636,800
435.	Balance Transferred from Income	2,334,856
438.	Dividends Declared - Common Stock	<u>0</u>
	Total Stockholder's Equity/(Deficit)	40,054,958
	<u>LONG TERM DEBT</u>	
223.	Advances from Associated Companies	0
224.	Other Long Term Debt	<u>0</u>
	Total Long Term Debt	0
	<u>CURRENT & ACCRUED LIABILITIES</u>	
231.	Accounts Payable	0
233.	Accounts Payable to Associated Companies	348,302
234.	Notes Payable to Associated Companies	0
225.	Capitalized Lease Obligation	0
236.	Accrued Taxes Payable	743,989
239.	Matured Long Term Debt	0
241.	Other Liabilities	<u>9,077,450</u>
	Total Current & Accrued Liabilities	10,169,742
	<u>DEFERRED CREDITS</u>	
252.	Advances for Construction	0
253.	Other Deferred Credits	<u>715,692</u>
	Total Deferred Credits	715,692
	<u>OPERATING RESERVES</u>	
265.	Misc. Operating Reserves	0
	<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	
271.	Contributions in Aid of Construction	24,325,592
272.	Accum. Amortization of CIAC	<u>(8,761,578)</u>
	Total Contributions in Aid of Construction - Net	15,564,013
	<u>DEFERRED INCOME TAXES</u>	
283.	Accum. Deferred Income Taxes	618,216
	TOTAL LIABILITIES & OTHER CREDITS	<u>67,122,621</u>

WEST HAWAII UTILITY COMPANY
F.K.A. WAIKOLOA RESORT UTILITIES, INC.
INCOME STATEMENT
FOR YEAR ENDED DECEMBER 31, 2022

<u>ACCOUNT NUMBER</u>		<u>CY 12/31/2022</u>
<u>OPERATING REVENUES</u>		
<u>WATER SALES:</u>		
460.	Unmetered Water Revenue	0
461.	Metered Water Revenue	5,608,290
462.	Fire Protection Revenue	64,982
465.	Sales to Irrigation Customers	367,905
<u>OTHER WATER REVENUES:</u>		
471.	Miscellaneous Service Revenues	80,315
474.	Other Water Revenues - Unbilled Rev Adj	61,179
<u>WASTEWATER SALES</u>		
521.	Flat Rate Revenues	855,397
522.	Measured Revenue	4,553,786
523.	Revenues from Public Authorities	0
524.	Revenues from Other Systems	0
<u>OTHER WASTEWATER REVENUES</u>		
531.	Sale of Sludge	0
536.	Other Wastewater Revenues	46,386
<u>RECLAIMED WATER SALES</u>		
540.	Flat Rate Reuse Revenues	0
541.	Measured Reuse Revenue	0
544.	Reuse Revenues from Other Systems	0
	Total Operating Revenues	11,638,239

WEST HAWAII UTILITY COMPANY
F.K.A. WAIKOLOA RESORT UTILITIES, INC.
INCOME STATEMENT
FOR YEAR ENDED DECEMBER 31, 2022

<u>ACCOUNT NUMBER</u>		<u>CY 12/31/2022</u>
<u>OPERATING EXPENSES - WATER</u>		
610.1	Purchased Water	0
615.1	Purchased Power	3,321,285
601.1	Source of Supply - Salaries & Wages	95,051
616.1	Source of Supply - Fuel for Power Production	0
618.1	Source of Supply - Chemicals	0
631.1	Source of Supply - Contractual Svc - Engr	0
642.1	Source of Supply - Equipment Rental	0
675.1	Source of Supply - Misc Expense	5,739
601.2	Source of Supply - Maint - Salaries & Wages	9,455
620.2	Source of Supply - Maint - Materials & Supplies	0
675.2	Source of Supply - Maint - Misc Expense	25,123
601.3	Water Treatment - Salaries & Wages	13,189
618.3	Water Treatment - Chemicals	47,165
620.3	Water Treatment - Materials & Supplies	0
631.3	Water Treatment - Contractual Svc - Engr	0
635.3	Water Treatment - Contractual Svc - Testing	0
636.3	Water Treatment - Contractual Svc - Other	0
642.3	Water Treatment - Rental of Equipment	0
675.3	Water Treatment - Misc Expense	6,426
601.4	Water Treatment - Maint - Salaries & Wages	46
620.4	Water Treatment - Maint - Materials & Supplies	225
675.4	Water Treatment - Maint - Misc Expense	0
601.5	Trans & Distrib - Salaries & Wages	52,592
635.5	Trans & Distrib - Contractual Svc - Testing	0
642.5	Trans & Distrib - Rental of Equipment	0
675.5	Trans & Distrib - Misc Expense	18,266
601.6	Trans & Distrib - Maint - Salaries & Wages	7,789
675.6	Trans & Distrib - Maint - Misc Expense	11,518
	Total Operating Expenses - Water	3,613,869

WEST HAWAII UTILITY COMPANY
F.K.A. WAIKOLOA RESORT UTILITIES, INC.
INCOME STATEMENT
FOR YEAR ENDED DECEMBER 31, 2022

<u>ACCOUNT NUMBER</u>		<u>CY 12/31/2022</u>
<u>OPERATING EXPENSES - WASTEWATER</u>		
715.3	Purchased Power	570,717
701.2	Collection - Maint - Salaries & Wages	2,255
720.2	Collection - Maint - Materials & Supplies	20,785
735.2	Collection - Maint - Contractual Svc - Testing	10,242
775.2	Collection - Maint - Miscellaneous Expense	16,867
701.3	Pumping - Salaries & Wages	74,161
716.3	Pumping - Fuel for Power Production	0
718.3	Pumping - Chemicals	0
731.3	Pumping - Contractual Svc - Engr	0
735.3	Pumping - Contractual Svc - Testing	0
742.3	Pumping - Rental of Equipment	0
775.3	Pumping - Miscellaneous Expense	48,508
701.4	Pumping - Maint - Salaries & Wages	0
775.4	Pumping - Maint - Misc Expense	0
701.5	Treat & Disposal - Salaries & Wages	286,833
710.5	Treat & Disposal - Purchased WW Treatment	0
711.5	Treat & Disposal - Sludge Removal Expense	175,426
718.5	Treat & Disposal - Chemicals	36,478
720.5	Treat & Disposal - Materials & Supplies	10,811
731.5	Treat & Disposal - Contractual Svc - Engr	0
735.5	Treat & Disposal - Contractual Svc - Testing	27,287
736.5	Treat & Disposal - Contractual Svc - Other	1,440
742.5	Treat & Disposal - Rental of Equipment	0
750.5	Treat & Disposal - Transportation Expenses	0
775.5	Treat & Disposal - Miscellaneous Expense	121,767
701.6	Treat & Disposal - Maint - Salaries & Wages	0
720.6	Treat & Disposal - Maint - Materials & Supplies	3,737
735.6	Treat & Disposal - Maint - Contractual Svc - Test	8,722
775.6	Treat & Disposal - Maint - Misc Expense	312
701.9	Reclaimed Wtr Treat - Salaries & Wages	76
718.9	Reclaimed Wtr Treat - Chemicals	0
720.9	Reclaimed Wtr Treat - Materials & Supplies	0
750.9	Reclaimed Wtr Treat - Transportation Expense	0
758.9	Reclaimed Wtr Treat - Insurance - Wrk Comp	0
701.10	Reclaimed Wtr Treat - Maint - Salaries & Wages	0
720.10	Reclaimed Wtr Treat - Maint - Matls & Supplies	0
720.11	Reclaimed Wtr Distr - Materials & Supplies	453
775.11	Reclaimed Wtr Distr - Miscellaneous Expense	0
	Total Operating Expenses - Wastewater	<u>1,416,879</u>
	Total Operating Expenses	5,030,748
	NET OPERATING INCOME / (LOSS)	6,607,491

WEST HAWAII UTILITY COMPANY
F.K.A. WAIKOLOA RESORT UTILITIES, INC.
INCOME STATEMENT
FOR YEAR ENDED DECEMBER 31, 2022

<u>ACCOUNT NUMBER</u>		<u>CY 12/31/2022</u>
<u>OTHER INCOME & EXPENSES:</u>		
403.	Depreciation Expense	1,244,278
407.	Amortization Expense	0
408.	Taxes Other Than Income	832,565
415.	Revenues - Jobbing & Contract Work	0
416.	Costs & Expenses - Jobbing & Contract Work	0
419.	Interest and Dividend Income	0
421.	Nonutility Income	0
426.	Miscellaneous Nonutility Expenses	0
427.	Interest Expense / (Income)	<u>141,744</u>
	Total Other Income & Expenses	2,218,587
<u>GENERAL & ADMINISTRATIVE EXPENSES:</u>		
601.7	Customer Accounts - Salaries & Wages	4,363
670.7	Customer Accounts - Bad Debt Expense	26,212
675.7	Customer Accounts - Misc Expense	7
601.8	Admin & General - Salaries & Wages	1,521
604.8	Admin & General - Empl Pensions & Benefits	280,568
620.8	Admin & General - Materials & Supplies	1,079
631.8	Admin & General - Contractual Svc - Engr	0
632.8	Admin & General - Contractual Svc - Acctg	0
633.8	Admin & General - Contractual Svc - Legal	0
636.8	Admin & General - Contractual Svc - Other	7,567
641.8	Admin & General - Building/Property Rental	0
657.8	Admin & General - Insurance - Gen Liab	79,373
658.8	Admin & General - Insurance - Worker's Comp	7,105
659.8	Admin & General - Insurance - Other	0
667.8	Admin & General - Regulatory Comm Expense	46,137
675.8	Admin & General - Misc Expense	<u>1,285,705</u>
	Total General & Administrative Expenses	<u>1,739,637</u>
	NET INCOME/(LOSS) BEFORE INCOME TBCES	2,649,267
409.	Income Tax Expense / (Benefit)	<u>314,410</u>
	NET INCOME/(LOSS)	<u><u>2,334,856</u></u>

**WEST HAWAII WATER COMPANY
F.K.A. WAIKOLOA WATER COMPANY, INC.
BALANCE SHEET
FOR YEAR ENDED DECEMBER 31, 2023**

<u>ACCOUNT NUMBER</u>	<u>ASSETS & OTHER DEBITS</u>	<u>For Year Ended 2023</u>
	<u>UTILITY PLANT</u>	
303.	Land	0
101.	Utility Plant in Service	26,601,656
105.	Construction Work in Progress	638,583
108.	Accum. Depreciation of Utility Plant in Service	<u>(9,907,287)</u>
	Total Utility Plant Less Reserves	17,332,952
	<u>OTHER PROPERTY & INVESTMENTS</u>	
121.	Nonutility Property	349,586
122.	Accum. Depreciation of Nonutility Plant	<u>(93,560)</u>
	Total Other Property & Investments	256,026
	<u>CURRENT & ACCRUED ASSETS</u>	
131.	Cash	127
141.	Customer Accounts Receivable	149,363
142.	Accounts Receivable Other	0
143.	Accum. Provision for Uncollectible Accts - Contra	(6,681)
145.	Accounts Receivable From Associated Companies	33,452,462
151.	Other Materials & Supplies	23,235
162.	Prepayments	392,218
173.	Accrued Utility Revenues	163,408
174.	Miscellaneous Other Assets	<u>0</u>
	Total Current & Accrued Assets	34,174,133
	<u>DEFERRED DEBITS</u>	
184.	Clearing Accounts	0
186.	Miscellaneous Deferred Debits	<u>405,954</u>
	Total Deferred Debits	405,954
	TOTAL ASSETS & OTHER DEBITS	<u>52,169,065</u>

**WEST HAWAII WATER COMPANY
F.K.A. WAIKOLOA WATER COMPANY, INC.
BALANCE SHEET
FOR YEAR ENDED DECEMBER 31, 2023**

<u>ACCOUNT NUMBER</u>	<u>EQUITY CAPITAL & LIABILITIES</u>	<u>For Year Ended 2023</u>
	<u>STOCKHOLDER'S EQUITY</u>	
201.	Common Stock	0
211.	Other Paid-In-Capital	0
215.	Unappropriated Retained Earnings	(4,334,746)
435.	Balance Transferred from Income	(271,066)
438.	Dividends Declared - Common Stock	<u>0</u>
	Total Stockholder's Equity/(Deficit)	(4,605,811)
	<u>LONG TERM DEBT</u>	
223.	Advances from Associated Companies	0
224.	Other Long Term Debt	<u>0</u>
	Total Long Term Debt	0
	<u>CURRENT & ACCRUED LIABILITIES</u>	
231.	Accounts Payable	365,258
233.	Accounts Payable to Associated Companies	(31,711)
234.	Notes Payable to Associated Companies	0
225.	Capitalized Lease Obligation	0
236.	Accrued Taxes Payable	192,719
239.	Matured Long Term Debt	0
241.	Other Liabilities	<u>50,568,156</u>
	Total Current & Accrued Liabilities	51,094,423
	<u>DEFERRED CREDITS</u>	
252.	Advances for Construction	48,160
253.	Other Deferred Credits	<u>796,764</u>
	Total Deferred Credits	844,924
	<u>OPERATING RESERVES</u>	
265.	Misc. Operating Reserves	0
	<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	
271.	Contributions in Aid of Construction	12,994,544
272.	Accum. Amortization of CIAC	<u>(8,155,613)</u>
	Total Contributions in Aid of Construction - Net	4,838,931
	<u>DEFERRED INCOME TAXES</u>	
283.	Accum. Deferred Income Taxes	(3,402)
	TOTAL LIABILITIES & OTHER CREDITS	<u>52,169,065</u>

WEST HAWAII WATER COMPANY
F.K.A. WAIKOLOA WATER COMPANY, INC.
INCOME STATEMENT
FOR YEAR ENDED DECEMBER 31, 2023

<u>ACCOUNT NUMBER</u>		<u>CY 12/31/2023</u>
<u>OPERATING REVENUES</u>		
<u>WATER SALES:</u>		
460.	Unmetered Water Revenue	0
461.	Metered Water Revenue	2,831,735
462.	Fire Protection Revenue	91,302
465.	Sales to Irrigation Customers	45,752
<u>OTHER WATER REVENUES:</u>		
471.	Miscellaneous Service Revenues	62,076
474.	Other Water Revenues - Unbilled Rev Adj	(12,555)
<u>WASTEWATER SALES</u>		
521.	Flat Rate Revenues	0
522.	Measured Revenue	0
523.	Revenues from Public Authorities	0
524.	Revenues from Other Systems	0
<u>OTHER WASTEWATER REVENUES</u>		
531.	Sale of Sludge	0
536.	Other Wastewater Revenues	0
<u>RECLAIMED WATER SALES</u>		
540.	Flat Rate Reuse Revenues	0
541.	Measured Reuse Revenue	0
544.	Reuse Revenues from Other Systems	0
	Total Operating Revenues	3,018,310

WEST HAWAII WATER COMPANY
F.K.A. WAIKOLOA WATER COMPANY, INC.
INCOME STATEMENT
FOR YEAR ENDED DECEMBER 31, 2023

**ACCOUNT
NUMBER**

CY 12/31/2023

OPERATING EXPENSES - WATER

610.1	Purchased Water	0
615.1	Purchased Power	1,639,082
601.1	Source of Supply - Salaries & Wages	54,077
616.1	Source of Supply - Fuel for Power Production	5,092
618.1	Source of Supply - Chemicals	0
631.1	Source of Supply - Contractual Svc - Engr	0
642.1	Source of Supply - Equipment Rental	0
675.1	Source of Supply - Misc Expense	5,304
601.2	Source of Supply - Maint - Salaries & Wages	1,008
620.2	Source of Supply - Maint - Materials & Supplies	0
675.2	Source of Supply - Maint - Misc Expense	36,263
601.3	Water Treatment - Salaries & Wages	4,278
618.3	Water Treatment - Chemicals	34,311
620.3	Water Treatment - Materials & Supplies	0
631.3	Water Treatment - Contractual Svc - Engr	0
635.3	Water Treatment - Contractual Svc - Testing	5,788
636.3	Water Treatment - Contractual Svc - Other	0
642.3	Water Treatment - Rental of Equipment	0
675.3	Water Treatment - Misc Expense	3,861
601.4	Water Treatment - Maint - Salaries & Wages	0
620.4	Water Treatment - Maint - Materials & Supplies	0
675.4	Water Treatment - Maint - Misc Expense	0
601.5	Trans & Distrib - Salaries & Wages	8,407
635.5	Trans & Distrib - Contractual Svc - Testing	0
642.5	Trans & Distrib - Rental of Equipment	0
675.5	Trans & Distrib - Misc Expense	73,248
601.6	Trans & Distrib - Maint - Salaries & Wages	21,765
675.6	Trans & Distrib - Maint - Misc Expense	13,023
	Total Operating Expenses - Water	1,905,506

WEST HAWAII WATER COMPANY
F.K.A. WAIKOLOA WATER COMPANY, INC.
INCOME STATEMENT
FOR YEAR ENDED DECEMBER 31, 2023

<u>ACCOUNT NUMBER</u>		<u>CY 12/31/2023</u>
<u>OPERATING EXPENSES - WASTEWATER</u>		
715.3	Purchased Power	0
701.2	Collection - Maint - Salaries & Wages	0
720.2	Collection - Maint - Materials & Supplies	0
735.2	Collection - Maint - Contractual Svc - Testing	0
775.2	Collection - Maint - Miscellaneous Expense	0
701.3	Pumping - Salaries & Wages	0
716.3	Pumping - Fuel for Power Production	0
718.3	Pumping - Chemicals	0
731.3	Pumping - Contractual Svc - Engr	0
735.3	Pumping - Contractual Svc - Testing	0
742.3	Pumping - Rental of Equipment	0
775.3	Pumping - Miscellaneous Expense	0
701.4	Pumping - Maint - Salaries & Wages	0
775.4	Pumping - Maint - Misc Expense	0
701.5	Treat & Disposal - Salaries & Wages	0
710.5	Treat & Disposal - Purchased WW Treatment	0
711.5	Treat & Disposal - Sludge Removal Expense	0
718.5	Treat & Disposal - Chemicals	0
720.5	Treat & Disposal - Materials & Supplies	0
731.5	Treat & Disposal - Contractual Svc - Engr	0
735.5	Treat & Disposal - Contractual Svc - Testing	0
736.5	Treat & Disposal - Contractual Svc - Other	0
742.5	Treat & Disposal - Rental of Equipment	0
750.5	Treat & Disposal - Transportation Expenses	0
775.5	Treat & Disposal - Miscellaneous Expense	0
701.6	Treat & Disposal - Maint - Salaries & Wages	0
720.6	Treat & Disposal - Maint - Materials & Supplies	0
735.6	Treat & Disposal - Maint - Contractual Svc - Test	0
775.6	Treat & Disposal - Maint - Misc Expense	0
701.9	Reclaimed Wtr Treat - Salaries & Wages	0
718.9	Reclaimed Wtr Treat - Chemicals	0
720.9	Reclaimed Wtr Treat - Materials & Supplies	0
750.9	Reclaimed Wtr Treat - Transportation Expense	0
758.9	Reclaimed Wtr Treat - Insurance - Wrk Comp	0
701.10	Reclaimed Wtr Treat - Maint - Salaries & Wages	0
720.10	Reclaimed Wtr Treat - Maint - Mtls & Supplies	0
720.11	Reclaimed Wtr Distr - Materials & Supplies	0
775.11	Reclaimed Wtr Distr - Miscellaneous Expense	0
Total Operating Expenses - Wastewater		0
Total Operating Expenses		1,905,506
NET OPERATING INCOME / (LOSS)		1,112,804

WEST HAWAII WATER COMPANY
F.K.A. WAIKOLOA WATER COMPANY, INC.
INCOME STATEMENT
FOR YEAR ENDED DECEMBER 31, 2023

<u>ACCOUNT NUMBER</u>		<u>CY 12/31/2023</u>
<u>OTHER INCOME & EXPENSES:</u>		
403.	Depreciation Expense	428,392
407.	Amortization Expense	4,682
408.	Taxes Other Than Income	218,163
415.	Revenues - Jobbing & Contract Work	(616)
416.	Costs & Expenses - Jobbing & Contract Work	0
419.	Interest and Dividend Income	0
421.	Nonutility Income	0
426.	Miscellaneous Nonutility Expenses	1,500
427.	Interest Expense / (Income)	(8,144)
	Total Other Income & Expenses	643,978
<u>GENERAL & ADMINISTRATIVE EXPENSES:</u>		
601.7	Customer Accounts - Salaries & Wages	69,439
670.7	Customer Accounts - Bad Debt Expense	(3,750)
675.7	Customer Accounts - Misc Expense	6
601.8	Admin & General - Salaries & Wages	5,825
604.8	Admin & General - Empl Pensions & Benefits	70,252
620.8	Admin & General - Materials & Supplies	941
631.8	Admin & General - Contractual Svc - Engr	0
632.8	Admin & General - Contractual Svc - Acctg	0
633.8	Admin & General - Contractual Svc - Legal	0
636.8	Admin & General - Contractual Svc - Other	6,249
641.8	Admin & General - Building/Property Rental	0
657.8	Admin & General - Insurance - Gen Liab	45,064
658.8	Admin & General - Insurance - Worker's Comp	8,318
659.8	Admin & General - Insurance - Other	0
667.8	Admin & General - Regulatory Comm Expense	20,613
675.8	Admin & General - Misc Expense	548,797
	Total General & Administrative Expenses	771,754
	NET INCOME/(LOSS) BEFORE INCOME TAXES	(302,928)
409.	Income Tax Expense / (Benefit)	(31,862)
	NET INCOME/(LOSS)	(271,066)

**WEST HAWAII SEWER COMPANY
F.K.A. WAIKOLOA SANITARY SEWER COMPANY, INC.
BALANCE SHEET
FOR YEAR ENDED DECEMBER 31, 2023**

<u>ACCOUNT NUMBER</u>	<u>ASSETS & OTHER DEBITS</u>	<u>For Year Ended 2023</u>
	<u>UTILITY PLANT</u>	
303.	Land	0
101.	Utility Plant in Service	18,540,773
105.	Construction Work in Progress	1,167,707
108.	Accum. Depreciation of Utility Plant in Service	<u>(9,003,533)</u>
	Total Utility Plant Less Reserves	10,704,947
	<u>OTHER PROPERTY & INVESTMENTS</u>	
121.	Nonutility Property	0
122.	Accum. Depreciation of Nonutility Plant	<u>0</u>
	Total Other Property & Investments	0
	<u>CURRENT & ACCRUED ASSETS</u>	
131.	Cash	0
141.	Customer Accounts Receivable	92,107
142.	Accounts Receivable Other	0
143.	Accum. Provision for Uncollectible Accts - Contra	(15,249)
145.	Accounts Receivable From Associated Companies	48,815
151.	Other Materials & Supplies	43,389
162.	Prepayments	83,860
173.	Accrued Utility Revenues	145,081
174.	Miscellaneous Other Assets	<u>0</u>
	Total Current & Accrued Assets	398,003
	<u>DEFERRED DEBITS</u>	
184.	Clearing Accounts	0
186.	Miscellaneous Deferred Debits	<u>(16,686)</u>
	Total Deferred Debits	(16,686)
	TOTAL ASSETS & OTHER DEBITS	<u><u>11,086,264</u></u>

WEST HAWAII SEWER COMPANY
F.K.A. WAIKOLOA SANITARY SEWER COMPANY, INC.
BALANCE SHEET
FOR YEAR ENDED DECEMBER 31, 2023

<u>ACCOUNT NUMBER</u>	<u>EQUITY CAPITAL & LIABILITIES</u>	<u>For Year Ended 2023</u>
	<u>STOCKHOLDER'S EQUITY</u>	
201.	Common Stock	(609,768)
211.	Other Paid-In-Capital	0
215.	Unappropriated Retained Earnings	(5,638,748)
435.	Balance Transferred from Income	340,216
438.	Dividends Declared - Common Stock	<u>0</u>
	Total Stockholder's Equity/(Deficit)	(5,908,299)
	<u>LONG TERM DEBT</u>	
223.	Advances from Associated Companies	0
224.	Other Long Term Debt	<u>0</u>
	Total Long Term Debt	0
	<u>CURRENT & ACCRUED LIABILITIES</u>	
231.	Accounts Payable	0
233.	Accounts Payable to Associated Companies	40,116
234.	Notes Payable to Associated Companies	0
225.	Capitalized Lease Obligation	0
236.	Accrued Taxes Payable	144,180
239.	Matured Long Term Debt	0
241.	Other Liabilities	<u>13,308,423</u>
	Total Current & Accrued Liabilities	13,492,719
	<u>DEFERRED CREDITS</u>	
252.	Advances for Construction	0
253.	Other Deferred Credits	<u>0</u>
	Total Deferred Credits	0
	<u>OPERATING RESERVES</u>	
265.	Misc. Operating Reserves	0
	<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	
271.	Contributions in Aid of Construction	5,951,223
272.	Accum. Amortization of CIAC	<u>(2,449,380)</u>
	Total Contributions in Aid of Construction - Net	3,501,844
	<u>DEFERRED INCOME TAXES</u>	
283.	Accum. Deferred Income Taxes	0
	TOTAL LIABILITIES & OTHER CREDITS	<u>11,086,264</u>

WEST HAWAII SEWER COMPANY
F.K.A. WAIKOLOA SANITARY SEWER COMPANY, INC.
INCOME STATEMENT
FOR YEAR ENDED DECEMBER 31, 2023

<u>ACCOUNT NUMBER</u>		<u>CY 12/31/2023</u>
<u>OPERATING REVENUES</u>		
<u>WATER SALES:</u>		
460.	Unmetered Water Revenue	0
461.	Metered Water Revenue	0
462.	Fire Protection Revenue	0
465.	Sales to Irrigation Customers	0
<u>OTHER WATER REVENUES:</u>		
471.	Miscellaneous Service Revenues	0
474.	Other Water Revenues - Unbilled Rev Adj	0
<u>WASTEWATER SALES</u>		
521.	Flat Rate Revenues	1,468,352
522.	Measured Revenue	777,460
523.	Revenues from Public Authorities	0
524.	Revenues from Other Systems	0
<u>OTHER WASTEWATER REVENUES</u>		
531.	Sale of Sludge	0
536.	Other Wastewater Revenues	12,300
<u>RECLAIMED WATER SALES</u>		
540.	Flat Rate Reuse Revenues	0
541.	Measured Reuse Revenue	0
544.	Reuse Revenues from Other Systems	0
	Total Operating Revenues	2,258,111

WEST HAWAII SEWER COMPANY
F.K.A. WAIKOLOA SANITARY SEWER COMPANY, INC.
INCOME STATEMENT
FOR YEAR ENDED DECEMBER 31, 2023

**ACCOUNT
NUMBER**

CY 12/31/2023

OPERATING EXPENSES - WATER

610.1	Purchased Water	0
615.1	Purchased Power	0
601.1	Source of Supply - Salaries & Wages	0
616.1	Source of Supply - Fuel for Power Production	0
618.1	Source of Supply - Chemicals	0
631.1	Source of Supply - Contractual Svc - Engr	0
642.1	Source of Supply - Equipment Rental	0
675.1	Source of Supply - Misc Expense	0
601.2	Source of Supply - Maint - Salaries & Wages	0
620.2	Source of Supply - Maint - Materials & Supplies	0
675.2	Source of Supply - Maint - Misc Expense	0
601.3	Water Treatment - Salaries & Wages	0
618.3	Water Treatment - Chemicals	0
620.3	Water Treatment - Materials & Supplies	0
631.3	Water Treatment - Contractual Svc - Engr	0
635.3	Water Treatment - Contractual Svc - Testing	0
636.3	Water Treatment - Contractual Svc - Other	0
642.3	Water Treatment - Rental of Equipment	0
675.3	Water Treatment - Misc Expense	0
601.4	Water Treatment - Maint - Salaries & Wages	0
620.4	Water Treatment - Maint - Materials & Supplies	0
675.4	Water Treatment - Maint - Misc Expense	0
601.5	Trans & Distrib - Salaries & Wages	0
635.5	Trans & Distrib - Contractual Svc - Testing	0
642.5	Trans & Distrib - Rental of Equipment	0
675.5	Trans & Distrib - Misc Expense	0
601.6	Trans & Distrib - Maint - Salaries & Wages	0
675.6	Trans & Distrib - Maint - Misc Expense	0
Total Operating Expenses - Water		0

WEST HAWAII SEWER COMPANY
F.K.A. WAIKOLOA SANITARY SEWER COMPANY, INC.
INCOME STATEMENT
FOR YEAR ENDED DECEMBER 31, 2023

<u>ACCOUNT NUMBER</u>		<u>CY 12/31/2023</u>
<u>OPERATING EXPENSES - WASTEWATER</u>		
715.3	Purchased Power	263,202
701.2	Collection - Maint - Salaries & Wages	0
720.2	Collection - Maint - Materials & Supplies	0
735.2	Collection - Maint - Contractual Svc - Testing	0
775.2	Collection - Maint - Miscellaneous Expense	229
701.3	Pumping - Salaries & Wages	46,929
716.3	Pumping - Fuel for Power Production	2,742
718.3	Pumping - Chemicals	0
731.3	Pumping - Contractual Svc - Engr	0
735.3	Pumping - Contractual Svc - Testing	0
742.3	Pumping - Rental of Equipment	0
775.3	Pumping - Miscellaneous Expense	14,971
701.4	Pumping - Maint - Salaries & Wages	0
775.4	Pumping - Maint - Misc Expense	0
701.5	Treat & Disposal - Salaries & Wages	178,031
710.5	Treat & Disposal - Purchased WW Treatment	0
711.5	Treat & Disposal - Sludge Removal Expense	74,960
718.5	Treat & Disposal - Chemicals	40,642
720.5	Treat & Disposal - Materials & Supplies	16,536
731.5	Treat & Disposal - Contractual Svc - Engr	0
735.5	Treat & Disposal - Contractual Svc - Testing	0
736.5	Treat & Disposal - Contractual Svc - Other	1,343
742.5	Treat & Disposal - Rental of Equipment	0
750.5	Treat & Disposal - Transportation Expenses	0
775.5	Treat & Disposal - Miscellaneous Expense	39,373
701.6	Treat & Disposal - Maint - Salaries & Wages	0
720.6	Treat & Disposal - Maint - Materials & Supplies	0
735.6	Treat & Disposal - Maint - Contractual Svc - Test	9,621
775.6	Treat & Disposal - Maint - Misc Expense	0
701.9	Reclaimed Wtr Treat - Salaries & Wages	156
718.9	Reclaimed Wtr Treat - Chemicals	0
720.9	Reclaimed Wtr Treat - Materials & Supplies	0
750.9	Reclaimed Wtr Treat - Transportation Expense	0
758.9	Reclaimed Wtr Treat - Insurance - Wrk Comp	0
701.10	Reclaimed Wtr Treat - Maint - Salaries & Wages	0
720.10	Reclaimed Wtr Treat - Maint - Mats & Supplies	510
720.11	Reclaimed Wtr Distr - Materials & Supplies	0
775.11	Reclaimed Wtr Distr - Miscellaneous Expense	0
	Total Operating Expenses - Wastewater	<u>689,246</u>
	Total Operating Expenses	<u>689,246</u>
	NET OPERATING INCOME / (LOSS)	1,568,865

WEST HAWAII SEWER COMPANY
F.K.A. WAIKOLOA SANITARY SEWER COMPANY, INC.
INCOME STATEMENT
FOR YEAR ENDED DECEMBER 31, 2023

<u>ACCOUNT NUMBER</u>		<u>CY 12/31/2023</u>
<u>OTHER INCOME & EXPENSES:</u>		
403.	Depreciation Expense	599,109
407.	Amortization Expense	0
408.	Taxes Other Than Income	166,714
415.	Revenues - Jobbing & Contract Work	0
416.	Costs & Expenses - Jobbing & Contract Work	0
419.	Interest and Dividend Income	0
421.	Nonutility Income	0
426.	Miscellaneous Nonutility Expenses	0
427.	Interest Expense / (Income)	<u>(55,699)</u>
	Total Other Income & Expenses	710,123
<u>GENERAL & ADMINISTRATIVE EXPENSES:</u>		
601.7	Customer Accounts - Salaries & Wages	181
670.7	Customer Accounts - Bad Debt Expense	(2,865)
675.7	Customer Accounts - Misc Expense	0
601.8	Admin & General - Salaries & Wages	26
604.8	Admin & General - Empl Pensions & Benefits	61,826
620.8	Admin & General - Materials & Supplies	73
631.8	Admin & General - Contractual Svc - Engr	0
632.8	Admin & General - Contractual Svc - Acctg	0
633.8	Admin & General - Contractual Svc - Legal	0
636.8	Admin & General - Contractual Svc - Other	1,807
641.8	Admin & General - Building/Property Rental	0
657.8	Admin & General - Insurance - Gen Liab	39,954
658.8	Admin & General - Insurance - Worker's Comp	7,303
659.8	Admin & General - Insurance - Other	0
667.8	Admin & General - Regulatory Comm Expense	14,949
675.8	Admin & General - Misc Expense	<u>355,281</u>
	Total General & Administrative Expenses	<u>478,535</u>
	NET INCOME/(LOSS) BEFORE INCOME TAXES	380,207
409.	Income Tax Expense / (Benefit)	<u>39,990</u>
	NET INCOME/(LOSS)	<u><u>340,216</u></u>

**WEST HAWAII UTILITY COMPANY
F.K.A. WAIKOLOA RESORT UTILITIES, INC.
BALANCE SHEET
FOR YEAR ENDED DECEMBER 31, 2023**

<u>ACCOUNT NUMBER</u>	<u>ASSETS & OTHER DEBITS</u>	<u>For Year Ended 2023</u>
	<u>UTILITY PLANT</u>	
303.	Land	1,149,528
101.	Utility Plant in Service	60,962,549
105.	Construction Work in Progress	695,928
108.	Accum. Depreciation of Utility Plant in Service	<u>(25,320,865)</u>
	Total Utility Plant Less Reserves	37,487,140
	<u>OTHER PROPERTY & INVESTMENTS</u>	
121.	Nonutility Property	248,160
122.	Accum. Depreciation of Nonutility Plant	<u>(182,392)</u>
	Total Other Property & Investments	65,768
	<u>CURRENT & ACCRUED ASSETS</u>	
131.	Cash	0
141.	Customer Accounts Receivable	345,320
142.	Accounts Receivable Other	1,118
143.	Accum. Provision for Uncollectible Accts - Contra	(28,753)
145.	Accounts Receivable From Associated Companies	31,265,293
151.	Other Materials & Supplies	416,844
162.	Prepayments	281,256
173.	Accrued Utility Revenues	662,672
174.	Miscellaneous Other Assets	<u>0</u>
	Total Current & Accrued Assets	32,943,749
	<u>DEFERRED DEBITS</u>	
184.	Clearing Accounts	0
186.	Miscellaneous Deferred Debits	<u>676,265</u>
	Total Deferred Debits	676,265
	TOTAL ASSETS & OTHER DEBITS	<u><u>71,172,923</u></u>

**WEST HAWAII UTILITY COMPANY
F.K.A. WAIKOLOA RESORT UTILITIES, INC.
BALANCE SHEET
FOR YEAR ENDED DECEMBER 31, 2023**

<u>ACCOUNT NUMBER</u>	<u>EQUITY CAPITAL & LIABILITIES</u>	<u>For Year Ended 2023</u>
	<u>STOCKHOLDER'S EQUITY</u>	
201.	Common Stock	29,083,302
211.	Other Paid-In-Capital	0
215.	Unappropriated Retained Earnings	11,285,980
435.	Balance Transferred from Income	2,247,026
438.	Dividends Declared - Common Stock	<u>0</u>
	Total Stockholder's Equity/(Deficit)	42,616,307
	<u>LONG TERM DEBT</u>	
223.	Advances from Associated Companies	0
224.	Other Long Term Debt	<u>0</u>
	Total Long Term Debt	0
	<u>CURRENT & ACCRUED LIABILITIES</u>	
231.	Accounts Payable	0
233.	Accounts Payable to Associated Companies	3,351,465
234.	Notes Payable to Associated Companies	0
225.	Capitalized Lease Obligation	0
236.	Accrued Taxes Payable	702,114
239.	Matured Long Term Debt	0
241.	Other Liabilities	<u>9,076,650</u>
	Total Current & Accrued Liabilities	13,130,229
	<u>DEFERRED CREDITS</u>	
252.	Advances for Construction	0
253.	Other Deferred Credits	<u>768,310</u>
	Total Deferred Credits	768,310
	<u>OPERATING RESERVES</u>	
265.	Misc. Operating Reserves	0
	<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	
271.	Contributions in Aid of Construction	24,365,860
272.	Accum. Amortization of CIAC	<u>(10,326,000)</u>
	Total Contributions in Aid of Construction - Net	14,039,860
	<u>DEFERRED INCOME TAXES</u>	
283.	Accum. Deferred Income Taxes	618,216
	TOTAL LIABILITIES & OTHER CREDITS	<u>71,172,923</u>

WEST HAWAII UTILITY COMPANY
F.K.A. WAIKOLOA RESORT UTILITIES, INC.
INCOME STATEMENT
FOR YEAR ENDED DECEMBER 31, 2023

<u>ACCOUNT NUMBER</u>		<u>CY 12/31/2023</u>
<u>OPERATING REVENUES</u>		
<u>WATER SALES:</u>		
460.	Unmetered Water Revenue	0
461.	Metered Water Revenue	5,222,128
462.	Fire Protection Revenue	65,000
465.	Sales to Irrigation Customers	336,776
<u>OTHER WATER REVENUES:</u>		
471.	Miscellaneous Service Revenues	102,097
474.	Other Water Revenues - Unbilled Rev Adj	(32,790)
<u>WASTEWATER SALES</u>		
521.	Flat Rate Revenues	854,915
522.	Measured Revenue	4,435,297
523.	Revenues from Public Authorities	0
524.	Revenues from Other Systems	0
<u>OTHER WASTEWATER REVENUES</u>		
531.	Sale of Sludge	0
536.	Other Wastewater Revenues	(4,402)
<u>RECLAIMED WATER SALES</u>		
540.	Flat Rate Reuse Revenues	0
541.	Measured Reuse Revenue	0
544.	Reuse Revenues from Other Systems	0
	Total Operating Revenues	10,979,021

WEST HAWAII UTILITY COMPANY
F.K.A. WAIKOLOA RESORT UTILITIES, INC.
INCOME STATEMENT
FOR YEAR ENDED DECEMBER 31, 2023

<u>ACCOUNT NUMBER</u>		<u>CY 12/31/2023</u>
<u>OPERATING EXPENSES - WATER</u>		
610.1	Purchased Water	0
615.1	Purchased Power	3,030,742
601.1	Source of Supply - Salaries & Wages	108,720
616.1	Source of Supply - Fuel for Power Production	0
618.1	Source of Supply - Chemicals	0
631.1	Source of Supply - Contractual Svc - Engr	0
642.1	Source of Supply - Equipment Rental	0
675.1	Source of Supply - Misc Expense	31,027
601.2	Source of Supply - Maint - Salaries & Wages	1,736
620.2	Source of Supply - Maint - Materials & Supplies	0
675.2	Source of Supply - Maint - Misc Expense	13,116
601.3	Water Treatment - Salaries & Wages	14,401
618.3	Water Treatment - Chemicals	65,131
620.3	Water Treatment - Materials & Supplies	263
631.3	Water Treatment - Contractual Svc - Engr	0
635.3	Water Treatment - Contractual Svc - Testing	5,788
636.3	Water Treatment - Contractual Svc - Other	0
642.3	Water Treatment - Rental of Equipment	0
675.3	Water Treatment - Misc Expense	11,482
601.4	Water Treatment - Maint - Salaries & Wages	0
620.4	Water Treatment - Maint - Materials & Supplies	0
675.4	Water Treatment - Maint - Misc Expense	664
601.5	Trans & Distrib - Salaries & Wages	61,727
635.5	Trans & Distrib - Contractual Svc - Testing	0
642.5	Trans & Distrib - Rental of Equipment	0
675.5	Trans & Distrib - Misc Expense	20,526
601.6	Trans & Distrib - Maint - Salaries & Wages	4,226
675.6	Trans & Distrib - Maint - Misc Expense	103,902
	Total Operating Expenses - Water	3,473,451

WEST HAWAII UTILITY COMPANY
F.K.A. WAIKOLOA RESORT UTILITIES, INC.
INCOME STATEMENT
FOR YEAR ENDED DECEMBER 31, 2023

<u>ACCOUNT NUMBER</u>		<u>CY 12/31/2023</u>
<u>OPERATING EXPENSES - WASTEWATER</u>		
715.3	Purchased Power	489,276
701.2	Collection - Maint - Salaries & Wages	2,391
720.2	Collection - Maint - Materials & Supplies	1,916
735.2	Collection - Maint - Contractual Svc - Testing	613
775.2	Collection - Maint - Miscellaneous Expense	12,782
701.3	Pumping - Salaries & Wages	90,865
716.3	Pumping - Fuel for Power Production	0
718.3	Pumping - Chemicals	0
731.3	Pumping - Contractual Svc - Engr	0
735.3	Pumping - Contractual Svc - Testing	0
742.3	Pumping - Rental of Equipment	0
775.3	Pumping - Miscellaneous Expense	98,680
701.4	Pumping - Maint - Salaries & Wages	465
775.4	Pumping - Maint - Misc Expense	650
701.5	Treat & Disposal - Salaries & Wages	280,928
710.5	Treat & Disposal - Purchased WW Treatment	0
711.5	Treat & Disposal - Sludge Removal Expense	180,341
718.5	Treat & Disposal - Chemicals	48,367
720.5	Treat & Disposal - Materials & Supplies	3,502
731.5	Treat & Disposal - Contractual Svc - Engr	0
735.5	Treat & Disposal - Contractual Svc - Testing	30,361
736.5	Treat & Disposal - Contractual Svc - Other	648
742.5	Treat & Disposal - Rental of Equipment	0
750.5	Treat & Disposal - Transportation Expenses	0
775.5	Treat & Disposal - Miscellaneous Expense	90,247
701.6	Treat & Disposal - Maint - Salaries & Wages	0
720.6	Treat & Disposal - Maint - Materials & Supplies	0
735.6	Treat & Disposal - Maint - Contractual Svc - Test	9,586
775.6	Treat & Disposal - Maint - Misc Expense	2
701.9	Reclaimed Wtr Treat - Salaries & Wages	52
718.9	Reclaimed Wtr Treat - Chemicals	0
720.9	Reclaimed Wtr Treat - Materials & Supplies	0
750.9	Reclaimed Wtr Treat - Transportation Expense	0
758.9	Reclaimed Wtr Treat - Insurance - Wrk Comp	0
701.10	Reclaimed Wtr Treat - Maint - Salaries & Wages	51
720.10	Reclaimed Wtr Treat - Maint - Matls & Supplies	0
720.11	Reclaimed Wtr Distr - Materials & Supplies	0
775.11	Reclaimed Wtr Distr - Miscellaneous Expense	0
	Total Operating Expenses - Wastewater	<u>1,341,722</u>
	Total Operating Expenses	<u>4,815,173</u>
	NET OPERATING INCOME / (LOSS)	6,163,847

WEST HAWAII UTILITY COMPANY
F.K.A. WAIKOLOA RESORT UTILITIES, INC.
INCOME STATEMENT
FOR YEAR ENDED DECEMBER 31, 2023

<u>ACCOUNT NUMBER</u>		<u>CY 12/31/2023</u>
<u>OTHER INCOME & EXPENSES:</u>		
403.	Depreciation Expense	1,263,618
407.	Amortization Expense	0
408.	Taxes Other Than Income	964,716
415.	Revenues - Jobbing & Contract Work	0
416.	Costs & Expenses - Jobbing & Contract Work	0
419.	Interest and Dividend Income	0
421.	Nonutility Income	0
426.	Miscellaneous Nonutility Expenses	0
427.	Interest Expense / (Income)	<u>(12,529)</u>
	Total Other Income & Expenses	2,215,805
<u>GENERAL & ADMINISTRATIVE EXPENSES:</u>		
601.7	Customer Accounts - Salaries & Wages	4,889
670.7	Customer Accounts - Bad Debt Expense	(13,992)
675.7	Customer Accounts - Misc Expense	5
601.8	Admin & General - Salaries & Wages	667
604.8	Admin & General - Empl Pensions & Benefits	128,717
620.8	Admin & General - Materials & Supplies	1,100
631.8	Admin & General - Contractual Svc - Engr	0
632.8	Admin & General - Contractual Svc - Acctg	0
633.8	Admin & General - Contractual Svc - Legal	0
636.8	Admin & General - Contractual Svc - Other	8,169
641.8	Admin & General - Building/Property Rental	0
657.8	Admin & General - Insurance - Gen Liab	82,997
658.8	Admin & General - Insurance - Worker's Comp	15,173
659.8	Admin & General - Insurance - Other	0
667.8	Admin & General - Regulatory Comm Expense	31,168
675.8	Admin & General - Misc Expense	<u>1,177,998</u>
	Total General & Administrative Expenses	<u>1,436,892</u>
	NET INCOME/(LOSS) BEFORE INCOME TBCEs	2,511,151
409.	Income Tax Expense / (Benefit)	<u>264,125</u>
	NET INCOME/(LOSS)	<u><u>2,247,026</u></u>

Docket No. 2024-0224
Exhibit WU-T-201, Schedule F
Amount of Bonds
Witness: Stout

Hawaii Water Service Company, Inc.
Amount of Bonds Authorized and Issued

None

Hawaii Water Service Company, Inc.
Each Note Outstanding

Type	Promissory note with its holding company, California Water Service Group, to finance capital improvements.	
Amount		\$5,000,000.00
Interest Rate		5.50%
Term		30 years
Agreement Date		12/31/2011
Due Date		12/20/2041
Monthly Payment		\$28,389.45

Docket No. 2024-0224
Exhibit WU-T-201, Schedule H
Other Indebtedness
Witness: Stout

Hawaii Water Service Company, Inc.
Other Indebtedness

None

Hawaii Water Service Company, Inc.
Rate and Amount of Dividends Paid during the Five
Previous Calendar Years*

<u>Year</u>	<u>Rate***</u>	<u>Dividends Paid</u>
2024**	\$68,835	\$ 137,670
2023	\$547,930	\$2,191,721
2022	\$851,606	\$2,554,818
2021	\$294,218	\$1,176,870
2020	\$260,633	\$1,042,532

***All dividends were paid by HWSC to CWSG**

****This amount is as of June 2024**

*****This is the amount provided on a quarterly basis**

Hawaii Water Service Company, Inc.
Earnings Results for Hawaii Water Service Company

The total earnings results for the total utility operations of Applicant. The earnings for Hawaii Water are shown on Exhibits 6 and 8 in Exhibit WU-T-401-WHWC, WHSC, and WHUC (Water, Sewer, and Irrigation).

Option Elected by HWSC In Computing Deferred Taxes, Investment Tax Credit and Depreciation Deduction in determining its Federal Income Tax Payments, and whether HWSC Has Used the Same Method In Calculating Federal Income Taxes for the Test Year for Ratemaking Purposes

Deferred income taxes were based on depreciation provisions for federal income tax purposes under the Tax Cuts and Jobs Act of 2017. Under these statutes, state regulatory commissions calculate provision for federal income taxes at book rates, and then allow the utility to record the tax difference between book and federal and state depreciation as adjustments to rate base. For the test year, deferred taxes were estimated based on the recent recorded accruals and forecasted of the new plant in the test year. Details of deferred taxes are shown in Exhibits 7.10 through 7.13 in Exhibits WU-T-401-WHWC, WHSC, and WHUC (Water, Sewer, and Irrigation).

Annual Report to Stockholders

See California Water Service Group, 2023 Annual Report to Shareholders, available at
https://www.calwatergroup.com/_assets/_0dac47a747101c228a3b385c20b344d1/calwatergroup/db/2250/21691/annual_report/CalWater-2023AR-WebVersion-040124.pdf

Latest Proxy Statement

See California Water Service Group, 2022 Proxy Statement available at
https://www.calwatergroup.com/_assets/_0dac47a747101c228a3b385c20b344d1/calwatergroup/db/2251/21692/file/California_Water_Service_Group-Proxy2024.pdf

Docket No. 2024-0224
Exhibit WU-T-201
Schedule N
Latest Form 10(k)
Witness: Stout

Latest Form 10(k) Filed with Securities and Exchange Commission

See California Water Service Group, Annual Report (Form 10-K) (March 1, 2023) available at https://www.calwatergroup.com/_assets/_0dac47a747101c228a3b385c20b344d1/calwatergroup/db/2251/21693/file/California_Water_Service_Group-10K2023.pdf

**Statement Regarding Whether or Not the Increase Reflects and Passes Through to
Customers Only Increased Costs to the Applicant for the Services or Commodities
Furnished by It**

Applicant's proposed increases does not reflect and pass through to customers only increased costs to the applicant for the services or commodities furnished by it.

H2O and BTU Company (dba)

EXP 1, LLC

844 West Shore Drive

Brigantine, NJ 08203

(609) 214-0986

July 25, 2023

**Mr. Cooper Cameron
Regulatory Program Manager
CALIFORNIA WATER SERVICE**

Dear Cooper:

As you requested, here is our proposal to conduct cost-of-service studies for the five Waikoloa Village and Resorts' water, sewer and irrigation utility systems. H2O and BTU would be the contracting entity. Please call me at the number above or Gary at (717) 991-4180 anytime if you have any questions. The proposal is as follows:

Waikoloa Water, Sewer and Waikoloa Resort Water, Sewer and Irrigation Systems' Cost-of-Service Studies

H2O and BTU Company (dba) EXP 1, LLC ("H2O") and Shambaugh Utility Consulting, LLC are pleased to respond to a request to perform five water, sewer and irrigation system cost studies for the Waikoloa utility systems of Hawaii Water Service Company (HWSC), commonly known as Waikoloa Village Water and Sewer and Waikoloa Resort Water, Sewer and Irrigation, which involves fully allocated water and sewer cost of service studies for each system.

We completed the first of such studies for these systems as well as four others for HWSC a few years ago. One important proviso: it is critical to review how much utility systems have changed in terms of growth, changes in customer types, adding (or dropping) very large

customers to (from) the system, systematic changes in volume and peak demand, and changes in the local economy, to name a partial list of service area changes that make a compelling need for a new COSS.

Dr. Richard Michelfelder, President of H2O, has been performing cost of service studies for 41 years and is experienced in all areas of water, wastewater, electric, and gas utility ratemaking. H2O, is a public utility consulting firm with an in-depth background in cost of service studies (COSS), rate studies, load studies, rate of return and water and energy efficiency. Richard was formerly CEO of a large national public utilities consulting firm in Berkeley, CA, Quantum Consulting, Inc. He is currently Associate Professor of Professional Practice, Finance at Rutgers University, where his research is focused on utilities, energy and water. He and Mr. Gary Shambaugh, who has over 50 years' experience in utility rate making and cost of service, propose to partner on these projects. Mr. Shambaugh has testified in over 20 states in various proceedings before regulatory agencies, state and local courts and federal bankruptcy courts. Richard will be the project manager of these projects.

Customer rate subsidization between or among the different classes of customers is unacceptable in today's utility industry. COSS' are used as a reference to ensure that customers bear the costs that they place on utilities for the services that they demand. Typically, cost-of-service based rates are designed to recover rates from customers during a few-year period, depending upon the level of inflation and any unique costs drivers. The annual revenue requirements employed in this project may include an average of the operating expenses for the period, an average of debt service and coverage, or include specific requirements for fixed capital investments and reserve fund additions to the revenue requirements.

A fully allocated sewer cost of service study will employ the utilities' annual revenue requirements and allocate those revenues by function based upon each class of customers' proportionate water use, customers' demands and sewer system flows. The functionalization categories will include base costs, extra capacity costs including maximum day and maximum hour, and customer costs. The next step is to allocate the functionalized costs to the customer classes. A comparison of present and cost of service revenues by customer class is compared. With the annual revenues assigned to each customer class, fair and equitable can be designed.

The base/extra capacity methodology to be employed for the HWCS's utilities' proposed COSS's as set forth in the American Water Works M1 Manual, Principles of Water Rates Fees and Charges, Seventh Edition and generally accepted principles of sewer cost of service. Sewer rate development is highly similar to water rate design. A brief outline of a few of the tasks and work necessary to complete the proposed project is as follows:

- 1) Develop Annual Revenue Requirements
- 2) Consider Capital Budget Planning
- 3) Review Existing Bonds / Loans and Identify Use of Proceeds
- 4) Quantify Water System Demand and Sewer Flows (Total, Average and Peak)
- 5) Analysis of Customer Class Volumes (using metered water use)
- 6) Identify Key Largest Customers and Impact to the Water and Sewer System
- 7) Review and Functionalize Operating Expenses and Fixed Capital
- 8) Classify Revenue Requirements as Base, Demand, Commercial and
Customer Costs
- 9) Develop and Tailor Cost of Service Model to the Operations

10) Develop Revenues by Customer Class at Present Rates

11) Allocate All Annual Revenue Requirements by Function and Customer Class

It is important to note that the above listing of project tasks is not all inclusive. The partial listing of the project components is provided to demonstrate the detailed and comprehensive nature of the proposed projects.

Our proposal is based upon certain assumptions with respect to the availability of data and that utility representatives will take an active part in providing the system data necessary to complete the cost of service allocations as follows:

- Audited financial statements for the last three fiscal periods,
- Proposed or adopted budgets,
- Data relative to the establishment of any proposed funding for capital renewals and replacements,
- Customer load data based on metered water use data or sewer flows, and,
- Fixed capital plant by functional category which will facilitate the functional and customer cost allocation.

The general considerations listed above are not meant to be all inclusive of the data necessary to complete the studies. Upon acceptance of our proposal, we will submit an initial data request and schedule a meeting with HWSC representatives to determine the availability of data. The lack or unavailability of data will not impede the completion of the studies. Shambaugh Consulting and H2O will develop alternative approaches to ensure the completion of

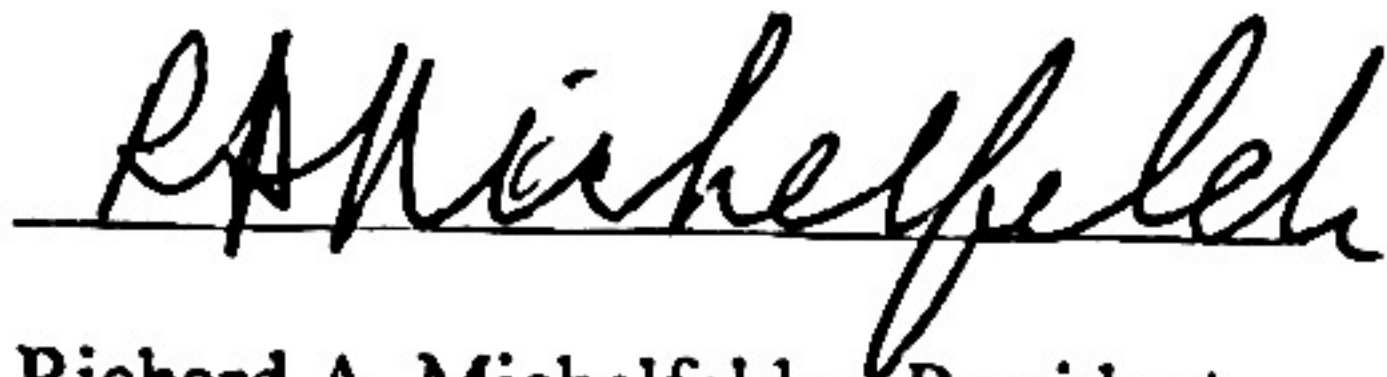
the studies. As discussed with the utility management, data developed during these studies would be available for analysis of the water, sewer and irrigation rates.

H2O and Shambaugh Consulting estimate that professional fees for the five water, sewer, and irrigation cost of service studies at \$180,000 plus out-of-pocket expenses billed at our cost. That is an estimated budget and not a fixed lump-sum fee nor a not-to-exceed amount for performing the studies. The final costs could be higher or lower than this budget amount. The hourly rates of each of the two principals are \$350 per hour. We have estimated professional fees for the project based upon our experience in general and also with experience in having completed such studies for HWSC a few years ago. The estimate above reflects the efficiencies from having done such work in the past for HWSC. Also, if appropriate, we may have a lower cost technical analyst perform specific tasks that do not require the expertise of a principal. We can provide a detailed budget for the eleven tasks listed on pages 3 and 4 and a project management schedule if requested.

Professional fees invoiced will be based upon actual hours incurred in completing the project. Should hours be less than estimated, total billings will be less than estimated. Hours incurred for informational meetings and participation in public meetings will be invoiced, in addition to the project estimate quoted above, based upon the hourly rate for that individual.

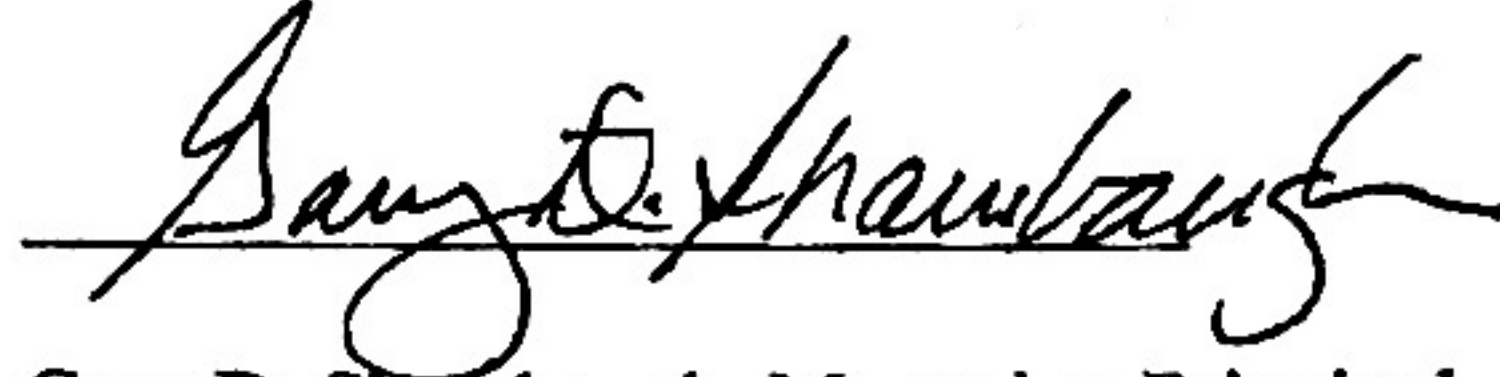
Any work performed beyond this scope of work will be billed at \$350 per hour for each principal consultant. Any travel and materials expenses will be billed at cost. The consultants may meet on occasion to have an all-day working session in the mid-point between each consultant's location (they are about 200 miles apart one-way and meet about 100 miles apart one-way).

We thank you once for the opportunity to propose these cost studies. If you agree for us to proceed, please sign the bottom of this letter proposal.



Richard A. Michelfelder, President

H2O and BTU Company



Gary D. Shambaugh, Managing Principal

Shambaugh Utility Consulting, LLC

7/25/2023

Date

7/25/2023

Date

Authorized Representative of HWSC

Date

Title of HWSC Representative

HWSC Print name

Exhibit WU-T-300

Direct Testimony of Julian Gandara

CAPITAL INVESTMENT PROJECT JUSTIFICATIONS



General Rate Case of
Waikoloa Resort Utilities, Inc., Waikoloa Sanitary
Sewer Company, Inc., and Waikoloa Water Co., Inc.
Docket 2024-0224October 2024

Table of Contents

Introduction.....	1
Capital Improvement Projects and System Descriptions.....	2

WEST HAWAII UTILITY, SEWER, AND WATER GENERAL RATE CASE

DIRECT TESTIMONY OF JULIAN GANDARA

CAPITAL INVESTMENT PROJECTS OF HAWAII WATER SERVICE COMPANY,
WAIKOLOA VILLAGE AND WAIKOLOA RESORT DISTRICTS

Introduction

Q. Please state your name, position, and business address.

A. My name is Julian Gandara. I am the Manager, Technical and Regulatory Matters of Hawaii Water Service Company, Inc. ("Hawaii Water"). In my role, I am responsible for engineering, capital planning, water resources, and environmental compliance. My business mailing address is P.O. Box 384809, Waikoloa, Hawaii, 96738.

Q. Please summarize your educational background and professional experience.

A. I received a Bachelor of Science in Mechanical Engineering in 2007 and a Master of Science in Environmental Engineering in 2020, both from the University of California, Riverside. I hold a Professional Engineering License in Mechanical Engineering in the States of Hawaii and California. My Operators Certifications include California State Water Resource Control Board Distribution Operator 2 and Treatment Operator 2 certifications.

I worked as a Utilities Engineer for the California Public Utilities Commission from 2012 to 2013. From 2013 to 2021, I worked with Hawaii Water's parent company, California Water Service Company ("Cal Water"), as a Regulatory Program Manager. I have been in my current position as Manager, Technical and Regulatory Matters since February 2021.

Q. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony in this proceeding is to support capital investment projects completed by Hawaii Water in its Waikoloa and Waikoloa Resort Districts from 2018 through 2023. I am also supporting capital investment projects Hawaii Water plans to complete in 2024 and 2025.

Capital Improvement Projects and System Descriptions

Q. Please describe the capital improvements that have been made by Hawaii Water since its last general rate case.

A. Hawaii Water has made several capital improvements for its Waikoloa Village water (“WHWC”) and sewer (“WHSC”) and Waikoloa Resort (“WHUC”) (water, wastewater, and irrigation) systems since the conclusion of its last general rate case, Docket No. 2017-0450, 2017-0449, and 2017-0350, respectively, in 2018. All of Hawaii Water’s investments in these capital improvements were prudently made and are used and useful in providing water services to its customers. Exhibits WU-T-301 WHWC, WU-T-301 WHSC, and WU-T-301 WHUC provide a description and justification for each capital improvement project greater than \$100,000.

Q. Please describe Hawaii Water’s Waikoloa Village water and sewer and Waikoloa Resort water, wastewater, and irrigation systems.

A. Detailed descriptions of the Waikoloa Village water and sewer and the Waikoloa Resort water, wastewater, and irrigation systems are presented in Exhibits WU-T-101 WHWC, WHSC, and WHUC, respectively, of the present application. The descriptions provided as attachments to my testimony apply to the capital improvement projects described in Exhibits WU-T-301 WHWC, WU-T-301 WHSC, and WU-T-301 WHUC.

Q. Does this conclude your direct testimony?

A. Yes.

Exhibit WU-T-301 WHSC

Capital Project Justifications



General Rate Case of
Waikoloa Resort Utilities, Inc., Waikoloa Sanitary
Sewer Company, Inc., and Waikoloa Water Co., Inc.
Docket 2024-0224
October 2024

Project Justifications for Capital Projects Greater Than \$100,000 WHSC

Table of Contents

WO 106182 K-Plant Screw Press..... 1

WO 128763 Mulei Place Sewer Replacement..... 3

WO 134264 A Plant Solids Handling Upgrade..... 4

WO 134367 Effluent Disposal Study A Plant..... 5

WO 122329 K Plant Effluent Disposal Construction 6

WO 106182 K-Plant Screw Press

Project Cost: \$787,560

Problem Statement

The existing solids dewatering process does not meet land fill requirements and risks the ability to haul sludge.

Project Justification

The new MBBR K-Plant went on line 6/6/2013. At that time old existing sludge dewater “Detainers” made by Green Mountain Technologies Company (about 13 years old then, 18 years old now) were put to use as a cost saving measure to dewater the aerobic sludge. The sludge is pumped into the Detainers with polymer addition and the sludge is dewatered by gravity. The process does not meet the landfill requirement as it is too wet and the detainers must sit for a long time before being hauled to the landfill with the HWS roll-off truck. The new FKC screw press being proposed would match the process already being used at the R-Plant. The screw press dewater the screw press to about 15-20% solids vs 7-9% for the detainers. In general sludge needs to be about 18% for landfills.

In addition of the sludge not meeting the dewatered requirement of the landfill the present sludge dewatering method using the 2 gravity dewatering bins will not be able to keep up with the increasing amount of partially digested liquid sludge as plant flows increase. Presently plant flows are at 100,000 Gallons per Day (GPD) and the plant is designed to ultimately treat 400,000 GPD. Even at 200,000 GPD the amount of sludge produced will overwhelm the dewatering capacity of the 2 Sludge Detainers. At 200,000 GPD plant capacity the plant will produce approximately 1,051 GPD of 3% solids sludge. If the screw press, is not constructed and installed then the northern area of Waikoloa Village would have to limit wastewater service connections. Another risk of not completing the screw press is operator safety. A screw press reduces operator interaction with heavy, saturated sludge bags which removes the possibility of injury.

Alternative Analysis

1. Upgrade to screw press
 - This is the solution that was ultimately decided upon. The screw press solution will produce sludge that meets landfill requirements. Additionally, operators are familiar with the screw press as this is the solids dewatering method used at R-Plant.
2. Do Nothing
 - Do nothing is not an acceptable solution.

Recommended Solution

Upgrade to FKC screw press.

Customer Benefits

Customer benefits include:

- More efficient solids dewatering system.
- Wastewater treatment plant in compliance with landfill sludge hauling requirements.

Cost Details

The project was completed in September 2023 at a cost of 787,560.

WO 128763 Mulei Place Sewer Replacement

Project Cost: \$173,192

Problem Statement

A section of sewer pipeline damaged by tree roots allowed sewage to back up into two homes on Mulei Place in the Wehilani Subdivision of Waikoloa Village (Lot 11 and Lot 12). The tree roots that made it within the pipeline have been trimmed back, however the significantly damaged section of pipeline needs to be replaced to safely carry wastewater flows and prevent sewage backup into the two homes from recurring.

Project Justification

A section of sewer pipeline is damaged by roots from a row of nearby trees planted by the original subdivision developer. This work was done as an emergency response to a sewage back-up into two homes on Mulei Place in the Wehilani Subdivision of Waikoloa Village. Approximately 75-foot long section of damaged 8-inch vitrified clay pipe will be replaced with CL900 PVC Pipe (DR18).

Alternative Analysis

1. Replace damaged gravity main
 - This is the only viable solution due to the emergency nature of the sewer line failure.
2. Do Nothing
 - Do nothing is not an acceptable solution.

Recommended Solution

Replace 75-ft of gravity sewer main.

Customer Benefits

Customer benefits include:

- Free flowing collection system free of obstructions.

Cost Details

The project was completed in August 2022 at a cost of \$173,192.

WO 134264 A Plant Solids Handling Upgrade

Project Cost: \$1,030,001

Problem Statement

The existing biosolids dewatering centrifuge at the Auwaiakeakua WWTP (A-Plant) is unreliable, difficult to use, and only processes biosolids to an eventual relatively expensive state for disposal at the county landfill.

Project Justification

The two sludge dewatering centrifuges at the A-Plant have shown themselves to be unreliable and difficult to use and maintain, and difficult to receive satisfactory factory support since the equipment manufacturer is in Italy. In general, the scroll wear has been a high maintenance problem for the A-Plant sludge dewatering centrifuges. Furthermore, centrifuges also require significantly skilled maintenance personnel to operate. Finally, the centrifuges at the A-Plant can only dewater the biosolids down to a state that is relatively high in liquid content and thus heavier and relatively more expensive to dispose of than other dewatering processes. With a screw press, revolution speeds are lower, noise is lower, the enclosed design with removable access doors contains odors and aerosols, requires lower energy use, the low shearing force reduces odors in the dewatered stockpile, and the eventual dewatered biosolids are relatively dryer resulting in a lower cost of disposal.

Hawaii Water would like to have WSI International design a skid using a FKC screw press for use at the A-Plant. Hawaii Water Service has had significantly good operating experience with screw press sludge dewatering technologies used for several years at the Waikoloa Resort WWTP, and more recently at the Waikoloa Village Kamakoa WWTP.

Alternative Analysis

1. Replace existing solids dewatering with screw press
 - Hawaii Water selected this alternative due to its success with screw press dewatering technology at K-plant and R-plant
2. “Do Nothing”
 - This alternative was considered and rejected due to the issues with the current dewatering system.

Recommended Solution

Replace centrifuge with screw press.

Customer Benefits

Customer benefits include:

- More efficient solids dewatering system.
- Wastewater treatment plant in compliance with landfill sludge hauling requirements.
- Operator synergy due to familiarity with screw press.

Cost Details

The project will be completed in December 2025 for an estimated cost of \$1,030,001.

WO 134367 Effluent Disposal Study A Plant

Project Cost: \$195,431

Problem Statement

The Waikoloa Village Wastewater Treatment Plant (WWTP) at Auwaiakeakua Gulch (A-Plant) discharges its effluent into seepage pits. This study will determine the existing capacity of these pits and how best to expand the capacity of the effluent disposal system.

Project Justification

Effluent disposal is a critical component of a wastewater treatment plant and in the past has not been invested into to meet the actual capacity capability of the WWTP at A-Plant. In addition the Hawaii Department of Health Wastewater Branch has been enforcing the requirement that a WWTP have 100% redundant effluent disposal capacity available. The feasibility study will look at the options available for effluent disposal for the A-Plant a lay out specific recommendations that can be used in the design phase of the project.

Alternative Analysis

1. Effluent Disposal Feasibility Study-A-Plant
 - This is the only viable solution to study an alternative to effluent disposal at A-Plant.
2. "Do Nothing"
 - This is not a feasible alternative because at some point new customers will be denied service because the WWTP has reached it effluent disposal capacity or if we did accept new customers we would then possibly receive a violation from the DOH WWB.

Recommended Solution

The recommendation is to perform this study.

Customer Benefits

Customer benefits include:

- DOH WWB compliant effluent disposal system.

Cost Details

The project will be completed in December 2025 for an estimated cost of \$195,431.

WO 122329 K Plant Effluent Disposal Construction

Project Cost: \$2,629,276

Problem Statement

The existing leach field trenches at the Waikoloa Village Kamakoa Wastewater Treatment Plant lack the regulatory-required primary system capacity and 100% backup capacity for disposal of treated wastewater effluent. The State of Hawaii Department of Health Wastewater Branch has required Hawaii Water to complete a corrective action plant to bring the plant into compliance.

Project Justification

The Kamakoa Wastewater Treatment Plant is located in the northwestern portion of Waikoloa Village, South Kohala District on the Big Island of Hawaii (Hawaii County). It is a wastewater treatment plant designed to treat domestic wastewater flows from the northern portion of Waikoloa Village, including the Waikoloa Elementary & Middle School and the Kamakoa Workforce Housing Subdivision. The wastewater treatment plant, commissioned in 2012, utilizes the Moving Bed Bio-Reactor process technology. The present design configuration of the wastewater treatment plant is rated for an average dry weather flow of 200,000 gallons per day. Present flows usually average 100,000 gallons per day or less, although flows up to 130,000 gallons per day have been received in December 2019. Treated wastewater effluent is discharged into a leach field with three lines totaling 364 linear feet coming off a flow splitter box culvert, allowing two lines to be in active use while the third line rests.

Historically the existing 364 linear feet of leach field line at the Kamakoa Wastewater Treatment Plant has been sufficient to dispose of the treated wastewater effluent flows. However, slowly increasing development has led to slightly increased flows where close to 100,000 gallons per day average dry weather flow is the new normal. During wet weather, the capacity of the ground to percolate this treated effluent flow has been challenged.

In 2017, Hawaii Water Service designed a small increase in size to the existing leach field. Under required regulatory review, the State of Hawaii Department of Health Wastewater Branch indicated that the existing leach field was sized insufficiently to treat current flows. The State of Hawaii Department of Health Wastewater Branch referenced existing regulations within Hawaii Administrative Rules 11-62 that require effluent treatment capacity equal to 100 percent of the primary design capacity plus 100 percent backup design capacity. For the Kamakoa Wastewater Treatment Plant, this would amount to the capability to dispose of 200,000 gallons per day primary design flow plus 200,000 gallons per day backup design flow for a total required disposal capability of 400,000 gallons per day average dry weather treated wastewater effluent flow.

Site constraints complicate the design and potential cost of this eventual project. When the existing Kamakoa Wastewater Treatment Plant was sited, it was located near the middle to western, i.e. downhill, portion of the property. This location unfortunately limits the area available to build a larger treated effluent disposal facility that can be fed simply by gravity flow. By the recommendation of our consultant, Brown and Caldwell, it was recommended to construct a large leach field, partially gravity fed and partially pressure dosed, in order to meet the state effluent disposal requirements. DOH WWB agreed to performance monitoring once the leach field is constructed to determine the functional capacity of the leach field.

Due to site constraints, the construction will be split into 2 phases: phase 1a which consists of a gravity fed leach line; and phase 1b which will incorporate the pressure dosed system. Once phase 1 is completely constructed, performance monitoring will occur to determine whether more leach field is needed to accommodate effluent flows.

Alternative Analysis

1. Construct leach field
 - This is the only viable solution since this project is regulatory driven.
2. "Do Nothing"
 - This is not a viable solution because doing nothing would leave the plant in violation with DOH WWB.

Recommended Solution

Construct leach field.

Customer Benefits

Customer benefits include:

- DOH WWB compliant effluent disposal system.

Cost Details

The project will be completed in December 2025 at an estimated cost of \$2,629,276.

Exhibit WU-T-301 WHUC

Capital Project Justifications



General Rate Case of
Waikoloa Resort Utilities, Inc., Waikoloa Sanitary
Sewer Company, Inc., and Waikoloa Water Co., Inc.
Docket 2024-0224
October 2024

Project Justifications for Capital Projects Greater Than \$100,000 WHUC

Table of Contents

WHUC Water Projects	1
WO 117623 Sodium Hypochlorite Conversion	2
WO 120220, 120221 Paving Well Roads Phase 1 and 2	4
WO 124332 DW#5 Pump Replacement	6
WO 125598 Repair Pump and Replace Pipe DW-1	8
WO 126402 Pave Well Road – 1200 North	10
WO 128361 1200N Road Paving Ph 3	12
WO 128488 Genset Trailer Seismic Anchors	14
WO 129138 Tank 1200S Rehabilitation	15
WO 126426 Design and Construction of PRV 600	17
WOs 126434, 128395, 134265 Valve Replacement Programs	19
WO 134267 DW2 Emergency Generator Replacement	21
WOs 128476, 130629, 134147 AMI Upgrade	22
WO 134365 A-Gulch Crossing Design and Permitting	24
WO 134366 Well DW9 Permitting Design	25
WO 130587 Valve Replacement on 14” Trans Line	27
WO 131310 Remove/Replace DW6 Pump	28
WO 135409 DW7 Potable Well Pump Replacement	30
WO 130589 PRV 300 Construction	32
WO 118318 Recoat 1.0 MG Tank 300-1	33
WHUC Sewer Projects	34
WO 120317 MBR Filter Replacement	35
WO 120491 SPS#1 Force Main Ph2 2019	37
WO 120198 Trash Disposal Platform	38
WO 122308 SPS#1 Flygt Pump	39
WO 122317 Rotating Drum Screen	40
WO 122368 SPS#1 Force Main Ph3 2021	41
WO 126427 SPS#2 Discharge Pipe Replacement	42

WO 128477 SPS#3 Discharge Pipe Replacement	44
WO 130633 SPS#1 Jockey Pump Replacement	46
WO 130871 Membrane Replacement 2024.....	47
WO 126425 SPS#1 Force Main Design Ph4 2022	48
WO 134180 and WO 134182 SPS#2 and SPS#3 Submersible Pump Replacement	50
WO 134183 MBR Basin #1 SMU Replacement	51
WO 134369 Grit Removal/EQ Basin Design.....	53

WHUC Water Projects

WO 117623 Sodium Hypochlorite Conversion

Project Cost: \$148,425

Problem Statement

The last Big Island chemical supplier of gaseous chlorine is discontinuing distribution due to safety reasons, leaving Hawaii Water Service (and other users on the Island of Hawaii) no choice but to convert to another chemical disinfectant. Liquid sodium hypochlorite is the safest and most widely used potable water disinfection alternative.

Project Justification

Project converted potable water disinfection equipment and storage situation from gaseous chlorine cylinders to bulk liquid sodium hypochlorite. Project installed new SCADA-connected disinfectant dosing pumps inside the chlorination buildings at 1200 North and 1200 South tank sites. Each station consists of a pre-fab equipment skid with two (primary and backup), chemical metering pumps with a specified capacity of at least 15 gallons per day. Each station also has a SCADA interface control panel inside. Outside, each station has a new concrete slab lean-to shed attached to the chlorination building, with sidewalls and roof to protect the sodium hypochlorite stored inside double-walled polyethylene storage tanks from degradation by exposure to sunlight. Minor fencing upgrades were performed at the Tank 1200 North Site to allow access by delivery vehicles and a shorter egress distance to the existing emergency drench shower/ eyewash station. The existing gaseous chlorine dosing equipment was removed and replaced with new liquid sodium hypochlorite disinfection equipment.

Alternative Analysis

1. Convert gaseous chlorine disinfection system to liquid sodium hypochlorite disinfection
 - This was the most cost-effective solution. The chemical supplier who provided gaseous chlorine gave little notice of discontinuation, which did not leave sufficient time to install a new disinfection system. Additionally, liquid sodium hypochlorite is readily available and
2. Install on-site hypochlorite generation system
 - This option was briefly considered and ultimately not pursued. Given the short amount of notice given by the gaseous chlorine supplier, there was not enough time to design and implement an on-site hypochlorite generation system.
3. Do Nothing
 - Do nothing is not an acceptable solution. Water must be disinfected before entering the distribution system.

Recommended Solution

Convert gaseous chlorine disinfection system to liquid sodium hypochlorite disinfection.

Customer Benefits

Customer benefits include:

- A reliable disinfection system that meets state and federal water quality standards.
- An efficient and cost-effective form of disinfection.

Cost Details

The project was completed in December 2018 at a cost of \$148,425. Costs are shared between Waikoloa Village Water (721) and Waikoloa Resort Water (723) as shown in the table below.

	2018	
Waikoloa Village Allocation	35.81%	\$ 53,148
Waikoloa Resort Allocation	64.19%	\$ 95,277
Project Cost		\$ 148,425

WO 120220, 120221 Paving Well Roads Phase 1 and 2

Project Cost 120220: \$160,475

Project Cost 120221: \$135,961

Problem Statement

The existing condition to the Waikoloa well field is an unimproved dirt road. The Waikoloa potable wells provide the entire supply of potable water supply to the Waikoloa Resort and Waikoloa Village. The existing road is the only access to the wells. The operators use this road daily for system checks.

Project Justification

The road to the portable drinking water wells in the north well field gets washed out during storms and the rainy season. This causes additional wear and tear on the vehicles and tires. Additionally, it takes longer to do daily operations such as check on the wells, record data, and maintain well sites as well as respond emergencies. Paving the road with asphalt is the best alternative because concrete is expensive and longer to cure for usage. The benefit to a paved road is it provides a safety passage especially during storms and raining seasons. The paved road will reduce the time of travel thus increasing time for other daily tasks.

Alternative Analysis

1. Pave well road with asphalt
 - This is the preferred option because it will reduce time spent driving to the well field, enable better emergency response time, and reduce wear and tear on vehicles. It is also less expensive than concrete.
2. Base course and compaction
 - This is a temporary solution because the base would get washed away by rain and the base would need to be applied and compacted again. This would be costly over time.
3. Do Nothing
 - There would be continued wear and tear with this option and is not preferred.

Recommended Solution

Pave well roads.

Customer Benefits

Customer will benefit by having improved response time to emergencies at the well field.

Cost Details

WOs 120220 and 120221 were completed in April 2021 at a cost of \$160,476 and \$135,962, respectively. Costs are shared between Waikoloa Village Water (721) and Waikoloa Resort Water (723) as shown in the table below.

	2021	WO 120220	WO 120221
Waikoloa Village Allocation	36.53%	\$ 58,618	\$ 49,664
Waikoloa Resort Allocation	63.47%	\$ 101,857	\$ 86,298
Project Cost		\$ 160,475	\$ 135,962

WO 124332 DW#5 Pump Replacement

Project Cost: \$449,174

Problem Statement

The line-shaft pump in well DW-5 failed on 8/18/2020. Well DW-5 is an important contributor to the groundwater supply for the Waikoloa Public Water System. The pump in well DW-5 operated for over 10 years before failure. The line-shaft pump, the line shaft, oil tube and return supply column pipe will all be replaced due to the age that these components have been in the ground.

Project Justification

Well DW-5 is an aboveground turbine motor atop an underground line-shaft pump in the Waikoloa North Well Field. Well DW-5 was drilled to a depth of 1,236-ft and equipped with a multi-stage pump capable of pumping 800 gallons per minute. DW-5 is one of four wells in the Waikoloa North Well Field that supplies groundwater for the Waikoloa Public Water System. There are also four wells in the Waikoloa South Well Field. These wells all together are necessary to provide potable drinking water to our customers for consumption, landscape irrigation, emergency fire-fighting supply. They are critical to the services we provide.

On August 18, 2020 the pump at DW-5 failed and requires replacement. The well has operated for over ten years since the downhole equipment was last replaced. Due to the significant costs associated with removal and replacement of the pump at the bottom of this deep a well, it determined from a life-cycle cost perspective to replace the other downhole components at this time. These components include the line shaft, oil tube, centering spiders, bronze bearings, return water column pipe, airline, and other appurtenances. A well video was performed after performing an oil skim and brush/bail tasks. The above-ground turbine motor was not replaced as it is still operating and can be rebuilt or replaced relatively easily if it was to breakdown due to its location on the ground surface at the top of the well.

Alternative Analysis

1. Replace DW-5 pump and piping
 - Due to the age of the down-hole components, replacement was the only viable option.
2. "Do Nothing"
 - This is not an acceptable solution and was not considered.

Recommended Solution

Replace pump and associated appurtenances.

Customer Benefits

Customer benefit by having a reliable water system capable of meeting all water demands for domestic use and fire suppression.

Cost Details

The project was completed in August 2021 at a cost of \$449,174. Costs are shared between Waikoloa Village Water (721) and Waikoloa Resort Water (723) as shown in the table below.

	2021	
Waikoloa Village Allocation	36.53%	\$ 164,065
Waikoloa Resort Allocation	63.47%	\$ 285,082
Project Cost		\$ 449,147

WO 125598 Repair Pump and Replace Pipe DW-1

Project Cost: \$502,633

Problem Statement

Waikoloa Well DW-1 went down on 9/29/2020. The pump (two years old) and older column piping was removed under Emergency Work Order 124937. The pump is believed to have failed but due to its young age is proposed to be refurbished and reinstalled, if possible. However, the older previously reused column pipe, oil tube, line shaft with rubber centering spiders and bronze bearings are proposed to be replaced with new components. A new continuous airline will be installed as well.

Project Justification

There are a total of eight deep, line shaft turbine wells in the north and south well fields that supply drinking water to the Waikoloa Public Water System (Hawaii PWS#135). Waikoloa Well DW-1, in the north well field, has the highest production capacity of all the eight wells, with a capacity of 1.94 million gallons per day capability. It is 1,333 feet deep, among the deepest wells serving the Waikoloa community. The DW-1 well facility is needed to provide drinking water, irrigation water, and fire suppression for the customers in Waikoloa Village and Waikoloa Resort.

Deep, high-capacity wells like Waikoloa Well DW-1 are often designed with the electric motor at the surface with a long line shaft down the well to the pump bowls at the bottom of the pipe column. In this case, the pump at the bottom of the well failed on September 29, 2020, for reasons unknown. Although the pump bowls and column piping have been pulled with a pump rig and removed to the surface, the reason for the pump failure is not evident from field inspection. As the pump is just two years old, it is proposed to send the pump back to the factory to be torn down, inspected, and refurbished. Following refurbishment, the pump would also be subjected to a factory pump test to confirm capacity before being reinstalled down the well. However, the other downhole materials between the turbine motor at the surface and pump at the well bottom must be replaced due to their previous reuse and usage wear.

Alternative Analysis

1. Replace DW 1 pump and piping
 - This is the only solution because DW-1 is one of the highest capacity wells in the north well field. It is critical to bring the well back online to meet water demands of the system.
2. "Do Nothing"
 - This is not an acceptable solution and was not considered.

Recommended Solution

Replace DW-1 pump and piping.

Customer Benefits

Customer benefit by having a reliable water system capable of meeting all water demands for domestic use and fire suppression.

Cost Details

The project was completed in October 2021 at a cost of \$502,633. Costs are shared between Waikoloa Village Water (721) and Waikoloa Resort Water (723) as shown in the table below.

	2021	
Waikoloa Village Allocation	36.53%	\$ 183,602
Waikoloa Resort Allocation	63.47%	\$ 319,031
Project Cost		\$ 502,633

WO 126402 Pave Well Road – 1200 North

Project Cost: \$202,795

Problem Statement

The road leading to the north well field at 1200 feet elevation is not paved. The project will pave the road for easier access.

Project Justification

The road to the portable drinking water wells in the north well field gets washed out doing storms and the rainy season. This causes additional wear and tear on the vehicles and tires. Additionally, it takes longer to do daily operations such as check on the wells, record data, and maintain well sites as well as respond emergencies. Paving the road with asphalt is the best alternative because concrete is expensive and longer to cure for usage. The benefit to a paved road is it provides a safety passage especially during storms and raining seasons. The paved road will reduce the time of travel thus increasing time for other daily tasks.

Alternative Analysis

1. Pave well road with asphalt
 - This is the preferred option because it will reduce time spent driving to the well field, enable better emergency response time, and reduce wear and tear on vehicles. It is also less expensive than concrete.
2. Base course and compaction
 - This is a temporary solution because the base would get washed away by rain and the base would need to be applied and compacted again. This would be costly over time.
3. Do Nothing
 - There would be continued wear and tear with this option and is not preferred.

Recommended Solution

Pave well roads.

Customer Benefits

Customer will benefit by having improved response time to emergencies at the well field.

Cost Details

The project was completed October 2022 at a cost of \$202,795. Costs are shared between Waikoloa Village Water (721) and Waikoloa Resort Water (723) as shown in the table below.

	2022	
Waikoloa Village Allocation	36.38%	\$ 73,770
Waikoloa Resort Allocation	63.62%	\$ 129,025
Project Cost		\$ 202,795

WO 128361 1200N Road Paving Ph 3

Project Cost: \$156,694

Problem Statement

The road leading to the north well field at 1200 feet elevation is not paved. The project will pave the road for easier access. This project is a continuation of the paving efforts that were undertaken in earlier projects.

Project Justification

The road to the portable drinking water wells in the north well field gets washed out during storms and the rainy season. This causes additional wear and tear on the vehicles and tires. Additionally, it takes longer to do daily operations such as check on the wells, record data, and maintain well sites as well as respond emergencies. Paving the road with asphalt is the best alternative because concrete is expensive and longer to cure for usage. The benefit to a paved road is it provides a safety passage especially during storms and raining seasons. The paved road will reduce the time of travel thus increasing time for other daily tasks.

Alternative Analysis

1. Pave well road with asphalt
 - This is the preferred option because it will reduce time spent driving to the well field, enable better emergency response time, and reduce wear and tear on vehicles. It is also less expensive than concrete.
2. Base course and compaction
 - This is a temporary solution because the base would get washed away by rain and the base would need to be applied and compacted again. This would be costly over time.
3. Do Nothing
 - There would be continued wear and tear with this option and is not preferred.

Recommended Solution

Pave well roads.

Customer Benefits

Customer will benefit by having improved response time to emergencies at the well field.

Cost Details

The project was completed in November 2023 at a cost of \$156,694. Costs are shared between Waikoloa Village Water (721) and Waikoloa Resort Water (723) as shown in the table below.

	2023	
Waikoloa Village Allocation	36.14%	\$ 56,626
Waikoloa Resort Allocation	63.86%	\$ 100,068
Project Cost		\$ 156,694

WO 128488 Genset Trailer Seismic Anchors

Project Cost: \$102,325

Problem Statement

There are currently three operable backup electrical generators in the Waikoloa well field at stations DW-2, DW-6, and DW-7. None of these backup electrical generators are presently secured to the ground with structural tie-down anchors and straps. Backup electrical generators will not work when needed if they have been blown over during a high-wind event such as a hurricane.

Project Justification

Backup emergency power generators at sites DW-2 and DW-6 are not secured to prevent tipping over during a seismic or high wind emergency event. Although this problem has not happened yet, generators will not be able to power wells when electricity is most likely to be out of service following an emergency event, creating inability to provide customers water. During the construction of well DW-8, it came to Hawaii Water's attention that seismic anchors for trailer mounted generators are required by the County of Hawaii. This projects brings the generators at DW-2 and DW-6 into compliance. If these wells are not able to provide back up power during a natural disaster or other emergency where electrical service is disrupted, there will not be enough water to meet demands of the system. This includes domestic and fire suppression water demands.

Alternative Analysis

1. Install Genset Trailer Seismic Anchors
 - This is the optimal solution because it enables operation of the well under emergency conditions. It also bring the trailer mounted generators to county code.
2. "Do Nothing"
 - This solution was not considered.

Recommended Solution

Install genset trailer seismic anchors

Customer Benefits

Customer benefits include:

- Reliable water system during emergency events.
- Trailer mounted generators that meet county code

Cost Details

The project was completed in October 2023 at a cost of \$102,325. Costs are shared between Waikoloa Village Water (721) and Waikoloa Resort Water (723) as shown in the table below.

	2023	
Waikoloa Village Allocation	36.14%	\$ 36,978
Waikoloa Resort Allocation	63.86%	\$ 65,347
Project Cost		\$ 102,325

WO 129138 Tank 1200S Rehabilitation

Project Cost: \$357,282

Problem Statement

In April 2022, Phillips Tank and Structure (PTS) completed an in-service external tank inspection of the bolted steel tanks in the south well field in Waikoloa. The inspection revealed several issues with the tank that need to be addressed immediately to extend the life of the tank.

Project Justification

There are two glass fused to steel bolted tanks at the Waikoloa South well field. They were placed in service in 1991. In April 2022, PTS completed an in-service external inspection of the tanks. The inspection revealed several issues with the tank that need to be addressed immediately to extend the life of the tank. The inspection found the shell plates and glass coating to be in good condition. The shell seams and sealant is in poor condition. The batten strips and dome panels are in good condition. PTS made the following observations:

- Rust and corrosion are visible at the exposed shell sheet edges and around some bolt areas.
- The sealant is deteriorating at the seams of each shell course, but most severely on the starter ring. It is discolored and cracking.
- A number of spot repairs were present on the exterior shell.
- Some bolt caps are missing. Where the caps are missing, nuts and threads are rusting.
- Additionally, the platform chain eyebolt is corroded.
- The sealant, located around the gusset plates and flashing, has deteriorated in many locations.
- The batten bar gaskets are in fair condition.
- There is evidence of previously installed non-skid coating on the area of the roof that's encompassed by handrail, but no such coating is currently in place.
- Roof eyebolt tie-off does not meet current OSHA and HIOSH requirements.
- Hairline crack in the foundation was noted but was in otherwise good condition.

Based on its observations, PTS made the following recommendations:

- Strip and reseal the starter ring shell seams.
- Strip and reseal spot repairs on exterior shell.
- Replace corroded, missing, or cracked bolting hardware and caps as required on manway, shell appurtenances and ladder. Replace tank shell bolts upon discovery.
- Clean and reseal all necessary exterior shell and any necessary interior seams of shell.
- Install new warning decals.
- Reseal all roof gusset covers.
- Replace gasket on roof hatch.
- Reseal flashing on tank roof.

Alternative Analysis

1. Complete recommendations by PTS

- This is the preferred solution because it will address all the rehabilitation needs for the 1200S tanks.
- 2. Complete some recommendations and defer others
 - This is feasible but will ultimately cost more than alternative 1 because of the volatility in material pricing. Additionally, two mobilization costs will need to be paid to the contractor.
- 3. “Do Nothing”
 - This is not recommended because the tanks will continue to deteriorate and future maintenance will be more costly.

Recommended Solution

The recommended solution is to proceed with the recommendations by PTS.

Detailed Project Scope

- Strip & reseal the starter sheet shell seams
- Strip & reseal exterior shell corrosion
- Replace corroded hardware and caps on the shell
- Replace manway & ladder hardware
- Strip & reseal interior and exterior shell seams
- Install new warning decals
- Reseal all roof gusset covers
- Replace gasket on the roof hatch
- Reseal flashing on the tank roof

Customer Benefits

This project benefits customers because it ensures that there is sufficient storage for the service area. The project extends the useful life of the tank and defers replacement costs.

Cost Details

The project will be completed in January 2024 at a cost of \$357,282. Costs are shared between Waikoloa Village Water (721) and Waikoloa Resort Water (723) as shown in the table below.

	2024	
Waikoloa Village Allocation	36.09%	\$ 128,960
Waikoloa Resort Allocation	63.91%	\$ 228,322
Project Cost		\$ 357,282

WO 126426 Design and Construction of PRV 600

Project Cost: \$639,565

Problem Statement

The flow through Pressure Reducing Station (PRV) 600 is beyond the rated capacity of the control valves (cla-val) and results in repeated premature failure of the control valves requiring replacement. The existing PRV is located on the single 16 inch transmission pipeline that transports water from the source water wells in Waikoloa Village to the Waikoloa Resort via the storage tanks at the 300 foot elevation. There is no other alternative for water supply and failure of the pipeline or PRV puts at risk the water supply to the Waikoloa Resort. Failure of this pipeline or PRV interrupts flow into Tanks at the 300 foot elevation. The Waikoloa Resort average water demand is around 3.5 to 4.0 MGD.

There is an existing easement that the existing PRV station is located and is 1.426 acres which shall allow construction of a replacement PRV station while the existing station continues to operate. The existing easement is sized for any future water tank if required for future downstream development.

Project Justification

PRV 600's function is to reduce the pressure from the upper pressure zone to the lower pressure zone in the 16 inch transmission pipeline from Waikoloa Village to the Waikoloa Resort at approximately the 600 foot elevation. Because of the high flows (2,500 to 3,000 GPM) and large pressure differential (120-130 psi), the 8 inch and 6 inch pressure reducing control valves (Cla-val) are operating beyond the recommended flow rates, and are in constant cavitation, which leads to premature erosion and failure of the valve bodies. The risk of not replacing the PRV station will be premature and recurring failure of the 2 control valves. The design of the replacement PRV station should be above ground to eliminate confine space safety requirements, fit within the existing easement, and sized to accommodate projected buildout flows.

This project is part of a larger look at PRVs in the Waikoloa Water system. Another project looks at the Design and Construction of Waikoloa PRV 300 at Tank 300 which is located downstream of PRV 600. If the project is not completed, the company will continue to purchase replacement of the control valves every 2-3 years.

Alternative Analysis

1. Build new PRV station at 600' level
 - This is the preferred solution. The current PRV station has several issues with a below ground design, cavitation and projected flows.
2. "Do Nothing"
 - The do nothing alternative was eliminated due to the number of issues with the existing design.

Recommended Solution

Have Engineering PE Consultant design a new PRV station that will be sized for the existing flow and future flows and provide specifications. Go out to construction bid, and award and construction.

Customer Benefits

Customers benefit by reduced costs of not having repeated repairs and replacements.

Cost Details

The project will be completed in June 2025 for an estimated cost of \$639,565.

WOs 126434, 128395, 134265 Valve Replacement Programs

Project Cost 126434: \$127,551

Project Cost 128395: \$124,901

Project Cost 134265: \$193,109

Problem Statement

The goal of the valve replacement program is to replace or overhaul all of the isolation valves in the service area. Valves will be identified by field operations staff and a recommendation will be made for overhaul or replacement.

Project Justification

Isolation valves are valves that are used to stop the flow of water to a given location. They are critical for the proper operation of the water systems and are used in a variety of applications, ranging from maintenance to flow logic. These valves are used in a variety of sizes at Hawaii Water, ranging from 1 ½" to 16" depending on the intended flow rate. If an isolation valve fails, then there could be significant damage to customer or company property, or environment.

Hawaii Water uses a risk-based asset management approach to assessing the condition of its isolation valves. Isolation valves are exercised regularly inspected in the field. During the inspection, Hawaii Water determines the condition of each valve and determines if overhaul or replacement is necessary. Over the life cycle of isolation valves, routine overhauls are performed to replace worn internal parts. During the overhaul, the valve is isolated and the internal condition and overall functional capabilities can be further assessed.

Alternative Analysis

1. Replace Valves
 - This is the preferred solution if the valve cannot be overhauled. Additionally, if the valve has been overhauled several times, a replacement may be needed.
2. Overhaul Valves
 - a. This is a viable solution if the body and cover of the valve are in acceptable condition. In some cases, an overhaul is more cost effective than a complete replacement.
3. "Do Nothing"
 - This is not a viable solution due to the possibility of failure of a valve.

Recommended Solution

Replacement and overhaul are the recommended solutions. Field inspections will determine whether a valve should be replaced or overhauled.

Customer Benefits

Replacing older isolation valves provides maximum benefit to the customers by improving water system reliability. These valves provide control in a water system in many different ways. The reliability of these valves is critical to maintenance and flow logic of the system. During a main break, if a section of main cannot be isolated, repairs are more expensive and more water is lost. This can lead to the risk of catastrophic property loss, as well as damage to plumbing in customer homes and businesses.

Cost Details

The projects will be completed in June 2025 at an estimated cost of \$127,551, \$124,901 and \$193,109 for WO 126434, WO 128357 and WO 134265, respectively. Costs are shared between Waikoloa Village Water (721) and Waikoloa Resort Water (723) for WO 134265 as shown in the table below.

	2025	
Waikoloa Village Allocation	36.09%	\$ 69,738
Waikoloa Resort Allocation	63.91%	\$ 123,471
Project Cost		\$ 193,209

WO 134267 DW2 Emergency Generator Replacement

Project Cost: \$586,294

Problem Statement

The existing emergency generator at DW-2 is nearing the end of its useful life and requires replacement. The generator is the original piece of equipment that was installed when the well was drilled and replacing it with a new updated unit will ensure reliability for providing an emergency power source.

Project Justification

There are a total of eight deep, line shaft turbine wells in the north and south well fields that supply drinking water to the Waikoloa Public Water System (Hawaii PWS#135). Waikoloa Well DW-2, in the south well field has a capacity of 1.44 million gallons per day capability. It is 1,317 feet deep. The DW-2 well facility is needed to provide drinking water, irrigation water, and fire suppression for the customers in Waikoloa Village and Waikoloa Resort.

Replacement of the existing backup emergency electrical power generator at well DW-2 with a new generator is recommended as this will increase reliability in the event of a natural disaster or power outage. The Waikoloa Water system is within Hawaiian Electric's (HECO) areas affected by its Public Safety Power Shutoff (PSPS) program. In a PSPS event, the affected area can be without power for days. DW-2 is one of three generators in the south well field with back-up power. Replacement of the generator will ensure water demands are met in the event of a natural disaster or PSPS.

Alternative Analysis

1. Install generator at well DW-2
 - This is the preferred solution because it provides a backup power solution in the event of a power outage.
2. "Do Nothing"
 - This is the least ideal solution and was not considered.

Recommended Solution

Replace generator at well DW-2.

Customer Benefits

Customers benefit from a reliable water system which can provide water under power outage conditions.

Cost Details

The project will be completed in December 2025 for an estimated cost of \$586,294. Costs are shared between Waikoloa Village Water (721) and Waikoloa Resort Water (723) as shown in the table below.

	2025	
Waikoloa Village Allocation	36.09%	\$ 211,622
Waikoloa Resort Allocation	63.91%	\$ 374,672
Project Cost		\$ 586,294

WOs 128476, 130629, AMI Upgrade

Project Cost 128476: \$124,901

Project Cost 130629: \$123,671

Problem Statement

Automated metering infrastructure (AMI) is a technology which automates meter reading by operators and transmits data in real time. Eliminating manual reads enables operators to focus on other tasks around the water system. It also eliminates the need to enter and exit a vehicle which can reduce repetitive strain injuries.

Project Justification

Advanced Metering Infrastructure (AMI) systems are meter reading systems that measure, collect, and analyze water usage. These systems can communicate with the AMI equipped meters on a scheduled or on-demand basis. AMI systems include water meters, AMI endpoints, computer hardware & software, and often optional leak detection sensors. AMI systems typically utilize the electronic endpoint to connect to the water meters, and are simply programmed to operate in an AMI system utilizing a fixed network for meter data collection and backhaul to the utility. Meter reading information will be integrated to the Customer Care and Billing (CC&B) software, data will be collected and accessed, and available for customer use.

AMI provides fast, easy access to powerful information that enhances operations and meets customers' expectations. AMI places meter reading data to address demands for actionable intelligence and greater visibility and control. Intelligence from meters includes remote notification of leaks, tampering, and out-of-threshold operating conditions, and promotes proactive maintenance. Customers can be alerted before they are aware of potential damage that may occur and can use the information to quickly identify, troubleshoot, and resolve field issues.

With the advent of smart meters deployed in the electrical utility sector, customers are now insisting the same technology be available for similar consumption-based utilities. Customer are aware the technology exists and are pressuring water utilities to provide such technology. Customers are willing and able to manage use with the transparency provided by smart meters. Smart meters deliver the information and tools needed for customers to make choices about their water use. Customers are declaring participation at a higher and more engaged level, and are no longer willing to wait for their monthly statement to know how much water was used. With smart meters, customers will be provided with a clear and timely picture of use. Customers are sternly requesting to see how much water they used, when they use it and its cost. In mandatory drought restriction years, customers have the potential to remain within their allotment by accessing smart meter usage and scaling use based on previous consumption. As the industry pushes conservation, customers are in turn demanding real-time consumption visibility.

Alternative Analysis

1. Upgrade Meters to use AMI Technology
 - This is the preferred solution because it ensures accurate billing and helps reduce non-revenue water. additionally, it provides customers with greater visibility into their water use

and can help reduce their bills by recognizing water leaks the moment they happen instead of potentially weeks later when meters are read.

2. Do Nothing

- This is not a preferred solution because although meters are still read, customers are not provided real time data about their water use. It also does not address the repetitive entering and exiting of vehicles by operators and the possibility of injury is still present.

Recommended Solution

The recommended solution is to upgrade the existing meters to AMI.

Customer Benefits

Implementing AMI will provide several operational and customer related benefits and savings, such as:

- Reductions in costs for scheduled and non-scheduled meter reading
- Reduction in the number of high bill inquiries
- Reductions in leak investigations
- Increased meter reading accuracy
- Reduction in estimated reads
- Increase water meter tampering detection, water theft
- Distribution system leak detection as AMI provides 24/7 monitoring and has the potential to avoid catastrophic failures
- Improvement to accuracy of hydraulic models, through increased accuracy and granularity of consumption data
- Improved asset management through ability to more accurately align demand forecasts with needed system capacity
- Ability to detect potential backflow events
- Ability to perform virtual On/Offs

Cost Details

WO 128476 will be completed in June 2025 for an estimated cost of \$124,901. WO 130629 will be completed in December 2024 for an estimated cost of \$123,671.

WO 134365 A-Gulch Crossing Design and Permitting

Project Cost: \$130,288

Problem Statement

The existing transmission pipeline from the Village Water System to the Resort Water System traverses under the Auwaiakeakua Gulch (A-Gulch). The A-Gulch is subject to infrequent but extreme flash flooding that could unearth the pipeline under the streambed and disrupt the ability to supply the Waikoloa Resort with its source of water supply.

Project Justification

The existing transmission pipeline from the Village Water System to the Resort Water System traverses under the A-Gulch. The A-Gulch is subject to infrequent but extreme flash flooding that could unearth the pipeline under the streambed and disrupt the ability to supply the Waikoloa Resort with its source of water supply. This project would retain a civil engineering consultant for the design and permitting of a new and improved crossing of the A-Gulch, prior to eventual construction.

Alternative Analysis

1. Complete A-Gulch Design and Permitting
 - This is the preferred solution. A design to improve crossing of A-Gulch is needed to increase the reliability of the Waikoloa Water system
2. “Do Nothing”
 - This solution was briefly considered and rejected. The A-Gulch crossing has not been undermined but it is viewed as a high risk and needs to be addressed.

Recommended Solution

Complete A-Gulch design and permitting.

Customer Benefits

Customers benefit from a water system which has adequate storage to meet existing water demands as well as fire flow.

Cost Details

The project will be completed in December 2025 for an estimated cost of \$130,288. Costs are shared between Waikoloa Village Water (721) and Waikoloa Resort Water (723) as shown in the table below.

Waikoloa Village Allocation	36.09%	\$	47,027
Waikoloa Resort Allocation	63.91%	\$	83,261
Project Cost		\$	130,288

WO 134366 Well DW9 Permitting Design

Project Cost: \$325,719

Problem Statement

This project is to design the new well Waikoloa DW-9, prepare the drilling and casing specifications, specification for the pump test and to prepare and submit the necessary applications for a new well from the Commission on Water Resource Management of the State of Hawaii.

Project Justification

The Waikoloa potable Water Master Plan completed in 2006 had recommended the addition of wells 8, 9 and 10 by the year 2026. Waikoloa Well DW8 was put into service in 2020. Easement definition and acquisition is occurring in 2024 for Well DW-9. The 8th well brought the safe pumping capacity (with 2 wells out of service) to 8.424 MGD. The addition of the 9th well will bring the safe pumping capacity to 10.224 MGD. The capacity needed is identified as the maximum day demand which is defined as 1.25 times in the Waikoloa Water Master Plan and as 1.5 times the average demand by the State of Hawaii Water System Standards. Average demand is approaching 6.0 MGD, therefore the maximum day demand is calculated as either 7.5 MGD or 9.0 MGD in 2024 depending on which standard is used. The entire project to bring Well DW-9 on-line and in service may take 3 years or longer and therefore it is critical to start the process of a new well must start before we have reached the water demand that justifies its construction. If design and construction proceeds smoothly Waikoloa Well DW-9 could be on-line by the end of 2027.

This project funding is only for the drilling and casing and performing the pump test to determine the hydraulic capacity of the new well. Another project would commence after that is successful to outfit the well, construct a pipeline to connect the well to the existing system, apply for electric service and extend the electrical service to the new well site, construct a road, construct an MCC building, install an emergency generator, and all new SCADA systems.

Alternative Analysis

1. Drill a new well Waikoloa Well No. 9
 - This alternative to drilling a new well to meet future water demands is preferred as it allows the water system to meet the needs of its customers.
2. "Do Nothing"
 - This solution is not viable and was not considered.

Recommended Solution

Recommend to Drill a new well Waikoloa Well No. 9 for reliable and adequate water supply to anticipate customer growth in Waikoloa.

Customer Benefits

Customers benefit from a water system which meets the growing demand for water in the service area.

Cost Details

The project will be completed in December 2025 for an estimated cost of \$325,719. Costs are shared between Waikoloa Village Water (721) and Waikoloa Resort Water (723) as shown in the table below.

	2025	
Waikoloa Village Allocation	36.09%	\$ 117,568
Waikoloa Resort Allocation	63.91%	\$ 208,151
Project Cost		\$ 325,719

WO 130587 Valve Replacement on 14" Trans Line

Project Cost: \$109,444

Problem Statement

The isolation valve on the 14-inch transmission line connecting the north well field to Waikoloa Village is at the end of its useful life and requires replacement.

Project Justification

Isolation valves are valves that are used to stop the flow of water to a given location. They are critical for the proper operation of the water systems and are used in a variety of applications, ranging from maintenance to flow logic. If an isolation valve fails, then there could be significant damage to customer or company property, or environment.

The isolation valve on the 14-inch transmission line connecting the north well field to Waikoloa Village is at the end of its useful life and requires replacement. The isolation valve is no longer operable. If there is a leak on the transmission line, a large disruption to service would occur due to the need to insert a valve to isolate the leak.

Alternative Analysis

1. Replace Valve
 - This is the preferred solution because the valve is no longer operable.
2. "Do Nothing"
 - This is not a viable solution due to the possibility of failure of a valve.

Recommended Solution

Replacement valve is the recommended solution.

Customer Benefits

Replacing older isolation valves provides maximum benefit to the customers by improving water system reliability. This valve provides control in a water system in many ways. The reliability of the valve is critical to maintenance and flow logic of the system. During a main break, if a section of main cannot be isolated, repairs are more expensive and more water is lost. This can lead to the risk of catastrophic property loss, as well as damage to plumbing in customer homes and businesses.

Cost Details

The project will be completed in December 2025 at an estimated cost of \$109,444. Costs are shared between Waikoloa Village Water (721) and Waikoloa Resort Water (723) as shown in the table below.

	2025	
Waikoloa Village Allocation	36.09%	\$ 39,504
Waikoloa Resort Allocation	63.91%	\$ 69,940
Project Cost		\$ 109,444

WO 131310 Remove/Replace DW6 Pump

Project Cost: \$883,981

Problem Statement

DW6 well pump is not producing water as it was designed. Output production from the well has depreciated immensely and brass shavings were observed in the discharge water.

Project Justification

Well DW-6 is an aboveground turbine motor atop an underground line-shaft pump in the Waikoloa South Well Field. Well DW-6 was drilled to a depth of 1,390-ft and equipped with a multi-stage pump capable of pumping 1000 gallons per minute. DW-6 is one of four wells in the Waikoloa South Well Field that supplies groundwater for the Waikoloa Public Water System. There are also four wells in the Waikoloa North Well Field. These wells all together are necessary to provide potable drinking water to our customers for consumption, landscape irrigation, emergency fire-fighting supply. They are critical to the services we provide.

The DW6 potable well pump located in the 1200 South well field was installed in January 2007 and has a continuous accumulated runtime of 14.8 years. On April 20, 2023, while operations conducted their daily checks it was noticed that the well output was at 0 gallons per minute and the amperage readings were below normal. The well was immediately taken offline and the Hawaii Water EMT checked the well motor and determined that there were no problems with it. Hawaii Drilling and Pump Service LLC was contacted perform an inspection. Brass shavings were identified in the waste vault which therefore indicated that there was probable damage present on the well pump and other components. When the new pump is installed, new column pipe, oil tube, line shaft, and sounding tubes will also be installed.

Delay in getting DW6 back online and into service is the biggest risk due to the reliability of having all potable wells operational to provide an adequate amount of potable water supply for the Waikoloa Village and Waikoloa Resort distribution systems in the event of possible wildfires.

Alternative Analysis

1. Replace DW-6 Pump
 - This is the only viable solution. The decision to replace the well pump and other appurtenances was made since the well has been in service for 16 years and has an accumulated continuous runtime of 14.8 years recorded
2. "Do Nothing"
 - This solution was not considered because this well is critical to meet water demands in the system.

Recommended Solution

Replace DW-6 pump and associated components.

Customer Benefits

Customer benefit by having a reliable water system capable of meeting all water demands for domestic use and fire suppression.

Cost Details

The project will be completed in December 2024 for an estimated cost of \$883,981. Costs are shared between Waikoloa Village Water (721) and Waikoloa Resort Water (723) as shown in the table below.

	2024	
Waikoloa Village Allocation	36.09%	\$ 319,071
Waikoloa Resort Allocation	63.91%	\$ 564,910
Project Cost		\$ 883,981

WO 135409 DW7 Potable Well Pump Replacement

Project Cost: \$746,420

Problem Statement

Production from DW-7 was lower than usual. An inspection revealed brass shavings in the discharge wasting box which indicated an issue with the pump. The well was taken offline to determine the cause.

Project Justification

The Waikoloa Public Water System has a total of 8 Deep Wells that supply water for the Waikoloa Village and Waikoloa Resort areas. Four (4) wells are in the 1200N well field and Four (4) wells are in the 1200S well field.

1200N well field

DW1

DW4

DW5

DW7

1200S well field

DW8

DW3

DW2

DW6

DW7 started up on 6/28/2013 and has pumped 5.432 billion total gallons with 8.7 continuous years of runtime recorded.

On 5/6/2024 It was noticed that the output from DW7 was less than 1000 GPM which prompted operations to perform a thorough review of the operating amps/volts etc. which were found to be within normal parameters. Upon inspection of the well site, it was observed that brass shavings were present in the discharge wasting box which signified that there was an apparent problem with the pump, and the well was taken offline to have a contractor pull the pump and determine the extent of the damage.

Not replacing the pump for DW7 will decrease the reliability of Hawaii Water to meet water supply demands for the Waikoloa system due to the fact that it is currently the only well site in the north well field with an emergency standby generator for providing backup power to function in the event of a HECO power loss.

Due to the planned PSPS program being implemented by HECO, DW7 well site is the only site in the north well field with an emergency standby power generator and is a critical site for providing potable water to fill the storage tanks in the event of a PSPS situation. Failure to maintain proper water levels in the tanks at the north well field would affect Hawaii Water's ability to provide an adequate amount of water supply needed to maintain water pressure and supply for firefighting efforts.

Alternative Analysis

1. Replace DW-7 Pump
 - This is the only viable solution. The decision to replace the well pump due to the criticality of having a back up generator at the site.
2. “Do Nothing”
 - This solution was not considered because this well is critical to meeting water demands in the system.

Recommended Solution

Replace DW-7 pump.

Customer Benefits

Customer benefit by having a reliable water system capable of meeting all water demands for domestic use and fire suppression.

Cost Details

The project will be completed in December 2024 for an estimated cost of \$746,420. Costs are shared between Waikoloa Village Water (721) and Waikoloa Resort Water (723) as shown in the table below.

	2024	
Waikoloa Village Allocation	36.09%	\$ 269,419
Waikoloa Resort Allocation	63.91%	\$ 477,001
Project Cost		\$ 746,420

WO 130589 PRV 300 Construction

Project Cost: \$309,179

Problem Statement

Flow through Pressure Reducing Valve (PRV) Station 300 is beyond the rated capacity of the control valves and results in repeated premature failure of the control valves, requiring replacement.

Project Justification

The existing PRV is located on the single 16-in transmission pipeline that transports water from the source water wells in Waikoloa Village to the Waikoloa Resort via the storage tanks at the 300 foot elevation. There is no other alternative for water supply and failure of the pipeline or PRV puts at risk the water supply to the Waikoloa Resort. Failure of this pipeline or PRV interrupts flow into the tanks at the 300 foot elevation. The Waikoloa Resort average water demand is around 3.5 to 4.0 MGD. This construction project shall implement the design prepared in 2023, WO#126433.

PRV 300's function is to reduce the pressure from the upper pressure zone to the lower pressure zone in the 16 inch transmission pipeline from Waikoloa Village to the Waikoloa Resort at approximately the 300 foot elevation and to keep the water tanks at the 300 foot elevation filled. Because of the high flows (2,500 to 3,000 GPM) and large pressure differential (120-130 psi), the 8 inch pressure reducing control valves (Cla-val) are operating beyond the recommended flow rates, and are in constant cavitation, which leads to premature erosion and failure of the valve bodies.

The risk of not replacing the PRV station is premature and recurring failure of the 2 control valves, risk of no water supply, and breakage of pipes due to excessive pressures. The design of the replacement PRV station should be above ground to eliminate confine space safety requirements, fit within the existing easement, and sized to accommodate projected buildout flows.

Alternative Analysis

1. Build new PRV station at 300 ft level
 - This is the preferred solution. The current PRV station has several issues with cavitation and projected flows.
2. "Do Nothing"
 - The do nothing alternative was eliminated due to the number of issues with the existing design.

Recommended Solution

Construct newly designed PRV station at the 300-ft level.

Customer Benefits

Customer benefit by reduced costs of not having repeated repairs and replacements.

Cost Details

The project will be completed in December 2025 for an estimated cost of \$309,179.

WO 118318 Recoat 1.0 MG Tank 300-1

Project Cost: \$518,253

Problem Statement

The existing coating on Tank 300-1 is 38 years old. The existing paint is a lead base paint. Recoating of this paint before it starts to peel will save on lead removal costs if the existing paint can be recoated and the old lead paint sealed in.

Project Justification

The 1.0 MG Tank 300-1 was constructed in 1980. It is a welded steel tank with a painted exterior and originally a coal-tar coated interior. The interior coal-tar coating was removed in 2007 and recoated with ANSI/NSF-61 paint approved for potable water, consisting of 2 coats of polyimide epoxy with a final total thickness of 9-16 mils (prime coat PotaPox Series 20 Epoxy, or equivalent and finish coat PotaPox Series 20 Epoxy manufactured by Tnemec or equivalent). The exterior has never been recoated. An inspection and report by V&A and Associates in 2003 states that "The exterior coating contains high levels of lead and appears to be in good condition" and "Evaluate if the tank exterior can be overcoated or to be completely removed". Remedial touchup painting of rusty areas was done by HWS in 2017. Moving ahead with recoating the exterior of Tank 300-1 at this time is to avoid removing the high level lead paint when at such time it becomes unsuitable to recoat and instead recoat and seal in the lead paint while it is in suitable condition to recoat.

Alternative Analysis

1. Recoat Tank 300-1
 - This is the preferred solution because removes the lead paint present in the original coating and also extends the life of the tank.
2. "Do Nothing"
 - This is not a viable solution and was not considered.

Recommended Solution

Recoat Tank 300-1.

Customer Benefits

Customers benefit from a water tank that is protected and provides sufficient storage to meet water demands. Failure of the tank would result in major disruptions and the inability to meet water demands and fire flows.

Cost Details

The project was completed in May 2022 at a cost of \$518,253.

WHUC Sewer Projects

WO 120317 MBR Filter Replacement

Project Cost: \$892,475

Problem Statement

The integrity of the existing Membrane Bio Reactor (MBR) membrane filters are starting to fail and replacement of these filters is integral to avoiding any water quality discharge violations from the Department of Health Wastewater Branch (DOH WWB) and to maximize the treatment capacity of the MBR wastewater facility.

Project Justification

The Waikoloa Resort MBR wastewater treatment facility provides an R-1 rated quality water that is used exclusively by the resort golf course and resort areas for irrigation purposes. The annual average of sewage influent that was treated by the Waikoloa Resort plant for 2018 was 760,298 gallons per day and the annual discharge average for re-use as R-1 water was 644,682 gallons per day.

A representative for the manufacturer of the membrane filter plates (Kubota Corporation) was consulted on the performance issue and completed a site inspection. Various membrane filter plates were sent to their lab and testing was performed on the integrity of the filter plates. Their analysis results assumes that the sodium hypochlorite solution that is generated from an onsite chlorine generating system for the resort plant may have a low pH content which might have affected the membrane filter plates. Recommendation was made by Kubota to utilize a commercially bought sodium hypochlorite solution until adjustments can be made to the existing onsite sodium hypochlorite generating system. Kubota also compared our test results to past similar events at other operating systems utilizing their filter plates and found that the results from the testing were similar to problems occurring at other treatment facilities.

When the SCADA operating system detects that the water that we discharge has a high turbidity level present (0.5 NTU or higher), it automatically diverts the effluent to an injection well off site from the plant. There was a significant increase in the amount of water diverted to the injection well due to the decreased ability of the membrane filter plates to separate water and colloidal solids. Discussion of replacing only a portion of the membrane filter plates for now was taken into consideration, but based on the condition of the filter plates that were inspected on-site and the testing results received back from Kubota, in which Kubota concluded that "all membranes, if undergoing the same testing protocol, would exhibit the same degradation" and recommends "that all 5,600 membrane cartridges be replaced in a single replacement cycle".

Replacement of the membrane filter plates is integral to providing a R-1 water quality discharge product for the resort area and golf course irrigation usage and to maintain the ability of the Waikoloa Resort facility to manage its treatment capacity of up to 1 million gallons per day.

The estimated life span of the MBR filter plates according to the manufacturer is approximately 6-7 years. The Resort Plant has been in full operation since September 19, 2012.

Alternative Analysis

1. Replace all MBR Filters
 - This is the preferred solution from the manufacturer. Replacement of all membranes would result in optimal operation of the plant. Additionally, it would avoid potential violations from DOH WWB.
2. Partial replacement of MBR Filters
 - This option was considered and rejected due to the degradation observed in the membranes.
3. "Do Nothing"
 - This is the least ideal solution and was not considered.

Recommended Solution

Replace all membrane filters.

Customer Benefits

Customers benefit from a reliable wastewater treatment facility which produces the highest quality effluent and avoids potential damage to the environment.

Cost Details

The project was completed in March 2020 at a cost of \$892,475.

WO 120491 SPS#1 Force Main Ph2 2019

Project Cost: \$441,787

Problem Statement

Sewer Pump Station (SPS)#1 is located in the Waikoloa Resort on the Big Island of Hawaii. It is one of 2 SPSs that pump the wastewater generated in the Waikoloa Resort to the Resort wastewater treatment plant (R-Plant) via (2) 12 inch Sewer Force Mains (SFM). The single SFM from SPS#1 to R-Plant is about 7,000 feet long and is approximately 40 years old. It has had numerous failures caused by tree roots and corrosion of the pipe which has resulted in several sewer spills. Approximately 450 feet was replaced in 2015. Two additional pipe failures occurred in April and May of 2019 requiring press releases and costly emergency repairs.

Project Justification

This project replaced approximately 80 feet of 12 inch diameter ductile iron SFM directly out of SPS#1 in the Waikoloa Resort to across Waikoloa Beach Drive where corrosion of the nearly 40 year old pipe cause pipe failures in April and May 2019. This was an emergency project to prevent further SFM breaks which endanger public health. The replacement pipe will follow the specifications of the SFM Replacement Project completed in 2015 which specified thrust restrain joints, poly wrap, and root barrier material in the trench. The Engineering Consultant Brown & Caldwell that completed the previous design was used to produce the construction drawings and specifications since it was a continuation of the previous project.

Alternative Analysis

1. Replace 80-ft of SFM
 - This is the preferred solution because it replaces severely corroded SFM and will prevent future sewer spills
2. "Do Nothing"
 - This is not a viable solution and was rejected.

Recommended Solution

Replace 80-ft of SFM.

Customer Benefits

Customers benefit from a sealed wastewater system free of sewer spills.

Cost Details

The project was completed in October 2020 at a cost of \$441,787.

WO 120198 Trash Disposal Platform

Project Cost: \$104,042

Problem Statement

The current system of collecting and disposing of trash in the R-Plant influent is physically labor intensive and susceptible to an avoidable back injury to the plant operators. When a real safety hazard is identified it should be eliminated through the use of engineering controls, such as this project.

Project Justification

At the headworks of the R-Plant, incoming grit and trash is screened and diverted into heavy duty disposable trash bags that quickly reach or exceed safe lifting weights for a single wastewater plant operator (40-70 lbs). Presently, these bags must be moved manually around equipment across an existing narrow elevated walkway and thrown into an adjacent large trash container bin below. This project increased the existing elevated walkway area such that a wheeled dolly might be employed to move the trash from the point of accumulation to the point of disposal into the trash bin. Using a mechanical ergonomic advantage such as a wheeled dolly should prevent a back injury to the wastewater plant operators who must presently move the heavy trash bags manually.

Alternative Analysis

1. Install Trash Disposal Platform
 - This is the preferred solution because it protects operators from a potential back injury.
2. "Do Nothing"
 - This solution was not considered.

Recommended Solution

Install trash disposal platform

Customer Benefits

Customers benefits include:

- Efficient method of grit disposal.
- Reduced possibility of sewer spill due to grit build up.

Cost Details

The project was completed in September 2022 at a cost of \$104,042.

WO 122308 SPS#1 Flygt Pump

Project Cost: \$102,254

Problem Statement

The pump at SPS1 has been in operations for 10 years. The pump was rebuilt several times but must be replaced at this time.

Project Justification

SPS1 is located in the Waikoloa Resort on the Big Island of Hawaii. It is one of 2 SPSs that pump the wastewater generated in the Waikoloa Resort to the Resort wastewater treatment plant (R-Plant) via (2) 12 inch Sewer Force Mains (SFM).

The flygt pump at SPS1 has been overhauled several times over the life span of the pump. However, the housing and shaft are severely worn and cannot be repaired. Elector Motor Services recommended the purchase of a new pump. The pump is needed to keep up with wastewater flows that enter the wet well to be pump to the Wastewater plant for treatment. Without a back pump wastewater can fill up the wet well and cause a wastewater spill.

Alternative Analysis

1. Replace flygt pump at SPS1
 - This is the preferred solution due to the number of times the pump has been overhauled.
2. Rebuild flygt pump
 - This solution was considered but rejected due to the irreparability of the housing and shaft.
3. "Do Nothing"
 - This is not a viable solution due to the risk of a wastewater spill.

Recommended Solution

Replace flygt pump at SPS1.

Customer Benefits

Customers benefits include

- Reliable sewer pump station which keeps up with flows.
- Reduced risk of wastewater spill.

Cost Details

The project was completed in August 2021 at a cost of \$102,254.

WO 122317 Rotating Drum Screen

Project Cost: \$117,123

Problem Statement

Rotating drum screens at the R-Plant headworks have been in operation for approximately 10 years and are at the end of their useful life.

Project Justification

The 1,000,000 gallon per day R-plant is a wastewater treatment plant that must meet environmental regulation. The R-plant uses Membrane Bio-Reactor processes as the main treatment process. R-plant was constructed in 2012, so replacement of critical elements such a screen is expected. By removing solids, the screens are a critical part of the wastewater treatment plant process. Solid removal has a dual function, first removing solids that could harm the membranes and remove solids that could clog the membrane process.

There are currently three fine screens in operation at R-Plant headworks. When one fine screen becomes inoperative and is removed for repairs, the two remaining screens generate a larger amount of screened solids resulting in heavier loads to dispose. This also places additional stress on the equipment. Having a fourth available for reliability would allow operators to remove a nonfunctioning screen and install the standby unit in its place. This would maximize the operating efficiency of the plant headworks area.

Alternative Analysis

1. Replace drum screens at headworks
 - This is the only viable solution; mechanical equipment wears out over time and overhauling the screens was not an option.
2. "Do Nothing"
 - This is not a possibility and was not considered.

Recommended Solution

Replace drum screens at headworks.

Customer Benefits

Customers benefits include:

- Properly operating wastewater treatment plant
- Avoided spill at headworks due to clogged drum screens

Cost Details

The project was completed in July 2022 at a cost of \$117,123.

WO 122368 SPS#1 Force Main Ph3 2021

Project Cost: \$919,773

Problem Statement

Sewer Pump Station (SPS)#1 is located in the Waikoloa Resort on the Big Island of Hawaii. It is one of 2 SPSs that pump the wastewater generated in the Waikoloa Resort to the Resort wastewater treatment plant (R-Plant) via (2) 12 inch Sewer Force Mains (SFM). The single SFM from SPS#1 to R-Plant is about 7,000 feet long and is approximately 40 years old. It has had numerous failures caused by tree roots and corrosion of the pipe which has resulted in several sewer spills. Approximately 450 feet was replaced in 2015 and 80 feet was replaced in 2020.

Project Justification

This project replaced approximately 1400 feet of 12 inch diameter ductile iron SFM along Waikoloa Beach Drive at an age of 40 years old. This was a continuation of the emergency project completed in 2020 to prevent further SFM breaks which endanger public health. The replacement pipe will follow the specifications of the SFM Replacement Project completed in 2015 and 2020 which specified thrust restrain joints, poly wrap, and root barrier material in the trench. The Engineering Consultant Brown & Caldwell that completed the previous design was used to produce the construction drawings and specifications since it was a continuation of the previous project.

Alternative Analysis

1. Replace 1400-ft of SFM
 - This is the preferred solution because it replaces severely corroded SFM and will prevent future sewer spills
2. "Do Nothing"
 - This is not a viable solution and was rejected.

Recommended Solution

Replace 1400-ft of SFM.

Customer Benefits

Customers benefit from a sealed wastewater system free of sewer spills.

Cost Details

The project was completed in February 2022 at a cost of \$917,773.

WO 126427 SPS#2 Discharge Pipe Replacement

Project Cost: \$191,939

Problem Statement

The ductile iron riser piping in the wet well of Waikoloa Beach Resort Sewer Pump Station #2 is rotting due to corrosive wastewater gases and must be replaced before failure of the piping and inability to pump wastewater to the Waikoloa Beach Resort Wastewater Reclamation Facility for treatment.

Project Justification

A sewer pump station elevates and conveys wastewater from a low elevation to a higher elevation, furthering on the flow of wastewater at that point either using a conventional gravity sewer line or pumped sewer force main. At SPS#2 in the Waikoloa Beach Resort, conventional gravity sewer lines gather wastewater from nearby residences and commercial properties and collect them in the pump station wet well. Two pumps at the bottom of the wet well lift the wastewater up to the SPS#2 Sewer Force Main that conveys the wastewater on to the SPS#1, where the process is repeated until it is discharged at the Waikoloa Beach Resort Wastewater Reclamation Facility across the Queen Ka'ahumanu Highway for treatment.

The existing configuration of the Waikoloa Beach Resort Sewer Pump Station #2 (SPS#2) was constructed by Isemoto Contracting Co. Ltd. in 2009 (13 years prior to 2022). Since that time, corrosive wastewater gases including hydrogen sulfide have severely rotted the two parallel 8-inch diameter ductile iron discharge piping runs in the wet well. Each of the two affected piping runs includes the ductile iron vertical riser piping attached to the 90° 8-inch by 6-inch reducing elbow pump mount in the bottom of the wet well, the 8-inch diameter ductile iron 90° bend at the top of the wet well, and the horizontal 8-inch diameter ductile iron piping penetrating the concrete sidewall of the wet well and traversing underground to the adjacent valve vault. At the time of construction in 2009, the common practice as was done was to simply paint the unprotected ductile iron piping with a coating resistant to wastewater gases. However, this method of protection has shown over time to be insufficient to adequately protect the piping from severe corrosion degradation beyond 12 to 15 years (from prior investigation and project experience at the nearby SPS#1 wet well discharge piping), leading to the current failing condition. As done previously at the nearby Waikoloa Beach Resort SPS#1 in 2019 (and at the similar Kukio Resort SPS#2 in 2020, and at the similar Keauhou Bay SPS also in 2020), the current best practice is to replace the uncoated ductile iron piping with a ductile iron piping protected by an epoxy-fused coating and lining, as recommended by V&A Corrosion Consulting Engineers in 2014 (for the SPS#1 corrosion investigation).

Alternative Analysis

1. Replace severely corroded ductile iron discharge piping with ductile iron piping protected by an epoxy-fused coating and lining
 - Recommended option described above should result in a 20-25 year service life for the discharge piping.
2. Replace severely corroded ductile iron piping with C900 PVC piping

- The use of PVC piping is untested and not recommended as it is not understood whether PVC piping can withstand the forces imparted by the on/off pressure surges of the discharge pumps.
- 3. Replace severely corroded ductile iron piping with painted ductile iron piping
 - The use of painted ductile iron piping would result in the same 12-15 year service life as is currently the case.
- 4. “Do Nothing”
 - There is no “Do Nothing” alternative. The discharge piping has to be replaced at some point. Not performing the replacement project until a complete and unscheduled failure would put the pump station out of operation and require continuous bypass pumping (if bypass pumping could even keep up with high-season influent flows). The recommended ductile iron piping protected by an epoxy-fused coating and lining is not readily available (it has a long lead time upon ordering) and would necessitate replacement with regular unprotected but just painted ductile iron piping.

Recommended Solution

Recommend replacement of the severely corroded ductile iron discharge piping with ductile iron piping protected by an epoxy-fused coating and lining during a period of low occupancy and resultant lower influent flows into the wet well.

Customer Benefits

By planning and scheduling this project in advance during low-occupancy season, the customer avoids an emergency project that would be rushed and potentially result in emergency bypass pumping during seasonal periods when it would be a challenge to perform the work.

Cost Details

The project was completed in December 2023 at a cost of \$191,939.

WO 128477 SPS#3 Discharge Pipe Replacement

Project Cost: \$196,720

Problem Statement

The ductile iron riser piping in the wet well of Waikoloa Beach Resort Sewer Pump Station #3 is rotting due to corrosive wastewater gases and must be replaced before failure of the piping and inability to pump wastewater to the Waikoloa Beach Resort Wastewater Reclamation Facility for treatment..

Project Justification

A sewer pump station elevates and conveys wastewater from a low elevation to a higher elevation, furthering on the flow of wastewater at that point either using a conventional gravity sewer line or pumped sewer force main. At SPS#3 in the Waikoloa Beach Resort, conventional gravity sewer lines gather wastewater from nearby residences and commercial properties and collect them in the pump station wet well. Two pumps at the bottom of the wet well lift the wastewater up to the SPS#3 Sewer Force Main that conveys the wastewater on to the Waikoloa Beach Resort Wastewater Reclamation Facility across the Queen Ka'ahumanu Highway for treatment.

Since its construction, corrosive wastewater gases including hydrogen sulfide have severely rotted the ductile iron discharge piping runs in the wet well. Each of the two affected piping runs includes the ductile iron vertical riser piping attached to the 90° elbow pump mount in the bottom of the wet well, the ductile iron 90° bend at the top of the wet well, and the horizontal ductile iron piping penetrating the concrete sidewall of the wet well and traversing underground to the adjacent valve vault. At the time of construction, the common practice as was done was to simply paint the unprotected ductile iron piping with a coating resistant to wastewater gases. However, this method of protection has shown over time to be insufficient to adequately protect the piping from severe corrosion degradation beyond 12 to 15 years (from prior investigation and project experience at the nearby SPS#1 wet well discharge piping), leading to the current failing condition. As done previously at the nearby Waikoloa Beach Resort SPS#1 in 2019 (and at the similar Kukio Resort SPS#2 in 2020, and at the similar Keauhou Bay SPS also in 2020), the current best practice is to replace the uncoated ductile iron piping with a ductile iron piping protected by an epoxy-fused coating and lining, as recommended by V&A Corrosion Consulting Engineers in 2014 (for the SPS#1 corrosion investigation).

Alternative Analysis

1. Replace severely corroded ductile iron discharge piping with ductile iron piping protected by an epoxy-fused coating and lining
 - Recommended option described above should result in a 20-25 year service life for the discharge piping.
2. Replace severely corroded ductile iron piping with C900 PVC piping
 - The use of PVC piping is untested and not recommended as it is not understood whether PVC piping can withstand the forces imparted by the on/off pressure surges of the discharge pumps.
3. Replace severely corroded ductile iron piping with painted ductile iron piping
 - The use of painted ductile iron piping would result in the same 12-15 year service life as is currently the case.

4. "Do Nothing"

- There is no "Do Nothing" alternative. The discharge piping has to be replaced at some point. Not performing the replacement project until a complete and unscheduled failure would put the pump station out of operation and require continuous bypass pumping (if bypass pumping could even keep up with high-season influent flows). The recommended ductile iron piping protected by an epoxy-fused coating and lining is not readily available (it has a long lead time upon ordering) and would necessitate replacement with regular unprotected but just painted ductile iron piping.

Recommended Solution

Recommend replacement of the severely corroded ductile iron discharge piping with ductile iron piping protected by an epoxy-fused coating and lining during a period of low occupancy and resultant lower influent flows into the wet well.

Customer Benefits

By planning and scheduling this project in advance during low-occupancy season, the customer avoids an emergency project that would be rushed and potentially result in emergency bypass pumping during seasonal periods when it would be a challenge to perform the work.

Cost Details

The project will be completed in June 2025 for an estimated cost of \$196,720.

WO 130633 SPS#1 Jockey Pump Replacement

Project Cost: \$123,671

Problem Statement

The jockey pump at SPS#1 is undersized for current and projected flows and needs to be increased to meet the increasing sewer flows.

Project Justification

Sewage Pump Station #1 is the largest pump station in the Waikoloa Resort. It has two large capacity pumps and the smaller 230gpm Jockey Pump to pump raw wastewater from the resort across the highway to the Waikoloa Wastewater Recycling Facility. Wastewater flows at the resort have increased to the point that two pumps are often required to pump simultaneously in unison. The current design with a smaller Jockey Pump is undersized for the current and forecast future flows. Hawaii Water needs to contract with a design engineering firm to plan for the replacement of the current small pump and pump base mounted in the bottom of the pump station wet well. An assessment and redesign of the electrical system (i.e., panel and wiring sizing) will also be required.

Alternative Analysis

1. Replace jockey pump
 - This is the only viable solution due to the current and projected flows expected to flow into the SPS1.
2. “Do Nothing”
 - This is not a viable solution due to the risk of a sewer spill.

Recommended Solution

Replace jockey pump with pump of similar size to the existing pumps.

Customer Benefits

Customers benefits include

- Reliable sewer pump station which keeps up with flows.
- Reduced risk of wastewater spill.

Cost Details

The project will be completed in June 2025 for an estimated cost of \$123,671.

WO 130871 Membrane Replacement 2024

Project Cost: \$577,417

Problem Statement

This project will replace half of the membrane plates in 2024 and the rest in 2025. Inability of the membrane plates to efficiently perform as designed will impact the treatment process and limit the amount of R1 permeate effluent water produced on a daily basis. This has downstream effects on water quality and severely limits the water supply to the golf course.

Project Justification

The resort plant WW treatment facility was brought online in November of 2012 and a total of 28 submerged membrane units (5600 membrane plates) was replaced in October of 2019 due to unanticipated degradation of the membrane plates in service. It is anticipated based on this timeline that the current membrane plates in service will require replacement before they degrade in order for the resort WW treatment plants ability to maintain a high quality R1 rated effluent for the resort golf courses irrigation usage. 100% of the discharged R1 permeate effluent water is utilized for irrigation purposes by the golf courses. Inability of the membrane plates to efficiently perform as designed will impact the treatment process and limit the amount of R1 permeate effluent water produced on a daily basis.

Alternative Analysis

1. Half replacement of membranes
 - The membranes were last replaced in October 2019 on an emergency basis. Replacement of half of the membranes in anticipation of critical failure allows for a partial replacement frequency and saves on cost.
2. Full Replacement of membranes
 - This solution was considered but rejected due to the cost associated with a full replacement.
3. "Do Nothing"
 - This is not a viable solution due to membrane degradation and risk of violation with DOH WWB.

Recommended Solution

Replace half of the membranes at R-Plant.

Customer Benefits

Customer benefits include:

- Wastewater treatment plant in compliance with DOH WWB.
- Reduced costs in proactive rather than reactive membrane replacement.

Cost Details

The project was completed in July 2024 at a cost of \$577,417.

WO 126425 SPS#1 Force Main Design Ph4 2022

Project Cost: \$162,475

Problem Statement

A 1,400 foot section of the 12-inch diameter sewer force main (SFM) from Sewer Pump Station #1 (SPS#1) to the Waikoloa Beach Resort Wastewater Reclamation Facility requires design and construction of its relocated replacement before it fails.

Project Justification

The original SPS#1 SFM is approximately 40 years old now. Several sections of the SPS#1 SFM have failed in the recent past, resulting in wastewater spills to the ground surface with threats to nearby receiving waters. Wastewater spills are a public health hazard and subject to notice of violation from the State Department of Health Wastewater Branch, as well as the Clean Water Branch also if water bodies are impacted. Wastewater spills are also an unpleasant occurrence in a resort setting, strain our relationship with the Waikoloa Land Company (management company of the resort), and are contrary to our company goals. Past failures of the SPS#1 SFM pipe integrity have primarily been associated with tree roots in heavily irrigated roadway right-of-ways contacting the unprotected ductile iron, drawing off iron and leaving brittle carbon in a process called graphitization that was documented by V&A Consulting Engineers for Hawaii Water Service in 2014. The original SPS#1 SFM was not installed with protective coating or surrounded by a root bio-barrier as the modern design under these conditions now dictate.

The first phase of the SPS#1 SFM pipe replacement (Phase 1A), was a 445 foot section of the SFM west of the King's Shops. The Phase 1A replacement SFM was designed by Brown and Caldwell Consulting Engineers in 2011 and replaced in 2013 by the contractor Goodfellow Brothers Inc. Phase 1B was a short section near the Waikoloa Beach Resort Wastewater Reclamation Facility replaced due to corrosion adjacent to the 51 ft. well, while Phase 1C was constructed during the upgrade of the Waikoloa Beach Resort Wastewater Reclamation Facility. The second phase (Phase 2) of the SPS#1 SFM pipe replacement was an emergency project needed due to repeated pipe failures adjacent to the SPS#1. Phase 2 was designed by Brown and Caldwell in late 2019 and constructed by Isemoto Contracting Co. Ltd. in January 2020. The third phase (Phase 3) of the SPS#1 SFM pipe replacement project, fronting the King's Shops, was originally designed by Brown and Caldwell in 2011 (with slight design revisions in 2020) and constructed by Goodfellow Brothers in early 2021. The current Phase 4 section is meant to replace the aged SPS#1 SFM pipe between the Phase 2 and Phase 3 projects described above. Completion of Phase 4 will replace the last section of SPS#1 SFM along Waikoloa Beach Drive that has the problematic trees growing in proximity to the SPS#1 SFM that could affect the piping integrity.

Sewer Pump Station #1 collects residential and commercial wastewater flows from the gravity sewer pipes in the nearby service vicinity of the Waikoloa Beach Resort. SPS#1 also collects wastewater flow conveyed via the Sewer Force Main (SFM) from SPS#2 further to the north. From SPS#1 wastewater is pumped in a 12-inch diameter ductile iron SFM pipeline almost a mile uphill and across the Queen Ka'ahumanu Highway to the Waikoloa Beach Resort Wastewater Reclamation Facility. At the Waikoloa Beach Resort Wastewater Reclamation Facility the wastewater undergoes treatment to R-1 quality and is subsequently reused as irrigation source water in the Waikoloa Beach Resort golf courses. The SPS#1 SFM serves an absolutely necessary function of conveying wastewater collected at a lower elevation from the residences and businesses near the coast and pumping it uphill to the Waikoloa Beach Resort

Wastewater Reclamation Facility across the highway for treatment and reuse. Without this arrangement the construction and operation of the Waikoloa Beach Resort would not happen.

Alternative Analysis

1. Complete Design of 1400 ft section of SFM
 - There are no alternatives to relocation and replacement within this Phase 4 section of the SPS#1 SFM if one wishes to minimize the anticipated potential for wastewater spills from pipe integrity failure. If the Phase 4 project is not designed in the near term, when a pipe integrity failure occurs, there will be a longer lag time to prepare the design first before then going out to bid for the eventual replacement construction. Several pipe integrity failures could occur before the SPS#1 SFM pipe could be replaced/relocated.
2. "Do Nothing"
 - The "Do Nothing" alternative presents an unacceptable risk of future wastewater spills, risks to public health and the environment, risks damaging our relationship with Waikoloa Land Company, and risks damaging our reputation with DOH WWB.

Recommended Solution

The recommended solution is to design the 1,400 ft. replacement/relocated alignment of SPS#1 SFM identified as Phase 4 in 2022 before anticipated pipe integrity failures lead to wastewater spills.

Customer Benefits

The Hawaii Water Service customer will benefit from the execution of this project by minimizing the potential for wastewater spills from SPS#1 SFM pipe integrity failures, and minimize the potential for disruption of wastewater service in the resort.

Cost Details

The project was completed in August 2024 for an estimated cost of \$162,475.

WO 134180 and WO 134182 SPS#2 and SPS#3 Submersible Pump Replacement

Project Cost WO 134180: \$117,259

Project Cost WO 134182: \$104,230

Problem Statement

Pumps at SPS2 and SPS3 in Waikoloa Resort wastewater system are in need of replacement due to their age and condition.

Project Justification

SPS2 and SPS3 are located in the Waikoloa Resort on the Big Island of Hawaii. SPS2 collects flows via gravity mains from residential and resort customers and pumps the flows directly to SPS1. SPS3 is one of 2 SPSs that pump the wastewater generated in the Waikoloa Resort to the Resort wastewater treatment plant (R-Plant) via (2) 12 inch Sewer Force Mains (SFM).

The pumps in service in SPS2 and SPS3 have been overhauled several times to extend their useful life. At this time, Electromotor Services recommends replacing these pumps with new pumps to increase the reliability of the SPS to manage sewer flows when needed. The pumps that are replaced will be inspected and a determination will be made as to whether they can be rebuilt one more time and used as an emergency back up.

Alternative Analysis

1. Replace existing pumps
 - This is the preferred solution because it allows the SPS to reliably keep up with flows.
2. "Do Nothing"
 - T This is not a viable solution due to the risk of a wastewater spill.

Recommended Solution

Replace existing pumps.

Customer Benefits

Customers benefits include

- Reliable sewer pump station which keeps up with flows.
- Reduced risk of wastewater spill.

Cost Details

WO 134180 and 134182 will be completed in December 2025 for an estimated cost of \$117,259 and \$104,230, respectively.

WO 134183 MBR Basin #1 SMU Replacement

Project Cost: \$635,206

Problem Statement

This project will replace half of the membrane plates in 2025 and is a continuation of the replacement that took place under WO 130871. Inability of the membrane plates to efficiently perform as designed will impact the treatment process and limit the amount of R1 permeate effluent water produced on a daily basis. This has downstream effects on water quality and severely limits the water supply to the golf course.

Project Justification

The resort plant WW treatment facility was brought online in November of 2012 and a total of 28 submerged membrane units (5600 membrane plates) was replaced in October of 2019 due to unanticipated degradation of the membrane plates in service. It is anticipated based on this timeline that the current membrane plates in service will require replacement before they degrade in order for the resort WW treatment plants ability to maintain a high quality R1 rated effluent for the resort golf courses irrigation usage. 100% of the discharged R1 permeate effluent water is utilized for irrigation purposes by the golf courses. Inability of the membrane plates to efficiently perform as designed will impact the treatment process and limit the amount of R1 permeate effluent water produced on a daily basis.

Alternative Analysis

1. Half replacement of membranes
 - The membranes were last replaced in October 2019 on an emergency basis. Replacement of half of the membranes in anticipation of critical failure allows for a partial replacement frequency and saves on cost.
2. Full Replacement of membranes
 - This solution was considered but rejected due to the cost associated with a full replacement.
3. "Do Nothing"
 - This is not a viable solution due to membrane degradation and risk of violation with DOH WWB.

Recommended Solution

Replace half of the membranes at R-Plant.

Customer Benefits

Customer benefits include:

- Wastewater treatment plant in compliance with DOH WWB.
- Reduced costs in proactive rather than reactive membrane replacement.

Cost Details

The project will be completed in December 2025 for an estimated cost of \$635,206.

WO 134369 Grit Removal/EQ Basin Design

Project Cost: \$260,575

Problem Statement

The existing Wastewater Reclamation Facility (WWRF) was put into service in 2012. The plant was constructed without grit removal and without an EQ basin. The addition of these processes will improve the operation of the facility.

Project Justification

The WWRF was put into service without grit removal and without an EQ Basin. Both of these processes are normally installed in WWRF but in this case was deferred to reduce the initial construction costs. It has been observed that a lot of grit is making its way past the existing 3 mm rotary drum screens. The installation of grit removal will increase the life of the membranes and reduce operational costs that is spent removing the grit from within the plan process. The EQ basin will allow the plant to run more efficiently and give the operators a more predictable flow through the plant.

Alternative Analysis

1. Plant Grit Removal/EQ Basin Design
 - This is the preferred solution to improve the operation of the WWRF, and to increase the life of the membranes which saves on expenses.
2. “Do Nothing”
 - This is not a feasible alternative as it continues the high cost of membrane replacement due to grit damaging the membranes and less than optimum plant operation due to fluctuations in flow rate without the EQ Basin.

Recommended Solution

Recommendation is to proceed with the Plant Grit Removal/EQ Basin Design.

Customer Benefits

Customer benefits include:

- Reliable wastewater treatment facility.
- Extended life from membrane units.

Cost Details

The project will be completed in December 2025 for an estimated cost of \$260,575.

Exhibit WU-T-301 WHWC

Capital Project Justifications



General Rate Case of
Waikoloa Resort Utilities, Inc., Waikoloa Sanitary
Sewer Company, Inc., and Waikoloa Water Co., Inc.
Docket 2024-0224
October 2024

Project Justifications for Capital Projects Greater Than \$100,000 WHWC

Table of Contents

WO 117623 Sodium Hypochlorite Conversion	1
WO 120220, 120221 Paving Well Roads Phase 1 and 2	3
WO 124332 DW#5 Pump Replacement	5
WO 125598 Repair Pump and Replace Pipe DW1	7
WO 126402 Pave Well Road – 1200 North	9
WO 128361 1200N Road Paving Ph 3	10
WO 128488 Genset Trailer Seismic Anchors	11
WO 129138 Tank 1200S Rehabilitation	12
WOs 128357, 134265 Valve Replacement Program 2023 and 2025.....	14
WO 134267 DW2 Emergency Generator Replacement	16
WOs 128473, 130620, 134147 AMI Upgrade	17
WO 134365 A-Gulch Crossing Design and Permitting.....	19
WO 134366 Well DW9 Permitting Design	20
WO 130587 Valve Replacement on 14” Trans Line	22
WO 131310 Remove/Replace DW6 Pump	23
WO 135409 DW7 Potable Well Pump Replacement	25

WO 117623 Sodium Hypochlorite Conversion

Project Cost: \$148,425

Problem Statement

The last Big Island chemical supplier of gaseous chlorine is discontinuing distribution due to safety reasons, leaving Hawaii Water Service (and other users on the Island of Hawaii) no choice but to convert to another chemical disinfectant. Liquid sodium hypochlorite is the safest and most widely used potable water disinfection alternative.

Project Justification

Project converted potable water disinfection equipment and storage situation from gaseous chlorine cylinders to bulk liquid sodium hypochlorite. Project installed new SCADA-connected disinfectant dosing pumps inside the chlorination buildings at 1200 North and 1200 South tank sites. Each station consists of a pre-fab equipment skid with two (primary and backup), chemical metering pumps with a specified capacity of at least 15 gallons per day. Each station also has a SCADA interface control panel inside. Outside, each station has a new concrete slab lean-to shed attached to the chlorination building, with sidewalls and roof to protect the sodium hypochlorite stored inside double-walled polyethylene storage tanks from degradation by exposure to sunlight. Minor fencing upgrades were performed at the Tank 1200 North Site to allow access by delivery vehicles and a shorter egress distance to the existing emergency drench shower/ eyewash station. The existing gaseous chlorine dosing equipment was removed and replaced with new liquid sodium hypochlorite disinfection equipment.

Alternative Analysis

1. Convert gaseous chlorine disinfection system to liquid sodium hypochlorite disinfection
 - This was the most cost-effective solution. The chemical supplier who provided gaseous chlorine gave little notice of discontinuation, which did not leave sufficient time to install a new disinfection system. Additionally, liquid sodium hypochlorite is readily available and
2. Install on-site hypochlorite generation system
 - This option was briefly considered and ultimately not pursued. Given the short amount of notice given by the gaseous chlorine supplier, there was not enough time to design and implement an on-site hypochlorite generation system.
3. Do Nothing
 - Do nothing is not an acceptable solution. Water must be disinfected before entering the distribution system.

Recommended Solution

Convert gaseous chlorine disinfection system to liquid sodium hypochlorite disinfection.

Customer Benefits

Customer benefits include:

- A reliable disinfection system that meets state and federal water quality standards.
- An efficient and cost-effective form of disinfection.

Cost Details

The project was completed in December 2018 at a cost of \$148,425. Costs are shared between Waikoloa Village Water (721) and Waikoloa Resort Water (723) as shown in the table below.

	2018	
Waikoloa Village Allocation	35.81%	\$ 53,148
Waikoloa Resort Allocation	64.19%	\$ 95,277
Project Cost		\$ 148,425

WO 120220, 120221 Paving Well Roads Phase 1 and 2

Project Cost 120220: \$204,886 (721/723)

Project Cost 120221: \$186,343

Problem Statement

The existing condition to the Waikoloa well field is an unimproved dirt road. The Waikoloa potable wells provide the entire supply of potable water supply to the Waikoloa Resort and Waikoloa Village. The existing road is the only access to the wells. The operators use this road daily for system checks.

Project Justification

The road to the portable drinking water wells in the north well field gets washed out during storms and the rainy season. This causes additional wear and tear on the vehicles and tires. Additionally, it takes longer to do daily operations such as check on the wells, record data, and maintain well sites as well as respond emergencies. Paving the road with asphalt is the best alternative because concrete is expensive and longer to cure for usage. The benefit to a paved road is it provides a safety passage especially during storms and raining seasons. The paved road will reduce the time of travel thus increasing time for other daily tasks.

Alternative Analysis

1. Pave well road with asphalt
 - This is the preferred option because it will reduce time spent driving to the well field, enable better emergency response time, and reduce wear and tear on vehicles. It is also less expensive than concrete.
2. Base course and compaction
 - This is a temporary solution because the base would get washed away by rain and the base would need to be applied and compacted again. This would be costly over time.
3. Do Nothing
 - There would be continued wear and tear with this option and is not preferred.

Recommended Solution

Pave well roads.

Customer Benefits

Customer will benefit by having improved response time to emergencies at the well field.

Cost Details

WOs 120220 and 120221 were completed in April 2021 at a cost of \$160,476 and \$135,962, respectively. Costs are shared between Waikoloa Village Water (721) and Waikoloa Resort Water (723) as shown in the table below.

	2021	WO 120220	WO 120221
Waikoloa Village Allocation	36.53%	\$ 58,618	\$ 49,664
Waikoloa Resort Allocation	63.47%	\$ 101,857	\$ 86,298
Project Cost		\$ 160,475	\$ 135,962

WO 124332 DW#5 Pump Replacement

Project Cost: \$449,174

Problem Statement

The line-shaft pump in well DW-5 failed on 8/18/2020. Well DW-5 is an important contributor to the groundwater supply for the Waikoloa Public Water System. The pump in well DW-5 operated for over 10 years before failure. The line-shaft pump, the line shaft, oil tube and return supply column pipe will all be replaced due to the age that these components have been in the ground.

Project Justification

Well DW-5 is an aboveground turbine motor atop an underground line-shaft pump in the Waikoloa North Well Field. Well DW-5 was drilled to a depth of 1,236-ft and equipped with a multi-stage pump capable of pumping 800 gallons per minute. DW-5 is one of four wells in the Waikoloa North Well Field that supplies groundwater for the Waikoloa Public Water System. There are also four wells in the Waikoloa South Well Field. These wells all together are necessary to provide potable drinking water to our customers for consumption, landscape irrigation, emergency fire-fighting supply. They are critical to the services we provide.

On August 18, 2020 the pump at DW-5 failed and requires replacement. The well has operated for over ten years since the downhole equipment was last replaced. Due to the significant costs associated with removal and replacement of the pump at the bottom of this deep a well, it determined from a life-cycle cost perspective to replace the other downhole components at this time. These components include the line shaft, oil tube, centering spiders, bronze bearings, return water column pipe, airline, and other appurtenances. A well video was performed after performing an oil skim and brush/bail tasks. The above-ground turbine motor was not replaced as it is still operating and can be rebuilt or replaced relatively easily if it was to breakdown due to its location on the ground surface at the top of the well.

Alternative Analysis

1. Replace DW-5 pump and piping
 - Due to the age of the down-hole components, replacement was the only viable option.
2. "Do Nothing"
 - This is not an acceptable solution and was not considered.

Recommended Solution

Replace pump and associated appurtenances.

Customer Benefits

Customer benefit by having a reliable water system capable of meeting all water demands for domestic use and fire suppression.

Cost Details

The project was completed in August 2021 at a cost of \$449,174. Costs are shared between Waikoloa Village Water (721) and Waikoloa Resort Water (723) as shown in the table below.

	2021	
Waikoloa Village Allocation	36.53%	\$ 164,065
Waikoloa Resort Allocation	63.47%	\$ 285,082
Project Cost		\$ 449,147

WO 125598 Repair Pump and Replace Pipe DW1

Project Cost: \$502,633

Problem Statement

Waikoloa Well DW-1 went down on 9/29/2020. The pump (two years old) and older column piping was removed under Emergency Work Order 124937. The pump is believed to have failed but due to its young age is proposed to be refurbished and reinstalled, if possible. However, the older previously reused column pipe, oil tube, line shaft with rubber centering spiders and bronze bearings are proposed to be replaced with new components. A new continuous airline will be installed as well.

Project Justification

There are a total of eight deep, line shaft turbine wells in the north and south well fields that supply drinking water to the Waikoloa Public Water System (Hawaii PWS#135). Waikoloa Well DW-1, in the north well field, has the highest production capacity of all the eight wells, with a capacity of 1.94 million gallons per day capability. It is 1,333 feet deep, among the deepest wells serving the Waikoloa community. The DW-1 well facility is needed to provide drinking water, irrigation water, and fire suppression for the customers in Waikoloa Village and Waikoloa Resort.

Deep, high-capacity wells like Waikoloa Well DW-1 are often designed with the electric motor at the surface with a long line shaft down the well to the pump bowls at the bottom of the pipe column. In this case, the pump at the bottom of the well failed on September 29, 2020, for reasons unknown. Although the pump bowls and column piping have been pulled with a pump rig and removed to the surface, the reason for the pump failure is not evident from field inspection. As the pump is just two years old, it is proposed to send the pump back to the factory to be torn down, inspected, and refurbished. Following refurbishment, the pump would also be subjected to a factory pump test to confirm capacity before being reinstalled down the well. However, the other downhole materials between the turbine motor at the surface and pump at the well bottom must be replaced due to their previous reuse and usage wear.

Alternative Analysis

1. Replace DW 1 pump and piping
 - This is the only solution because DW-1 is one of the highest capacity wells in the north well field. It is critical to bring the well back online to meet water demands of the system.
2. "Do Nothing"
 - This is not an acceptable solution and was not considered.

Recommended Solution

Replace DW-1 pump and piping.

Customer Benefits

Customer benefit by having a reliable water system capable of meeting all water demands for domestic use and fire suppression.

Cost Details

The project was completed in October 2021 at a cost of \$502,633. Costs are shared between Waikoloa Village Water (721) and Waikoloa Resort Water (723) as shown in the table below.

	2021	
Waikoloa Village Allocation	36.53%	\$ 183,602
Waikoloa Resort Allocation	63.47%	\$ 319,031
Project Cost		\$ 502,633

WO 126402 Pave Well Road – 1200 North

Project Cost: \$202,795

Problem Statement

The road leading to the north well field at 1200 feet elevation is not paved. The project will pave the road for easier access.

Project Justification

The road to the portable drinking water wells in the north well field gets washed out doing storms and the rainy season. This causes additional wear and tear on the vehicles and tires. Additionally, it takes longer to do daily operations such as check on the wells, record data, and maintain well sites as well as respond emergencies. Paving the road with asphalt is the best alternative because concrete is expensive and longer to cure for usage. The benefit to a paved road is it provides a safety passage especially during storms and raining seasons. The paved road will reduce the time of travel thus increasing time for other daily tasks.

Alternative Analysis

1. Pave well road with asphalt
 - This is the preferred option because it will reduce time spent driving to the well field, enable better emergency response time, and reduce wear and tear on vehicles. It is also less expensive than concrete.
2. Base course and compaction
 - This is a temporary solution because the base would get washed away by rain and the base would need to be applied and compacted again. This would be costly over time.
3. Do Nothing
 - There would be continued wear and tear with this option and is not preferred.

Recommended Solution

Pave well roads.

Customer Benefits

Customer will benefit by having improved response time to emergencies at the well field.

Cost Details

The project was completed October 2022 at a cost of \$202,795. Costs are shared between Waikoloa Village Water (721) and Waikoloa Resort Water (723) as shown in the table below.

	2022	
Waikoloa Village Allocation	36.38%	\$ 73,770
Waikoloa Resort Allocation	63.62%	\$ 129,025
Project Cost		\$ 202,795

WO 128361 1200N Road Paving Ph 3

Project Cost: \$156,694

Problem Statement

The road leading to the north well field at 1200 feet elevation is not paved. The project will pave the road for easier access. This project is a continuation of the paving efforts that were undertaken in earlier projects.

Project Justification

The road to the portable drinking water wells in the north well field gets washed out doing storms and the rainy season. This causes additional wear and tear on the vehicles and tires. Additionally, it takes longer to do daily operations such as check on the wells, record data, and maintain well sites as well as respond emergencies. Paving the road with asphalt is the best alternative because concrete is expensive and longer to cure for usage. The benefit to a paved road is it provides a safety passage especially during storms and raining seasons. The paved road will reduce the time of travel thus increasing time for other daily tasks.

Alternative Analysis

4. Pave well road with asphalt
 - This is the preferred option because it will reduce time spent driving to the well field, enable better emergency response time, and reduce wear and tear on vehicles. It is also less expensive than concrete.
5. Base course and compaction
 - This is a temporary solution because the base would get washed away by rain and the base would need to be applied and compacted again. This would be costly over time.
6. Do Nothing
 - There would be continued wear and tear with this option and is not preferred.

Recommended Solution

Pave well roads.

Customer Benefits

Customer will benefit by having improved response time to emergencies at the well field.

Cost Details

The project was completed in November 2023 at a cost of \$156,694. Costs are shared between Waikoloa Village Water (721) and Waikoloa Resort Water (723) as shown in the table below.

	2023	
Waikoloa Village Allocation	36.14%	\$ 56,626

Waikoloa Resort Allocation	63.86%	\$ 100,068
Project Cost		\$ 156,694

WO 128488 Genset Trailer Seismic Anchors

Project Cost: \$102,325

Problem Statement

There are currently three operable backup electrical generators in the Waikoloa well field at stations DW-2, DW-6, and DW-7. None of these backup electrical generators are presently secured to the ground with structural tie-down anchors and straps. Backup electrical generators will not work when needed if they have been blown over during a high-wind event such as a hurricane.

Project Justification

Backup emergency power generators at sites DW-2 and DW-6 are not secured to prevent tipping over during a seismic or high wind emergency event. Although this problem has not happened yet, generators will not be able to power wells when electricity is most likely to be out of service following an emergency event, creating inability to provide customers water. During the construction of well DW-8, it came to Hawaii Water's attention that seismic anchors for trailer mounted generators are required by the County of Hawaii. This projects brings the generators at DW-2 and DW-6 into compliance. If these wells are not able to provide back up power during a natural disaster or other emergency where electrical service is disrupted, there will not be enough water to meet demands of the system. This includes domestic and fire suppression water demands.

Alternative Analysis

1. Install Genset Trailer Seismic Anchors
 - This is the optimal solution because it enables operation of the well under emergency conditions. It also bring the trailer mounted generators to county code.
2. "Do Nothing"
 - This solution was not considered.

Recommended Solution

Install genset trailer seismic anchors

Customer Benefits

Customer benefits include:

- Reliable water system during emergency events.
- Trailer mounted generators that meet county code

Cost Details

The project was completed in October 2023 at a cost of \$102,325. Costs are shared between Waikoloa Village Water (721) and Waikoloa Resort Water (723) as shown in the table below.

	2023	
Waikoloa Village Allocation	36.14%	\$ 36,978
Waikoloa Resort Allocation	63.86%	\$ 65,347

Project Cost \$ 102,325

WO 129138 Tank 1200S Rehabilitation

Project Cost: \$357,282

Problem Statement

In April 2022, Phillips Tank and Structure (PTS) completed an in-service external tank inspection of the bolted steel tanks in the south well field in Waikoloa. The inspection revealed several issues with the tank that need to be addressed immediately to extend the life of the tank.

Project Justification

There are two glass fused to steel bolted tanks at the Waikoloa South well field. They were placed in service in 1991. In April 2022, PTS completed an in-service external inspection of the tanks. The inspection revealed several issues with the tank that need to be addressed immediately to extend the life of the tank. The inspection found the shell plates and glass coating to be in good condition. The shell seams and sealant is in poor condition. The batten strips and dome panels are in good condition. PTS made the following observations:

- Rust and corrosion are visible at the exposed shell sheet edges and around some bolt areas.
- The sealant is deteriorating at the seams of each shell course, but most severely on the starter ring. It is discolored and cracking.
- A number of spot repairs were present on the exterior shell.
- Some bolt caps are missing. Where the caps are missing, nuts and threads are rusting.
- Additionally, the platform chain eyebolt is corroded.
- The sealant, located around the gusset plates and flashing, has deteriorated in many locations.
- The batten bar gaskets are in fair condition.
- There is evidence of previously installed non-skid coating on the area of the roof that's encompassed by handrail, but no such coating is currently in place.
- Roof eyebolt tie-off does not meet current OSHA and HIOSH requirements.
- Hairline crack in the foundation was noted but was in otherwise good condition.

Based on its observations, PTS made the following recommendations:

- Strip and reseal the starter ring shell seams.
- Strip and reseal spot repairs on exterior shell.
- Replace corroded, missing, or cracked bolting hardware and caps as required on manway, shell appurtenances and ladder. Replace tank shell bolts upon discovery.
- Clean and reseal all necessary exterior shell and any necessary interior seams of shell.
- Install new warning decals.
- Reseal all roof gusset covers.
- Replace gasket on roof hatch.
- Reseal flashing on tank roof.

Alternative Analysis

1. Complete recommendations by PTS
 - This is the preferred solution because it will address all the rehabilitation needs for the 1200S tanks.
2. Complete some recommendations and defer others
 - This is feasible but will ultimately cost more than alternative 1 because of the volatility in material pricing. Additionally, two mobilization costs will need to be paid to the contractor.
3. “Do Nothing”
 - This is not recommended because the tanks will continue to deteriorate and future maintenance will be more costly.

Recommended Solution

The recommended solution is to proceed with the recommendations by PTS.

Detailed Project Scope

- Strip & reseal the starter sheet shell seams
- Strip & reseal exterior shell corrosion
- Replace corroded hardware and caps on the shell
- Replace manway & ladder hardware
- Strip & reseal interior and exterior shell seams
- Install new warning decals
- Reseal all roof gusset covers
- Replace gasket on the roof hatch
- Reseal flashing on the tank roof

Customer Benefits

This project benefits customers because it ensures that there is sufficient storage for the service area. The project extends the useful life of the tank and defers replacement costs.

Cost Details

The project will be completed in January 2024 at a cost of \$357,282. Costs are shared between Waikoloa Village Water (721) and Waikoloa Resort Water (723) as shown in the table below.

	2024	
Waikoloa Village Allocation	36.09%	\$ 128,960
Waikoloa Resort Allocation	63.91%	\$ 228,322
Project Cost		\$ 357,282

WOs 128357, 134265 Valve Replacement Program 2023 and 2025

Project Cost 128357: \$124,901

Project Cost 134265: \$193,109

Problem Statement

The goal of the valve replacement program is to replace or overhaul all of the isolation valves in the service area. Valves will be identified by field operations staff and a recommendation will be made for overhaul or replacement.

Project Justification

Isolation valves are valves that are used to stop the flow of water to a given location. They are critical for the proper operation of the water systems and are used in a variety of applications, ranging from maintenance to flow logic. These valves are used in a variety of sizes at Hawaii Water, ranging from 1 ½" to 16" depending on the intended flow rate. If an isolation valve fails, then there could be significant damage to customer or company property, or environment.

Hawaii Water uses a risk-based asset management approach to assessing the condition of its isolation valves. Isolation valves are exercised regularly inspected in the field. During the inspection, Hawaii Water determines the condition of each valve and determines if overhaul or replacement is necessary. Over the life cycle of isolation valves, routine overhauls are performed to replace worn internal parts. During the overhaul, the valve is isolated and the internal condition and overall functional capabilities can be further assessed.

Alternative Analysis

1. Replace Valves
 - This is the preferred solution if the valve cannot be overhauled. Additionally, if the valve has been overhauled several times, a replacement may be needed.
2. Overhaul Valves
 - a. This is a viable solution if the body and cover of the valve are in acceptable condition. In some cases, an overhaul is more cost effective than a complete replacement.
3. "Do Nothing"
 - This is not a viable solution due to the possibility of failure of a valve.

Recommended Solution

Replacement and overhaul are the recommended solutions. Field inspections will determine whether a valve should be replaced or overhauled.

Customer Benefits

Replacing older isolation valves provides maximum benefit to the customers by improving water system reliability. These valves provide control in a water system in many different ways. The reliability of these valves is critical to maintenance and flow logic of the system. During a main break, if a section of main cannot be isolated, repairs are more expensive and more water is lost. This can lead to the risk of catastrophic property loss, as well as damage to plumbing in customer homes and businesses.

Cost Details

The projects will be completed in June 2025 at an estimated cost of \$124,901 and \$193,109 for WO 128357 and WO 134265, respectively. Costs are shared between Waikoloa Village Water (721) and Waikoloa Resort Water (723) for WO 134265 as shown in the table below.

	2025	
Waikoloa Village Allocation	36.09%	\$ 69,738
Waikoloa Resort Allocation	63.91%	\$ 123,471
Project Cost		\$ 193,209

WO 134267 DW2 Emergency Generator Replacement

Project Cost: \$586,294

Problem Statement

The existing emergency generator at DW-2 is nearing the end of its useful life and requires replacement. The generator is the original piece of equipment that was installed when the well was drilled and replacing it with a new updated unit will ensure reliability for providing an emergency power source.

Project Justification

There are a total of eight deep, line shaft turbine wells in the north and south well fields that supply drinking water to the Waikoloa Public Water System (Hawaii PWS#135). Waikoloa Well DW-2, in the south well field has a capacity of 1.44 million gallons per day capability. It is 1,317 feet deep. The DW-2 well facility is needed to provide drinking water, irrigation water, and fire suppression for the customers in Waikoloa Village and Waikoloa Resort.

Replacement of the existing backup emergency electrical power generator at well DW-2 with a new generator is recommended as this will increase reliability in the event of a natural disaster or power outage. The Waikoloa Water system is within Hawaiian Electric's (HECO) areas affected by its Public Safety Power Shutoff (PSPS) program. In a PSPS event, the affected area can be without power for days. DW-2 is one of three generators in the south well field with back-up power. Replacement of the generator will ensure water demands are met in the event of a natural disaster or PSPS.

Alternative Analysis

1. Install generator at well DW-2
 - This is the preferred solution because it provides a backup power solution in the event of a power outage.
2. "Do Nothing"
 - This is the least ideal solution and was not considered.

Recommended Solution

Replace generator at well DW-2.

Customer Benefits

Customers benefit from a reliable water system which can provide water under power outage conditions.

Cost Details

The project will be completed in December 2025 for an estimated cost of \$586,294. Costs are shared between Waikoloa Village Water (721) and Waikoloa Resort Water (723) as shown in the table below.

	2025	
Waikoloa Village Allocation	36.09%	\$ 211,622
Waikoloa Resort Allocation	63.91%	\$ 374,672
Project Cost		\$ 586,294

WOs 128473, 130620, 134147 AMI Upgrade

Project Cost 128473: \$124,901

Project Cost 130620: \$216,425

Project Cost 134147: \$160,938

Problem Statement

Automated metering infrastructure (AMI) is a technology which automates meter reading by operators and transmits data in real time. Eliminating manual reads enables operators to focus on other tasks around the water system. It also eliminates the need to enter and exit a vehicle which can reduce repetitive strain injuries..

Project Justification

Advanced Metering Infrastructure (AMI) systems are meter reading systems that measure, collect, and analyze water usage. These systems can communicate with the AMI equipped meters on a scheduled or on-demand basis. AMI systems include water meters, AMI endpoints, computer hardware & software, and often optional leak detection sensors. AMI systems typically utilize the electronic endpoint to connect to the water meters, and are simply programmed to operate in an AMI system utilizing a fixed network for meter data collection and backhaul to the utility. Meter reading information will be integrated to the Customer Care and Billing (CC&B) software, data will be collected and accessed, and available for customer use.

AMI provides fast, easy access to powerful information that enhances operations and meets customers' expectations. AMI places meter reading data to address demands for actionable intelligence and greater visibility and control. Intelligence from meters includes remote notification of leaks, tampering, and out-of-threshold operating conditions, and promotes proactive maintenance. Customers can be alerted before they are aware of potential damage that may occur and can use the information to quickly identify, troubleshoot, and resolve field issues.

With the advent of smart meters deployed in the electrical utility sector, customers are now insisting the same technology be available for similar consumption-based utilities. Customer are aware the technology exists and are pressuring water utilities to provide such technology. Customers are willing and able to manage use with the transparency provided by smart meters. Smart meters deliver the information and tools needed for customers to make choices about their water use. Customers are declaring participation at a higher and more engaged level, and are no longer willing to wait for their monthly statement to know how much water was used. With smart meters, customers will be provided with a clear and timely picture of use. Customers are sternly requesting to see how much water they used, when they use it and its cost. In mandatory drought restriction years, customers have the potential to remain within their allotment by accessing smart meter usage and scaling use based on previous consumption. As the industry pushes conservation, customers are in turn demanding real-time consumption visibility.

Alternative Analysis

1. Upgrade Meters to use AMI Technology

- This is the preferred solution because it ensures accurate billing and helps reduce non-revenue water. additionally, it provides customers with greater visibility into their water use and can help reduce their bills by recognizing water leaks the moment they happen instead of potentially weeks later when meters are read.
2. Do Nothing
- This is not a preferred solution because although meters are still read, customers are not provided real time data about their water use. It also does not address the repetitive entering and exiting of vehicles by operators and the possibility of injury is still present.

Recommended Solution

The recommended solution is to upgrade the existing meters to AMI.

Customer Benefits

Implementing AMI will provide several operational and customer related benefits and savings, such as:

- Reductions in costs for scheduled and non-scheduled meter reading
- Reduction in the number of high bill inquiries
- Reductions in leak investigations
- Increased meter reading accuracy
- Reduction in estimated reads
- Increase water meter tampering detection, water theft
- Distribution system leak detection as AMI provides 24/7 monitoring and has the potential to avoid catastrophic failures
- Improvement to accuracy of hydraulic models, through increased accuracy and granularity of consumption data
- Improved asset management through ability to more accurately align demand forecasts with needed system capacity
- Ability to detect potential backflow events
- Ability to perform virtual On/Offs

Cost Details

WO 128473 will be completed in June 2025 for an estimated cost of \$124,901. WO 130620 will be completed in December 2024 for an estimated cost of 216,425. WO 134217 will be completed in December 2025 for an estimated cost of \$160,938.

WO 134365 A-Gulch Crossing Design and Permitting

Project Cost: \$130,288

Problem Statement

The existing transmission pipeline from the Village Water System to the Resort Water System traverses under the Auwaiakeakua Gulch (A-Gulch). The A-Gulch is subject to infrequent but extreme flash flooding that could unearth the pipeline under the streambed and disrupt the ability to supply the Waikoloa Resort with its source of water supply.

Project Justification

The existing transmission pipeline from the Village Water System to the Resort Water System traverses under the A-Gulch. The A-Gulch is subject to infrequent but extreme flash flooding that could unearth the pipeline under the streambed and disrupt the ability to supply the Waikoloa Resort with its source of water supply. This project would retain a civil engineering consultant for the design and permitting of a new and improved crossing of the A-Gulch, prior to eventual construction.

Alternative Analysis

1. Complete A-Gulch Design and Permitting
 - This is the preferred solution. A design to improve crossing of A-Gulch is needed to increase the reliability of the Waikoloa Water system
2. “Do Nothing”
 - This solution was briefly considered and rejected. The A-Gulch crossing has not been undermined but it is viewed as a high risk and needs to be addressed.

Recommended Solution

Complete A-Gulch design and permitting.

Customer Benefits

Customers benefit from a water system which has adequate storage to meet existing water demands as well as fire flow.

Cost Details

The project will be completed in December 2025 for an estimated cost of \$130,288. Costs are shared between Waikoloa Village Water (721) and Waikoloa Resort Water (723) as shown in the table below.

Waikoloa Village Allocation	36.09%	\$	47,027
Waikoloa Resort Allocation	63.91%	\$	83,261
Project Cost		\$	130,288

WO 134366 Well DW9 Permitting Design

Project Cost: \$325,719

Problem Statement

This project is to design the new well Waikoloa DW-9, prepare the drilling and casing specifications, specification for the pump test and to prepare and submit the necessary applications for a new well from the Commission on Water Resource Management of the State of Hawaii.

Project Justification

The Waikoloa potable Water Master Plan completed in 2006 had recommended the addition of wells 8, 9 and 10 by the year 2026. Waikoloa Well DW8 was put into service in 2020. Easement definition and acquisition is occurring in 2024 for Well DW-9. The 8th well brought the safe pumping capacity (with 2 wells out of service) to 8.424 MGD. The addition of the 9th well will bring the safe pumping capacity to 10.224 MGD. The capacity needed is identified as the maximum day demand which is defined as 1.25 times in the Waikoloa Water Master Plan and as 1.5 times the average demand by the State of Hawaii Water System Standards. Average demand is approaching 6.0 MGD, therefore the maximum day demand is calculated as either 7.5 MGD or 9.0 MGD in 2024 depending on which standard is used. The entire project to bring Well DW-9 on-line and in service may take 3 years or longer and therefore it is critical to start the process of a new well must start before we have reached the water demand that justifies its construction. If design and construction proceeds smoothly Waikoloa Well DW-9 could be on-line by the end of 2027.

This project funding is only for the drilling and casing and performing the pump test to determine the hydraulic capacity of the new well. Another project would commence after that is successful to outfit the well, construct a pipeline to connect the well to the existing system, apply for electric service and extend the electrical service to the new well site, construct a road, construct an MCC building, install an emergency generator, and all new SCADA systems.

Alternative Analysis

1. Drill a new well Waikoloa Well No. 9
 - This alternative to drilling a new well to meet future water demands is preferred as it allows the water system to meet the needs of its customers.
2. "Do Nothing"
 - This solution is not viable and was not considered.

Recommended Solution

Recommend to Drill a new well Waikoloa Well No. 9 for reliable and adequate water supply to anticipate customer growth in Waikoloa.

Customer Benefits

Customers benefit from a water system which meets the growing demand for water in the service area.

Cost Details

The project will be completed in December 2025 for an estimated cost of \$325,719. Costs are shared between Waikoloa Village Water (721) and Waikoloa Resort Water (723) as shown in the table below.

	2025	
Waikoloa Village Allocation	36.09%	\$ 117,568
Waikoloa Resort Allocation	63.91%	\$ 208,151
Project Cost		\$ 325,719

WO 130587 Valve Replacement on 14" Trans Line

Project Cost: \$109,444

Problem Statement

The isolation valve on the 14-inch transmission line connecting the north well field to Waikoloa Village is at the end of its useful life and requires replacement.

Project Justification

Isolation valves are valves that are used to stop the flow of water to a given location. They are critical for the proper operation of the water systems and are used in a variety of applications, ranging from maintenance to flow logic. If an isolation valve fails, then there could be significant damage to customer or company property, or environment.

The isolation valve on the 14-inch transmission line connecting the north well field to Waikoloa Village is at the end of its useful life and requires replacement. The isolation valve is no longer operable. If there is a leak on the transmission line, a large disruption to service would occur due to the need to insert a valve to isolate the leak.

Alternative Analysis

1. Replace Valve
 - This is the preferred solution because the valve is no longer operable.
2. "Do Nothing"
 - This is not a viable solution due to the possibility of failure of a valve.

Recommended Solution

Replacement valve is the recommended solution.

Customer Benefits

Replacing older isolation valves provides maximum benefit to the customers by improving water system reliability. This valve provides control in a water system in many ways. The reliability of the valve is critical to maintenance and flow logic of the system. During a main break, if a section of main cannot be isolated, repairs are more expensive and more water is lost. This can lead to the risk of catastrophic property loss, as well as damage to plumbing in customer homes and businesses.

Cost Details

The project will be completed in December 2025 at an estimated cost of \$109,444. Costs are shared between Waikoloa Village Water (721) and Waikoloa Resort Water (723) as shown in the table below.

	2025	
Waikoloa Village Allocation	36.09%	\$ 39,504
Waikoloa Resort Allocation	63.91%	\$ 69,940
Project Cost		\$ 109,444

WO 131310 Remove/Replace DW6 Pump

Project Cost: \$883,981

Problem Statement

DW6 well pump is not producing water as it was designed. Output production from the well has depreciated immensely and brass shavings were observed in the discharge water.

Project Justification

Well DW-6 is an aboveground turbine motor atop an underground line-shaft pump in the Waikoloa South Well Field. Well DW-6 was drilled to a depth of 1,390-ft and equipped with a multi-stage pump capable of pumping 1000 gallons per minute. DW-6 is one of four wells in the Waikoloa South Well Field that supplies groundwater for the Waikoloa Public Water System. There are also four wells in the Waikoloa North Well Field. These wells all together are necessary to provide potable drinking water to our customers for consumption, landscape irrigation, emergency fire-fighting supply. They are critical to the services we provide.

The DW6 potable well pump located in the 1200 South well field was installed in January 2007 and has a continuous accumulated runtime of 14.8 years. On April 20, 2023, while operations conducted their daily checks it was noticed that the well output was at 0 gallons per minute and the amperage readings were below normal. The well was immediately taken offline and the Hawaii Water EMT checked the well motor and determined that there were no problems with it. Hawaii Drilling and Pump Service LLC was contacted perform an inspection. Brass shavings were identified in the waste vault which therefore indicated that there was probable damage present on the well pump and other components. When the new pump is installed, new column pipe, oil tube, line shaft, and sounding tubes will also be installed.

Delay in getting DW6 back online and into service is the biggest risk due to the reliability of having all potable wells operational to provide an adequate amount of potable water supply for the Waikoloa Village and Waikoloa Resort distribution systems in the event of possible wildfires.

Alternative Analysis

1. Replace DW-6 Pump
 - This is the only viable solution. The decision to replace the well pump and other appurtenances was made since the well has been in service for 16 years and has an accumulated continuous runtime of 14.8 years recorded
2. "Do Nothing"
 - This solution was not considered because this well is critical to meet water demands in the system.

Recommended Solution

Replace DW-6 pump and associated components.

Customer Benefits

Customer benefit by having a reliable water system capable of meeting all water demands for domestic use and fire suppression.

Cost Details

The project will be completed in December 2024 for an estimated cost of \$883,981. Costs are shared between Waikoloa Village Water (721) and Waikoloa Resort Water (723) as shown in the table below.

	2024	
Waikoloa Village Allocation	36.09%	\$ 319,071
Waikoloa Resort Allocation	63.91%	\$ 564,910
Project Cost		\$ 883,981

WO 135409 DW7 Potable Well Pump Replacement

Project Cost: \$746,420

Problem Statement

Production from DW-7 was lower than usual. An inspection revealed brass shavings in the discharge wasting box which indicated an issue with the pump. The well was taken offline to determine the cause.

Project Justification

The Waikoloa Public Water System has a total of 8 Deep Wells that supply water for the Waikoloa Village and Waikoloa Resort areas. Four (4) wells are in the 1200N well field and Four (4) wells are in the 1200S well field.

1200N well field

DW1

DW4

DW5

DW7

1200S well field

DW8

DW3

DW2

DW6

DW7 started up on 6/28/2013 and has pumped 5.432 billion total gallons with 8.7 continuous years of runtime recorded.

On 5/6/2024 It was noticed that the output from DW7 was less than 1000 GPM which prompted operations to perform a thorough review of the operating amps/volts etc. which were found to be within normal parameters. Upon inspection of the well site, it was observed that brass shavings were present in the discharge wasting box which signified that there was an apparent problem with the pump, and the well was taken offline to have a contractor pull the pump and determine the extent of the damage.

Not replacing the pump for DW7 will decrease the reliability of Hawaii Water to meet water supply demands for the Waikoloa system due to the fact that it is currently the only well site in the north well field with an emergency standby generator for providing backup power to function in the event of a HECO power loss.

Due to the planned PSPS program being implemented by HECO, DW7 well site is the only site in the north well field with an emergency standby power generator and is a critical site for providing potable water to fill the storage tanks in the event of a PSPS situation. Failure to maintain proper water levels in the tanks at the north well field would affect Hawaii Water's ability to provide an adequate amount of water supply needed to maintain water pressure and supply for firefighting efforts.

Alternative Analysis

1. Replace DW-7 Pump
 - This is the only viable solution. The decision to replace the well pump due to the criticality of having a back up generator at the site.
2. “Do Nothing”
 - This solution was not considered because this well is critical to meeting water demands in the system.

Recommended Solution

Replace DW-7 pump.

Customer Benefits

Customer benefit by having a reliable water system capable of meeting all water demands for domestic use and fire suppression.

Cost Details

The project will be completed in December 2024 for an estimated cost of \$746,420. Costs are shared between Waikoloa Village Water (721) and Waikoloa Resort Water (723) as shown in the table below.

	2024	
Waikoloa Village Allocation	36.09%	\$ 269,419
Waikoloa Resort Allocation	63.91%	\$ 477,001
Project Cost		\$ 746,420

Exhibit WU-T-400-WHWC

Direct Testimony of Jason Mumm

REVENUE REQUIREMENT



General Rate Case of
Waikoloa Resort Utilities, Inc., Waikoloa Sanitary
Sewer Company, Inc., and Waikoloa Water Co., Inc.
Docket 2024-0224
October 2024

Table of Contents

<u>Introduction.....</u>	<u>1</u>
<u>Overview of Proposed Rate Increase.....</u>	<u>2</u>
<u>Revenues at Current and Proposed Rates</u>	<u>3</u>
<u>Sales, Services, and Production</u>	<u>4</u>
<u>Operations and Maintenance (“O&M”) Expenses</u>	<u>5</u>
<u>Depreciation and Amortization Expenses.....</u>	<u>13</u>
<u>Income Tax Expense</u>	<u>14</u>
<u>Rate Base</u>	<u>15</u>
<u>Rate of Return.....</u>	<u>22</u>
<u>Proposed Rates and Bill Impacts.....</u>	<u>24</u>
<u>Power Cost Charge</u>	<u>26</u>

Tables Included in Testimony

<u>Table 1 – Summary of Requested Increase.....</u>	<u>2</u>
<u>Table 2 – Customer Counts and Water Sales for the Test Year.....</u>	<u>4</u>
<u>Table 3 – Fuel and Power</u>	<u>9</u>
<u>Table 4 – Conservation Program Costs.....</u>	<u>12</u>
<u>Table 5 – Summary of Operating Expenses.....</u>	<u>13</u>
<u>Table 6– Depreciation and Amortization Expenses</u>	<u>14</u>
<u>Table 7 – Income Tax Expense</u>	<u>15</u>
<u>Table 8 – Plant in Service</u>	<u>16</u>
<u>Table 9 – Accumulated Depreciation.....</u>	<u>16</u>
<u>Table 10 – Rate Base Net Plant in Service</u>	<u>17</u>
<u>Table 11 – Increase in the Average Net Plant in Service.....</u>	<u>17</u>
<u>Table 12 – Reductions to Rate Base.....</u>	<u>18</u>
<u>Table 13– Net Salvage Adjustment</u>	<u>18</u>
<u>Table 14 – Tax Cut and Jobs Act Adjustment Details.....</u>	<u>19</u>
<u>Table 15 – Net Contributions in Aid of Construction</u>	<u>20</u>
<u>Table 16 – Accumulated Deferred Income Tax - Federal</u>	<u>21</u>
<u>Table 17 – Accumulated Deferred Income Tax - State.....</u>	<u>21</u>
<u>Table 18 – Working Capital</u>	<u>22</u>
<u>Table 19 – Weighted Average Interest Rate for Long-Term Debt.....</u>	<u>23</u>
<u>Table 20 – Waikoloa Rate of Return for 2024</u>	<u>23</u>
<u>Table 21 – Advice Letter No. 2495 – Return on Common Equity.....</u>	<u>24</u>

<u>Table 22 – Calculation of Return on Rate Base.....</u>	<u>24</u>
<u>Table 23 – Proposed Fixed Rates</u>	<u>25</u>
<u>Table 24 – Proposed Quantity Rates</u>	<u>26</u>
<u>Table 25 – Bill Impacts</u>	<u>26</u>

Chart Included in Testimony

<u>Chart 1 – Inflation Comparison</u>	<u>7</u>
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WEST HAWAII UTILITY, SEWER, AND WATER GENERAL RATE CASE
DIRECT TESTIMONY OF JASON G. MUMM
REVENUE REQUIREMENT MODEL - WHWC

Introduction

Q. Please state your name, position, and business address.

A. My name is Jason G. Mumm. I am a Principal with FCS GROUP (FCSG), a subsidiary of Bowman Consulting, Inc., a professional consulting services firm headquartered in Reston, VA. My primary place of business is in Boulder, CO, at 2755 Canyon Blvd, Boulder, CO 80302.

Q. Please summarize your educational background, current job responsibilities, and professional experience.

A. I hold a BS degree in Business Administration from Colorado State University and an MBA from the University of Colorado-Denver. My present job responsibilities include managing project teams engaged in multiple projects for multiple clients in the area of water, wastewater, and stormwater utility rates and charges. I have 28 years of experience directly related to my current responsibilities. As part of my professional duties, I often serve in an expert witness capacity in civil proceedings and, sometimes, in utility commission rate cases. I've appeared as an expert in commission related cases in Colorado, Texas, Rhode Island, Hawaii, and Nova Scotia. I am a 25-year member of the American Water Works Association ("AWWA") and am the immediate past-chair of the AWWA Rates and Charges Committee, a committee responsible for, among other things, publishing the manuals of practice for setting water utility rates and charges used throughout the water industry.

Q. What is the purpose of your testimony in this proceeding?

A. My testimony supports the revenue requirements and aggregate rates requested by Hawaii Water Service Company ("Hawaii Water" or "the Company") for the West Hawaii Water Company ("WHWC") system for the period beginning January 1, 2025, and ending December 31, 2025 ("Test Year"). Additionally, I will address the calculations and financial information to support the overall revenue requirement, including the rate base, estimates of certain expenses, and details of sales and revenues, which are included in this application.

Q. What Exhibit will you be sponsoring?

A. I am sponsoring Exhibit WU-T-401-WHWC, the Results of Operations model for the Waikoloa Village Water Utility. That exhibit begins with a list of schedules that shows what each of the sub-exhibits that I am sponsoring. Those exhibits are labeled “Exhibit WHWC #.#” and will reference them in that fashion in this testimony.

Overview of Proposed Rate Increase

Q. Please provide a brief overview of the WHWC.

A. The WHWC system provides potable water to the Waikoloa Village area in South Kohala on the island of Hawaii (“Village”). Since the company began operations in 1970, it has developed potable water wells, storage tanks, and transmission/distribution lines as needed to keep up with the growth of the community. WHWC serves residential (condominium and single-family), public authority, and commercial developments within the Village. The wells, transmission lines, and the majority of the storage facilities are jointly operated and maintained by WHWC and West Hawaii Utility Company (“WHUC”) pursuant to a Water Sharing Agreement (Docket 96-0003). The system is supported by both the Big Island District (“Big Island”) and Hawaii General Office (“HGO”).

Q. Please provide a brief overview of the revenue requirement and rate increase requested in this proceeding.

A. Hawaii Water proposes an increase in revenues of \$1,876,050, as presented in Exhibit WHWC 6. The total revenue proposed to recover is \$4,637,563. The request represents a 67.9% increase over the revenues produced by current rates. Of this total, \$1,475,974 is a pass-through for energy-related costs. The remaining \$3,161,589 is collected through a fixed charge based on the meter's size and a volumetric, or quantity, charge. The details of the proposed rates can be found in Exhibit WHWC 12.

Table 1 – Summary of Requested Increase

Line No.	Description	Amount	Exhibit Reference
	(a)	(b)	(c)
1	Total Test Year Expense	\$4,077,516	Exhibit WHWC 6
2	Proposed Return on Rate Base of 8.01%	\$560,047	Exhibit WHWC 6
3	Total Revenue Needs	\$4,637,563	Exhibit WHWC 6
4	Less: Revenues Produced by Current Rates	(\$2,761,513)	Exhibit WHWC 6
5	Proposed Revenue Increase \$	\$1,876,050	Exhibit WHWC 6
6	Proposed Revenue Increase %	67.9%	Exhibit WHWC 6

Revenues at Current and Proposed Rates

Q. How was the revenue requirement determined?

A. For WHWC, the revenue requirements include operating and maintenance expenses, depreciation expenses, income taxes, taxes other than income taxes, and a return on rate base. A future test period is used based on historical information to forecast expenses with inflation-adjusted factors based on a three-year average. As shown in the Exhibits, these forecasted values are referred to as the “Test Year.” This report’s historical information is based on the calendar year 2023. The Test Year is January 1, 2025, through December 31, 2025. WHWC’s revenues were initially estimated based on its currently adopted rates, as shown in Table 1 (Line 4, Column b). The expected revenues are compared to the Test Year revenue requirement to determine the requested revenue increase per Table 1.

Q. Please explain the choice of 2023 as the base year in this filing.

A. The 2023 base year was chosen because it was the most recent calendar year with complete financial results at the time of this application. Hawaii Water has reviewed the 2023 financial information and believes that, after adjustment for known and measurable changes as outlined in my testimony, they reasonably represent the revenue requirements in the proposed Test Year.

Q. How were revenues under current rates calculated?

A. The current rates for WHWC consist of three previously approved billing determinants: fixed revenue, quantity revenue, and Power Cost Charge (“PCC”) revenue. There is a charge per each customer depending on their meter size that is assessed each month regardless of the amount of water used; there is a separate charge for the quantity of water used by each customer, and the PCC is calculated using the WHWC’s PCC formula multiplied by the estimated water consumption. The fixed revenue at the present rates is calculated using the adopted fixed rate by meter size multiplied by the estimated customer count for each meter size in each customer class. The quantity rate is calculated using the approved quantity charge multiplied by the estimated water consumption in the customer class. The approved PCC formula is multiplied by the estimated water consumption in the respective customer class. Applying the current rates for the WHWC system to these billing determinants results in current revenues of \$2,761,513 (Table 1, Line 4, Column b). Exhibit WHWC 8.1 summarizes past, present, and proposed revenues by customer class.

Q. How was it determined that the use of a three-year average is reasonable for ratemaking purposes?

A. The three-year average has been the accepted practice from the previous rate case and has been incorporated into determining the expenses and revenues for the Test Year.¹ Payroll, employee benefits, rent, insurance, and regulatory expenses have been estimated using different methodologies, which will be described in more detail in my testimony.

Sales, Services, and Production

Q. Please discuss the Exhibit where recorded and forecasted customer counts are shown

A. Exhibit WHWC 8.2 shows the recorded customer counts by customer class. This exhibit also provides the forecasted customer counts by class for the Test Year.

Q. How were customer counts estimated for the Test Year?

A. The customer counts for the Test Year were estimated using the 2023 base year counts. For the Residential – Single-family class, a three-year average growth factor was applied to estimate the customer count for the Test Year. All other classes remained at the 2023 customer count level, as shown below in Table 2.

Table 2 – Customer Counts and Water Sales for the Test Year

Line No.	Class	2023 Customer Counts	Three Year Average Growth Rate	Customer Counts for Test Year	Water Sales for Test Year	Exhibit Reference
	(a)	(b)	(c)	(d)	(e)	(f)
1	Residential - Single - family	2,148	1.02%	2,170	413,238	Exhibit WHWC 8.2
2	Residential - Multi - family	23		23	162,478	Exhibit WHWC 8.2
3	Business	29		29	47,197	Exhibit WHWC 8.2
4	Public Authority	7		7	46,686	Exhibit WHWC 8.2
5	Total	2,207		2,229	669,598	Exhibit WHWC 8.2

Q. How were water sales forecasted for the Test Year?

A. Water sales are defined as water sold to customers measured in thousands of gallons (“TG”). The sales were estimated using a three-year average of recorded data from 2021 to 2023, as shown in Exhibit 8.2 and Table 2.

¹ See generally Docket No. 2017-0450.

Operations and Maintenance (“O&M”) Expenses

Q. Please describe the Exhibits that support the O&M expense included in the requested revenue requirement.

A. Support for the Test Year expenses is provided in Exhibits WHWC 8.4 to WHWC 8.21. Each Exhibit includes details showing the expenses incurred from 2019 through 2023 and the amounts associated with the Test Year.

- Exhibit WHWC 8.4 – 4-Factor Allocation
- Exhibit WHWC 8.5 – Labor Expense
- Exhibit WHWC 8.6 – Fuel & Power Expense
- Exhibit WHWC 8.7 – Power Cost Charge
- Exhibit WHWC 8.8 – Chemicals Expense
- Exhibit WHWC 8.9 – Materials and Supplies Expense
- Exhibit WHWC 8.10 – Waste/Sludge Disposal Expense
- Exhibit WHWC 8.11– Affiliate Charges
- Exhibit WHWC 8.12 – Outside Services
- Exhibit WHWC 8.13 – Repairs & Maintenance
- Exhibit WHWC 8.14 – Rents
- Exhibit WHWC 8.15 – Insurance Expenses
- Exhibit WHWC 8.16 – Regulatory Expenses (Test Year)
- Exhibit WHWC 8.17 – Regulatory Expenses (Recorded)
- Exhibit WHWC 8.18 – General & Administrative Expenses
- Exhibit WHWC 8.19 – Customer Accounts Expenses
- Exhibit WHWC 8.20 – Taxes Other than Income Taxes
- Exhibit WHWC 8.21– Income Tax Expense

Q. Why is the recovery of allocated Big Island and HGO expenses appropriate?

A. HGO allocated operations benefit all of Hawaii Water’s ten utilities, encompassing fifteen systems. Big Island allocated expenses benefit all systems located on the Island of Hawaii, including Waikoloa Village Water, Waikoloa Village Sewer, and Waikoloa Resort. A four-factor allocation method is used to distribute costs among the systems. Payroll and indirect expenses of HGO and Big Island have been included in this rate case based on the methodology accepted in prior rate cases by the Hawaii Public Utilities Commission (“Commission”).²

² See Docket No. 2022-0186, Docket No. 2021-0005, Docket No. 2018-0388, Docket No. 2017-0350, and Docket No. 2017-0450.

1 **Q. Please describe the four-factor methodology and the rationale for using it.**

2 A. As sponsored in the testimony of Mr. Stout³, Hawaii Water uses an internal four-factor methodology
3 to allocate general operations costs among its regulated utility companies. This method is based on
4 (1) the number of customer equivalents taking service from the system, (2) gross plant in service,
5 (3) direct operations and maintenance expenses, and (4) direct gross payroll. All the factors directly
6 correlate to the size, capital investment, and costs of operating and maintaining a system. For
7 instance, the plant in service directly represents the size of the system by the amount of capital
8 investment in each system. The Commission has accepted this methodology in other recent Hawaii
9 Water proceedings.⁴

10
11 **Q. How were the inflation factors used to adjust historical costs developed?**

12 A. For the 2019 – 2023 period, the factors were obtained from the U.S. Bureau of Labor Statistics⁵.
13 The annual recorded expenses are adjusted by the Consumer Price Index (“CPI”) using the
14 Honolulu CPI. Since federal CPI data is not available for neighboring islands, the best available
15 data was used.⁶ For 2024 and 2025, the factors were obtained from the Hawaii Department of
16 Business, Economic Development & Tourism as of May 2024. The inflation factors and links to
17 the sources can be found in Exhibit WHWC 8.3.⁷ The historical costs are escalated to 2025 dollars
18 per expense, and the inflation-adjusted dollars averaged for 2021 – 2023 to forecast the Test Year
19 costs.

20 This methodology of adjusting certain recorded expenses by CPI is reasonable for rate making and
21 has been utilized in previous rate cases.⁸ If this factor is not used, out-of-date costs would be utilized
22 to forecast the Test Year expenses and underestimate those costs.

23 The average inflation rate from the previous rate case was 1.85% from 2013 through 2018. As the
24 chart shows below, the inflation rate for Honolulu reached 3.78% in 2021 and 6.49% in 2022.
25 Inflation does begin to decrease after 2022; however, the repercussions of higher costs from the

³ Exhibit WU-T-200, page 4.

⁴ See Docket No. 2022-0186, Docket No. 2021-0005, Docket No. 2018-0388, Docket No. 2017-0350, and Docket No. 2017-0450.

⁵ <https://data.bls.gov/timeseries/CUURS49FSA0>.

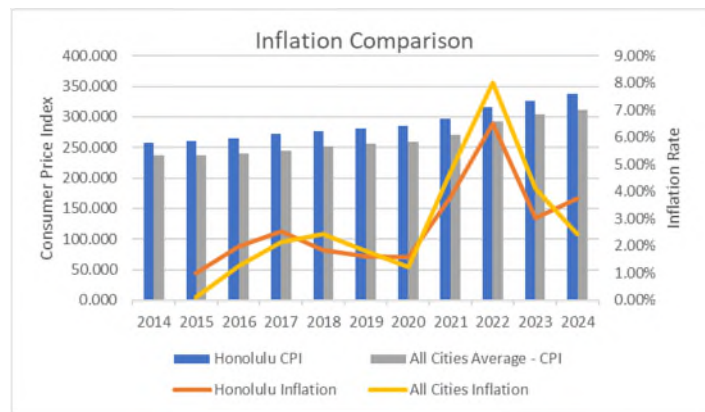
⁶ <http://dbedt.hawaii.gov/economic/library/faq/faq03/>.

⁷ <https://dbedt.hawaii.gov/economic/qser/outlook-economy/>.

⁸ See Docket No. 2017-0450.

1 cumulative impact of higher inflation rates cannot be reversed, and the rates have not returned to
2 pre-2020 levels.

3 Chart 1 – Inflation Comparison
4



5
6 **Q. Are there any other allocated costs from affiliates?**

7 A. Yes. California Water Service Group (“CWSG”) includes several subsidiaries: Cal Water,
8 Hawaii Water, Washington Water Service Company, Texas Water Service Company, and New
9 Mexico Water Service Company. CWSG incurs significant costs in providing services to its
10 subsidiaries through its Customer Support Services (“CSS”). The services provided include
11 corporate governance, audit, accounting and finance, information technology, human resources,
12 and communications. These functions are provided centrally as it is more cost effective. Insurance
13 is also negotiated at the CWSG level, and the costs are allocated to subsidiaries. As of 2013, a
14 department called Public Company (“PubCo”) was created to accumulate the respective expenses
15 of the different CSS departments. The accumulated shared costs are allocated from the “PubCo”
16 department, as shown in Exhibit WHWC 8.11. Recovery of these allocated PubCo expenses have
17 been approved by the Commission in previous WHWC rate cases and previous cases for other
18 Hawaii Water systems.⁹

19
20 **Q. How was the \$156,146 in Affiliated Charges expense calculated?**

21 A. This amount is based on a three-year historical average of the costs allocated to Hawaii Water from
22 PubCo. It is further distributed using the four-factor allocation method except for two specific

⁹ Docket No. 2017-0450

1 adjustments. In previous rate cases,¹⁰ Hawaii Water agreed to remove the incentive compensation
2 and other expenses from account 791000 from the overall PubCo allocation; this adjustment is
3 shown in Exhibit WHWC 8.11 and reduced the total PubCo allocation to WHWC by \$12,648. The
4 second adjustment reduces the PubCo allocation by the three-year historical average of insurance
5 expenses allocated to WHWC, totaling \$21,903. The insurance adjustment is necessary because
6 WHWC's expected insurance cost is based on quoted premiums rather than the historical costs; the
7 deduction ensures only the quoted premium forecasted for the Test Year is included in the revenue
8 requirement.

9
10 **Q. What labor-related expenses are included in the WHWC revenue requirement?**

11 A. The labor-related expenses included in the revenue requirement include payroll, benefits, and
12 payroll tax expenses, as shown in Exhibit 8.5. The total payroll for the Test Year is \$451,931.
13 Payroll expenses are based on the budgeted payroll for 2024, with a 5% merit increase included to
14 represent the Test Year expense. Supporting details for this level of payroll expense were prepared
15 by Hawaii Water and can be found in the confidential work paper named "Confidential HWSC
16 Payroll 2024."

17 Expenses for medical and dental benefits are based on projected costs as provided by an analysis
18 for fiscal years 2023-2027 completed by Ernst & Young LLP in December 2022. The projected
19 medical and dental expenses for the Test Year for Hawaii Water total \$625,000, and the projected
20 retirement healthcare costs are \$62,000. The Test Year amount for medical, dental, and retiree
21 healthcare is \$122,844 once the WHWC, Big Island, and HGO allocations are distributed. Workers'
22 compensation expense is determined by multiplying the Test Year payroll expense by a 2.83% rate.
23 Pension expenses are based on projected costs provided by an analysis for fiscal years 2023-2027
24 completed by Ernst & Young LLP in March 2023. The projected costs total \$775,000 for the Test
25 Year for Hawaii Water. For WHWC, the pension costs for the Test Year are \$138,580, which
26 includes allocations from Big Island and HGO. Employee benefit expenses for the Test Year
27 represent a \$10,730 decrease from those incurred in 2023.

28
29

¹⁰ See Order No. 38002 *Regarding Kalaeloa Water Company, LLC's Completed Application and Other Initial Matters*, filed October 10, 2021, in Docket No. 2021-0005.

Q. What payroll tax expense is included in the proposed revenue requirement?

A. The payroll tax expense included in the proposed revenue requirement is \$61,939. Supporting details for this amount, prepared internally by Hawaii Water, can be found in the same confidential work paper as the support for the payroll expense.

Q. Please explain the expenses in Exhibit WHWC 8.6, Fuel and Power Costs.

A. Significant costs of maintaining the water utility are the fuel and power costs to operate eight deep wells that supply the water to the treatment system. This expense was estimated by calculating the unit cost per kilowatt hour (“\$/kWh”) of power for the Test Year and multiplying it by the estimated kilowatt usage in the Test Year. For each historical year, the unit cost for purchased power was determined by dividing the recorded power costs by the consumption for that year. Test Year power cost is the three-year average units of consumption from 2021 – 2023 multiplied by the average cost per kilowatt hour in that same time frame, as shown in Exhibit WHWC 8.6. In previous years, the fuel and power costs have ranged from \$1.2 to \$1.8 million, and the Company expects costs in the Test Year to be \$1,544,835, as summarized below in the table.

Table 3 – Fuel and Power

Line No.	Description	2021	2022	2023	Test Year	Exhibit Reference
1	Recorded Power Costs [\$]	\$ 3,486,293	\$ 4,924,798	\$ 4,471,732	\$ 4,280,508	Exhibit WHWC 8.6
2	Recorded Consumption [kWh]	11,066,653	11,885,327	11,516,657	11,489,546	Exhibit WHWC 8.6
3	Unit Cost [\$/kWh]	\$ 0.3150	\$ 0.4144	\$ 0.3883	\$ 0.3726	Exhibit WHWC 8.6
4	Allocated costs to WHUC	\$ (2,212,818)	\$ (3,133,334)	\$ (2,855,737)	\$ (2,735,672)	Exhibit WHWC 8.6
5	Total WHWC Costs	\$ 1,273,475	\$ 1,791,464	\$ 1,615,995	\$ 1,544,835	Exhibit WHWC 8.6

Q. How are these Fuel and Power costs recovered?

A. Costs associated with purchased power are recovered through WHWC’s PCC instead of through base rates. The PCC is set to recover the cost of purchased power incurred in the Test Year. The PCC will be discussed in more detail in a subsequent section of my testimony.

Q. Are there any other significant expenses incurred in supplying water, ensuring its safety and distributing it to customers?

A. Yes. Other significant expenses related to supplying water are chemicals and repair and maintenance costs. Exhibit WHWC 8.8 totals \$ 30,136 in estimated chemical costs for the Test

1 Year. This amount was determined by escalating the historical costs to 2025 dollars and averaging
2 the inflation-adjusted historical costs for 2021 – 2023.

3 Repair and maintenance expenses can be found on Exhibit WHWC 8.13 and are divided into the
4 following classifications: source of supply, pumping, treatment and disposal, transmission and
5 distribution, administration and general, and mileage. These expenses are directly assigned to
6 WHWC; other expenses are allocated from HGO and Big Island. In Hawaii Water’s accounting
7 system, certain expenses are grouped with repairs and maintenance but have already been
8 accounted for in the Test Year revenue requirements; these include costs for chemicals, materials
9 and supplies, and waste disposal. The costs for these items are deducted from repair and
10 maintenance expenses to avoid double counting. The estimated Test Year is the three-year average
11 from 2021 to 2023 of the repair and maintenance expenses with the appropriate inflation factor
12 applied by year escalated to 2025 dollars, net of the cost of chemicals, materials and supplies, and
13 waste disposal.

14 Those expenses attributed to materials and supplies and waste disposal, as shown in Exhibits
15 WHWC 8.9 and 8.10, are handled similarly. The effect of these costs is less impactful due to lower
16 costs attributed to these categories.

17 **Q. What outside services are needed to run the system?**

18 A. WHWC incurs costs for legal fees, technical fees, and other consulting services. The expenses are
19 incurred directly and are allocated from HGO. The \$12,112 expense requested for recovery is
20 determined by escalating the historical costs to 2025 dollars and averaging the inflation-adjusted
21 historical costs for 2021 – 2023, as shown in Exhibit WHWC 8.12.

22 **Q. Are any other expenses included in the allocation of costs from PubCo?**

23 A. Insurance is purchased at the PubCo level and then allocated to HGO. The costs are further
24 allocated to WHWC using the four-factor allocation method. The Test Year insurance expense is
25 based on a quote for 2024 insurance costs and increased by the three-year average percentage
26 change in insurance expense for the Test Year.

27
28 **Q. What amount of insurance expense is included in the Test Year?**

29 A. Purchasing insurance at the corporate level results in cost savings, with 2.91% of the insurance
30 expense allocated to Hawaii Water, as shown in Exhibit 8.15. The insurance expense is based on

1 the 2024 quote and increased by 2.1% for the Test Year using the three-year average percent change
2 from 2021 to 2023 incurred at CWSG, totaling \$6,496,151. After allocating the costs to Hawaii
3 Water and applying the four-factor allocation method, the result is \$20,916 in liability and property
4 insurance expense, which is included in the proposed revenue requirement.

5
6 **Q. Please explain the calculation of the \$78,389 in General & Administrative Expenses shown on**
7 **Exhibit WHWC 8.18.**

8 A. The requested General and Administrative expenses are comprised of the following categories:
9 office supplies and miscellaneous general and administrative expenses. Office supplies expenses
10 include postage, telephone expenses, stationery and printing, bank fees, travel and incidental
11 expenses, meals during travel, training and seminars, conferences, and internal projects. The
12 historical costs are escalated to 2025 dollars and averaged over three years from 2021 – 2023 for
13 the Test Year expense of \$78,389.

14
15 **Q. Are any rental expenses included in the application?**

16 A. Yes. Rent expense consists of expenses related to existing leases. The proposed revenue
17 requirement includes the rental expense for the Hawaii Water General Office (“Waikoloa Office”).
18 The costs reflect the actual lease amount for the Test year. This expense is shown in Exhibit WHWC
19 8.14, which totals \$9,997 for the Test Year. The General Excise Tax of 4.7120% was applied along
20 with the four-factor method described above to allocate the Waikoloa Office expense to WHWC.

21
22 **Q. What level of customer-related costs are included in the proposed revenue requirement?**

23 A. The Company has included \$108,942 in customer accounts expenses per Exhibit 8.19. The
24 conservation expenses are included in the customer-related costs. The remaining \$16,120 is
25 allocated to customer-related standard costs. The previous rate case had customer-related costs of
26 \$40,564 divided between \$18,064 to customer accounts standard costs and \$22,500 to conversation
27 program costs.

Q. What are the details related to the conservation program for WHWC?

A. The conversation coordinator and costs are new expenses for WHWC. For the Conservation Program Coordinator costs, \$18,153.64, or 19.46% of the portion allocated to Hawaii Water Service of \$93,286.96 is attributed to WHWC. The coordinator costs were distributed to seven systems within Hawaii Water. An additional \$74,668 has been allocated to WHWC for the conservation program costs for the Test Year. The program costs of \$145,000 have been split between WHWC and WHUC-Water based on the allocation of the coordinator costs. The total conservation program costs allocated to WHWC total \$92,822, as shown in the Table below.

Table 4 – Conservation Program Costs

Line No.	Description	Conservation Costs	Allocation Percentages	Allocation Amounts	Costs for Test Year	Exhibit Reference
	(a)	(b)	(c)	(d)	(e)	
1	Conservation Program Coordinator Costs to HWSC	\$93,287				
2	Allocated to WHWC		19.46%	\$18,154		
3	Allocated to WHUC - Water		18.33%	\$17,099		
4	Conservation Program Costs	\$145,000				
5	Allocated to WHWC		51.5%	\$74,668		
6	Allocated to WHUC - Water		48.5%	\$70,332		
7	Allocated to WHWC				\$92,822	Exhibit WHWC 8.19

Q. What regulatory expenses are included in the Company's request?

A. Regulatory expenses include the costs expected for the work and activities related to completing this rate case. WHWC has included \$32,838 in regulatory-related expenses in the proposed revenue requirement. This amount is based on the expected \$131,352 cost of preparing and supporting this case, amortized over four years, as shown in Exhibit WHWC 8.16. These costs include legal, consulting, travel, and other internal costs of Hawaii Water, which are directly assigned and are not included in other expense categories. Historical regulatory costs are provided in Exhibit 8.17.

Q. What taxes are included in the proposed revenue requirement?

A. There are two categories of taxes included in the proposed revenue requirement: Taxes Other Than Income Taxes ("TOIT") and Income Taxes. For TOIT, the Public Company Service Tax and Public Utility Fee are included at their respective statutory rates of 5.885% and 0.50%, as shown in Exhibit

WHWC 8.20, resulting in \$296,108 in expenses. For Income Taxes, State and Federal Income Taxes are also included in the revenue requirement and are discussed later in my testimony.

Q. Please provide a summary of the operating expenses that are proposed for recovery in rates.

A. The table below summarizes the operating expenses discussed above:

Table 5 – Summary of Operating Expenses

Line No.	Description	Amount	Exhibit Reference
	(a)	(b)	(c)
1	Labor Expenses	\$ 788,084	Exhibit WHWC 8.5
2	Fuel & Power	\$ 1,544,835	Exhibit WHWC 8.6
3	Chemicals	\$ 30,136	Exhibit WHWC 8.8
4	Materials & Supplies	\$ 22	Exhibit WHWC 8.9
5	Waste/Sludge Disposal	\$ 3	Exhibit WHWC 8.10
6	Affiliated Charges	\$ 156,146	Exhibit WHWC 8.11
7	Professional and Outside Services	\$ 12,112	Exhibit WHWC 8.12
8	Repairs & Maintenance	\$ 475,488	Exhibit WHWC 8.13
9	Rental Expenses	\$ 9,997	Exhibit WHWC 8.14
10	Insurance Expenses	\$ 20,916	Exhibit WHWC 8.15
11	Regulatory Expenses	\$ 32,838	Exhibit WHWC 8.17
12	General & Administrative Expenses	\$ 78,389	Exhibit WHWC 8.18
13	Customer Accounts Expenses	\$ 108,942	Exhibit WHWC 8.19
14	Total O & M Expenses	\$ 3,257,908	

Exhibit WHWC 8, the historical summary of the revenues and expenses, provides additional details.

Depreciation and Amortization Expenses

Q. What depreciable lives are used in this application?

A. WHWC uses group depreciation rates for the plant, property, and equipment. A detailed depreciation study was previously conducted for the Waikoloa Utilities.¹¹ The study was applied to WHWC and West Hawaii Sewer Company (“WHSC”), and the results were adopted from the previous rate case. Those depreciation rates are being utilized in this case.

¹¹ See Exhibit WHUC-T-102 filed in Docket No. 2017-0350

Q. Please describe how these rates are used to calculate net depreciation expense.

A. The depreciation expense included in the revenue requirement is determined by applying the adopted group depreciation rates to the gross plant balances by account as of 12/31/23, as shown in Exhibit 7.5. These group depreciation rates are uniformly distributed to similar properties instead of on an item-by-item basis. The plant included in this calculation consists of both depreciation expenses occurring directly at WHWC and allocated amounts from HGO and Big Island.

Depreciation expense on the investor-funded plant is reduced by the amortization of the contributed plant, which is calculated using the amortization rates from the previously adopted rate case, as shown in Exhibit 7.4. The depreciation and amortization expenses included in the proposed revenue requirement are shown below in Table 6:

Table 6– Depreciation and Amortization Expenses

Line No.	Description	Amount	Exhibit Reference
(a)	(b)	(c)	
1 Depreciation Expense	\$ 583,316	Exhibit WHWC 7.4	
2 Amortization of CIAC	<u>(\$190,968)</u>	Exhibit WHWC 7.9	
3 Total Net Depreciation Expense	\$392,347		

Income Tax Expense

Q. How were income tax expenses calculated?

A. Income taxes were calculated using the 21% federal corporate income tax rate and the effective Hawaii State Income Tax rate. Book depreciation was used when calculating both Federal and State income taxes. State income taxes are reduced by the Test Year amortized expense for the Hawaii Capital Goods Excise Tax Credit and a deduction to federal income taxes. The calculated tax difference between the book and accelerated depreciation is reflected in the rate base as deferred taxes. A total of \$129,972 in income tax expense is included in the revenue requirement, as shown in the table below:

Table 7 – Income Tax Expense

Line No.	(a)	(b)	(c)	(d)	(e)
1	State taxable Income			\$	608,852
2	State income Tax		Tax Rates		
3	Less than \$25K		4.4000%	\$	1,100
4	Over \$25K, but less than \$100K		5.4000%	\$	4,050
5	Over \$100K		6.4000%	\$	32,567
6	Less Hawaii Capital Goods Excise Tax Credit			\$	(33,548)
7	State Income Tax Subtotal				\$ 4,169
8	Federal taxable income			\$	604,683
9	Federal income tax		21.00%		
10	Federal Income Tax Subtotal				\$ 126,983
11	Less DTL Amortization				\$ (1,180)
12	Total Federal and State income taxes				\$ 129,972

Q. What other adjustments are made to calculate the income tax expense?

A. In 2017 the corporate tax rate changed from 35% to 21%. The calculated income taxes are further reduced by the inclusion of the amortization of the excess net deferred income tax liability for Big Island that existed at the end of 2017 when the tax rate changed. This is further discussed below related to Tax Cut and Jobs Act (“TCJA”) adjustments.

Rate Base

Q. Please provide a definition of the rate base.

A. The rate base is the investment that the utility’s owners have made in the utility plant and the working capital needed to operate the utility. There are deductions that represent the reduction of the owners’ investment. Accumulated depreciation on the utility plant reduces the value of the plant assets over time. Contributions in Aid of Construction (“CIAC”), deferred income taxes, and investment tax credits are examples of deductions from the rate base that represent non-owner investments in the utility. The rate base is calculated by taking the utility plant in service plus the working capital needs and deducting the accumulated depreciation on the utility plant and any non-owner investments. The result is the rate base upon which the owners are entitled to earn a reasonable rate of return.

Q. What period is utilized for the calculation of the rate base?

A. WHWC has calculated its rate base using the average of the net plant in service for 2024 and 2025, less the reductions to the total rate base for the same time frame. The working capital is added to

this amount to determine the rate base. Plant balances include direct investment in WHWC and allocated amounts from HGO and Big Island per Exhibit WHWC 7.

Q. How were the net plant in service balances determined?

A. The starting point for the net plant in service calculation is the plant asset value and accumulated depreciation balances as of 12/31/2023. Adjustments were made for additional plant assets to be placed in service for the years 2024 and 2025, along with the additional accumulated depreciation that will occur within that period. The average of the 2024 and 2025 net plant in service is utilized in calculating the rate base. Details of the net plant in service balances can be found in Exhibits WHWC 7.1 through 7.7. Since the previous rate case, the average net plant in service has grown by 32.48%, which is the basis for the increase in the rate base, as detailed in Exhibit WHWC 7. The total plant in service as of 2025 is \$21,319,903, with a total accumulated depreciation forecast of \$10,386,609 to produce an end of Test Year net plant in service of \$10,933,294. When averaged with the net plant in service projected for 2024 of \$10,793,104, the net plant in service amount utilized for the rate base calculation in this application is \$10,863,199. The tables below detail the plant and depreciation balances and summarize Exhibits WHWC 7.1 – 7.3.

Table 8 – Plant in Service

Line No.	Description	2023 Balance	2024 Additions	2024 Balance	2025 Additions	2025 Balance	Exhibit Reference
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	WHWC Plant	\$ 18,778,670	\$ 1,120,019	\$ 19,898,689	\$ 720,305	\$ 20,618,995	Exhibit WHWC 7.1
2	Big Island Plant	\$ 502,789	\$ 15,341	\$ 518,130	\$ 3,200	\$ 521,330	Exhibit WHWC 7.1
3	Hawaii Water General Office Plant	\$ 75,776	\$ 103,802	\$ 179,578	\$ -	\$ 179,578	Exhibit WHWC 7.1
4	Total Plant in Service	\$ 19,357,235		\$ 20,596,398		\$ 21,319,903	Exhibit WHWC 7.1

Table 9 – Accumulated Depreciation

Line No.	Description	2023 Balance	2024 Additions	2024 Balance	2025 Additions	2025 Balance	Exhibit Reference
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	WHWC Depreciation	\$ 8,972,609	\$ 511,547	\$ 9,484,156	\$ 534,420	\$ 10,018,576	Exhibit WHWC 7.3
2	Big Island Depreciation	\$ 229,091	\$ 33,126	\$ 262,217	\$ 33,286	\$ 295,503	Exhibit WHWC 7.3
3	Hawaii Water General Office Depreciation	\$ 41,256	\$ 15,664	\$ 56,921	\$ 15,610	\$ 72,530	Exhibit WHWC 7.3
4	Total Depreciation	\$ 9,242,956		\$ 9,803,294		\$ 10,386,609	Exhibit WHWC 7.3

Table 10 – Rate Base Net Plant in Service

Line No.	Description	12/31/2024	12/31/2025	Average	Exhibit Reference
	(a)	(b)	(c)	(d)	(e)
1	Plant In Service	\$ 20,596,398	\$ 21,319,903	\$ 20,958,150	Exhibit WHWC 7
2	Accumulated Depreciation Reserve	\$ 9,803,294	\$ 10,386,609	\$ 10,094,951	Exhibit WHWC 7
3	Net Plant in Service	\$ 10,793,104	\$ 10,933,294	\$ 10,863,199	Exhibit WHWC 7

Table 11 – Increase in the Average Net Plant in Service

Line No.	Description	Amount	Exhibit Reference
	(a)	(b)	(c)
1	Average Net Plant in Service 2017 GRC	\$ 8,199,967	Docket No. 2017-0450, Decision & Order 35878
2	Average Net Plant in Service 2024 GRC	\$ 10,863,199	Exhibit WHWC 7
3	Increase in Net Plant in Service	32.48%	

Q. Please provide a description of the additions that have been made to the plant balances existing as of 12/31/23.

A. Exhibit WHWC 7.2 lists the plant additions included in this rate case from 12/31/2023 through the Test Year. Table 8 above summarizes the plant in service for WHWC and the allocated plant amounts for Big Island and HGO, along with the plant additions for 2024 and 2025. Justifications for proposed plant additions for 2024 and 2025 are provided in the testimony of Mr. Julian Gandara (T-300).

Q. What other items are included in the rate base?

A. Net CIAC, Federal and State deferred tax balances, and the unamortized portion of the Hawaii Capital Goods Excise Tax Credit balance are included as the average amount of 2024 and 2025 in the calculation as a reduction to the rate base. The net salvage and the deferred TCJA adjustments are directly included in the calculation as reductions to the rate base. These items are summarized below and in Exhibit 7:

Table 12 – Reductions to Rate Base

Line No.	Description	12/31/2024	12/31/2025	Average	Exhibit Reference
1	Contributions in Aid of Construction	\$ (11,069,043)	\$ (11,069,043)	\$ (11,069,043)	Exhibit WHWC 7.8
2	Accumulated Amortization of Contributions in	\$ 7,900,880	\$ 8,091,849	\$ 7,996,365	Exhibit WHWC 7.9
3	Accumulated Deferred Taxes: Federal	\$ (571,046)	\$ (595,064)	\$ (583,055)	Exhibit WHWC 7.10
4	Accumulated Deferred Taxes: State	\$ (104,158)	\$ (118,916)	\$ (111,537)	Exhibit WHWC 7.12
5	Unamortized Hawaii Capital Goods Excise Tax	\$ (311,231)	\$ (321,799)	\$ (316,515)	Exhibit WHWC 7.14
6	Net Salvage Adjustment	\$ -	\$ -	\$ (46,177)	Exhibit WHWC 7.5.1
7	TCJA Deferred Tax Adjustment	\$ -	\$ -	\$ (12,880)	Exhibit WHWC 7
8	Total Reductions to Rate Base	\$ (4,154,598)	\$ (4,012,973)	\$ (4,142,842)	Exhibit WHWC 7

Q. What is the net salvage adjustment and why is it included in the rate base calculation?

A. The net salvage adjustment represents a reduction to the rate base due to the collection of net salvage through depreciation to include costs to dispose of the assets once permanently removed from service. The adjustment is calculated by taking the difference between the depreciation expense with net salvage and without net salvage as summarized in the table. The calculated depreciation amounts are shown in Exhibits WHWC 7.5 and 7.5.1. The Commission approved this adjustment in its decision in previous rate cases.¹²

Table 13– Net Salvage Adjustment

Line No.	Descriptions	Test Year Amount	Exhibit Reference
1	Depreciation Rates with No Cost of Removal	\$ 488,244	Exhibit WHWC 7.5.1
2	Depreciation Rates with Cost of Removal	\$ 534,420	Exhibit WHWC 7.5
3	Net Salvage Adjustment	\$ (46,177)	Exhibit WHWC 7

Q. What is TCJA adjustment, and why is it included in the rate base calculation?

A. The TCJA reduced the corporate federal income tax rate from 35% to 21%, resulting in an adjustment regarding excess deferred tax liability for Big Island. The adjustment of \$79,924 has been multiplied by the 2017 allocation factor of 18.33%, resulting in \$14,653 allocated to WHWC. As presented above, under income tax expenses, this is amortized over the life of the plant at the time of the rate change or 12.42 years at \$1,180 per year, as shown in the Table below. The unamortized portion of the net excess deferred tax liability remains as a rate base reduction, as shown in Exhibit WHWC 7. The Company has reduced the average unamortized balance over a four-year period, anticipating filing the next General Rate Case in four years. A detailed discussion

¹² See Docket No. 2017-0450.

of the implications of the TCJA on the Waikoloa systems is provided in the testimony of Mr. Jimmy Yee (T-500).

Table 14 – Tax Cut and Jobs Act Adjustment Details

Line No.	TCJA Adjustment	
	As of 12/31/2017 (a)	Big Island - 720 (b)
1	Plant in Service	\$ 1,762,847
2	Accumulated Depreciation	\$ 531,666
3	Net Plant in Service	\$ 1,231,181
4	Annual Depreciation	\$ 99,145
5	Remaining Life (Years)	12.42
6	Excess DTL	\$ 79,924
7	Allocated Amount to WHWC	\$ 14,653
8	Amortized Amount	\$ 1,180

Q. Please describe how the CIAC balances were established and why it is appropriate to include CIAC as an offset to the rate base.

A. CIAC represents assets contributed to the Company by developers, customers, or other sources. Importantly, CIAC does not represent owner investment in the utility's assets and, ultimately, is a deduction from the rate base.

Like the plant in service, the CIAC and accumulated amortization balances as of 12/31/2023 are the starting points for calculating the CIAC included in the rate base. Adjustments have been made to the accumulated amortization balance for additional amortization expenses between 12/31/2023 and the Test Year. The Company does not anticipate any additions, deletions, or retirements from CIAC between the year ending 12/31/2023 and the Test Year.

Q. Where can details of the contributed plant and the associated amortization be found?

A. The deduction to the rate base is the net of the balances of the CIAC and the accumulated amortization in Exhibits WHWC 7.8 and 7.9, summarized in the table below.

Table 15 – Net Contributions in Aid of Construction

Line No.	Description	12/31/2024	12/31/2025	Average	Exhibit Reference
	(a)	(b)	(c)	(d)	(e)
1	Contributions in Aid of Construction	(\$11,069,043)	(\$11,069,043)	(\$11,069,043)	Exhibit WHWC 7.8
2	Accumulated Amortization of Contributions in Aid of Construction	\$7,900,880	\$8,091,849	\$7,996,365	Exhibit WHWC 7.9
3	Net Contributions in Aid of Construction	(\$3,168,162)	(\$2,977,194)	(\$3,072,678)	

Q. Please describe how the accumulated deferred tax balances arise.

A. Accumulated Deferred Income Tax (“ADIT”) balances occur when the method of expensing depreciation for tax reporting purposes differs from the method used for ratemaking purposes. For many assets, the Company can depreciate items over an accelerated time frame for tax purposes, resulting in a temporary decrease in federal and state tax liability, accumulating the tax difference in a deferred tax account. The net balance of this tax benefit is a reduction to the rate base.

Q. How were the ADIT balances related to the plant calculated?

A. Exhibits WHWC 7.10 through 7.13 show the calculations and details for Federal and State ADIT balances. Typically, a straight 25-year life is utilized for plant assets, with half of a year's depreciation recognized in the first year, regardless of the in-service date of the asset. Other useful lives can be assessed to other assets such as information technology, office, and general plant items. These lives could range from three to seven years.

For the Big Island and HGO allocations for the deferred taxes, the federal deferred tax liability as of 2023 was utilized and multiplied by the four-factor allocation as the basis for the calculation. Further allocations were assessed due to additions to the plant for 2024 and 2025 using the four-factor allocation methodology.

The difference between the unamortized asset balances for regulatory and tax purposes is multiplied by the applicable federal or state tax rate to determine the ADIT balance to include in the rate base as of 12/31/2024 and 12/31/2025 with the average of the two amounts included in the rate base as reductions. The calculations prepared by the Company are summarized in the tables below.

Table 16 – Accumulated Deferred Income Tax - Federal

Line No.	12/31/2023	Allocations	12/31/2024	Allocations	12/31/2025
(a)	(b)	(c)	(d)	(e)	(f)
1 Deferred Tax Liability at 21%	\$ 552,862		\$ 557,566		\$ 569,999
2 Less NOL	<u>\$ (28,179)</u>		<u>\$ (28,179)</u>		<u>\$ (28,179)</u>
3 Net Deferred Tax Liability	<u>\$ 524,683</u>		<u>\$ 529,387</u>		<u>\$ 541,821</u>
Allocated Big Island 720 Net Deferred Tax					
4 Liability	\$ 31,060	\$ 1,773	\$ 32,833	\$ 3,302	\$ 36,135
Allocated Hawaii Water GO 790 Net Deferred					
5 Tax Liability	\$ 4,116	\$ 4,709	\$ 8,826	\$ 8,282	\$ 17,108
6 Grand Total	\$ 559,860		\$ 571,046		\$ 595,064

Table 17 – Accumulated Deferred Income Tax - State

Line No.	12/31/2023	Allocations	12/31/2024	Allocations	12/31/2025
(a)	(b)	(c)	(d)	(e)	(f)
1 Net Deferred Tax Liability	<u>\$ 95,901</u>		<u>\$ 89,263</u>		<u>\$ 92,901</u>
Allocated Big Island 720 Net					
2 Deferred Tax Liability	\$ 7,546	\$ 1,702	\$ 9,248	\$ 3,170	\$ 12,418
Allocated Hawaii Water GO 790					
3 Net Deferred Tax Liability	\$ 1,126	\$ 4,521	\$ 5,647	\$ 7,951	\$ 13,598
4 Grand Total	\$ 104,573		\$ 104,158		\$118,916

Q. Please describe the reduction associated with the Hawaii Capital Goods Excise Tax Credit.

A. This balance arises due to a credit applied at the state income tax level, which is amortized over the life of the corresponding asset. The average of the 2024 and 2025 unamortized balances of the Hawaii Capital Goods Excise Tax Credit reduces the rate base as detailed in Exhibit WHWC 7.14.

Q. Are any additions made to rate base?

A. Yes. The Commission has established a policy of providing utilities with an allowance for working capital. The rate base is increased by this allowance. The working capital amount is needed to fund the utility's day-to-day operations, as shown in Exhibit WHWC 7.15. Working capital is calculated using the 1/12th method, where an amount equal to 1/12th of annual operating expenses is utilized as a reasonable estimate for the cash needs of the utility. The result of this calculation is shown below:

Table 18 – Working Capital

Line No.	Description	Amount	Exhibit Reference
	(a)	(b)	(c)
1	Total Operating Expenses	\$ 3,257,908	Exhibit WHWC 7.15
2	Times Working Cash Factor of 1/12	0.08	
3	Working Capital	\$ 271,492	

Q. What is the total Rate Base being requested in this proceeding?

A. Hawaii Water is requesting a total rate base of \$6,991,849, as summarized in Exhibit WHWC 7.

Rate of Return

Q. What rate of return is Hawaii Water requesting in this proceeding?

A. Hawaii Water requests a return of 8.01% in this proceeding, based on a capital structure consisting of 46.6% debt and 53.4% equity. The requested debt and equity costs are 5.42% and 10.27%, respectively. The proposed structure is shown in Exhibit WHWC 10.

Q. Is this return consistent with the return granted to other Hawaii Water systems?

A. No, however, the capital structure is consistent with those approved by the Commission in other cases¹³. The actual capital structure for Hawaii Water in 2022 was 84.8% equity/15.1% debt and in 2023 it was 85.1% equity/14.9% debt. Because Hawaii Water is using the California Water Service Group Return on Equity (“ROE”), this petition is using the previously approved capital structure rather than the actual 85%/15% over the past two years. In fact, Hawaii Water would seem more risky at its actual capital structure which would justify a higher ROE but that is not what is in this request. The cost of debt is based on Hawaii Water’s actual cost of borrowing, as shown in the table below.

¹³ See Docket No. 2022-0186

Table 19 – Weighted Average Interest Rate for Long-Term Debt

Line No.	Principal Balance as of 12.31.24	% of Principal	Internal Rate	Weighted Average Rate
1	\$ 3,720,683	38.11%	5.50%	2.10%
2	\$ 2,260,967	23.16%	5.50%	1.27%
3	\$ 2,398,885	24.57%	5.50%	1.35%
4	\$ 804,036	8.24%	4.35%	0.36%
5	\$ 578,569	5.93%	5.81%	0.34%
6	\$ 9,763,139			5.42%
7	5.42% Weighted Average Rate			

The return on equity is increasing to 10.27%, as approved by Advice Letter No. 2495 for California Water Service Co. The ROE of 10.27% used in this petition comes from the largest Class A water company in California, Cal Water. Cal Water has an S&P credit rating of A+ with an Outlook of Stable and over 470,000 connections in several districts throughout California. HWSC, with its ten service areas holding 15 utilities, does not have a bond rating or credit rating and only serves 7,000 connections. HWSC, therefore, on a stand-alone basis, has greater financial risk than its parent, Cal Water. Nonetheless, the ROE of its parent (10.27%) is a reasonable authorized return for HWSC.

The ROE of 10.27% and the Cost of Debt of 5.42% produces the 8.01% overall rate of return, as summarized in the table below.

Table 20 – Waikoloa Rate of Return for 2024

Line No.	CWS Capital Structure	Waikoloa RoR for 2024		Exhibit Reference	
	(a)	(b)	(c)	(d)	(e)
1	DEBT	46.6%	5.42%	2.53%	Exhibit WHWC 10
2	EQUITY	53.4%	10.27%	5.48%	Exhibit WHWC 10
3	TOTAL	100%		8.01%	Exhibit WHWC 10

Per the State of California Public Utilities Commission, “The Water Division of the California Public Utilities Commission approved California Water Service Company’s Advice Letter No. 2495 on October 13, 2023, regarding Triggering the Water Cost of Capital Mechanism (WCCM) for 2024 and updating the Tariff Schedule Table of Contents for All Class A Ratemaking Areas.”

Table 21 – Advice Letter No. 2495 – Return on Common Equity¹⁴

	Category	Capital Ratio	Rate		Weighted Rate
Decision 23-06-025 6/29/2023	Long-Term Debt	46.60%	Cost of Debt	4.23%	1.97%
	Common Stock	53.40%	Return on Common Equity	9.05%	4.83%
			Rate of Return		6.80%
WCCM Triggered for 2023 For Rates in effect in July 2023 - Dec 2023		WCCM Target	3.92		
		Initial Benchmark	2.89		
		Difference	1.03		
		50% of Difference	0.52	basis point adjustment	
	Category	Capital Ratio	Rate		Weighted Rate
	Long-Term Debt	46.60%	Cost of Debt	4.23%	1.97%
	Common Stock	53.40%	Return on Common Equity	9.57%	5.11%
			Rate of Return		7.08%
WCCM Triggered for 2024 For Rates in effect in Jan 2024 - Dec 2024		WCCM Target	5.31		
		New Benchmark	3.92		
		Difference	1.39		
		50% of Difference	0.70	basis point adjustment	
	Category	Capital Ratio	Rate		Weighted Rate
	Long-Term Debt	46.60%	Cost of Debt	4.23%	1.97%
	Common Stock	53.40%	Return on Common Equity	10.27%	5.48%
			Rate of Return		7.46%

Q. What is the result of applying the requested rate of return to the rate base described above?

A. The result of applying the requested rate of return to the rate base is shown below. Proposed rates produce net operating income equal to the calculated return on rate base, as shown below.

Table 22 – Calculation of Return on Rate Base

Line No.	Description	Amount	Exhibit Reference
	(a)	(b)	(c)
1	Total Rate Base	\$ 6,991,849	Exhibit WHWC 7
2	Rate of Return	8.01%	Exhibit WHWC 10
3	Return on Rate Base	\$ 560,047	

Proposed Rates and Bill Impacts

Q. Please describe the current rate structure and rates.

¹⁴ California Water Service Company Advice Letter 2495, approved by the Water Division of the California Public Utilities Commission on October 13, 2023.

A. WHWC customers are currently charged a meter charge based on meter size, starting at \$12.39 for 5/8" and 3/4" customers, and a quantity charge based on consumption. All customers are charged the same \$1.3517 quantity charge for every thousand gallons of metered usage.

Q. Is the Company proposing a phase-in for water rates?

A. Yes. The direct testimony of Mr. Shimansky explains the company's proposal and rationale on the rate phase in. My schedules show what the rates would be if there were no phase in and the full proposed revenue requirement were to be collected in Year 1. The last rate case was in 2017. Since then, the Company, like all others in the US economy, has experienced unprecedented inflation impacting the costs of materials, supplies, and labor. The Company must recover these costs while being allowed the opportunity to earn a reasonable rate of return. The full proposed rates do no more and no less than this. However, as Mr. Shimansky will show, the company is willing to collect the authorized revenue requirement over time to mitigate customer rate shock. Even at that, the full proposed rates are designed to only collect the revenue requirement.

Q. Please provide a summary of the proposed rates for the WHWC system.

A. While Mr. Shimansky's testimony proposes the rates to be collected, absent a rate phase in, Hawaii Water would be proposing the following rates to be collected in the first year, the details of which are in Exhibit WHWC 12. Table 23 shows the details of the proposed fixed rates. Table 24 shows the details of the proposed quantity rates. Table 25 provides details of the overall impact of the bill if rates were implemented in one step

Table 23 – Proposed Fixed Rates

Line No.	Meter Size	Present Rates	Proposed Rates	Exhibit Referecne
	(a)	(b)	(c)	(d)
1	5/8"	\$ 12.39	\$ 30.90	Exhibit WHWC 12
2	3/4"	\$ 12.39	\$ 30.90	Exhibit WHWC 12
3	1"	\$ 23.74	\$ 59.21	Exhibit WHWC 12
4	1 1/2"	\$ 41.64	\$ 103.88	Exhibit WHWC 12
5	2"	\$ 56.78	\$ 141.64	Exhibit WHWC 12
6	3"	\$ 113.56	\$ 283.29	Exhibit WHWC 12
7	4"	\$ 189.25	\$ 472.11	Exhibit WHWC 12
8	6"	\$ 378.48	\$ 944.18	Exhibit WHWC 12
9	8"	\$ 681.28	\$1,699.54	Exhibit WHWC 12

Table 24 – Proposed Quantity Rates

Line No.	Quantity Revenue	Present Rates	Proposed Rates	Exhibit Referecne
	(a)	(b)	(c)	(d)
1	Residential	\$ 1.3517	\$ 3.3720	Exhibit WHWC 12
2	Multi-Family	\$ 1.3517	\$ 3.3720	Exhibit WHWC 12
3	Business	\$ 1.3517	\$ 3.3720	Exhibit WHWC 12
4	Public Authority	\$ 1.3517	\$ 3.3720	Exhibit WHWC 12

Table 25 – Bill Impacts

Line No.	Bill Impact	Present	Proposed	Difference	
	(a)	(b)	(c)	(d)	
1	Monthly Usage [TG]	25	25		Exhibit WHWC 12
2	Meter Size	5/8"	5/8"		Exhibit WHWC 12
3	Fixed Charge	\$ 12.39	\$ 30.90	\$ 18.51	Exhibit WHWC 12
4	Quantity Charge	\$ 33.85	\$ 84.43	\$ 50.59	Exhibit WHWC 12
5	Power Cost Charge	\$ 55.87	\$ 55.19	\$ (0.68)	Exhibit WHWC 12
6	Total	\$ 102.11	\$ 170.53	\$ 68.42	Exhibit WHWC 12

Power Cost Charge

Q. Is the Company proposing any changes to the PCC?

A. Yes. Hawaii Water proposes updating the pump efficiency factor to reflect current operations; however, the formula controlling the PCC is not being changed.

Q. How is the Pump Efficiency Factor determined?

A. WHWC proposes to revise the pump efficiency factor used in the PCC calculation. The following formula shows the methodology used to calculate the PCC:

Power Cost Charge per Thousand Gallons =
Actual electrical cost per kWh
x Pump Efficiency Factor kWh per TG
x Revenue Tax Factor

The current pump efficiency factor is 5.63. The revenue tax factor is 1.06385, which consists of the Public Service company tax and Public Utility Commission fee. The pump efficiency factor is a function of the amount of energy consumed and the volume of water pumped from wells. WHWC

1 proposes a decrease over the current factor of 5.63, resulting in a pump efficiency factor of 5.5615,
2 as detailed in Exhibit WHWC 8.7.

3
4 **Q. What is the result of this factor change?**

5 A. In the Test Year, total PCC revenues were \$1,494,154 based on a PCC of \$2.10 per thousand
6 gallons. The revised pump efficiency factor will result in a PCC of \$2.07 per thousand gallons to
7 recover the \$1,475,974 in power costs.

8 **Q. Does this conclude your direct testimony?**

9 A. Yes.

Exhibit WU-T-400-WHSC

Direct Testimony of Jason Mumm

REVENUE REQUIREMENT



General Rate Case of
Waikoloa Resort Utilities, Inc., Waikoloa Sanitary
Sewer Company, Inc., and Waikoloa Water Co., Inc.
Docket 2024-0224
October 2024

Table of Contents

<u>Introduction.....</u>	<u>1</u>
<u>Overview of Proposed Rate Increase.....</u>	<u>2</u>
<u>Revenues at Current and Proposed Rates</u>	<u>3</u>
<u>Sales, Services, and Production</u>	<u>4</u>
<u>Operations and Maintenance (“O&M”) Expenses</u>	<u>5</u>
<u>Depreciation and Amortization Expenses.....</u>	<u>13</u>
<u>Income Tax Expense</u>	<u>14</u>
<u>Rate Base</u>	<u>14</u>
<u>Rate of Return.....</u>	<u>21</u>
<u>Proposed Rates and Bill Impacts.....</u>	<u>23</u>
<u>Power Cost Charge</u>	<u>25</u>

Tables Included in Testimony

<u>Table 1 – Summary of Requested Increase.....</u>	<u>2</u>
<u>Table 2 – Customer Counts and Billed Sewer Flows for the Test Year</u>	<u>4</u>
<u>Table 3 – Fuel and Power</u>	<u>9</u>
<u>Table 4 – Summary of Operating Expenses.....</u>	<u>12</u>
<u>Table 5– Depreciation and Amortization Expenses</u>	<u>13</u>
<u>Table 6 – Income Tax Expense</u>	<u>14</u>
<u>Table 7 – Plant in Service</u>	<u>15</u>
<u>Table 8 – Accumulated Depreciation.....</u>	<u>16</u>
<u>Table 9 – Rate Base Net Plant in Service</u>	<u>16</u>
<u>Table 10 – Increase in the Average Net Plant in Service.....</u>	<u>16</u>
<u>Table 11 – Reductions to Rate Base.....</u>	<u>17</u>
<u>Table 12– Net Salvage Adjustment</u>	<u>17</u>
<u>Table 13 – Tax Cut and Jobs Act Adjustment Details.....</u>	<u>18</u>
<u>Table 14 – Net Contributions in Aid of Construction</u>	<u>19</u>
<u>Table 15 – Accumulated Deferred Income Tax - Federal</u>	<u>20</u>
<u>Table 16 – Accumulated Deferred Income Tax – State</u>	<u>20</u>
<u>Table 17 – Working Capital</u>	<u>20</u>
<u>Table 18 – Weighted Average Interest Rate for Long-Term Debt.....</u>	<u>21</u>
<u>Table 19 – Waikoloa Rate of Return for 2024</u>	<u>22</u>
<u>Table 20 – Advice Letter No. 2495 – Return on Common Equity.....</u>	<u>23</u>
<u>Table 21 – Calculation of Return on Rate Base.....</u>	<u>23</u>

<u>Table 22 – Proposed Fixed Rates</u>	<u>24</u>
<u>Table 23 – Proposed Quantity Rates</u>	<u>25</u>
<u>Table 24 – Bill Impacts</u>	<u>25</u>

Chart Included in Testimony

<u>Chart 1 – Inflation Comparison</u>	<u>7</u>
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WEST HAWAII UTILITY, SEWER, AND WATER GENERAL RATE CASE
DIRECT TESTIMONY OF JASON G. MUMM
REVENUE REQUIREMENT MODEL - WHSC

Introduction

Q. Please state your name, position, and business address.

A. My name is Jason G. Mumm. I am a Principal with FCS GROUP (FCSG), a subsidiary of Bowman Consulting, Inc., a professional consulting services firm headquartered in Reston, VA. My primary place of business is in Boulder, CO, at 2755 Canyon Blvd, Boulder, CO 80302.

Q. Please summarize your educational background, current job responsibilities, and professional experience.

A. I hold a BS degree in Business Administration from Colorado State University and an MBA from the University of Colorado-Denver. My present job responsibilities include managing project teams engaged in multiple projects for multiple clients in the area of water, wastewater, and stormwater utility rates and charges. I have 28 years of experience directly related to my current responsibilities. As part of my professional duties, I often serve in an expert witness capacity in civil proceedings and, sometimes, in utility commission rate cases. I've appeared as an expert in commission related cases in Colorado, Texas, Rhode Island, Hawaii, and Nova Scotia. I am a 25-year member of the American Water Works Association ("AWWA") and am the immediate past-chair of the AWWA Rates and Charges Committee, a committee responsible for, among other things, publishing the manuals of practice for setting water utility rates and charges used throughout the water industry.

Q. What is the purpose of your testimony in this proceeding?

A. My testimony supports the revenue requirements and aggregate rates requested by Hawaii Water Service Company ("Hawaii Water" or "the Company") for the West Hawaii Sewer Company ("WHSC") system for the period beginning January 1, 2025, and ending December 31, 2025 ("Test Year"). Additionally, I will address the calculations and financial information to support the overall revenue requirement, including the rate base, estimates of certain expenses, and details of sales and revenues, which are included in this application.

Q. What Exhibit will you be sponsoring?

A. I am sponsoring Exhibit WU-T-401-WHSC, the Results of Operations model for the Waikoloa Village Sewer Utility. That exhibit begins with a list of schedules that shows what each of the sub-exhibits that I am sponsoring. Those exhibits are labeled "Exhibit WHSC #.#" and will reference them in that fashion in this testimony.

Overview of Proposed Rate Increase

Q. Please provide a brief overview of the WHSC.

A. WHSC provides sewer services in two distinct service areas in Waikoloa Village (the "Village"), South Kohala, on the Island of Hawaii. The Auwaiakeakua Wastewater Treatment Plant or A-Plant serves the southernmost service area, and the Kamakoa Wastewater Treatment Plant or K-Plant serves the northernmost service area. The system is supported by the Big Island District ("Big Island"), Hawaii General Office ("HGO"), and Wastewater Administration.

Q. Please provide a brief overview of the revenue requirement and rate increase requested in this proceeding.

A. Hawaii Water proposes an increase in revenues of \$1,242,020, as presented in Exhibit WHSC 6. The total revenue proposed to recover is \$3,486,014. The request represents a 55.3% increase over the revenues produced by current rates. Of this total, \$191,820 is a pass-through for energy-related costs. The remaining \$3,294,194 is collected through a fixed charge and a volumetric, or quantity, charge. The details of the proposed rates can be found in Exhibit WHSC 12.

Table 1 – Summary of Requested Increase

Line No.	Description	Amount	Exhibit Reference
	(a)	(b)	(c)
1	Total Test Year Expense	\$ 2,642,488	Exhibit WHSC 6
2	Proposed Return on Rate Base of 8.01%	\$ 843,526	Exhibit WHSC 6
3	Total Revenue Needs	\$ 3,486,014	Exhibit WHSC 6
4	Less: Revenues Produced by Current Rates	\$ (2,243,994)	Exhibit WHSC 6
5	Proposed Revenue Increase \$	\$ 1,242,020	Exhibit WHSC 6
6	Proposed Revenue Increase %	55.3%	Exhibit WHSC 6

Revenues at Current and Proposed Rates

Q. How was the revenue requirement determined?

A. For WHSC, the revenue requirements include operating and maintenance expenses, depreciation expenses, income taxes, taxes other than income taxes, and a return on rate base. A future test period is used based on historical information to forecast expenses with inflation-adjusted factors based on a three-year average. As shown in the Exhibits, these forecasted values are referred to as the “Test Year.” This report’s historical information is based on the calendar year 2023. The Test Year is January 1, 2025, through December 31, 2025. WHSC’s revenues were initially estimated based on its currently adopted rates, as shown in Table 1 (Line 4, Column b). The expected revenues are compared to the Test Year revenue requirement to determine the requested revenue increase per Table 1.

Q. Please explain the choice of 2023 as the base year in this filing.

A. The 2023 base year was chosen because it was the most recent calendar year with complete financial results at the time of this application. Hawaii Water has reviewed the 2023 financial information and believes that, after adjustment for known and measurable changes as outlined in my testimony, they reasonably represent the revenue requirements in the proposed Test Year.

Q. How were revenues under current rates calculated?

A. The current rates for WHSC consist of three previously approved billing determinants: fixed revenue, quantity revenue, and Power Cost Charge (“PCC”) revenue. The fixed revenue at the present rates is calculated using the adopted fixed rate multiplied by the estimated count per each customer class. The quantity rate is calculated using the approved quantity charge multiplied by the estimated water consumption in the customer class. PCC revenue is calculated using the approved PCC formula. Applying the current rates for the WHSC system to these billing determinants results in current revenues of \$2,243,994 (Table 1, Line 4, Column b). Exhibit WHSC 8.1 summarizes present and proposed revenues by customer class.

Q. How was it determined that the use of a three-year average is reasonable for ratemaking purposes?

A. The three-year average has been the accepted practice from the previous rate case and has been incorporated into determining the expenses and revenues for the Test Year¹. Payroll, employee

¹ See generally Docket No. 2017-0449.

benefits, rent, insurance, and regulatory expenses have been estimated using different methodologies, which will be described in more detail in my testimony.

Sales, Services, and Production

Q. Please discuss the Exhibit where recorded and forecasted customer counts in units are shown.

A. Exhibit WHSC 8.2 shows the recorded customer counts in units by customer class. This exhibit also provides the forecasted counts by class for the Test Year.

Q. How were customer counts estimated for the Test Year?

A. The customer counts for the Test Year were set equal to the 2023 base year counts, as shown below in Table 2.

Table 2 – Customer Counts and Billed Sewer Flows for the Test Year

		Test Year Customer Counts (Units)	Test Year Billed Sewer Flows [TG]	Exhibit Reference
Line No.	Class	(b)	(c)	(d)
1	Single-family	317	37,654	Exhibit WHSC 8.2
2	Multi-family	1,345	156,468	Exhibit WHSC 8.2
3	Business	85	17,761	Exhibit WHSC 8.2
4	Public Authority	22	25,322	Exhibit WHSC 8.2
5	Total	1,769	237,206	Exhibit WHSC 8.2

Q. How were billed sewer flows forecasted for the Test Year?

A. Billed sewer flows are defined as water sold to customers receiving sewer service measured in thousands of gallons (“TG”). These flows were estimated using a three-year average of recorded data from 2021 to 2023, as shown in Exhibit WHSC 8.2.

Operations and Maintenance (“O&M”) Expenses

Q. Please describe the Exhibits that support the O&M expense included in the requested revenue requirement.

A. Support for the Test Year expenses is provided in Exhibits WHSC 8.4 to WHSC 8.21. Each Exhibit includes details showing the expenses incurred from 2019 through 2023, along with the amounts associated with the Test Year.

- Exhibit WHSC 8.4 – 4-Factor Allocation
- Exhibit WHSC 8.5 – Labor Expense
- Exhibit WHSC 8.6 – Fuel & Power Expense
- Exhibit WHSC 8.7 – Power Cost Charge
- Exhibit WHSC 8.8 – Chemicals Expense
- Exhibit WHSC 8.9 – Materials and Supplies Expense
- Exhibit WHSC 8.10 – Waste/Sludge Disposal Expense
- Exhibit WHSC 8.11– Affiliate Charges
- Exhibit WHSC 8.12 – Outside Services
- Exhibit WHSC 8.13 – Repairs & Maintenance
- Exhibit WHSC 8.14 – Rents
- Exhibit WHSC 8.15 – Insurance Expenses
- Exhibit WHSC 8.16 – Regulatory Expenses (Test Year)
- Exhibit WHSC 8.17 – Regulatory Expenses (Recorded)
- Exhibit WHSC 8.18 – General & Administrative Expenses
- Exhibit WHSC 8.19 – Customer Accounts Expenses
- Exhibit WHSC 8.20 – Taxes Other than Income Taxes
- Exhibit WHSC 8.21– Income Tax Expense

Q. Why is the recovery of allocated Big Island, HGO, and Wastewater Administration expenses appropriate?

A. HGO allocated operations benefit all of Hawaii Water’s ten utilities, encompassing fifteen systems. Big Island allocated expenses benefit all systems located on the Island of Hawaii, including Waikoloa Village Water, Waikoloa Village Sewer, and Waikoloa Resort. Wastewater Administration allocated operations benefit Hawaii Water’s sewer systems, including Waikoloa Village Sewer and Waikoloa Resort. A four-factor allocation method is used to distribute costs among the systems. Payroll and indirect expenses of HGO, Big Island, and Wastewater

Administration have been included in this rate case based on the methodology accepted in prior rate cases by the Hawaii Public Utilities Commission (“Commission”).²

Q. Please describe the four-factor methodology and the rationale for using it.

A. As sponsored in the testimony of Mr. Stout³, Hawaii Water uses an internal four-factor methodology to allocate general operations costs among its regulated utility companies. This method is based on (1) the number of customer equivalents taking service from the system, (2) gross plant in service, (3) direct operations and maintenance expenses, and (4) direct gross payroll. All the factors directly correlate to the size, capital investment, and costs of operating and maintaining a system. For instance, the plant in service directly represents the size of the system by the amount of capital investment in each system. The Commission has accepted this methodology in other recent Hawaii Water proceedings.⁴

Q. How were the inflation factors used to adjust historical costs developed?

A. For the 2019 – 2023 period, the factors were obtained from the U.S. Bureau of Labor Statistics.⁵ The annual recorded expenses are adjusted by the Consumer Price Index (“CPI”) using the Honolulu CPI. Since federal CPI data is not available for neighboring islands, the best available data was used.⁶ For 2024 and 2025, the factors were obtained from the Hawaii Department of Business, Economic Development & Tourism as of May 2024. The inflation factors and links to the sources can be found in Exhibit WHSC 8.3.⁷ The historical costs are escalated to 2025 dollars per expense, and the inflation-adjusted dollars are averaged for 2021 – 2023 to forecast the Test Year costs. .

² See Docket No. 2022-0186, Docket No. 2021-0005, Docket No. 2018-0388, Docket No. 2017-0350, and Docket No. 2017-0450.

³ Exhibit WU-T-200, page 4.

⁴ See Docket No. 2022-0186, Docket No. 2021-0005, Docket No. 2018-0388, Docket No. 2017-0350, and Docket No. 2017-0450.

⁵ <https://data.bls.gov/timeseries/CUURS49FSA0>.

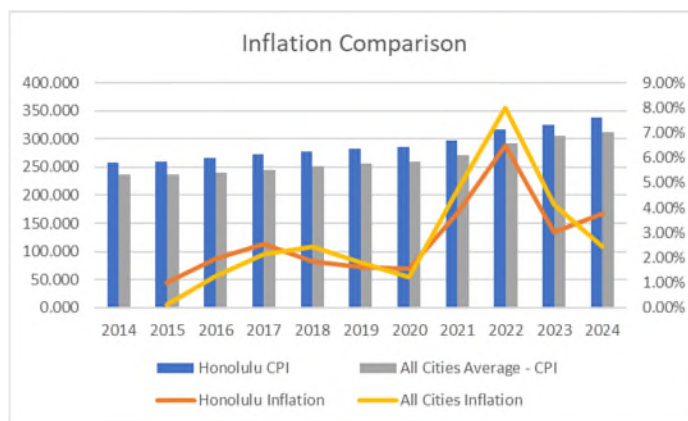
⁶ <http://dbedt.hawaii.gov/economic/library/faq/faq03/>.

⁷ <https://dbedt.hawaii.gov/economic/qser/outlook-economy/>.

This methodology of adjusting certain recorded expenses by CPI is reasonable for rate making and has been utilized in previous rate cases.⁸ If this factor is not used, out-of-date costs would be utilized to forecast the Test Year expenses, resulting in an underestimation of those costs.

The average inflation rate from the previous rate case was 1.85% from 2013 through 2018. As the chart shows below, the inflation rate for Honolulu reached 3.78% in 2021 and 6.49% in 2022. Inflation does begin to decrease after 2022; however, the repercussions of higher costs from the cumulative impact of higher inflation rates cannot be reversed, and the rates have not returned to pre-2020 levels.

Chart 1 – Inflation Comparison



Q. Are there any other allocated costs from affiliates?

A. Yes. California Water Service Group (“CWSG”) includes several subsidiaries: Cal Water, Hawaii Water, Washington Water Service Company, Texas Water Service Company, and New Mexico Water Service Company. CWSG incurs significant costs in providing services to its subsidiaries through its Customer Support Services (“CSS”). The services provided include corporate governance, audit, accounting and finance, information technology, human resources, and communications. These functions are provided centrally as it is more cost effective. Insurance is also negotiated at the CWSG level, and the costs are allocated to subsidiaries. As of 2013, a department called Public Company (“PubCo”) was created to accumulate the respective expenses of the different CSS departments. The accumulated shared costs are allocated from the “PubCo” department, as shown in Exhibit WHSC 8.11. Recovery of these allocated PubCo expenses have

⁸ See Docket No. 2017-0449.

1 been approved by the Commission in previous WHSC rate cases and previous cases for other
2 Hawaii Water systems.⁹

3
4 **Q. How was the \$102,803 in Affiliated Charges expense calculated?**

5 A. This amount is based on a three-year historical average of the costs allocated to Hawaii Water from
6 PubCo. It is further distributed using the four-factor allocation method except for two specific
7 adjustments. In previous rate cases,¹⁰ Hawaii Water agreed to remove the incentive compensation
8 and other expenses from account 791000 from the overall PubCo allocation; this adjustment is
9 shown in Exhibit WHSC 8.11 and reduced the total PubCo allocation to WHSC by \$8,646. The
10 second adjustment reduces the PubCo allocation by the three-year historical average of insurance
11 expenses allocated to WHSC, totaling \$14,940. The insurance adjustment is necessary because
12 WHSC's expected insurance cost is based on quoted premiums rather than the historical costs; the
13 deduction ensures only the quoted premium forecasted for the Test Year is included in the revenue
14 requirement.

15
16 **Q. What labor-related expenses are included in the WHSC revenue requirement?**

17 A. The labor-related expenses included in the revenue requirement include payroll, benefits, and
18 payroll tax expenses, as shown in Exhibit WHSC 8.5. The total payroll for the Test Year is
19 \$253,866. Payroll expenses are based on the budgeted payroll for 2024, with a 5% merit increase
20 included to represent the Test Year expense. Supporting details for this level of payroll expense
21 were prepared by Hawaii Water and can be found in the confidential work paper named
22 "Confidential HWSC Payroll 2024."

23 Expenses for medical and dental benefits are based on projected costs as provided by an analysis
24 for fiscal years 2023-2027 completed by Ernst & Young LLP in December 2022. The projected
25 medical and dental expenses for the Test Year for Hawaii Water total \$625,000, and the projected
26 retirement healthcare costs are \$62,000. The Test Year amount for medical, dental, and retiree
27 healthcare is \$109,856 once the WHSC, Big Island, and HGO allocations are distributed. Workers'
28 compensation expense is determined by multiplying the Test Year payroll expense by a 2.83% rate.

⁹ See Docket No. 2017-0449.

¹⁰ See Order No. 38002 *Regarding Kalaeloa Water Company, LLC's Completed Application and Other Initial Matters*, filed October 10, 2021, in Docket No. 2021-0005.

Pension expenses are based on projected costs provided by an analysis for fiscal years 2023-2027 completed by Ernst & Young LLP in March 2023. The projected costs total \$775,000 for the Test Year for Hawaii Water. For WHSC, the pension costs for the Test Year are \$123,928, which includes allocations from Big Island and HGO. Employee benefit expenses for the Test Year represent a \$60,683 increase from those incurred in 2023.

Q. What payroll tax expense is included in the proposed revenue requirement?

A. The payroll tax expense included in the proposed revenue requirement is \$34,786. Supporting details for this amount, prepared internally by Hawaii Water, can be found in the same confidential work paper as the support for the payroll expense.

Q. Please explain the expenses in Exhibit WHSC 8.6, Fuel and Power Costs.

A. Significant costs of maintaining the sewer utility are the fuel and power costs to operate two wastewater treatment plants. This expense was estimated by calculating the unit cost per kilowatt hour (“\$/kWh”) of power for the Test Year and multiplying it by the estimated kilowatt usage in the Test Year. For each historical year, the unit cost for purchased power was determined by dividing the ratio of recorded power costs by the consumption for that year. Test Year power cost is the three-year average units of consumption from 2021 – 2023 multiplied by the average cost per kilowatt hour in that same time frame, as shown in Exhibit WHSC 8.6. In previous years, the fuel and power costs have ranged from \$146,000 to \$202,000, and the Company expects costs in the Test Year to be \$180,308, as summarized below in the table.

Table 3 – Fuel and Power

Line No.	Description	2021	2022	2023	Test Year	Exhibit Reference
	(a)	(b)	(c)	(d)	(e)	(f)
1	Recorded Power Costs [\$]	\$146,767	\$202,059	\$193,541	\$180,308	Exhibit WHSC 8.6
2	Recorded Consumption [kWh]	438,360	460,680	463,313	454,118	Exhibit WHSC 8.6
3	Unit Cost [\$/kWh]	\$0.3348	\$0.4386	\$0.4177	\$0.3971	Exhibit WHSC 8.6

Q. How are these Fuel and Power costs recovered?

A. Costs associated with purchased power are recovered through WHSC’s PCC instead of through base rates. The PCC is set to recover the cost of purchased power incurred in the Test Year. The PCC will be discussed in more detail in a subsequent section of my testimony.

1
2 **Q. Are there any other significant expenses incurred related to WHSC treatment and**
3 **maintenance?**

4 A. Yes. Other significant expenses related to the treatment of wastewater pumped to the wastewater
5 treatment plants are chemicals and repair and maintenance costs. Exhibit WHSC 8.8 totals \$48,747
6 in estimated chemical costs for the Test Year. This amount was determined by escalating the
7 historical costs to 2025 dollars and averaging the inflation-adjusted historical costs for 2021 – 2023.

8 Repair and maintenance projected expenses are \$341,957 and can be found on Exhibit WHSC 8.13.
9 The expenses are divided into the following classifications: source of supply, pumping, treatment
10 and disposal, transmission and distribution, administration and general, and mileage. These
11 expenses are directly assigned to WHSC; other expenses are allocated from HGO. In Hawaii
12 Water's accounting system, certain expenses are grouped with repairs and maintenance but have
13 already been accounted for elsewhere in the Test Year revenue requirements; these include costs
14 for chemicals, materials and supplies, and waste disposal. The costs for these items are deducted
15 from repair and maintenance expenses to avoid double counting. The estimated Test Year is the
16 three-year average from 2021 to 2023 of the repair and maintenance expenses with the appropriate
17 inflation factor applied by year escalated to 2025 dollars, net of the cost of chemicals, materials
18 and supplies, and waste disposal.

19 Those expenses attributed to materials and supplies and waste disposal, as shown in Exhibits
20 WHSC 8.9 and 8.10, are handled similarly.

21
22 **Q. What outside services are needed to run the system?**

23 A. WHSC incurs costs for legal fees, technical fees, and other consulting services. The expenses are
24 incurred directly and are allocated from HGO. The \$10,544 expense requested for recovery is
25 determined by escalating the historical costs to 2025 dollars and averaging the inflation-adjusted
26 historical costs for 2021 – 2023 as shown in Exhibit WHSC 8.12.

27
28 **Q. Are any other expenses included in the allocation of costs from PubCo?**

29 A. Insurance is purchased at the PubCo level and then allocated to HGO. The costs are further
30 allocated to WHSC using the four-factor allocation method. The Test Year insurance expense is

1 based on a quote for 2024 insurance costs and increased by the three-year average percentage
2 change in insurance expense for the Test Year.

3
4 **Q. What amount of insurance expense is included in the Test Year?**

5 A. Purchasing insurance at the corporate level results in cost savings, with 2.91% of the insurance
6 expense allocated to Hawaii Water, as shown in Exhibit 8.15. The insurance expense is based on
7 the 2024 quote and increased by 2.1% for the Test Year using the 3-year average percent change
8 from 2021 to 2023 incurred at CWSG, totaling \$6,496,151. After allocating the costs to Hawaii
9 Water and applying the four-factor allocation method, the result is \$11,998 in liability and property
10 insurance expense, which is included in the proposed revenue requirement.

11
12 **Q. Please explain the calculation of the \$59,812 in General & Administrative Expenses shown on**
13 **Exhibit WHSC 8.18.**

14 A. The requested General and Administrative expenses are comprised of the following categories:
15 office supplies and miscellaneous general and administrative expenses. Office supplies expenses
16 include postage, telephone expenses, stationery and printing, bank fees, travel and incidental
17 expenses, meals during travel, training and seminars, conferences, and internal projects. The
18 historical costs are escalated to 2025 dollars and averaged over three years from 2021 – 2023 for
19 the Test Year expense of \$59,812.

20
21 **Q. Are any rental expenses included in the application?**

22 A. Yes. Rent expense consists of expenses related to existing leases. The proposed revenue
23 requirement includes the rental expense for the Hawaii Water General Office (“Waikoloa Office”).
24 The costs reflect the actual lease amount for the Test year. This expense is shown in Exhibit WHSC
25 8.14 and totals \$5,735 for the Test Year. The General Excise Tax of 4.7120% was applied along
26 with the four-factor method described above to allocate the Waikoloa Office expense to WHSC.

27
28 **Q. What level of customer-related costs are included in the proposed revenue requirement?**

29 A. The Company has included \$10,086 in customer accounts expenses per Exhibit 8.19. The previous
30 rate case had customer-related costs of \$13,305.

Q. What regulatory expenses are included in the Company's request?

A. Regulatory expenses include the costs expected for the work and activities related to completing this rate case. WHSC has included \$18,293 in regulatory-related expenses in the proposed revenue requirement. This amount is based on the expected \$73,170 cost of preparing and supporting this case, amortized over four years, as shown in Exhibit WHSC 8.16. These costs include legal, consulting, travel, and other internal costs of Hawaii Water, which are directly assigned and are not included in other expense categories. Historical regulatory costs are provided in Exhibit 8.17.

Q. What taxes are included in the proposed revenue requirement?

A. There are two categories of taxes included in the proposed revenue requirement: Taxes Other Than Income Taxes ("TOIT") and Income Taxes. For TOIT, the Public Company Service Tax and Public Utility Fee are included at their respective statutory rates of 5.885% and 0.50%, as shown in Exhibit WHSC 8.20, resulting in \$222,582 in expenses. For Income Taxes, State and Federal Income Taxes are also included in the revenue requirement and are discussed later in my testimony.

Q. Please provide a summary of the operating expenses that are proposed for recovery in rates.

A. The table below summarizes the operating expenses discussed above:

Table 4 – Summary of Operating Expenses

Line No.	Description	Amount	Exhibit Reference
	(a)	(b)	(c)
1	Labor Expenses	\$ 529,620	Exhibit WHSC 8.5
2	Fuel & Power	\$ 181,870	Exhibit WHSC 8.6
3	Chemicals	\$ 48,747	Exhibit WHSC 8.8
4	Materials & Supplies	\$ 18,325	Exhibit WHSC 8.9
5	Waste/Sludge Disposal	\$ 72,157	Exhibit WHSC 8.10
6	Affiliated Charges	\$ 102,803	Exhibit WHSC 8.11
7	Professional and Outside Services	\$ 10,544	Exhibit WHSC 8.12
8	Repairs & Maintenance	\$ 341,957	Exhibit WHSC 8.13
9	Rental Expenses	\$ 5,735	Exhibit WHSC 8.14
10	Insurance Expenses	\$ 11,998	Exhibit WHSC 8.15
11	Regulatory Expenses	\$ 18,293	Exhibit WHSC 8.17
12	General & Administrative Expenses	\$ 59,812	Exhibit WHSC 8.18
13	Customer Accounts Expenses	\$ 10,086	Exhibit WHSC 8.19
14	Total O & M Expenses	\$ 1,411,948	

Exhibit WHSC 8, the historical summary of the revenues and expenses, provides additional details.

Depreciation and Amortization Expenses

Q. What depreciable lives are used in this application?

A. WHSC uses group depreciation rates for the plant, property, and equipment. A detailed depreciation study was previously conducted for the Waikoloa Utilities.¹¹ The study was applied to WHSC and West Hawaii Water Company (“WHWC”), and the results were adopted from a previous rate case. Those depreciation rates are being utilized in this case.

Q. Please describe how these rates are used to calculate net depreciation expense.

A. The depreciation expense included in the revenue requirement is determined by applying the adopted group depreciation rates to the gross plant balances by account as of 12/31/23 as shown in Exhibit 7.5. These group depreciation rates are uniformly distributed to similar properties instead of on an item-by-item basis. The plant included in this calculation consists of both depreciation expenses occurring directly at WHSC and allocated amounts from HGO, Big Island, and Wastewater Administration.

Depreciation expense on the investor-funded plant is reduced by the amortization of the contributed plant, which is calculated using the amortization rates from the previously adopted rate case, as shown in Exhibit 7.4. The depreciation and amortization expenses included in the proposed revenue requirement are shown below in Table 5:

Table 5– Depreciation and Amortization Expenses

Line No.	Description	Amount	Exhibit Reference
	(a)	(b)	(c)
1	Depreciation Expense	\$ 892,696	Exhibit WHSC 7.4
2	Amortization of CIAC	<u>(\$93,874)</u>	Exhibit WHSC 7.9
3	Total Net Depreciation Expense	\$798,821	

¹¹ See Exhibit WHUC-T-102 filed in Docket No. 2017-0350.

Income Tax Expense

Q. How were income tax expenses calculated?

A. Income taxes were calculated using the 21% federal corporate income tax rate and the effective Hawaii State Income Tax rate. Book depreciation was used when calculating both Federal and State income taxes. State income taxes are reduced by the Test Year amortized expense for the Hawaii Capital Goods Excise Tax Credit and a deduction to federal income taxes. The calculated tax difference between the book and accelerated depreciation is reflected in the rate base as deferred taxes. A total of \$208,241 in income tax expense is included in the revenue requirement, as shown in Exhibit WHSC 8.21 and the table below:

Table 6 – Income Tax Expense

Line No.	(a)	(b)	(c)	(d)	(e)
1	State taxable Income		\$	928,632	
2	State income Tax		Tax Rates		
3	Less than \$25K		4.4000%	\$	1,100
4	Over \$25K, but less than \$100K		5.4000%	\$	4,050
5	Over \$100K		6.4000%	\$	53,032
	Less Hawaii Capital Goods Excise Tax Credit				
6			\$	(40,304)	
7	State Income Tax Subtotal			\$	17,878
8	Federal taxable income		\$	910,753	
9	Federal income tax		21.00%		
10	Federal Income Tax Subtotal			\$	191,258
11	Less DTL Amortization			\$	(896)
12	Total Federal and State income taxes			\$	208,241

Q. What other adjustments are made to calculate the income tax expense?

A. In 2017 the corporate tax rate changed from 35% to 21%. The calculated income taxes are further reduced by the inclusion of the amortization of the excess net deferred income tax liability for Big Island that existed at the end of 2017 when the tax rate changed. This is further discussed below related to Tax Cut and Jobs Act (“TCJA”) adjustments.

Rate Base

Q. Please provide a definition of the rate base.

A. The rate base is the investment that the utility’s owners have made in the utility plant and the working capital needed to operate the utility. There are deductions that represent the reduction of the owners’ investment. Accumulated depreciation on the utility plant reduces the value of the plant assets over time. Contributions in Aid of Construction (“CIAC”), deferred income taxes, and investment tax credits are examples of deductions from the rate base that represent non-owner investments in the utility. The rate base is calculated by taking the utility plant in service plus the

working capital needs and deducting the accumulated depreciation on the utility plant and any non-owner investments. The result is the rate base upon which the owners are entitled to earn a reasonable rate of return.

Q. What period is utilized for the calculation of the rate base?

A. WHSC has calculated its rate base using the average of the net plant in service for 2024 and 2025, less the reductions to the total rate base for the same time frame. The working capital is added to this amount to determine the rate base. Plant balances include direct investment in WHSC and allocated amounts from HGO, Big Island, and Wastewater Administration per Exhibit WHSC 7.

Q. How were the net plant in service balances determined?

A. The starting point for the net plant in service calculation is the plant asset value and accumulated depreciation balances as of 12/31/2023. Adjustments were made for additional plant assets to be placed in service for the years 2024 and 2025, along with the additional accumulated depreciation that will occur within that period. The average of the 2024 and 2025 net plant in service is utilized in calculating the rate base. Details of the plant can be found in Exhibits WHSC 7.1 through 7.7. Since the previous rate case, the average net plant in service has grown by 27.69%, as detailed in Table 10. The total plant in service as of 2025 is projected to be \$23,843,601, with a total accumulated depreciation forecast of \$10,622,029 to produce an end of Test Year net plant in service of \$13,221,572. When averaged with the net plant in service projected for 2024 of \$12,706,834, the net plant in service amount utilized for the rate base calculation in the application is \$12,964,203. The tables below detail the plant and depreciation balances and summarize Exhibits WHSC 7.1 – 7.3.

Table 7 – Plant in Service

Line No.	Description	2023 Balance	2024 Additions	2024 Balance	2025 Additions	2025 Balance	Exhibit Reference
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	WHSC Plant	\$ 18,535,350	\$ 3,464,126	\$ 21,999,475	\$ 1,405,458	\$ 23,404,933	Exhibit WHSC 7.1
2	Big Island Plant	\$ 318,966	\$ 9,164	\$ 328,130	\$ 1,911	\$ 330,041	Exhibit WHSC 7.1
3	Hawaii Water General Office Plant	\$ 48,941	\$ 59,547	\$ 108,489	\$ -	\$ 108,489	Exhibit WHSC 7.1
4	Wastewater Administration Plant	\$ 138	\$ -	\$ 138	\$ -	\$ 138	Exhibit WHSC 7.1
5	Total Plant in Service	\$ 18,903,395		\$ 22,436,232		\$ 23,843,601	Exhibit WHSC 7.1

Table 8 – Accumulated Depreciation

Line No.	Description	2023 Balance	2024 Additions	2024 Balance	2025 Additions	2025 Balance	Exhibit Reference
(a)	(b)	(c)	(d)	(e)	(f)	(g)	
1	WHSC Depreciation \$	8,686,233	\$ 842,357	\$ 9,528,590	\$ 863,854	\$ 10,392,444	Exhibit WHSC 7.3
2	Big Island Depreciation \$	145,334	\$ 19,788	\$ 165,122	\$ 19,788	\$ 184,909	Exhibit WHSC 7.3
3	Hawaii Water General Of \$	26,646	\$ 8,986	\$ 35,632	\$ 8,986	\$ 44,618	Exhibit WHSC 7.3
3	Wastewater Administratic \$	50	\$ 4	\$ 54	\$ 4	\$ 58	Exhibit WHSC 7.3
4	Total Depreciation \$	8,858,263	\$	9,729,398	\$	10,622,029	Exhibit WHSC 7.3

Table 9 – Rate Base Net Plant in Service

Line No.	Description	12/31/2024	12/31/2025	Average	Exhibit Reference
(a)	(b)	(c)	(d)	(e)	
1	Plant In Service \$	22,436,232	\$ 23,843,601	\$ 23,139,916	Exhibit WHSC 7
2	Accumulated Depreciation \$	9,729,398	\$ 10,622,029	\$ 10,175,713	Exhibit WHSC 7
3	Net Plant-in-Service \$	12,706,834	\$ 13,221,572	\$ 12,964,203	Exhibit WHSC 7

Table 10 – Increase in the Average Net Plant in Service

Line No.	Description	Amount	Exhibit Reference
(a)	(b)	(c)	
1	Average Net Plant in Service 2017 GRC	\$ 10,153,035	Docket No. 2017-0449, Proposed Decision & Order 35877
2	Average Net Plant in Service 2024 GRC	\$ 12,964,203	Exhibit WHSC 7
3	Increase in Net Plant in Service	27.69%	

Q. Please provide a description of the additions that have been made to the plant balances existing as of 12/31/23.

A. Exhibit WHSC 7.2 lists the plant additions included in this rate case from 12/31/2023 through the Test Year. Table 7 above summarizes the plant in service for WHSC and the allocated plant amounts for Big Island, HGO, and Wastewater Administration, along with the plant additions for 2024 and 2025. Justifications for proposed plant additions for 2024 and 2025 are provided in the testimony of Mr. Julian Gandara (T-300).

Q. What other items are included in the rate base?

A. Net CIAC, Federal and State deferred tax balances, and the unamortized portion of the Hawaii Capital Goods Excise Tax Credit balance are included as the average amount of 2024 and 2025 in the calculation as a reduction to the rate base. The net salvage adjustment and the deferred Tax Cuts

and Jobs Act (“TCJA”) tax balance adjustment are directly included in the calculation as reductions to the rate base. These items are summarized below and in Exhibit 7:

Table 11 – Reductions to Rate Base

Line No.	Description	12/31/2024	12/31/2025	Average	Exhibit Reference
(a)	(b)	(c)	(d)	(e)	
1	Contributions in Aid of Construction	\$ (2,724,007)	\$ (2,724,007)	\$ (2,724,007)	Exhibit WHSC 7.8
2	Accumulated Amortization of Contributions in Aid of Construction	\$ 1,586,605	\$ 1,680,479	\$ 1,633,542	Exhibit WHSC 7.9
3	Accumulated Deferred Taxes: Federal	\$ (874,216)	\$ (915,808)	\$ (895,012)	Exhibit WHSC 7.10
4	Accumulated Deferred Taxes: State	\$ (44,349)	\$ (60,916)	\$ (52,633)	Exhibit WHSC 7.12
5	Unamortized Hawaii Capital Goods Excise Tax Credit	\$ (443,153)	\$ (468,600)	\$ (455,877)	Exhibit WHSC 7.14
6	Net Salvage Adjustment	\$ -	\$ -	\$ (47,204)	Exhibit WHSC 7.5.1
7	TCJA Deferred Tax Adjustment	\$ -	\$ -	\$ (9,782)	Exhibit WHSC 7
8	Total Reductions to Rate Base	\$ (2,499,121)	\$ (2,488,852)	\$ (2,550,972)	Exhibit WHSC 7

Q. What is the net salvage adjustment and why is it included in the rate base calculation?

A. The net salvage adjustment represents a reduction to the rate base due to the collection of net salvage through depreciation to include costs to dispose of the assets once permanently removed from service. The adjustment is calculated by taking the difference between the depreciation expense with net salvage and without net salvage as summarized in the table. The calculated depreciation amounts are shown in Exhibits WHSC 7.5 and 7.5.1. The Commission approved this adjustment in its decision in previous rate cases.¹²

Table 12– Net Salvage Adjustment

Line No.	Description	Test Year Amount	Exhibit Reference
(a)	(b)	(c)	
1	Depreciation Rates with No Cost of Removal	\$ 816,650	Exhibit WHSC 7.5.1
2	Depreciation Rates with Cost of Removal	\$ 863,854	Exhibit WHSC 7.5
3	Net Salvage Adjustment	\$ (47,204)	Exhibit WHSC 7

Q. What is TCJA adjustment and why is it included in the rate base calculation?

A. As a result of the TCJA that reduced the corporate federal income tax rate from 35% to 21%, an adjustment regarding excess deferred tax liability for the Big Island has been made. The adjustment of \$79,924 has been multiplied by the 2017 allocation factor of 13.92%, resulting in \$11,122 allocated to WHSC. As presented above, under income tax expenses, this is amortized over the life of the plant at the time of the rate change or 12.42 years at \$896 per year, as shown in the Table below. The unamortized portion of the net excess deferred tax liability remains as a rate base

¹² See Docket No. 2017-0450.

reduction, as shown in Exhibit WHSC 7. The Company has reduced the average unamortized balance over a four-year period, anticipating filing the next General Rate Case in four years. A detailed discussion of the implications of the TCJA on the Waikoloa systems is provided in the testimony of Mr. Jimmy Yee (T-500).

Table 13 – Tax Cut and Jobs Act Adjustment Details

Line No.	TCJA Adjustment	
	As of 12/31/2017 (a)	Big Island - 720 (b)
1 Plant in Service	\$	1,762,847
2 Accumulated Depreciation	\$	531,666
3 Net Plant in Service	\$	1,231,181
4 Annual Depreciation	\$	99,145
5 Remaining Life (Years)		12.42
6 Excess DTL	\$	79,924
7 Allocated Amount to WHSC	\$	11,122
8 Amortized Amount	\$	896

Q. Please describe how the CIAC balances were established and why it is appropriate to include CIAC as an offset to the rate base.

A. CIAC represents assets contributed to the Company by developers, customers, or other sources. Importantly, CIAC does not represent owner investment in the utility's assets and, ultimately, is a deduction from the rate base.

Like the plant in service, the CIAC and accumulated amortization balances as of 12/31/2023 are the starting points for calculating the CIAC included in the rate base. Adjustments have been made to the accumulated amortization balance for additional amortization expenses between 12/31/2023 and the Test Year. The Company does not anticipate any additions, deletions, or retirements from CIAC between the year ending 12/31/2023 and the Test Year.

Q. Where can details of the contributed plant and the associated amortization be found?

A. The deduction to the rate base is the net of the balances of the CIAC and the accumulated amortization in Exhibits WHSC 7.8 and 7.9, summarized in the table below.

Table 14 – Net Contributions in Aid of Construction

Line No.	Description	12/31/2024	12/31/2025	Average	Exhibit Reference
	(a)	(b)	(c)	(d)	(e)
1	Contributions in Aid of Construction	\$ (2,724,007)	\$ (2,724,007)	\$ (2,724,007)	Exhibit WHSC 7.8
2	Accumulated Amortization of Contributions	\$ 1,586,605	\$ 1,680,479	\$ 1,633,542	Exhibit WHSC 7.9
3	Net Contributions in Aid of Construction	\$ (1,137,403)	\$ (1,043,528)	\$ (1,090,466)	

Q. Please describe how the accumulated deferred tax balances arise.

A. Accumulated Deferred Income Tax (“ADIT”) balances occur when the method of expensing depreciation for tax reporting purposes differs from the method used for ratemaking purposes. For many assets, the Company can depreciate items over an accelerated time frame for tax purposes, resulting in a temporary decrease in federal and state tax liability, accumulating the tax difference in a deferred tax account. The net balance of this tax benefit is a reduction to the rate base.

Q. How were the ADIT balances related to the plant calculated?

A. Exhibits WHSC 7.10 through 7.13 show the calculations and details for Federal and State ADIT balances. Typically, a straight 25-year life is utilized for plant assets, with half of a year's depreciation recognized in the first year, regardless of the in-service date of the asset. Other useful lives can be assessed to other assets such as information technology, office, and general plant items. These lives could range from three to seven years.

For the Big Island, Wastewater Administration, and HGO allocations for the deferred taxes, the federal deferred tax liability as of 2023 was utilized and multiplied by the four-factor allocation as the basis for the calculation. Further allocations were assessed due to additions to the plant for 2024 and 2025 using the four-factor allocation methodology.

The difference between the unamortized asset balances for regulatory and tax purposes is multiplied by the applicable federal or state tax rate to determine the ADIT balance to include in the rate base as of 12/31/2024 and 12/31/2025 with the average of the two amounts included in the rate base as reductions. The calculations prepared by the Company are summarized in the tables below.

Table 15 – Accumulated Deferred Income Tax - Federal

Line No.	12/31/2023	Allocations	12/31/2024	Allocations	12/31/2025
(a)	(b)	(c)	(d)	(e)	(f)
1 Deferred Tax Liability at 21%	\$866,912		\$881,462		\$916,463
2 Less NOL	<u>(\$32,912)</u>		<u>(\$32,912)</u>		<u>(\$32,912)</u>
3 Net Deferred Tax Liability	<u>\$834,000</u>		<u>\$848,549</u>		<u>\$883,551</u>
4 Allocated Big Island 720 Net Deferred Tax Liability	\$19,705	\$988	\$20,692	\$1,839	\$22,531
5 Allocated Hawaii Water GO 790 Net Deferred Tax Liability	\$2,658	\$2,702	\$5,360	\$4,751	\$10,111
6 Allocated Wastewater Administration 796 Net Deferred Tax Liability	<u>(\$386)</u>	\$0	<u>(\$386)</u>	\$0	<u>(\$386)</u>
7 Grand Total	<u>\$855,977</u>		<u>\$874,216</u>		<u>\$915,808</u>

Table 16 – Accumulated Deferred Income Tax – State

Line No.	12/31/2023	Allocations	12/31/2024	Allocations	12/31/2025
(a)	(b)	(c)	(d)	(e)	(f)
1 Net Deferred Tax Liability	<u>\$33,861</u>		<u>\$35,288</u>		<u>\$45,528</u>
2 Allocated Big Island 720 Net Deferred Tax Liability	\$4,787	\$948	\$5,735	\$1,766	\$7,501
3 Allocated Hawaii Water GO 790 Net Deferred Tax Liability	\$727	\$2,594	\$3,321	\$4,561	\$7,882
4 Allocated Wastewater Administration 796 Net Deferred Tax Liability	<u>\$5</u>	\$0	<u>\$5</u>	\$0	<u>\$5</u>
5 Grand Total	<u>\$39,380</u>		<u>\$44,349</u>		<u>\$60,916</u>

Q. Please describe the reduction associated with the Hawaii Capital Goods Excise Tax Credit.

A. This balance arises due to a credit applied at the state income tax level, which is amortized over the life of the corresponding asset. The average of the 2024 and 2025 unamortized balances of the Hawaii Capital Goods Excise Tax Credit reduces the rate base as detailed in Exhibit WHSC 7.14.

Q. Have any additions been made to the rate base?

A. Yes. The Commission has established a policy of providing utilities with an allowance for working capital. The rate base is increased by this allowance. The working capital amount is needed to fund the utility's day-to-day operations, as shown in Exhibit WHSC 7.15. Working capital is calculated using the 1/12th method, where an amount equal to 1/12th of annual operating expenses is utilized as a reasonable estimate for the cash needs of the utility. The result of this calculation is shown below:

Table 17 – Working Capital

Line No.	Description	Amount	Exhibit Reference
(a)	(b)	(c)	
1 Total Operating Expenses	\$ 1,411,948	Exhibit WHSC 7.15	
2 Times Working Cash Factor of 1/12	<u>0.08</u>		
3 Working Capital	\$ 117,662		

1 **Q. What is the total Rate Base being requested in this proceeding?**

2 A. Hawaii Water is requesting a total rate base of \$10,530,893, as summarized in Exhibit WHSC 7.

3 **Rate of Return**

4 **Q. What rate of return is Hawaii Water requesting in this proceeding?**

5 A. Hawaii Water requests a return of 8.01% in this proceeding, based on a capital structure consisting
6 of 46.6% debt and 53.4% equity. The requested debt and equity costs are 5.42% and 10.27%,
7 respectively. The proposed structure is shown in Exhibit WHSC 10.

8 **Q. Is this return consistent with the return granted to other Hawaii Water systems?**

9 A. No, however, the capital structure is consistent with those approved by the Commission in other
10 cases.¹³ The actual capital structure for Hawaii Water in 2022 was 84.8% equity/15.1% debt and
11 in 2023 it was 85.1% equity/14.9% debt. Because Hawaii Water is using the California Water
12 Service Group Return on Equity (“ROE”), this petition is using the previously approved capital
13 structure rather than the actual 85%/15% over the past two years. In fact, Hawaii Water would seem
14 more risky at its actual capital structure which would justify a higher ROE but that is not what is
15 in this request. The cost of debt is based on Hawaii Water’s actual cost of borrowing, as shown in
16 the table below.

17 **Table 18 – Weighted Average Interest Rate for Long-Term Debt**

Line No.	Principal Balance		Internal Rate	Weighted Average Rate
	as of 12.31.24	% of Principal		
1	\$ 3,720,683	38.11%	5.50%	2.10%
2	\$ 2,260,967	23.16%	5.50%	1.27%
3	\$ 2,398,885	24.57%	5.50%	1.35%
4	\$ 804,036	8.24%	4.35%	0.36%
5	\$ 578,569	5.93%	5.81%	0.34%
6	\$ 9,763,139			5.42%
7	5.42% Weighted Average Rate			

18
19 The return on equity is increasing to 10.27%, as approved by Advice Letter No. 2945 for California
20 Water Service Co. The ROE of 10.27% used in this petition comes from the largest Class A water
21 company in California, Cal Water. Cal Water has an S&P credit rating of A+ with an Outlook of
22 Stable and over 470,000 connections in several districts throughout California. HWSC, with its ten
23 service areas holding 15 utilities, does not have a bond rating or credit rating and only serves 7,000

¹³ See Docket No. 2022-0186.

connections. HWSC, therefore, on a stand-alone basis, has greater financial risk than its parent, Cal Water. Nonetheless, the ROE of its parent (10.27%) is a reasonable authorized return for HWSC.

The ROE of 10.27% and the Cost of Debt of 5.42% produces the 8.01% overall rate of return, as summarized in the table below.

Table 19 – Waikoloa Rate of Return for 2024

Line No.	CWS Capital Structure	Waikoloa RoR for 2024		Exhibit Reference	
	(a)	(b)	(c)	(d)	(e)
1	DEBT	46.6%	5.42%	2.53%	Exhibit WHSC 10
2	EQUITY	53.4%	10.27%	5.48%	Exhibit WHSC 10
3	TOTAL	100%		8.01%	Exhibit WHSC 10

Per the State of California Public Utilities Commission, “The Water Division of the California Public Utilities Commission approved California Water Service Company’s Advice Letter No. 2495 on October 13, 2023, regarding Triggering the Water Cost of Capital Mechanism (WCCM) for 2024 and updating the Tariff Schedule Table of Contents for All Class A Ratemaking Areas.”

Table 20 – Advice Letter No. 2495 – Return on Common Equity¹⁴

	Category	Capital Ratio	Rate	Weighted Rate
Decision 23-06-025	Long-Term Debt	46.60%	Cost of Debt	4.23%
6/29/2023	Common Stock	53.40%	Return on Common Equity	9.05%
			Rate of Return	6.80%
WCCM Triggered for 2023		WCCM Target	3.92	
		Initial Benchmark	2.89	
		Difference	1.03	
		50% of Difference	0.52	basis point adjustment
For Rates in effect in July 2023 - Dec 2023	Category	Capital Ratio	Rate	Weighted Rate
	Long-Term Debt	46.60%	Cost of Debt	4.23%
	Common Stock	53.40%	Return on Common Equity	9.57%
			Rate of Return	7.08%
WCCM Triggered for 2024		WCCM Target	5.31	
		New Benchmark	3.92	
		Difference	1.39	
		50% of Difference	0.70	basis point adjustment
For Rates in effect in Jan 2024 - Dec 2024	Category	Capital Ratio	Rate	Weighted Rate
	Long-Term Debt	46.60%	Cost of Debt	4.23%
	Common Stock	53.40%	Return on Common Equity	10.27%
			Rate of Return	7.46%

Q. What is the result of applying the requested rate of return to the rate base described above?

A. The result of applying the requested rate of return to the rate base is shown below. Proposed rates produce net operating income equal to the calculated return on rate base, as shown below.

Table 21 – Calculation of Return on Rate Base

Line No.	Description	Amount	Exhibit Reference
	(a)	(b)	(c)
1	Total Rate Base	\$ 10,530,893	Exhibit WHSC 7
2	Rate of Return	8.01%	Exhibit WHSC 10
3	Return on Rate Base	\$ 843,526	

Proposed Rates and Bill Impacts

Q. Please describe the current rate structure and rates.

¹⁴ California Water Service Company Advice Letter 2495, approved by the Water Division of the California Public Utilities Commission on October 13, 2023.

1 A. WHSC customers are currently charged a fixed charge and a quantity charge based on consumption.
2 All customers are charged the same \$2.0437 quantity charge for every thousand gallons of metered
3 usage.

4
5 **Q. Is the Company proposing a phase-in for sewer rates?**

6 A. Yes. The direct testimony of Mr. Shimansky explains the company's proposal and rationale on the
7 rate phase in. My schedules show what the rates would be if there were no phase in and the full
8 proposed revenue requirement were to be collected in Year 1. The last rate case was in 2017. Since
9 then, the Company, like all others in the US economy, has experienced unprecedented inflation
10 impacting the costs of materials, supplies, and labor. The Company must recover these costs while
11 being allowed the opportunity to earn a reasonable rate of return. The full proposed rates do no
12 more and no less than this. However, as Mr. Shimansky will show, the company is willing to collect
13 the authorized revenue requirement over time to mitigate customer rate shock. Even at that, the
14 full proposed rates are designed to only collect the revenue requirement.

15
16 **Q. Please provide a summary of the proposed rates for the WHSC system.**

17 A. While Mr. Shimansky's testimony proposes the rates to be collected, absent a rate phase in, Hawaii
18 Water would be proposing the following rates to be collected in the first year, the details of which
19 are in Exhibit WHSC 12. Table 22 shows the details of the proposed fixed rates. Table 23 shows
20 the details of the proposed quantity rates. Table 24 provides details of the overall impact of the bill
21 if rates were implemented in one step.

22 **Table 22 – Proposed Fixed Rates**

Line No.	Fixed Revenue	Present Rates	Proposed Rates	Exhibit Reference
	(a)	(b)	(c)	(d)
1	Residential	\$ 73.84	\$ 118.52	Exhibit WHSC 12
2	Multi-Family	\$ 73.84	\$ 118.52	Exhibit WHSC 12
3	Business	\$ 73.84	\$ 118.52	Exhibit WHSC 12
4	Public Authority	\$ 73.84	\$ 118.52	Exhibit WHSC 12

Table 23 – Proposed Quantity Rates

Line No.	Quantity Revenue	Present Rates	Proposed Rates	Exhibit Reference
	(a)	(b)	(c)	(d)
1	Residential	\$ 2.0437	\$ 3.2806	Exhibit WHSC 12
2	Multi-Family	\$ 2.0437	\$ 3.2806	Exhibit WHSC 12
3	Business	\$ 2.0437	\$ 3.2806	Exhibit WHSC 12
4	Public Authority	\$ 2.0437	\$ 3.2806	Exhibit WHSC 12

Table 24 – Bill Impacts

Line No.	Bill Impact	Present	Proposed	Difference	Exhibit Reference
	(a)	(b)	(c)	(d)	(e)
1	Monthly Usage [TG]	11	11		Exhibit WHSC 12
2	Fixed Charge	\$ 73.84	\$ 118.52	\$ 44.69	Exhibit WHSC 12
3	Quantity Charge	\$ 22.83	\$ 36.64	\$ 13.82	Exhibit WHSC 12
4	PCC	\$ 9.03	\$ 9.03	\$ -	Exhibit WHSC 12
5	5 Total	\$ 105.70	\$ 164.20	\$ 58.50	Exhibit WHSC 12

Power Cost Charge

Q. Is the Company proposing any changes to the PCC?

A. Yes. Hawaii Water proposes updating the power cost charge factor to reflect current operations; however, the formula controlling the PCC is not being changed.

Q. How is the PCC Factor determined?

A. The following formula shows the methodology used to calculate the PCC for WHSC¹⁵:

Formula used to calculate PCC

Electric Power Cost Per Thousand Gallons ==

Previous Month's Electric Cost / Divided by Previous Month's Total Metered TG of

Water to the Company's Customers x 1.06385 (Public Service Company Tax and PUC Fee)

¹⁵

[https://www.hawaiiwaterservice.com/docs/rates/other_filings/2024/08/WHSC_Power_Cost_Charge_Calculation_\(2024_08\).pdf](https://www.hawaiiwaterservice.com/docs/rates/other_filings/2024/08/WHSC_Power_Cost_Charge_Calculation_(2024_08).pdf)

1 The PCC is a function of the cost of energy consumed, the volume of metered water, and the
2 revenue tax factor. Based on current operations and energy costs, the Power Cost Charge per
3 Thousand Gallons is \$0.8087, as detailed in Exhibit WHSC 8.7.

4

5 **Q. Does this conclude your direct testimony?**

6 A. Yes.

Exhibit WU-T-400-WHUC

Direct Testimony of Jason Mumm

REVENUE REQUIREMENT



General Rate Case of
Waikoloa Resort Utilities, Inc., Waikoloa Sanitary
Sewer Company, Inc., and Waikoloa Water Co., Inc.
Docket 2024-0224
October 2024

Table of Contents

<u>Introduction.....</u>	<u>1</u>
<u>Overview of Proposed Rate Increase.....</u>	<u>2</u>
<u>Revenues at Current and Proposed Rates</u>	<u>3</u>
<u>Sales, Services, and Production</u>	<u>4</u>
<u>Operations and Maintenance (“O&M”) Expenses</u>	<u>5</u>
<u>Depreciation and Amortization Expenses.....</u>	<u>14</u>
<u>Income Tax Expense</u>	<u>15</u>
<u>Rate Base</u>	<u>16</u>
<u>Rate of Return.....</u>	<u>25</u>
<u>Proposed Rates and Bill Impacts.....</u>	<u>27</u>
<u>Power Cost Charge</u>	<u>30</u>

Tables Included in Testimony

<u>Table 1 – Summary of Requested Increase.....</u>	<u>3</u>
<u>Table 2 – Customer Counts and Billed Flows for the Test Year.....</u>	<u>4</u>
<u>Table 3 – Fuel and Power - Water</u>	<u>9</u>
<u>Table 4 – Fuel and Power – Sewer.....</u>	<u>10</u>
<u>Table 5 – Fuel and Power – Irrigation</u>	<u>10</u>
<u>Table 6 – Conservation Program Costs.....</u>	<u>12</u>
<u>Table 7 – Summary of Operating Expenses.....</u>	<u>14</u>
<u>Table 8– Depreciation and Amortization Expenses</u>	<u>15</u>
<u>Table 9 – Income Tax Expense – WHUC Water.....</u>	<u>15</u>
<u>Table 10 – Income Tax Expense – WHUC Sewer.....</u>	<u>16</u>
<u>Table 11 – Income Tax Expense – WHUC Irrigation.....</u>	<u>16</u>
<u>Table 12 – Plant in Service – WHUC Water</u>	<u>18</u>
<u>Table 13 – Plant in Service – WHUC Sewer</u>	<u>18</u>
<u>Table 14 - Plant in Service – WHUC Irrigation</u>	<u>18</u>
<u>Table 15 – Accumulated Depreciation – WHUC Water</u>	<u>18</u>
<u>Table 16 – Accumulated Depreciation – WHUC Sewer.....</u>	<u>18</u>
<u>Table 17 – Accumulated Depreciation – WHUC Irrigation</u>	<u>18</u>
<u>Table 18 – Rate Base Net Plant in Service – WHUC Water</u>	<u>19</u>
<u>Table 19 – Rate Base Net Plant in Service – WHUC Sewer</u>	<u>19</u>
<u>Table 20 – Rate Base Net Plant in Service – WHUC Irrigation.....</u>	<u>19</u>
<u>Table 21 – Increase (Decrease) in the Average Net Plant-in-Service</u>	<u>19</u>
<u>Table 22 – Reductions to Rate Base – WHUC Water</u>	<u>20</u>

<u>Table 23 – Reductions to Rate Base – WHUC Sewer.....</u>	<u>20</u>
<u>Table 24 – Reductions to Rate Base – WHUC Irrigation</u>	<u>20</u>
<u>Table 25– Net Salvage Adjustment</u>	<u>21</u>
<u>Table 26 – Tax Cut and Jobs Act Adjustment Details.....</u>	<u>22</u>
<u>Table 27 – Net Contributions in Aid of Construction – WHUC Water.....</u>	<u>22</u>
<u>Table 28 – Net Contributions in Aid of Construction – WHUC Sewer.....</u>	<u>23</u>
<u>Table 29 – Net Contributions in Aid of Construction – WHUC Irrigation.....</u>	<u>23</u>
<u>Table 30 - Accumulated Deferred Income Taxes – WHUC Water.....</u>	<u>24</u>
<u>Table 31 - Accumulated Deferred Income Taxes – WHUC Sewer</u>	<u>24</u>
<u>Table 32 - Accumulated Deferred Income Taxes – WHUC Irrigation</u>	<u>24</u>
<u>Table 33 – Working Capital</u>	<u>25</u>
<u>Table 34 – Weighted Average Interest Rate for Long-Term Debt.....</u>	<u>26</u>
<u>Table 35– Waikoloa Rate of Return for 2024</u>	<u>26</u>
<u>Table 36 – Advice Letter No. 2495 – Return on Common Equity.....</u>	<u>27</u>
<u>Table 37 – Calculation of Return on Rate Base.....</u>	<u>27</u>
<u>Table 38– Proposed Fixed Rates – WHUC Water.....</u>	<u>29</u>
<u>Table 39 – Proposed Fixed Rates – WHUC Sewer.....</u>	<u>29</u>
<u>Table 40 – Proposed Quantity Rates – WHUC Water</u>	<u>29</u>
<u>Table 41 – Proposed Quantity Rates – WHUC Sewer</u>	<u>29</u>
<u>Table 42 – Proposed Quantity Rates – WHUC Irrigation.....</u>	<u>29</u>
<u>Table 43 – Bill Impacts – WHUC Water</u>	<u>30</u>
<u>Table 44 – Bill Impacts – WHUC Sewer</u>	<u>30</u>
<u>Table 45 – Bill Impacts – WHUC Irrigation.....</u>	<u>30</u>

Chart Included in Testimony

<u>Chart 1 – Inflation Comparison</u>	<u>7</u>
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WEST HAWAII UTILITY, SEWER, AND WATER GENERAL RATE CASE
DIRECT TESTIMONY OF JASON G. MUMM
REVENUE REQUIREMENT MODEL - WHUC

Introduction

Q. Please state your name, position, and business address.

A. My name is Jason G. Mumm. I am a Principal with FCS GROUP (FCSG), a subsidiary of Bowman Consulting, Inc., a professional consulting services firm headquartered in Reston, VA. My primary place of business is in Boulder, CO, at 2755 Canyon Blvd, Boulder, CO 80302.

Q. Please summarize your educational background, current job responsibilities, and professional experience.

A. I hold a BS degree in Business Administration from Colorado State University and an MBA from the University of Colorado-Denver. My present job responsibilities include managing project teams engaged in multiple projects for multiple clients in the area of water, wastewater, and stormwater utility rates and charges. I have 28 years of experience directly related to my current responsibilities. As part of my professional duties, I often serve in an expert witness capacity in civil proceedings and, sometimes, in utility commission rate cases. I've appeared as an expert in commission related cases in Colorado, Texas, Rhode Island, Hawaii, and Nova Scotia. I am a 25-year member of the American Water Works Association ("AWWA") and am the immediate past-chair of the AWWA Rates and Charges Committee, a committee responsible for, among other things, publishing the manuals of practice for setting water utility rates and charges used throughout the water industry.

Q. What is the purpose of your testimony in this proceeding?

A. My testimony supports the revenue requirements and aggregate rates requested by Hawaii Water Service Company ("Hawaii Water" or "the Company") for the Waikoloa Resort Utilities, Inc. dba West Hawaii Utility Company ("WHUC") system for the period beginning January 1, 2025, and ending December 31, 2025 ("Test Year"). Additionally, I will address the calculations and financial information to support the overall revenue requirement, including the rate base, estimates of certain expenses, and details of sales and revenues, which are included in this application.

Q. What Exhibits will you be sponsoring?

A. I am sponsoring Exhibit WU-T-400-WHUC-Water, Exhibit WU-T-400-WHUC-Sewer, and Exhibit WU-T-400-WHUC-Irrigation, the Results of Operations models for the Waikoloa Resorts Utilities. Those exhibits begin with a list of schedules that shows what each of the sub-exhibits that I am sponsoring. Those exhibits are labeled “Exhibit WHUC Water #.#”, “Exhibit WHUC Sewer #.#”, and “Exhibit WHUC Irrigation #.#” in Exhibit WU-T-400-WHUC-Water, Exhibit WU-T-400-WHUC-Sewer, and Exhibit WU-T-400-WHUC-Irrigation, respectively (collectively “Exhibit WHUC (WTR, SWR, IRR) #.#” or “Exhibit WHUC #.#”). I will reference them in that fashion in this testimony.

Overview of Proposed Rate Increase

Q. Please provide a brief overview of the WHUC.

A. The WHUC system provides potable water, sewage treatment services, and non-potable irrigation water to the Waikoloa Beach Resort in South Kohala on the island of Hawaii (“Resort”). Since the company began operations in 1980, it has developed potable water wells, storage tanks, and transmission/distribution lines.

WHUC is a public utility that provides water and wastewater service to condominiums, hotels and other commercial establishments in the Waikoloa Beach Resort area on the Island of Hawaii. WHUC also provides irrigation water service to two golf courses within Waikoloa Beach Resort. The systems are supported by the Big Island District (“Big Island”) and the Hawaii General Office (“HGO”). The Wastewater Administration also supports WHUC Sewer.

Q. Please provide a brief overview of the revenue requirement and rate increase requested in this proceeding.

A. Hawaii Water proposes an increase in revenue of \$1,543,408 for WHUC Water (“Water”), a \$635,062 revenue increase for WHUC Sewer (“Sewer”), and a (\$31,040) decrease in revenue for WHUC Irrigation (“Irrigation”) as presented in Exhibit WHUC 6 per each system. The total revenue proposed to recover is \$6,688,631 for Water, \$5,907,910 for Sewer, and \$306,998 for Irrigation. The details of the current rates, proposed rates, and incremental increases can be found in Exhibit WHUC 12 per each system.

1

Table 1 – Summary of Requested Increase

Line No.	Description	Amount			Exhibit Reference
	(a)	(b)	(c)	(d)	(e)
		Water	Sewer	Irrigation	
1	Total Test Year Expense	\$5,686,961	\$4,305,954	\$294,313	Exhibit WHUC (WTR, SWR, IRR) 6
2	Proposed Return on Rate Base of 8.01%	\$1,001,670	\$1,601,956	\$12,685	Exhibit WHUC (WTR, SWR, IRR) 6
3	Total Revenue Needs	\$6,688,631	\$5,907,910	\$306,998	Exhibit WHUC (WTR, SWR, IRR) 6
4	Less: Revenues Produced by Current Rates	(\$5,145,224)	(\$5,272,848)	(\$338,039)	Exhibit WHUC (WTR, SWR, IRR) 6
5	Proposed Revenue Increase \$	\$1,543,408	\$635,062	(\$31,040)	Exhibit WHUC (WTR, SWR, IRR) 6
6	Proposed Revenue Increase %	30.0%	12.0%	-9.2%	Exhibit WHUC (WTR, SWR, IRR) 6

Note: WTR = Water, SWR = Sewer, IRR = Irrigation

2

3 **Revenues at Current and Proposed Rates**

4 **Q. How was the revenue requirement determined?**

5 A. For WHUC, the revenue requirements include operating and maintenance expenses, depreciation
6 expenses, income taxes, taxes other than income taxes, and a return on rate base. A future test
7 period is used based on historical information to forecast expenses with inflation-adjusted factors
8 based on a three-year average. As shown in the Exhibits, these forecasted values are referred to as
9 the “Test Year.” This report’s historical information is based on the calendar year 2023. The Test
10 Year is January 1, 2025, through December 31, 2025. WHUC’s revenues were initially estimated
11 based on its currently adopted rates, as shown in Table 1 (Line 4, Columns b, c, and d). The
12 expected revenues are compared to the Test Year revenue requirement to determine the requested
13 revenue increase per Table 1.

14 **Q. Please explain the choice of 2023 as the base year in this filing.**

15 A. The 2023 base year was chosen because it was the most recent calendar year with complete
16 financial results at the time of this application. Hawaii Water has reviewed the 2023 financial
17 information and believes that, after adjustment for known and measurable changes as outlined in
18 my testimony, they reasonably represent the revenue requirements in the proposed Test Year.

19 **Q. How were revenues under current rates calculated?**

20 A. The current rates for WHUC consist of three previously approved billing determinants: fixed
21 revenue, quantity revenue, and Power Cost Charge (“PCC”) revenue. The fixed revenue at the
22 present rates is calculated using the adopted fixed rate multiplied by the estimated customer count
23 for each customer class. The quantity rate is calculated using the approved quantity charge

multiplied by the estimated water consumption in the customer class. The approved PCC formula is multiplied by the estimated water consumption in the respective customer class. Applying the current rates for each WHUC system to these billing determinants results in current revenues of \$5,145,224 for Water (Table 1, Line 4, Column b), \$5,272,848 for Sewer (Table 1, Line 4, Column c), and \$338,039 for Irrigation (Table 1, Line 4, Column d). Exhibit WHUC 8.1 per each system summarizes past, present, and proposed revenues by customer class.

Q. How was it determined that the use of a three-year average is reasonable for ratemaking purposes?

A. The three-year average has been the accepted practice from the previous rate case and has been incorporated into determining the expenses and revenues for the Test Year¹. Payroll, employee benefits, rent, insurance, and regulatory expenses have been estimated using different methodologies, which will be described in more detail in my testimony.

Sales, Services, and Production

Q. Please discuss the Exhibit where recorded and forecasted customer counts are shown.

A. Exhibit WHUC 8.2 per each system shows the recorded customer counts by customer class. These exhibits also provide the forecasted customer counts by class for the Test Year.

Q. How were customer counts estimated for the Test Year?

A. The customer counts for the Test Year were set equal to the 2023 base year counts, as shown below in Table 2.

Table 2 – Customer Counts and Billed Flows for the Test Year

Line No.	Class	Test Year Customer Counts			Test Year Billed Flows			Exhibit Reference
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
		Water	Sewer	Irrigation	Water	Sewer	Irrigation	
1	Residential - Single - family	69	56	-	59,975	41,190	-	Exhibit WHUC (WTR, SWR, IRR) 8.2
2	Residential - Multi - family	12	1,741	-	539,055	544,447	-	Exhibit WHUC (WTR, SWR, IRR) 8.2
3	Business	46	1,662	-	586,481	366,955	-	Exhibit WHUC (WTR, SWR, IRR) 8.2
4	Public Authority	-	-	-	-	-	-	Exhibit WHUC (WTR, SWR, IRR) 8.2
5	Irrigation	-	-	2	-	-	1,005,490	Exhibit WHUC (WTR, SWR, IRR) 8.2
		127	3,459	2	1,185,512	952,592	1,005,490	

Note: WTR = Water, SWR = Sewer, IRR = Irrigation

¹ See generally Docket No. 2017-0450.

Q. How were billed flows forecasted for the Test Year?

A. Billed water, sewer, and irrigation flows are defined as customers receiving service measured in thousands of gallons (“TG”). These flows were estimated using a three-year average of recorded data from 2021 to 2023, as shown in Exhibit WHUC 8.2 per each system and Table 2 above.

Operations and Maintenance (“O&M”) Expenses

Q. Please describe the Exhibits that support the O&M expense included in the requested revenue requirement.

A. Support for the Test Year expenses is provided in Exhibits WHUC 8.4 to WHUC 8.21. Each Exhibit includes details showing the expenses incurred from 2019 through 2023 and the amounts associated with the Test Year.

- Exhibit WHUC 8.4 – 4-Factor Allocation
- Exhibit WHUC 8.5 – Labor Expense
- Exhibit WHUC 8.6 – Fuel & Power Expense
- Exhibit WHUC 8.7 – Power Cost Charge
- Exhibit WHUC 8.8 – Chemicals Expense
- Exhibit WHUC 8.9 – Materials and Supplies Expense
- Exhibit WHUC 8.10 – Waste/Sludge Disposal Expense
- Exhibit WHUC 8.11 – Affiliate Charges
- Exhibit WHUC 8.12 – Outside Services
- Exhibit WHUC 8.13 – Repairs & Maintenance
- Exhibit WHUC 8.14 – Rents
- Exhibit WHUC 8.15 – Insurance Expenses
- Exhibit WHUC 8.16 – Regulatory Expenses (Test Year)
- Exhibit WHUC 8.17 – Regulatory Expenses (Recorded)
- Exhibit WHUC 8.18 – General & Administrative Expenses
- Exhibit WHUC 8.19 – Customer Accounts Expenses
- Exhibit WHUC 8.20 – Taxes Other than Income Taxes
- Exhibit WHUC 8.21 – Income Tax Expense

Q. Why is recovery of allocated Big Island, HGO, and Wastewater Administration expenses appropriate?

A. HGO allocated operations benefit all of Hawaii Water’s ten utilities, encompassing fifteen systems. Big Island allocated expenses benefit the Waikoloa Village Water, Waikoloa Village Sewer, and Waikoloa Resort. Wastewater Administration allocated operations benefit Hawaii Water’s sewer systems, including Waikoloa Village Sewer and WHUC Sewer. A four-factor allocation method is used to distribute costs among the systems. Payroll and indirect expenses of HGO, Big Island, and Wastewater Administration have been included in this rate case, if applicable to the system, based

1 on the methodology accepted in prior rate cases by the Hawaii Public Utilities Commission
2 (“Commission”).²
3

4 **Q. Please describe the four-factor methodology and the rationale for using it.**

5 A. As sponsored in the testimony of Mr. Stout³, Hawaii Water uses an internal four-factor methodology
6 to allocate general operations costs among its regulated utility companies. This method is based on
7 (1) the number of customer equivalents taking service from the system, (2) gross plant in service,
8 (3) direct operations and maintenance expenses, and (4) direct gross payroll. All the factors
9 directly correlate to the size, capital investment, and costs of operating and maintaining a system.
10 For instance, the plant in service directly represents the size of the system by the amount of capital
11 investment in each system. The Commission has accepted this methodology in other recent Hawaii
12 Water proceedings.⁴
13

14 **Q. How were the inflation factors used to adjust historical costs developed?**

15 A. For the 2019 – 2023 period, the factors were obtained from the U.S. Bureau of Labor Statistics⁵.
16 The annual recorded expenses are adjusted by the Consumer Price Index (“CPI”) using the
17 Honolulu CPI. Since federal CPI data is not available for neighboring islands, the best available
18 data was used⁶. For 2024 and 2025, the factors were obtained from the Hawaii Department of
19 Business, Economic Development & Tourism as of May 2024. The inflation factors and links to
20 the sources can be found in Exhibit WHUC 8.3⁷ per each system. The historical costs are escalated
21 to 2025 dollars and averaged for 2021 – 2023 to forecast the Test Year costs.

22 This methodology of adjusting certain recorded expenses by CPI is reasonable for rate making and
23 has been utilized in previous rate cases.⁸ If this factor is not used, out-of-date costs would be utilized
24 to forecast the Test Year expenses and underestimate those costs.

² See Docket No. 2022-0186, Docket No. 2021-0005, Docket No. 2018-0388, Docket No. 2017-0350, and Docket No. 2017-0450.

³ Exhibit WU-T-200, page 4.

⁴ See Docket No. 2022-0186, Docket No. 2021-0005, Docket No. 2018-0388, Docket No. 2017-0350, and Docket No. 2017-0450.

⁵ <https://data.bls.gov/timeseries/CUURS49FSA0>

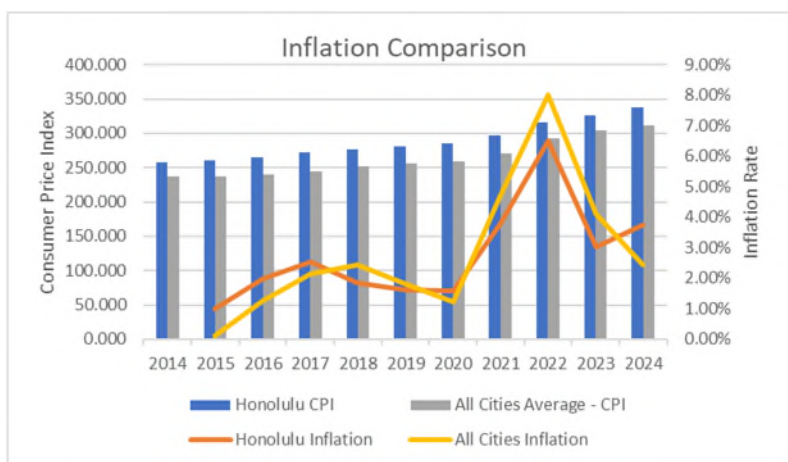
⁶ <http://dbedt.hawaii.gov/economic/library/faq/faq03/>

⁷ <https://dbedt.hawaii.gov/economic/qser/outlook-economy/>

⁸ See Docket No. 2017-0450.

The average inflation rate from the previous rate case was 1.85% from 2013 through 2018. As the chart shows below, the inflation rate for Honolulu reached 3.78% in 2021 and 6.49% in 2022. Inflation does begin to decrease after 2022; however, the repercussions of higher costs from the cumulative impact of higher inflation rates cannot be reversed, and the rates have not returned to pre-2020 levels.

Chart 1 – Inflation Comparison



Q. Are there any other allocated costs from affiliates?

A. Yes. California Water Service Group (“CWSG”) includes several subsidiaries: Cal Water, Hawaii Water, Washington Water Service Company, Texas Water Service Company, and New Mexico Water Service Company. CWSG incurs significant costs in providing services to its subsidiaries through its Customer Support Services (“CSS”). The services provided include corporate governance, audit, accounting and finance, information technology, human resources, and communications. These functions are provided centrally as it is more cost effective. Insurance is also negotiated at the CWSG level, and the costs are allocated to subsidiaries. As of 2013, a department called Public Company (“PubCo”) was created to accumulate the respective expenses of the different CSS departments. The accumulated shared costs are allocated from the “PubCo” department, as shown in Exhibit WHUC 8.11 per each system. Recovery of these allocated PubCo expenses have been approved by the Commission in previous WHUC rate cases and previous cases for other Hawaii Water systems.⁹

⁹ See Docket No. 2017-0450

1 **Q. How were the Affiliated Charges expense calculated?**

2 A. This amount is based on a three-year historical average of the costs allocated to Hawaii water from
3 PubCo. It is further distributed using the four-factor allocation method except for two specific
4 adjustments. In previous rate cases,¹⁰ Hawaii Water agreed to remove the incentive compensation
5 and other expenses from account 791000 from the overall PubCo allocation; this adjustment is
6 shown in Exhibit WHUC 8.11 and reduced the total PubCo allocation to WHUC by \$7,821 for
7 Water, \$15,775 for Sewer, and \$562 for Irrigation. The second adjustment reduces the PubCo
8 allocation by the three-year historical average of insurance expenses allocated to WHUC, totaling
9 \$21,014 for Water, \$27,363 for Sewer, and \$966 for Irrigation. The insurance adjustment is
10 necessary because WHUC's expected insurance cost is based on quoted premiums rather than the
11 historical costs; the deduction ensures only the quoted premium forecasted for the Test Year is
12 included in the revenue requirement. The expenses attributed to affiliated charges are \$140,413 for
13 Water, \$163,739 for Sewer, and \$5,906 for Irrigation.

14
15 **Q. What labor-related expenses are included in the WHUC revenue requirement?**

16 A. The labor-related expenses included in the revenue requirement include payroll, benefits, and
17 payroll tax expenses, as shown in Exhibit WHUC 8.5 per each system. The total payroll for the
18 Test Year is \$406,470 for Water, \$479,575 for Sewer, and \$17,717 allocated to Irrigation. Payroll
19 expenses are based on the budgeted payroll for 2024, with a 5% merit increase included to represent
20 the Test Year expense. Supporting details for this level of payroll expense were prepared by Hawaii
21 Water and can be found in the confidential work paper named "Confidential HWSC Payroll 2024."

22 Expenses for medical and dental benefits are based on projected costs as provided by an analysis
23 for fiscal years 2023-2027 completed by Ernst & Young LLP in December 2022. The projected
24 medical and dental expenses for the Test Year for Hawaii Water total \$625,000, and the projected
25 retirement healthcare costs are \$62,000 per the analysis. The Test year amount for medical, dental,
26 and retiree healthcare totals \$106,261 for Water, \$112,124 for Sewer, and \$1,078 for Irrigation once
27 the WHUC systems, Big Island, HGO, and Wastewater Administration, where applicable, are
28 distributed. Workers' compensation expense is determined by multiplying the Test Year payroll
29 expense by a 2.83% rate. Pension expenses are based on projected costs provided by an analysis

¹⁰ See Order No. 38002 *Regarding Kalaeloa Water Company, LLC's Completed Application and Other Initial Matters*, filed October 10, 2021, in Docket No. 2021-0005.

for fiscal years 2023-2027 completed by Ernst & Young LLP in March 2023. The projected costs total \$775,000 for the Test Year for Hawaii Water. For WHUC, the pension costs for the Test Year are \$119,872 for Water, \$126,486 for Sewer, and \$1,336 for Irrigation, which includes allocations from Big Island, HGO, and Wastewater Administration where applicable. Employee benefit expenses for the Water utility Test Year represent a \$113,667 increase from those incurred in 2023. However, the Sewer and Irrigation utilities have seen a decrease of \$33,020 and \$5,481, respectively.

Q. What payroll tax expense is included in the proposed revenue requirement?

A. The payroll tax expense included in the proposed revenue requirement is \$55,715 for Water, \$65,713 for Sewer, and \$2,428 for Irrigation. Supporting details for this amount, prepared internally by Hawaii Water, can be found in the same confidential work paper as the support for the payroll expense.

Q. Please explain the expenses in Exhibit WHUC 8.6, Fuel and Power Costs.

A. Significant costs of maintaining the water, sewer, and irrigation utilities are the fuel and power costs to operate each system. This expense was estimated by calculating the unit cost per kilowatt hour (“\$/kWh”) of power for the Test Year and multiplying it by the estimated kilowatt usage in the Test Year. For each historical year, the unit cost for purchased power was determined by dividing the recorded power costs by the consumption for that year. Test Year power cost is the three-year average units of consumption from 2021 – 2023 multiplied by the average cost per kilowatt hour in that same time frame, as shown in Exhibit WHUC 8.6. The expected costs in the Test Year are summarized in the tables below for each utility.

Table 3 – Fuel and Power - Water

Line No.	Description	2021	2022	2023	Test Year	Exhibit Reference
	(a)	(b)	(c)	(d)	(e)	(f)
1	Recorded Power Costs [\$]	\$ 3,486,293	\$ 4,924,798	\$ 4,471,732	\$ 4,280,508	Exhibit WHUC WATER 8.6
2	Recorded Consumption [kWh]	11,066,653	11,885,327	11,516,657	11,489,546	Exhibit WHUC WATER 8.6
3	Unit Cost [\$/kWh]	0.3150	0.4144	0.3883	0.3726	Exhibit WHUC WATER 8.6
4	Allocated costs to WHWC	\$ (1,273,543)	\$ (1,791,642)	\$ (1,616,084)	\$ (1,544,835)	Exhibit WHUC WATER 8.6
5	Total WHUC Costs	\$ 2,212,750	\$ 3,133,156	\$ 2,855,648	\$ 2,735,672	Exhibit WHUC WATER 8.6

Table 4 – Fuel and Power – Sewer

Line No.	Description	2021	2022	2023	Test Year	Exhibit Reference
	(a)	(b)	(c)	(d)	(e)	(f)
1	Recorded Power Costs [\$]	\$ 402,222	\$ 573,706	\$ 531,397	\$ 500,550	Exhibit WHUC SEWER 8.6
2	Recorded Consumption [kWh]	1,245,840	1,345,640	1,324,494	1,305,325	Exhibit WHUC SEWER 8.6
3	Unit Cost [\$ / kWh]	0.3229	0.4263	0.4012	0.3835	Exhibit WHUC SEWER 8.6

Table 5 – Fuel and Power – Irrigation

Line No.	Description	2021	2022	2023	Test Year	Exhibit Reference
	(a)	(b)	(c)	(d)	(e)	(f)
1	Recorded Power Costs [\$]	\$ 145,383	\$ 170,798	\$ 163,164	\$ 161,212	Exhibit WHUC IRRIGATION 8.6
2	Recorded Consumption [kWh]	461,371	394,097	408,833	421,434	Exhibit WHUC IRRIGATION 8.6
3	Unit Cost [\$ / kWh]	0.3151	0.4334	0.3991	0.3825	Exhibit WHUC IRRIGATION 8.6

Q. How are these Fuel and Power costs recovered?

A. Costs associated with purchased power are recovered through WHUC's PCC instead of through base rates. The PCC is set to recover the cost of purchased power incurred in the Test Year. The PCC will be discussed in more detail in a subsequent section of my testimony.

Q. Are there any other significant expenses incurred related to WHUC treatment and maintenance?

A. Yes. Other significant expenses related to treatment and maintenance are chemicals and repair and maintenance costs. Exhibit WHUC 8.8 totals \$56,211 in estimated chemical costs for Water for the Test Year, while Sewer and Irrigation estimate the costs at \$40,165 and \$43, respectively. This amount was determined by escalating the historical costs to 2025 dollars and averaging the inflation-adjusted historical costs for 2021 – 2023.

Repair and maintenance expenses can be found on Exhibit WHUC 8.13 per each system and are divided into the following classifications: source of supply, pumping, treatment and disposal, transmission and distribution, administration and general, and mileage. These expenses are directly assigned to WHUC; other expenses are allocated from HGO, Big Island, and Wastewater Administration where applicable. In Hawaii Water's accounting system, certain expenses are grouped with repairs and maintenance but have already been accounted for in the Test Year revenue requirements; these include costs for chemicals, materials and supplies, and waste disposal. The costs for these items are deducted from repair and maintenance expenses to avoid double counting. The estimated Test Year is the three-year average from 2021 to 2023 of the repair and maintenance

1 expenses with the appropriate inflation factor applied by year escalated to 2025 dollars, net of the
2 cost of chemicals, materials and supplies, and waste disposal.

3 Those expenses attributed to materials and supplies and waste disposal, as shown in Exhibits
4 WHUC 8.9 and 8.10, are handled similarly per each system.

5 **Q. What outside services are needed to run the system?**

6 A. WHUC incurs costs for legal fees, technical fees, and other consulting services. The expenses are
7 incurred directly and are allocated from HGO. The requested expenses of \$6,593 for Water, \$16,005
8 for Sewer, and \$270 for Irrigation are based on the average inflation-adjusted costs from 2021 to
9 2023, projected to 2025 dollars. This calculation is detailed in Exhibit WHUC 8.12 per each system.

11 **Q. Are any other expenses included in the allocation of costs from PubCo?**

12 A. Insurance is purchased at the PubCo level and then allocated to HGO. The costs are further
13 allocated to WHUC using the four-factor allocation method. The Test Year insurance expense is
14 based on a quote for 2024 insurance costs and increased by the three-year percentage change in
15 insurance expense for the Test Year.

16 **Q. What amount of insurance expense is included in the Test Year?**

17 A. Purchasing insurance at the corporate level results in cost savings, with 2.91% of the insurance
18 expense allocated to Hawaii Water, as shown in Exhibit 8.15. The insurance expense is based on
19 the 2024 quote and increased by 2.1% for the Test Year using the 3-year average percent change
20 from 2021 to 2023 as incurred at CWSG, totaling \$6,496,151. After allocating the costs to Hawaii
21 Water and applying the four-factor allocation method, the result is \$18,579 for Water, \$22,710 for
22 Sewer, and \$816 for Irrigation in liability and property insurance expense, which is included in the
23 proposed revenue requirement.

24 **Q. Please explain the calculation of the General & Administrative Expenses shown on Exhibit**
25 **WHUC 8.18 per each system.**

26 A. The requested General and Administrative expenses are comprised of the following categories:
27 office supplies and miscellaneous general and administrative expenses. Office supplies expenses
28 include postage, telephone expenses, stationery and printing, bank fees, travel and incidental
29 expenses, meals during travel, training and seminars, conferences, and internal projects. The

historical costs are escalated to 2025 dollars and averaged over three years from 2021 – 2023 for the Test Year expense of \$52,365 for Water, \$65,848 for Sewer, and \$4,257 for Irrigation.

Q. Are any rental expenses included in the application?

A. Yes. Rent expense consists of expenses related to existing leases. The proposed revenue requirement includes the rental expense for the Hawaii Water General Office (“Waikoloa Office”). The costs reflect the actual lease amount for the Test year. This expense is shown in Exhibit WHUC 8.14, which totals \$8,873 for Water, \$10,846 for Sewer, and \$390 for Irrigation. The General Excise Tax of 4.7120% was applied along with the four-factor method described above to allocate the Waikoloa Office expense to each utility.

Q. What level of customer-related costs are included in the proposed revenue requirement?

A. The Company has included \$103,579 for Water customer accounts expenses, \$17,011 for Sewer, and \$347 for Irrigation per Exhibit WHUC 8.19. Conservation expenses are included in the customer-related costs for WHUC Water.

Q. What are the details related to the conservation program for WHUC Water?

A. The conversation coordinator and costs are new expenses for WHUC Water. For the Conservation Program Coordinator costs, \$17,100, or 18.33% of the portion allocated to Hawaii Water Service of \$93,286.96 is attributed to WHUC Water. The coordinator costs were distributed to seven systems within Hawaii Water. An additional \$70,332 has been allocated to WHUC Water for the conservation program costs for the Test Year. The program costs of \$145,000 have been split between WHWC and WHUC Water based on the allocation of the coordinator costs. The total conservation program costs allocated to WHUC Water total \$87,432, as shown in the Table below.

Table 6 – Conservation Program Costs

Line No.	Description	Conservation Costs	Allocation Percentages	Allocation Amounts	Costs for Test Year	Exhibit Reference
	(a)	(b)	(c)	(d)	(e)	(f)
1	Conservation Program Coordinator Costs to HWSC	\$ 93,287				
2	Allocated to WHUC - Water		18.33%	\$ 17,100		
3	Allocated to WHWC		19.46%	\$ 18,154		
4	Conservation Program Costs	\$ 145,000				
5	Allocated to WHUC - Water		48.50%	\$ 70,332		
6	Allocated to WHWC		51.50%	\$ 74,668		
7	Allocated to WHUC - Water				\$ 87,432	Exhibit WHUC Water 8.19

1 **Q. What regulatory expenses are included in the Company's request?**

2 A. Regulatory expenses include the costs expected for the work and activities related to completing
3 this rate case. WHUC has included \$29,688, \$34,542, and \$1,290 in regulatory-related expenses
4 in the proposed revenue requirement for Water, Sewer, and Irrigation, respectively. This amount is
5 based on the expected cost of preparing and supporting this case, amortized over four years, as
6 shown in Exhibit WHUC 8.16 per system. These costs include legal, consulting, travel, and other
7 internal costs of Hawaii Water, which are directly assigned and are not included in other expense
8 categories. Historical regulatory costs are provided in Exhibit WHUC 8.17.

9
10 **Q. What taxes are included in the proposed revenue requirement?**

11 A. The Public Company Service Tax and Public Utility Fee are included at their respective statutory
12 rates of 5.885% and 0.50%, as shown in Exhibit WHUC 8.20, resulting in \$427,069 in Water taxes,
13 \$377,220 for Sewer, and \$19,602 for Irrigation. State and Federal Income Taxes are also included
14 in the revenue requirement and are discussed later in my testimony.

15
16 **Q. Please provide a summary of the operating expenses that are proposed for recovery in rates.**

17 A. The table below summarizes the operating expenses discussed above:
18

Table 7 – Summary of Operating Expenses

Line No.	Description	Amount			Exhibit Reference
	(a)	(b)	(c)	(d)	(e)
		Water	Sewer	Irrigation	
1	Labor Expenses	\$ 699,821	\$ 797,469	\$ 23,061	Exhibit WHUC (WTR, SWR, IRR) 8.5
2	Fuel & Power	\$ 2,735,672	\$ 500,550	\$ 161,212	Exhibit WHUC (WTR, SWR, IRR) 8.6
3	Chemicals	\$ 56,211	\$ 40,165	\$ 43	Exhibit WHUC (WTR, SWR, IRR) 8.8
4	Materials & Supplies	\$ 123	\$ 40,002	\$ 5,602	Exhibit WHUC (WTR, SWR, IRR) 8.9
5	Waste/Sludge Disposal	\$ 3	\$ 167,314	\$ -	Exhibit WHUC (WTR, SWR, IRR) 8.10
6	Affiliated Charges	\$ 140,413	\$ 163,739	\$ 5,906	Exhibit WHUC (WTR, SWR, IRR) 8.11
7	Professional and Outside Services	\$ 6,593	\$ 16,005	\$ 270	Exhibit WHUC (WTR, SWR, IRR) 8.12
8	Repairs & Maintenance	\$ 457,342	\$ 750,357	\$ 37,638	Exhibit WHUC (WTR, SWR, IRR) 8.13
9	Rental Expenses	\$ 8,873	\$ 10,846	\$ 390	Exhibit WHUC (WTR, SWR, IRR) 8.14
10	Insurance Expenses	\$ 18,579	\$ 22,710	\$ 816	Exhibit WHUC (WTR, SWR, IRR) 8.15
11	Regulatory Expenses	\$ 29,688	\$ 34,542	\$ 1,290	Exhibit WHUC (WTR, SWR, IRR) 8.16
12	General & Administrative Expenses	\$ 52,365	\$ 65,848	\$ 4,257	Exhibit WHUC (WTR, SWR, IRR) 8.18
13	Customer Accounts Expenses	\$ 103,579	\$ 17,011	\$ 347	Exhibit WHUC (WTR, SWR, IRR) 8.19
14	Total O & M Expenses	\$ 4,309,262	\$ 2,626,557	\$ 240,833	

Note: WTR = Water, SWR = Sewer, IRR = Irrigation

Exhibit WHUC 8, the historical summary of the revenues and expenses, provides additional details for each system.

Depreciation and Amortization Expenses

Q. What depreciable lives are used in this application?

A. WHUC uses group depreciation rates for the plant, property, and equipment. A detailed depreciation study was previously conducted for the Waikoloa Utilities¹¹. The study was applied to WHUC, West Hawaii Water Company (“WHWC”), and West Hawaii Sewer Company (“WHSC”), and the results were adopted from the previous rate case. Those depreciation rates are being utilized in this case.

Q. Please describe how these rates are used to calculate net depreciation expense.

A. The depreciation expense included in the revenue requirement is determined by applying the adopted group depreciation rates to the gross plant balances by account as of 12/31/23, as shown in Exhibit 7.5. These group depreciation rates are uniformly distributed to similar properties instead of on an item-by-item basis. The plant included in this calculation consists of both depreciation

¹¹ See Exhibit WHUC-T-102 filed in Docket No. 2017-0350.

expenses occurring directly at WHUC and allocated amounts from HGO, Big Island, and Wastewater Administration, where applicable.

Depreciation expense on the investor-funded plant is reduced by the amortization of the contributed plant, which is calculated using the amortization rates from the previously adopted rate case, as shown in Exhibit 7.4. The depreciation and amortization expenses included in the proposed revenue requirement are shown below in Table 6:

Table 8– Depreciation and Amortization Expenses

Line No.	Description	Amount			Exhibit Reference
	(a)	(b)	(c)	(d)	(e)
		Water	Sewer	Irrigation	
1	Depreciation Expense	\$ 992,369	\$ 1,615,683	\$ 32,354	Exhibit WHUC (WTR, SWR, IRR) 7.4
2	Amortization of CIAC	(\$278,929)	(\$720,385)	\$0	Exhibit WHUC (WTR, SWR, IRR) 7.9
3	Total Net Depreciation Expense	\$713,440	\$895,298	\$32,354	

Note: WTR = Water, SWR = Sewer, IRR = Irrigation

Income Tax Expense

Q. How were income tax expenses calculated?

A. Income taxes were calculated using the 21% federal corporate income tax rate and the effective Hawaii State Income Tax rate. Book depreciation was used when calculating both Federal and State income taxes. State income taxes are reduced by the Test Year amortized expense for the Hawaii Capital Goods Excise Tax Credit and a deduction to federal income taxes. The calculated tax difference between the book and accelerated depreciation is reflected in the rate base as deferred taxes. A total of \$227,597 in the total income tax expense is included in the revenue requirement for Water, \$405,244 attributed to Sewer, and (\$853) for Irrigation, as shown in the tables below:

Table 9 – Income Tax Expense – WHUC Water

Line No.	(a)	(b)	(c)	(d)	(e)
1	State taxable Income			\$ 1,091,576	
2	State income Tax		Tax Rates		
3	Less than \$25K		4.4000%	\$ 1,100	
4	Over \$25K, but less than \$100K		5.4000%	\$ 4,050	
5	Over \$100K		6.4000%	\$ 63,461	
6	Less Hawaii Capital Goods Excise Tax Credit			\$ (58,536)	
7	State Income Tax Subtotal			\$ 10,075	
8	Federal taxable income			\$ 1,081,501	
9	Federal income tax		21.00%		
10	Federal Income Tax Subtotal			\$ 227,115	
11	Less DTL Amortization Amount			\$ (9,593)	
12	Total Federal and State income taxes			\$ 227,597	

Table 10 – Income Tax Expense – WHUC Sewer

Line No.	(a)	(b)	(c)	(d)	(e)
1	State taxable Income			\$	1,773,284
2	State income Tax		Tax Rates		
3	Less than \$25K		4.4000%	\$	1,100
4	Over \$25K, but less than \$100K		5.4000%	\$	4,050
5	Over \$100K		6.4000%	\$	107,090
	Less Hawaii Capital Goods Excise Tax Credit			\$	(68,583)
7	State Income Tax Subtotal			\$	43,657
8	Federal taxable income			\$	1,729,628
9	Federal income tax		21.00%		
10	Federal Income Tax Subtotal			\$	363,222
11	Less DTL Amortization			\$	(1,635)
12	Total Federal and State income taxes			\$	405,244

Table 11 – Income Tax Expense – WHUC Irrigation

Line No.	(a)	(b)	(c)	(d)	(e)
1	State taxable Income			\$	12,344
2	State income Tax		Tax Rates		
3	Less than \$25K		4.4000%	\$	543
4	Over \$25K, but less than \$100K		5.4000%	\$	-
5	Over \$100K		6.4000%	\$	-
	Less Hawaii Capital Goods Excise Tax Credit			\$	(1,895)
7	State Income Tax Subtotal			\$	(1,352)
8	Federal taxable income			\$	13,696
9	Federal income tax		21.00%		
10	Federal Income Tax Subtotal			\$	2,876
11	Less DTL Amortization			\$	(2,377)
12	Total Federal and State income taxes			\$	(853)

Q. What other adjustments are made to calculate the income tax expense?

A. In 2017 the corporate tax rate changed from 35% to 21%. The calculated income taxes are further reduced by the inclusion of the amortization of the excess net deferred income tax liability that existed at the end of 2017 when the tax rate changed. All systems are affected by the excess deferred tax liability for Big Island. For Water and Irrigation systems, additional excess net deferred income tax liability is also included in the reduction of the calculated income taxes. This is further discussed below related to Tax Cut and Jobs Act (“TCJA”) adjustments.

Rate Base

Q. Please provide a definition of the rate base.

A. The rate base is the investment that the utility’s owners have made in the utility plant and the working capital needed to operate the utility. There are deductions that represent the reduction of the owners’ investment. Accumulated depreciation on the utility plant reduces the value of the plant assets over time. Contributions in Aid of Construction (“CIAC”), deferred income taxes, and investment tax credits are examples of deductions from the rate base that represent non-owner investments in the utility. The rate base is calculated by taking the utility plant in service plus the working capital needs and deducting the accumulated depreciation on the utility plant and any non-

owner investments. The result is the rate base upon which the owners are entitled to earn a reasonable rate of return.

Q. What period is utilized for the calculation of the rate base?

A. WHUC has calculated its rate base using the average of the net plant in service for 2024 and 2025, less the reductions to the total rate base for the same time frame. The working capital is added to this amount to determine the rate base. Plant balances for each system include direct investment in WHUC and allocated amounts from HGO, Big Island, and Wastewater Administration, where applicable per Exhibit WHUC 7.

Q. How were the net plant in service balances determined?

A. The starting point for the net plant in service calculation is the plant asset value and accumulated depreciation balances as of 12/31/2023. Adjustments were made for additional plant assets to be placed in service for the years 2024 and 2025, along with the additional accumulated depreciation that will occur within that period. The average of the 2024 and 2025 net plant in service is utilized in calculating the rate base. Details of the plant can be found in Exhibits WHUC 7.1 through 7.7 for all utilities. The total Water plant in service as of 2025 is \$34,859,414, with a total accumulated depreciation forecast of \$15,340,892 to produce an end of Test Year net plant in service of \$19,518,522. When averaged with the net plant in service projected for 2024 of \$19,582,408, the net plant in service amount utilized for the rate base calculation is \$19,550,465. The tables below detail the plant and depreciation balances, summarize Exhibits WHUC 7.1 – 7.3 for Water, and provide the same level of detail for Sewer and Irrigation.

Table 12 – Plant in Service – WHUC Water

Line No.	Description	2023 Balance	2024 Additions	2024 Balance	2025 Additions	2025 Balance	Exhibit Reference
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	WHUC Plant	\$30,975,360	\$ 2,293,232	\$33,268,592	\$ 925,590	\$34,194,182	Exhibit WHUC WATER 7.1
2	Big Island Plant	\$ 485,092	\$ 13,869	\$ 498,961	\$ 2,893	\$ 501,854	Exhibit WHUC WATER 7.1
3	Hawaii Water General Office Plant	<u>\$ 71,251</u>	<u>\$ 92,127</u>	<u>\$ 163,378</u>	<u>\$ -</u>	<u>\$ 163,378</u>	Exhibit WHUC WATER 7.1
5	Total Plant in Service	\$31,531,703		\$33,930,931		\$34,859,414	Exhibit WHUC WATER 7.1

Table 13 – Plant in Service – WHUC Sewer

Line No.	Description	2023 Balance	2024 Additions	2024 Balance	2025 Additions	2025 Balance	Exhibit Reference
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	WHSC Plant	\$37,789,421	\$ 1,899,186	\$39,688,607	\$ 1,202,067	\$40,890,674	Exhibit WHUC SEWER 7.1
2	Big Island Plant	\$ 581,854	\$ 16,137	\$ 597,991	\$ 3,366	\$ 601,357	Exhibit WHUC SEWER 7.1
3	Hawaii Water General Office Plant	\$ 89,089	\$ 112,609	\$ 201,698	\$ -	\$ 201,698	Exhibit WHUC SEWER 7.1
4	Wastewater Administration Plant	\$ 253	\$ -	\$ 253	\$ -	\$ 253	Exhibit WHUC SEWER 7.1
5	Total Plant in Service	\$38,460,617		\$40,488,549		\$41,693,982	Exhibit WHUC SEWER 7.1

Table 14 - Plant in Service – WHUC Irrigation

Description	2023 Balance	2024 Additions	2024 Balance	2025 Additions	2025 Balance	Exhibit Reference
(a)	(b)	(c)	(d)	(e)	(f)	(g)
1 WHUC Plant	\$ 1,093,568	\$ 7,005	\$ 1,100,572	\$ 65,144	\$ 1,165,716	Exhibit WHUC IRRIGATION 7.1
2 Big Island Plant	\$ 20,024	\$ 603	\$ 20,627	\$ 126	\$ 20,753	Exhibit WHUC IRRIGATION 7.1
3 Hawaii Water General Office Plant	<u>\$ 3,082</u>	<u>\$ 4,047</u>	<u>\$ 7,129</u>	<u>\$ -</u>	<u>\$ 7,129</u>	Exhibit WHUC IRRIGATION 7.1
5 Total Plant in Service	\$ 1,116,674		\$ 1,128,328		\$ 1,193,598	Exhibit WHUC IRRIGATION 7.1

Table 15 – Accumulated Depreciation – WHUC Water

Line No.	Description	2023 Balance	2024 Additions	2024 Balance	2025 Additions	2025 Balance	Exhibit Reference
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	WHUC Depreciation	\$13,125,986	\$ 918,866	\$ 14,044,852	\$ 948,423	\$ 14,993,275	Exhibit WHUC WATER 7.3
2	Big Island Depreciation	\$ 221,028	\$ 29,948	\$ 250,975	\$ 30,093	\$ 281,068	Exhibit WHUC WATER 7.3
3	Hawaii Water General Office Depreciation	<u>\$ 38,792</u>	<u>\$ 13,902</u>	<u>\$ 52,695</u>	<u>\$ 13,854</u>	<u>\$ 66,549</u>	Exhibit WHUC WATER 7.3
4	Total Depreciation	\$13,385,806		\$14,348,522		\$15,340,892	Exhibit WHUC WATER 7.3

Table 16 – Accumulated Depreciation – WHUC Sewer

Line No.	Description	2023 Balance	2024 Additions	2024 Balance	2025 Additions	2025 Balance	Exhibit Reference
(a)	(b)	(c)	(d)	(e)	(f)	(g)	
1	WHUC Depreciation	\$11,081,915	\$ 1,515,870	\$12,597,785	\$ 1,563,730	\$14,161,514	Exhibit WHUC SEWER 7.3
2	Big Island Depreciation	\$ 265,116	\$ 34,844	\$ 299,961	\$ 35,013	\$ 334,973	Exhibit WHUC SEWER 7.3
3	Hawaii Water General Office Depreciation	\$ 48,504	\$ 16,993	\$ 65,498	\$ 16,934	\$ 82,432	Exhibit WHUC SEWER 7.3
3	Wastewater Administration Depreciation	\$ 84	\$ 7	\$ 91	\$ 7	\$ 98	Exhibit WHUC SEWER 7.3
4	Total Depreciation	\$11,395,619		\$12,963,335		\$14,579,017	Exhibit WHUC SEWER 7.3

Table 17 – Accumulated Depreciation – WHUC Irrigation

Line No.	Description	2023 Balance	2024 Additions	2024 Balance	2025 Additions	2025 Balance	Exhibit Reference
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	WHUC Depreciation	\$ 854,459	\$ 28,204	\$ 882,663	\$ 30,438	\$ 913,101	Exhibit WHUC IRRIGATION 7.3
2	Big Island Depreciation	\$ 9,124	\$ 1,301	\$ 10,425	\$ 1,301	\$ 11,727	Exhibit WHUC IRRIGATION 7.3
3	Hawaii Water General Office Depreciation	\$ 1,678	\$ 611	\$ 2,289	\$ 611	\$ 2,899	Exhibit WHUC IRRIGATION 7.3
4	Total Depreciation	\$ 865,261		\$ 895,377		\$ 927,727	Exhibit WHUC IRRIGATION 7.3

Table 18 – Rate Base Net Plant in Service – WHUC Water

Line No.	Description	12/31/2024	12/31/2025	Average	Exhibit Reference
	(a)	(b)	(c)	(d)	(e)
1	Plant In Service	\$ 33,930,931	\$ 34,859,414	\$ 34,395,172	Exhibit WHUC WATER 7
2	Accumulated Depreciation Reserve	\$ 14,348,523	\$ 15,340,892	\$ 14,844,707	Exhibit WHUC WATER 7
3	Net Plant in Service	\$ 19,582,408	\$ 19,518,522	\$ 19,550,465	Exhibit WHUC WATER 7

Table 19 – Rate Base Net Plant in Service – WHUC Sewer

Line No.	Description	12/31/2024	12/31/2025	Average	Exhibit Reference
	(a)	(b)	(c)	(d)	(e)
1	Plant In Service	\$ 40,192,438	\$ 41,693,982	\$ 41,091,266	Exhibit WHUC SEWER 7
2	Accumulated Depreciation Reserve	\$ 12,963,334	\$ 14,579,017	\$ 13,771,176	Exhibit WHUC SEWER 7
3	Net Plant in Service	\$ 27,229,104	\$ 27,114,965	\$ 27,320,090	Exhibit WHUC SEWER 7

Table 20 – Rate Base Net Plant in Service – WHUC Irrigation

Line No.	Description	12/31/2024	12/31/2025	Average	Exhibit Reference
	(a)	(b)	(c)	(d)	(e)
1	Plant In Service	\$ 1,128,328	\$ 1,193,598	\$ 1,160,963	Exhibit WHUC IRRIGATION 7
2	Accumulated Depreciation Reserve	\$ 895,376	\$ 927,727	\$ 911,552	Exhibit WHUC IRRIGATION 7
3	Net Plant in Service	\$ 232,952	\$ 265,871	\$ 249,411	Exhibit WHUC IRRIGATION 7

Table 21 – Increase (Decrease) in the Average Net Plant-in-Service

Line No.	Description	Amount			Exhibit Reference
	(a)	(b)	(c)	(d)	(e)
		Water	Sewer	Irrigation	
1	Average Net Plant in Service 2017 GRC	\$ 17,390,929	\$ 30,016,507	\$ 391,234	Docket No. 2017-0350, Decision and Order 36045
2	Average Net Plant in Service 2024 GRC	\$ 19,550,465	\$ 27,320,090	\$ 249,211	Exhibit WHUC (WTR, SWR, IRR) 7
3	Increase (Decrease) in Net Plant in Service	12.42%	-9.87%	-56.99%	

Note: WTR = Water, SWR = Sewer, IRR = Irrigation

Q. Please provide a description of the additions that have been made to the plant balances existing as of 12/31/23.

A. Exhibit WHUC 7.2 lists the plant additions included in this rate case from 12/31/2023 through the Test Year. Tables 12, 13, and 14 above summarize the plant in service for Water, Sewer, and Irrigation and the allocated plant amounts for HGO, Big Island, and Wastewater Administration where applicable. Justifications for proposed plant additions for 2024 and 2025 are provided in the testimony of Mr. Julian Gandara (T-300).

Q. What other items are included in the rate base?

A. Net CIAC, Federal and State deferred tax balances, and the unamortized portion of the Hawaii Capital Goods Excise Tax Credit balance are included as the average amount of 2024 and 2025 in the calculation as a reduction to the rate base. The net salvage adjustment and the deferred Tax Cuts and Jobs Act (“TCJA”) tax balance adjustment are directly included in the calculation as reductions to the rate base. These items are summarized below and in Exhibit 7:

Table 22 – Reductions to Rate Base – WHUC Water

Line No.	Description	12/31/2024	12/31/2025	Average	Exhibit Reference
(a)	(b)	(c)	(d)	(e)	
1	Contributions in Aid of Construction	\$ (12,106,737)	\$ (12,106,737)	\$ (12,106,737)	Exhibit WHUC WATER 7.8
2	Accumulated Amortization of Contributions in Aid of Construction	\$ 6,486,659	\$ 6,765,588	\$ 6,626,123	Exhibit WHUC WATER 7.9
3	Accumulated Deferred Taxes: Federal	\$ (976,980)	\$ (1,010,466)	\$ (993,723)	Exhibit WHUC WATER 7.10
4	Accumulated Deferred Taxes: State	\$ (41,377)	\$ (58,073)	\$ (49,725)	Exhibit WHUC WATER 7.12
5	Unamortized Hawaii Capital Goods Excise Tax Credit	\$ (564,609)	\$ (556,372)	\$ (560,490)	Exhibit WHUC WATER 7.14
6	Net Salvage Adjustment	\$ -	\$ -	\$ (97,736)	Exhibit WHUC WATER 7.5.1
7	TCJA Deferred Tax Adjustment	\$ -	\$ -	\$ (222,024)	Exhibit WHUC WATER 7
8	Total Reductions to Rate Base	\$ (7,203,044)	\$ (6,966,060)	\$ (7,404,312)	Exhibit WHUC WATER 7

Table 23 – Reductions to Rate Base – WHUC Sewer

Line No.	Description	12/31/2024	12/31/2025	Average	Exhibit Reference
(a)	(b)	(c)	(d)	(e)	
1	Contributions in Aid of Construction	\$ (10,775,465)	\$ (10,775,465)	\$ (10,775,465)	Exhibit WHUC SEWER 7.8
2	Accumulated Amortization of Contributions in Aid of Construction	\$ 3,749,595	\$ 4,469,980	\$ 4,109,787	Exhibit WHUC SEWER 7.9
3	Accumulated Deferred Taxes: Federal	\$ 177,764	\$ 145,712	\$ 161,738	Exhibit WHUC SEWER 7.10
4	Accumulated Deferred Taxes: State	\$ (113,277)	\$ (130,969)	\$ (122,123)	Exhibit WHUC SEWER 7.12
5	Unamortized Hawaii Capital Goods Excise Tax Credit	\$ (800,145)	\$ (784,449)	\$ (792,297)	Exhibit WHUC SEWER 7.14
6	Net Salvage Adjustment	\$ -	\$ -	\$ (103,307)	Exhibit WHUC SEWER 7.5.1
7	TCJA Deferred Tax Adjustment	\$ -	\$ -	\$ (17,849)	Exhibit WHUC SEWER 7
8	Total Reductions to Rate Base	\$ (7,761,528)	\$ (7,075,191)	\$ (7,539,515)	Exhibit WHUC SEWER 7

Table 24 – Reductions to Rate Base – WHUC Irrigation

Line No.	Description	12/31/2024	12/31/2025	Average	Exhibit Reference
(a)	(b)	(c)	(d)	(e)	
1	Contributions in Aid of Construction	\$ -	\$ -	\$ -	Exhibit WHUC IRRIGATION 7.8
2	Accumulated Amortization of Contributions in Aid of Construction	\$ -	\$ -	\$ -	Exhibit WHUC IRRIGATION 7.9
3	Accumulated Deferred Taxes: Federal	\$ (78,520)	\$ (79,305)	\$ (78,913)	Exhibit WHUC IRRIGATION 7.10
4	Accumulated Deferred Taxes: State	\$ 5,064	\$ 4,532	\$ 4,798	Exhibit WHUC IRRIGATION 7.12
5	Unamortized Hawaii Capital Goods Excise Tax Credit	\$ (1,144)	\$ (1,081)	\$ (1,112)	Exhibit WHUC IRRIGATION 7.14
6	Net Salvage Adjustment	\$ -	\$ -	\$ (6,621)	Exhibit WHUC IRRIGATION 7.5.1
7	TCJA Deferred Tax Adjustment	\$ -	\$ -	\$ (29,268)	Exhibit WHUC IRRIGATION 7
8	Total Reductions to Rate Base	\$ (74,600)	\$ (75,854)	\$ (111,116)	Exhibit WHUC IRRIGATION 7

Q. What is the net salvage adjustment and why is it included in the rate base calculation?

A. The net salvage adjustment represents a reduction to the rate base due to the collection of net salvage through depreciation. The adjustment is calculated by taking the difference between the depreciation expense with net salvage and without net salvage as summarized in the table. The

calculated depreciation amounts are shown in Exhibits WHUC 7.5 and 7.5.1 per each system. The Commission approved this adjustment in its decision in previous rate cases¹².

Table 25– Net Salvage Adjustment

Line No.	Description	Test Year Amount			Exhibit Reference
	(a)	(b) Water	(c) Sewer	(d) Irrigation	(e)
1	Depreciation Rates with No Cost of Removal	\$ 850,687	\$ 1,460,422	\$ 23,817	Exhibit WHUC (WTR, SWR, IRR) 7.5.1
2	Depreciation Rates with Cost of Removal	\$ 948,423	\$ 1,563,730	\$ 30,438	Exhibit WHUC (WTR, SWR, IRR) 7.5
3	Net Salvage Adjustment	\$ (97,736)	\$ (103,307)	\$ (6,621)	Exhibit WHUC (WTR, SWR, IRR) 7

Note: WTR = Water, SWR = Sewer, IRR = Irrigation

Q. What is TCJA adjustment and why is it included in the rate base calculation?

A. The TCJA reduced the corporate federal income tax rate from 35% to 21%, resulting in an adjustment regarding excess deferred tax liability for WHUC Water, WHUC Irrigation, and the Big Island. For Water, customers are owed a refund of \$221,116. This amount is being amortized over the remaining life of the plant at the time of the rate change, approximately 26 years, at \$8,361 per year. For Irrigation, customers are owed a refund of \$32,019. This amount is being amortized over the remaining life of the plant at the time of the rate change, approximately 14 years, at \$2,312 per year. For Big Island, the adjustment of \$79,924 has been multiplied by the 2017 allocation factor and amortized over the life of the plant at the time of the rate change, as shown in the table below. The unamortized portion of the net excess deferred tax liability remains as a rate base reduction as shown in Exhibit WHUC 7. The Company has reduced the average unamortized balance over a four-year period, anticipating filing the next General Rate Case in four years. A detailed discussion of the implications of the TCJA on the Waikoloa systems is provided in the testimony of Mr. Jimmy Yee (T-500).

¹² Docket No. 2017-0450

Table 26 – Tax Cut and Jobs Act Adjustment Details

Line No.	As of 12/31/2017 (a)	720 - Big Island (b)	723 - WHUC - Water (c)	725 - WHUC - Irrigation (d)
1	Plant in Service	\$ 1,762,847	\$ 26,099,612	\$ 1,118,181
2	Accumulated Depreciation	\$ 531,666	\$ 10,091,239	\$ 714,533
3	Net Plant in Service	\$ 1,231,181	\$ 16,008,373	\$ 403,648
4	Annual Depreciation	\$ 99,145	\$ 605,339	\$ 29,142
5	Remaining Life (Years)	12.42	26.45	13.85
6	Excess DTL	\$ 79,924	\$ 221,116.00	\$ 32,019.00
7	Allocated Amount to WHUC - Water	\$ 15,294		
8	Amortized Amount	\$ 1,232	\$ 8,361	
9	Allocated Amount of WHUC - Irrigation	\$ 814		
10	Amortized Amount	\$ 66		\$ 2,312
9	Allocated Amount of WHUC - Sewer	\$ 20,301		
10	Amortized Amount	\$ 1,635		

Q. Please describe how the CIAC balances were established and why it is appropriate to include CIAC as an offset to the rate base.

A. CIAC represents assets contributed to the Company by developers, customers, or other sources. Importantly, CIAC does not represent owner investment in the utility's assets and, ultimately, is a deduction from the rate base.

Like the plant in service, the CIAC and accumulated amortization balances as of 12/31/2023 are the starting points for calculating the CIAC included in the rate base. Adjustments have been made to the accumulated amortization balance for additional amortization expenses between 12/31/2023 and the Test Year. The Company does not anticipate any additions, deletions, or retirements from CIAC between the year ending 12/31/2023 and the Test Year.

Q. Where can details of the contributed plant and the associated amortization be found?

A. The deduction to the rate base is the net of the balances of the CIAC and the accumulated amortization in Exhibits WHUC 7.8 and 7.9, summarized in the table below.

Table 27 – Net Contributions in Aid of Construction – WHUC Water

Line No.	Description (a)	12/31/2024 (b)	12/31/2025 (c)	Average (d)	Exhibit Reference (e)
1	Contributions in Aid of Construction	\$ (12,106,737)	\$ (12,106,737)	\$ (12,106,737)	Exhibit WHUC WATER 7.8
2	Accumulated Amortization of Contributions in Aid of Construction	\$ 6,486,659	\$ 6,765,588	\$ 6,626,123	Exhibit WHUC WATER 7.9
3	Net Contributions in Aid of Construction	\$ (5,620,078)	\$ (5,341,149)	\$ (5,480,613)	

Table 28 – Net Contributions in Aid of Construction – WHUC Sewer

Line No.	Description	12/31/2024	12/31/2025	Average	Exhibit Reference
(a)	(b)	(c)	(d)	(e)	
1	Contributions in Aid of Construction	\$ (10,775,465)	\$ (10,775,465)	\$ (10,775,465)	Exhibit WHUC SEWER 7.8
2	Accumulated Amortization of Contributions in Aid of Construction	\$ 3,749,595	\$ 4,469,980	\$ 4,109,787	Exhibit WHUC SEWER 7.9
3	Net Contributions in Aid of Construction	\$ (7,025,871)	\$ (6,305,486)	\$ (6,665,678)	

Table 29 – Net Contributions in Aid of Construction – WHUC Irrigation

Line No.	Description	12/31/2024	12/31/2025	Average	Exhibit Reference
(a)	(b)	(c)	(d)	(e)	
1	Contributions in Aid of Construction	\$ -	\$ -	\$ -	Exhibit WHUC IRRIGATION 7.8
2	Accumulated Amortization of Contributions in Aid of Construction	\$ -	\$ -	\$ -	Exhibit WHUC IRRIGATION 7.9
3	Net Contributions in Aid of Construction	\$ -	\$ -	\$ -	

Q. Please describe how the accumulated deferred tax balances arise.

A. Accumulated Deferred Tax (“ADIT”) balances occur when the method of expensing depreciation for tax reporting purposes differs from the method used for ratemaking purposes. For many assets, the Company can depreciate items over an accelerated time frame for tax purposes, resulting in a temporary decrease in federal and state tax liability, accumulating the tax difference in a deferred tax account. The net balance of this tax benefit is a reduction to the rate base.

Q. How were the ADIT balances related to the plant calculated?

A. Exhibits WHUC 7.10 through 7.13 show the calculations for Federal and State ADIT balances. Typically, a straight 25-year life is utilized for plant assets, with half of a year's depreciation recognized in the first year, regardless of the in-service date of the asset. Other useful lives can be assessed to other assets such as information technology, office, and general plant items. These lives could range from three to seven years. For 2024 and the Test Year, deferred income taxes were estimated based on the 2023 accruals and forecasted for the new plant additions. Each year, the updated balance is multiplied by the appropriate tax rate. The net operating loss is applied to the current and forecasted years for the federal tax calculation.

For the Big Island and HGO allocations for the deferred taxes, the federal deferred tax liability as of 2023 was utilized and multiplied by the four-factor allocation as the basis for the calculation. The four-factor allocation as of 2024 is used because the 2025 factor is unavailable for the Test Year.

The difference between the unamortized asset balances for regulatory and tax purposes is multiplied by the applicable federal or state tax rate to determine the ADIT balance to include in the rate base as of 12/31/2024 and 12/31/2025 with the average of the two amounts included in the rate base as reductions. The calculations prepared by the Company are summarized in the tables below.

Table 30 - Accumulated Deferred Income Taxes – WHUC Water

Line No.		2024	2025	Average
	(a)	(b)	(c)	(d)
1	Accumulated Deferred Taxes: Federal	\$ 976,980	\$ 1,010,466	\$ 993,723
2	Accumulated Deferred Taxes: State	\$ 41,377	\$ 58,073	\$ 49,725

Table 31 - Accumulated Deferred Income Taxes – WHUC Sewer

Line No.		2024	2025	Average
	(a)	(b)	(c)	(d)
1	Accumulated Deferred Taxes: Federal	\$ (177,764)	\$ (145,712)	\$ (161,738)
2	Accumulated Deferred Taxes: State	\$ 113,277	\$ 130,969	\$ 122,123

Table 32 - Accumulated Deferred Income Taxes – WHUC Irrigation

Line No.		2024	2025	Average
	(a)	(b)	(c)	(d)
1	Accumulated Deferred Taxes: Federal	\$ 78,520	\$ 79,305	\$ 78,913
2	Accumulated Deferred Taxes: State	\$ (5,064)	\$ (4,532)	\$ (4,798)

Q. Please describe the reduction associated with the Hawaii Capital Goods Excise Tax Credit.

A. This balance arises due to a credit applied at the state income tax level, which is amortized over the life of the corresponding asset. The average of the 2024 and 2025 unamortized balances of the Hawaii Capital Goods Excise Tax Credit reduces the rate base as detailed in Exhibit WHUC 7.14.

Q. Are any additions made to rate base?

A. Yes. The Commission has established a policy of providing utilities with an allowance for working capital. The rate base is increased by this allowance. The working capital amount is needed to fund the utility's day-to-day operations, as shown in Exhibit WHUC 7.15 per each system. Working capital is calculated using the 1/12th method, where an amount equal to 1/12th of annual operating expenses is utilized as a reasonable estimate for the cash needs of the utility. The result of this calculation is shown below:

Table 33 – Working Capital

Line No.	Description	Amount			Exhibit Reference
	(a)	(b) Water	(c) Sewer	(d) Irrigation	(e)
1	Total Operating Expenses	\$ 4,309,262	\$ 2,626,557	\$ 240,833	Exhibit WHUC (WTR, SWR, IRR) 7.15
2	Times Working Cash Factor of 1/12	0.08	0.08	0.08	
3	Working Capital	\$ 359,105	\$ 218,880	\$ 20,069	

Note: WTR = Water, SWR = Sewer, IRR = Irrigation

Q. What is the total Rate Base being requested in this proceeding?

A. Exhibit WHUC 7 summarizes the total rate base of \$12,505,258 for Water, \$19,999,454 for Sewer, and \$158,364 for Irrigation per system.

Rate of Return

Q. What rate of return is Hawaii Water requesting in this proceeding?

A. Hawaii Water requests a return of 8.01% in this proceeding, based on a capital structure consisting of 46.6% debt and 53.4% equity. The requested debt and equity costs are 5.42% and 10.27%, respectively. The proposed structure is shown in Exhibit WHUC 10.

Q. Is this return consistent with the return granted to other Hawaii Water systems?

A. No, however, the capital structure is consistent with those approved by the Commission in other cases¹³. The actual capital structure for Hawaii Water in 2022 was 84.8% equity/15.1% debt and in 2023 it was 85.1% equity/14.9% debt. Because Hawaii Water is using the California Water Service Group Return on Equity (“ROE”), this petition is using the previously approved capital structure rather than the actual 85%/15% over the past two years. In fact, Hawaii Water would seem more risky at its actual capital structure which would justify a higher ROE but that is not what is in this request. The cost of debt is based on Hawaii Water’s actual cost of borrowing, as shown in the table below.

¹³ See Docket No. 2022-0186.

Table 34 – Weighted Average Interest Rate for Long-Term Debt

Line No.	Principal Balance as of 12.31.24	% of Principal	Internal Rate	Weighted Average Rate
1	\$ 3,720,683	38.11%	5.50%	2.10%
2	\$ 2,260,967	23.16%	5.50%	1.27%
3	\$ 2,398,885	24.57%	5.50%	1.35%
4	\$ 804,036	8.24%	4.35%	0.36%
5	\$ 578,569	5.93%	5.81%	0.34%
6	\$ 9,763,139			5.42%
7	5.42% Weighted Average Rate			

The return on equity is increasing to 10.27%, as approved by Advice Letter No. 2495 for California Water Service Co. The ROE of 10.27% used in this petition comes from the largest Class A water company in California, Cal Water. Cal Water has an S&P credit rating of A+ with an Outlook of Stable and over 470,000 connections in several districts throughout California. HWSC, with its ten service areas holding 15 utilities, does not have a bond rating or credit rating and only serves 7,000 connections. HWSC, therefore, on a stand-alone basis, has greater financial risk than its parent, Cal Water. Nonetheless, the ROE of its parent (10.27%) is a reasonable authorized return for HWSC.

The ROE of 10.27% and the Cost of Debt of 5.42% produces the 8.01% overall rate of return, as summarized in the table below.

Table 35– Waikoloa Rate of Return for 2024

Line No.	CWC Capital Structure	Waikoloa RoR for 2024			Exhibit Reference
	(a)	(b)	(c)	(d)	(e)
1 DEBT		46.6%	5.42%	2.53%	Exhibit WHUC 10
2 EQUITY		53.4%	10.27%	5.48%	Exhibit WHUC 10
3 TOTAL		100%		8.01%	Exhibit WHUC 10

Per the State of California Public Utilities Commission, “The Water Division of the California Public Utilities Commission approved California Water Service Company’s Advice Letter No. 2495 on October 13, 2023, regarding Triggering the Water Cost of Capital Mechanism (WCCM) for 2024 and updating the Tariff Schedule Table of Contents for All Class A Ratemaking Areas.”

Table 36 – Advice Letter No. 2495 – Return on Common Equity¹⁴

	Category	Capital Ratio	Rate		Weighted Rate
Decision 23-06-025 6/29/2023	Long-Term Debt	46.60%	Cost of Debt	4.23%	1.97%
	Common Stock	53.40%	Return on Common Equity	9.05%	4.83%
			Rate of Return		6.80%
WCCM Triggered for 2023		WCCM Target	3.92		
		Initial Benchmark	2.89		
		Difference	1.03		
		50% of Difference	0.52 basis point adjustment		
For Rates in effect in July 2023 - Dec 2023	Category	Capital Ratio	Rate		Weighted Rate
	Long-Term Debt	46.60%	Cost of Debt	4.23%	1.97%
	Common Stock	53.40%	Return on Common Equity	9.57%	5.11%
			Rate of Return		7.08%
WCCM Triggered for 2024		WCCM Target	5.31		
		New Benchmark	3.92		
		Difference	1.39		
		50% of Difference	0.70 basis point adjustment		
For Rates in effect in Jan 2024 - Dec 2024	Category	Capital Ratio	Rate		Weighted Rate
	Long-Term Debt	46.60%	Cost of Debt	4.23%	1.97%
	Common Stock	53.40%	Return on Common Equity	10.27%	5.48%
			Rate of Return		7.46%

- Q. What is the result of applying the requested rate of return to the rate base described above?**
- A.** The result of applying the requested rate of return to the rate base is shown below. Proposed rates produce net operating income equal to the calculated return on rate base, as shown below.

Table 37 – Calculation of Return on Rate Base

Line No.	Description	Amount			Exhibit Reference
	(a)	(b) Water	(c) Sewer	(d) Irrigation	(e)
1	Total Rate Base	\$ 12,505,258	\$ 19,999,454	\$ 158,364	Exhibit WHUC (WTR, SWR, IRR) 7
2	Rate of Return	8.01%	8.01%	8.01%	Exhibit WHUC (WTR, SWR, IRR) 10
3	Return on Rate Base	\$ 1,001,670	\$ 1,601,956	\$ 12,685	

Note: WTR = Water, SWR = Sewer, IRR = Irrigation

Proposed Rates and Bill Impacts

- Q. Please describe the current rate structure and rates.**

¹⁴ California Water Service Company Advice Letter 2495, approved by the Water Division of the California Public Utilities Commission on October 13, 2023.

1 A. WHUC Water customers are currently charged a meter charge based on meter size. The Water fixed
2 charge starts at \$9.22 for 5/8" and 3/4" customers, while the Sewer is charging a fixed residential
3 rate of \$20.58. The quantity charge is based on consumption. All Water customers are charged the
4 same \$2.0540 quantity charge for every thousand gallons of metered usage, while Sewer customers
5 are charged the same \$4.0767 quantity charge per thousand gallons of metered flows. Irrigation
6 customers are only charged a quantity charge of \$0.1190 solely based on a per thousand gallons of
7 metered consumption.

8
9 **Q. Is the Company proposing a phase-in for water rates?**

10 A. Yes. The direct testimony of Mr. Shimansky explains the company's proposal and rationale on the
11 rate phase in. My schedules show what the rates would be if there were no phase in and the full
12 proposed revenue requirement were to be collected in Year 1. The last rate case was in 2017. Since
13 then, the Company, like all others in the US economy, has experienced unprecedented inflation
14 impacting the costs of materials, supplies, and labor. The Company must recover these costs while
15 being allowed the opportunity to earn a reasonable rate of return. The full proposed rates do no
16 more and no less than this. However, as Mr. Shimansky will show, the company is willing to collect
17 the authorized revenue requirement over time to mitigate customer rate shock. Even at that, the
18 full proposed rates are designed to only collect the revenue requirement.

19
20 **Q. Please provide a summary of the proposed rates for the WHUC system.**

21 A. While Mr. Shimansky's testimony proposes the rates to be collected, absent a rate phase in, Hawaii
22 Water would be proposing the following rates to be collected in the first year, the details of which
23 are in Exhibit WHUC 12 per each system. Tables 38-39 show the details of the proposed fixed
24 rates. Tables 40 - 42 show the details of the proposed quantity rates. Tables 43-45 provide details
25 of the overall impact of the bill if rates were implemented in one step.

Table 38– Proposed Fixed Rates – WHUC Water

Line No.	Meter Size	Water		Water		Exhibit Reference
		Present Rates		Proposed Rates		
	(a)	(b)		(c)	(d)	
1	5/8"	\$ 9.22	\$	21.74	Exhibit WHUC Water 12	
2	3/4"	\$ 9.22	\$	21.74	Exhibit WHUC Water 12	
3	1"	\$ 17.68	\$	41.69	Exhibit WHUC Water 12	
4	1 1/2"	\$ 31.00	\$	73.10	Exhibit WHUC Water 12	
5	2"	\$ 42.29	\$	99.73	Exhibit WHUC Water 12	
6	3"	\$ 84.58	\$	199.45	Exhibit WHUC Water 12	
7	4"	\$ 140.97	\$	332.43	Exhibit WHUC Water 12	
8	6"	\$ 281.96	\$	664.90	Exhibit WHUC Water 12	
9	8"	\$ 507.51	\$	1,196.78	Exhibit WHUC Water 12	

Table 39 – Proposed Fixed Rates – WHUC Sewer

Line No.	Fixed Revenue	Sewer		Sewer		Exhibit Reference
		Present Rates		Proposed Rates		
	(a)	(b)		(c)	(d)	
1	Residential	\$ 20.58	\$	23.34	Exhibit WHUC Sewer 12	
2	Multi-Family	\$ 20.58	\$	23.34	Exhibit WHUC Sewer 12	
3	Business	\$ 48.41	\$	54.90	Exhibit WHUC Sewer 12	
4	Business Hotel	\$ 20.58	\$	23.34	Exhibit WHUC Sewer 12	
5	Public Authority	\$ -	\$	-	Exhibit WHUC Sewer 12	

Table 40 – Proposed Quantity Rates – WHUC Water

Line No.	Quantity Revenue	Water		Water		Exhibit Reference
		Present Rates		Proposed Rates		
	(a)	(b)		(c)	(d)	
1	Residential	\$ 2.0540	\$	3.3088	Exhibit WHUC Water 12	
2	Multi-Family	\$ 2.0540	\$	3.3088	Exhibit WHUC Water 12	
3	Business	\$ 2.0540	\$	3.3088	Exhibit WHUC Water 12	
4	Public Authority	\$ 2.0540	\$	3.3088	Exhibit WHUC Water 12	

Table 41 – Proposed Quantity Rates – WHUC Sewer

Line No.	Quantity Revenue	Sewer		Sewer		Exhibit Reference
		Present Rates		Proposed Rates		
	(a)	(b)		(c)	(d)	
1	Residential	\$ 4.0767	\$	4.6229	Exhibit WHUC Sewer 12	
2	Multi-Family	\$ 4.0767	\$	4.6229	Exhibit WHUC Sewer 12	
3	Business	\$ 4.0767	\$	4.6229	Exhibit WHUC Sewer 12	
4	Public Authority	\$ -	\$	-	Exhibit WHUC Sewer 12	

Table 42 – Proposed Quantity Rates – WHUC Irrigation

Line No.	Quantity Revenue	Irrigation		Irrigation		Exhibit Reference
		Present Rates		Proposed Rates		
	(a)	(b)		(c)	(d)	
1	Residential	\$ 0.1190	\$	0.1348	Exhibit WHUC Irrigation 12	

Table 43 – Bill Impacts – WHUC Water

Line No.	Bill Impact	Present	Proposed	Difference	Exhibit Reference
	(a)	(b)	(c)	(d)	(e)
1	Monthly Usage [TG]	110	110		Exhibit WHUC WATER 12
2	Meter Size	1"	1"		Exhibit WHUC WATER 12
2	Fixed Charge	\$ 17.68	\$ 41.69	\$ 24.01	Exhibit WHUC WATER 12
3	Quantity Charge	\$ 225.94	\$ 363.97	\$ 138.03	Exhibit WHUC WATER 12
4	PCC	\$ 230.72	\$ 227.92	\$ (2.81)	Exhibit WHUC WATER 12
5	Total	\$ 474.34	\$ 633.58	\$ 159.23	Exhibit WHUC WATER 12

Table 44 – Bill Impacts – WHUC Sewer

Line No.	Bill Impact	Present	Proposed	Difference	Exhibit Reference
	(a)	(b)	(c)	(d)	(e)
1	Monthly Usage [TG]	23	23		Exhibit WHUC SEWER 12
2	Fixed Charge	\$ 20.58	\$ 23.34	\$ 2.76	Exhibit WHUC SEWER 12
3	Quantity Charge	\$ 93.56	\$ 106.09	\$ 12.53	Exhibit WHUC SEWER 12
4	PCC	\$ 14.70	\$ 12.83	\$ (1.88)	Exhibit WHUC SEWER 12
5	Total	\$ 128.84	\$ 142.26	\$ 13.42	Exhibit WHUC SEWER 12

Table 45 – Bill Impacts – WHUC Irrigation

Line No.	Bill Impact	Present	Proposed	Difference	Exhibit Reference
	(a)	(b)	(c)	(d)	(e)
1	Monthly Usage [TG]	41,895	41,895		Exhibit WHUC IRRIGATION 12
2	Stand-by Charge	\$ -	\$ -	\$ -	Exhibit WHUC IRRIGATION 12
3	Quantity Charge	\$ 4,985.55	\$ 5,645.53	\$ 659.98	Exhibit WHUC IRRIGATION 12
4	PCC	\$ 9,099.39	\$ 7,146.06	\$ (1,953.33)	Exhibit WHUC IRRIGATION 12
5	Total	\$ 14,084.95	\$ 12,791.59	\$ (1,293.35)	Exhibit WHUC IRRIGATION 12

Power Cost Charge

Q. Is the Company proposing any changes to the PCC?

A. Yes. Hawaii Water proposes updating the pump efficiency factor to reflect current operations; however, the formula controlling the PCC is not being changed.

Q. How is the Pump Efficiency Factor determined?

A. WHUC Water proposes to revise the pump efficiency factor used in the PCC calculation. The following formula shows the methodology used to calculate the PCC:

Power Cost Charge per Thousand Gallons =
Actual electrical cost per kWh
x Pump Efficiency Factor kWh per TG
x Revenue Tax Factor

1
2 The current pump efficiency factor is 5.63. The revenue tax factor is 1.06385, which consists of the
3 Public Service company tax and Public Utility Commission fee. The pump efficiency factor is a
4 function of the amount of energy consumed and the volume of water pumped from wells. WHUC
5 Water proposes a decrease over the current factor of 5.63, resulting in a pump efficiency factor of
6 5.5615, as detailed in Exhibit WHUC Water 8.7. The calculation for WHUC Sewer is shown below.

Formula used to calculate PCC
Electric Power Cost Per Thousand Gallons =
Previous Month's Electric Cost / Divided by Previous Month's Total Metered TG of
Water to the Company's Customers x 1.06385 (Public Service Company Tax and PUC Fee)

7
8 **Q. What is the result of this factor change?**

9 A. In the Test Year, total PCC revenues for Water were \$2,645,374 based on a PCC of \$2.10 per
10 thousand gallons. The revised pump efficiency factor will result in a PCC of \$2.07 per thousand
11 gallons to recover the \$2,613,182 in power costs. For Irrigation, total PCC revenues were \$218,385
12 based on a PCC of \$0.20 per thousand gallons. The revised pump efficiency factor will result in a
13 PCC of \$0.16 per thousand gallons to recover the \$171,505 in power costs.

14
15 **Q. Does this conclude your direct testimony?**

16 A. Yes.

2024-0224
Hawaii Water Service Company
Test Year Ending December 31, 2025
List of Schedules

Schedule Title	Worksheet (tab) Label	Index	page #	Page # of #
List of Schedules	List of Schedules			
Input Sheet	Input			
Revenue Requirements & Rate of Return Summary	RevReq		6	Exhibit WU-T-401-WHWC 6
Revenue Requirements Support	RevReqSupp		6.1	Exhibit WU-T-401-WHWC 6.1
Income Statement related				
Historical Summary	Historical Summary		8	Exhibit WU-T-401-WHWC 8
Revenue Summary	Revenues	Test 5.1	8.1	Exhibit WU-T-401-WHWC 8.1
Sales and Production	Salesprod	Test 5.1	8.2	Exhibit WU-T-401-WHWC 8.2
Inflation Factors	Inflation factors		8.3	Exhibit WU-T-401-WHWC 8.3
Four Factor Allocations	4-factor allocation		8.4	Exhibit WU-T-401-WHWC 8.4
Labor Expense	Labor		8.5	Exhibit WU-T-401-WHWC 8.5
Fuel & Power	Fuel & Power		8.6	Exhibit WU-T-401-WHWC 8.6
Power Cost Charge	PCC		8.7	Exhibit WU-T-401-WHWC 8.7
Chemicals	Chemicals		8.8	Exhibit WU-T-401-WHWC 8.8
Materials & Supplies	Materials & Supplies		8.9	Exhibit WU-T-401-WHWC 8.9
Waste/Sludge Disposal	Waste Disposal		8.10	Exhibit WU-T-401-WHWC 8.10
Affiliated Charges	Affiliated Charges		8.11	Exhibit WU-T-401-WHWC 8.11
Professional and Outside Services	Outside Services		8.12	Exhibit WU-T-401-WHWC 8.12
Repairs & Maintenance	Repair & Maint		8.13	Exhibit WU-T-401-WHWC 8.13
Rents	Rents		8.14	Exhibit WU-T-401-WHWC 8.14
Insurance Expenses	Insurance		8.15	Exhibit WU-T-401-WHWC 8.15
Regulatory Expense	Regulatory (test yr)		8.16	Exhibit WU-T-401-WHWC 8.16
Regulatory Expenses	Regulatory (recorded)		8.17	Exhibit WU-T-401-WHWC 8.17
General & Administrative Expenses	Gen admin		8.18	Exhibit WU-T-401-WHWC 8.18
Customer Accounts Expenses	Cust Accounts		8.19	Exhibit WU-T-401-WHWC 8.19
Taxes Other Than Income Taxes	TOTIT	Test 3.1	8.20	Exhibit WU-T-401-WHWC 8.20
Income Tax Expense	Inctax	Test 2.1	8.21	Exhibit WU-T-401-WHWC 8.21
Balance Sheet related				
Average Rate Base	RateBase		7	Exhibit WU-T-401-WHWC 7
Plant In Service	PIS		7.1	Exhibit WU-T-401-WHWC 7.1
Plant Additions	Plant Additions		7.2	Exhibit WU-T-401-WHWC 7.2
Accumulated Depreciation and Amortization of Intangibles	Acc Dep		7.3	Exhibit WU-T-401-WHWC 7.3
Depreciation Expense (Book)	Dep Exp		7.4	Exhibit WU-T-401-WHWC 7.4
Accumulated Depreciation and Depreciation Expense Detail	Depr Det - HWSC Water		7.5	Exhibit WU-T-401-WHWC 7.5
Accumulated Depreciation and Depreciation Expense Detail, No Cost of Removal	Depr Det - HWSC Water		7.5.1	Exhibit WU-T-401-WHWC 7.5.1
Allocated Plant Detail (Hawaii Water GO)	Allocated Plant Detail		7.6	Exhibit WU-T-401-WHWC 7.6
Allocated Plant Detail (Big Island)	Allocated Plant Detail		7.7	Exhibit WU-T-401-WHWC 7.7
Contributions in Aid of Construction	CIAC		7.8	Exhibit WU-T-401-WHWC 7.8
Amortization of Contributions in Aid of Construction	CIAC amort		7.9	Exhibit WU-T-401-WHWC 7.9
Accumulated Deferred Income Taxes - Federal	ADIT - Federal		7.10	Exhibit WU-T-401-WHWC 7.10
Accumulated Deferred Income Taxes - Federal (Detail)	Deferred Tax Statement - Federal		7.11	Exhibit WU-T-401-WHWC 7.11
Accumulated Deferred Income Taxes - State	ADIT - State		7.12	Exhibit WU-T-401-WHWC 7.12
Accumulated Deferred Income Taxes - State (Detail)	Deferred Tax Statement - State		7.13	Exhibit WU-T-401-WHWC 7.13
Hawaii Capital Goods Excise Tax Credit	ITC		7.14	Exhibit WU-T-401-WHWC 7.14
Working Cash	Working Cash		7.15	Exhibit WU-T-401-WHWC 7.15
Cost of Service and Rate Design related				
Include as appropriate				
Results of Operations at Present and Proposed Rates	RO for Recorded 2023		9	Exhibit WU-T-401-WHWC 9
Rate of Return	ROR		10	Exhibit WU-T-401-WHWC 10
Phase-in Schedule	Phase		11	Exhibit WU-T-401-WHWC 11
Rate Design	Rate Design		12	Exhibit WU-T-401-WHWC 12

Hawaii Water Service Company
Revenue Requirements & Rate of Return Summary
Test Year Ending December 31, 2025

Line No.	(1)	(2)	(3)	Change in Revenues
	Present Rates	Additional Amount	Test Year Proposed Rates 8.01%	
1				
2				
3				67.9%
4 Residential	\$ 1,122,760	\$ 1,678,108	\$ 2,800,869	
5 Commercial	\$ 77,596	\$ 115,976	\$ 193,572	
6 Public Authority	\$ 67,003	\$ 100,145	\$ 167,148	
7 Power Charge Cost	\$ 1,494,154	\$ (18,180)	\$ 1,475,974	
8 Total Operating Revenues	\$ 2,761,513	\$ 1,876,050	\$ 4,637,563	
9 Labor Expenses	\$ 788,084	\$ -	\$ 788,084	
10 Fuel & Power	\$ 1,544,835	\$ -	\$ 1,544,835	
11 Chemicals	\$ 30,136	\$ -	\$ 30,136	
12 Materials & Supplies	\$ 22	\$ -	\$ 22	
13 Waste/Sludge Disposal	\$ 3	\$ -	\$ 3	
14 Affiliated Charges	\$ 156,146	\$ -	\$ 156,146	
15 Professional and Outside Services	\$ 12,112	\$ -	\$ 12,112	
16 Repairs & Maintenance	\$ 475,488	\$ -	\$ 475,488	
17 Rental Expenses	\$ 9,997	\$ -	\$ 9,997	
18 Insurance Expenses	\$ 20,916	\$ -	\$ 20,916	
19 Regulatory Expenses	\$ 32,838	\$ -	\$ 32,838	
20 General & Administrative Expenses	\$ 78,389	\$ -	\$ 78,389	
21 Customer Accounts Expenses	\$ 108,942	\$ -	\$ 108,942	
23 Total O&M Expenses	\$ 3,257,908	\$ -	\$ 3,257,908	
24 Taxes Other than Income Taxes	\$ 176,323	\$ 119,786	\$ 296,108	
25 Depreciation	\$ 392,347		\$ 392,347	
26 Amortization	\$ -		\$ -	
27 Income Taxes	\$ -	\$ 129,972	\$ 129,972	
28 Diff. due to changing factors		\$ 1,180	\$ 1,180	
29 Total Operating Expenses	\$ 3,826,578	\$ 250,938	\$ 4,077,516	
30 Operating Income	\$ (1,065,065)	\$ 1,625,112	\$ 560,047	
31 Average Rate Base	\$ 6,991,849	\$ -	\$ 6,991,849	
32 Return on Rate Base	-15.23%		8.01%	

Hawaii Water Service Company
Revenue Requirements Support
Test Year Ending December 31, 2025

Line No.				
1	Gross Revenue Factor			
2	Additional Revenue		1.00000	
3	Less:			
4	Bad Debts	0.00000		
5	PSCT	0.05885		
6	PUC Fee	0.00500		
7	Franchise	<u>0.00000</u>	<u>0.06385</u>	0.06385
8	Subject to Income Tax			
9	Less:		0.93615	
10	State Income Tax	-0.13532		-0.12668
11	Federal Income Tax	0.21000		0.19659
12		0.07468	<u>0.06991</u>	
13	Remaining for Net Income		<u>0.86624</u>	
14	Expense for each \$1 of Revenue		<u>0.13376</u>	
15	Factor for Moving Rate Base			
16	=	(1-Bad Debt%-Revenue Taxes-Income tax on Addl. Revenue)		
17				
18	Revenue Factor			
19	<u>Additional Revenue Requirements</u>			
20	Proposed rate of return			8.01%
21	Multiply rate base @ present rates by the above proposed ROR			560,047
22	Subtract the net income @ present rates from the above net income			1,625,112
23	Divide the above difference by the moving rate base factor to			
24	determine the additional revenue requirements @ the proposed ROR			1,876,050
25	Multiply the add'l revenues by the bad debt factor			0.00
26	Multiply the add'l revenues by the revenue tax factor			119786
27	Multiply the add'l revenues by the inc tax on add'l revenue			131152
28	Total Expenses at Proposed Rates			4,077,516
29	Subtract total expense from total revenues @ proposed rates			560,047
30	Subtract NI before WC change from NI after WC change			0.00
31	Divide change in NI by desired rate of return			0.00
32	Calculate change in rate base			6,991,849
33	Test - Divide NI by rate base			8.01%

86.62%

115.44%

Hawaii Water Service Company
Average Rate Base
Test Year Ending December 31, 2025

Line No.		At 12/31/2024	At 12/31/2025	Average
1				
2	Description			
3	Plant In Service	\$ 20,596,398	\$ 21,319,903	\$ 20,958,150
4	Accumulated Depreciation Reserve	\$ 9,803,294	\$ 10,386,609	\$ 10,094,951
5	Net Plant-in-Service	\$ 10,793,104	\$ 10,933,294	\$ 10,863,199
6	Deduct:			
7	Contributions in Aid of Construction	\$ (11,069,043)	\$ (11,069,043)	\$ (11,069,043)
8	Accumulated Amortization of Contributions in Aid of Construction	\$ 7,900,880	\$ 8,091,849	\$ 7,996,365
9	Accumulated Deferred Taxes: Federal	\$ (571,046)	\$ (595,064)	\$ (583,055)
10	Accumulated Deferred Taxes: State	\$ (104,158)	\$ (118,916)	\$ (111,537)
11	Unamortized Hawaii Capital Goods Excise Tax Credit	\$ (311,231)	\$ (321,799)	\$ (316,515)
12	Net Salvage Adjustment	\$ -	\$ -	\$ (46,177)
13	TCJA Deferred Tax Adjustment	\$ -	\$ -	\$ (12,880)
14				
15				
16	subtotal	\$ (4,154,598)	\$ (4,012,973)	\$ (4,142,842)
17	Add:			
18	Working Capital	\$ 271,492	\$ 271,492	\$ 271,492
19	subtotal	\$ 271,492	\$ 271,492	\$ 271,492
20	Subtotal	\$ 6,909,998	\$ 7,191,813	
21	Rate Base at Proposed Rates			\$ 6,991,849

Hawaii Water Service Company
Plant In Service
Test Year Ending December 31, 2025

Line No.	Utility Account	Description	Balance as of 12/31/2023	Additions 1/1/2024 to 12/31/2024	Retirements 1/1/2024 to 12/31/2024	Adjustments 1/1/2024 to 12/31/2024	Balance as of 12/31/2024	Additions 1/1/2025 to 12/31/2025	Retirements 1/1/2025 to 12/31/2025	Adjustments 1/1/2025 to 12/31/2025	Test Year Balance as of 12/31/2025
1											
2											
3											
4											
5	103030	Other Intangible Plant	\$ 17,191	\$ 22,704	\$ -	\$ -	\$ 39,895	\$ -	\$ -	\$ -	\$ 39,895
6	103110	Struct & Improve-Supply Plnt	\$ 146,339	\$ -	\$ -	\$ -	\$ 146,339	\$ 238,903	\$ -	\$ -	\$ 385,242
7	103150	Wells-Supply Plant	\$ 2,743,058	\$ 34,056	\$ -	\$ -	\$ 2,777,114	\$ 119,594	\$ -	\$ -	\$ 2,896,708
8	103164	All Other -Supply Mains	\$ 95,627	\$ -	\$ -	\$ -	\$ 95,627	\$ -	\$ -	\$ -	\$ 95,627
9	103210	Struct & Imp- Pumping Plant	\$ 738,509	\$ -	\$ -	\$ -	\$ 738,509	\$ -	\$ -	\$ -	\$ 738,509
10	103211	Pavement-Pumping Plant	\$ 245,785	\$ -	\$ -	\$ -	\$ 245,785	\$ -	\$ -	\$ -	\$ 245,785
11	103240	Pumping Equipment	\$ 4,577,136	\$ 11,903	\$ -	\$ -	\$ 4,589,039	\$ -	\$ -	\$ -	\$ 4,589,039
12	103241	System Ctrl Computer Equip	\$ 77,550	\$ 102,718	\$ -	\$ -	\$ 180,269	\$ 64,375	\$ -	\$ -	\$ 244,644
13	103310	Struct & Improve-Treat Plant	\$ 44,651	\$ -	\$ -	\$ -	\$ 44,651	\$ -	\$ -	\$ -	\$ 44,651
14	103320	Water Treatment Equipment	\$ 21,375	\$ -	\$ -	\$ -	\$ 21,375	\$ -	\$ -	\$ -	\$ 21,375
15	103410	Struct & Imp-Trans&Dis Plnt	\$ 209,289	\$ -	\$ -	\$ -	\$ 209,289	\$ -	\$ -	\$ -	\$ 209,289
16	103411	Pavement-Trans & Dist Plant	\$ 17,450	\$ -	\$ -	\$ -	\$ 17,450	\$ -	\$ -	\$ -	\$ 17,450
17	103420	Reservoirs & Tanks	\$ 1,702,196	\$ 47,738	\$ -	\$ -	\$ 1,749,934	\$ 17,754	\$ -	\$ -	\$ 1,767,688
18	103421	Tank Painting	\$ 100,009	\$ -	\$ -	\$ -	\$ 100,009	\$ -	\$ -	\$ -	\$ 100,009
19	103431	A.C.-Trans & Distrib Mains	\$ 6,927,563	\$ -	\$ -	\$ -	\$ 6,927,563	\$ -	\$ -	\$ -	\$ 6,927,563
20	103434	All Other-Trans & Dist Mains	\$ 127,561	\$ 275,013	\$ -	\$ -	\$ 402,574	\$ 118,741	\$ -	\$ -	\$ 521,315
21	103435	Ductile Iron Pipe-T&D Mains	\$ 66,494	\$ -	\$ -	\$ -	\$ 66,494	\$ -	\$ -	\$ -	\$ 66,494
22	103436	Plastic Pipe-T & D Mains	\$ 30,790	\$ -	\$ -	\$ -	\$ 30,790	\$ -	\$ -	\$ -	\$ 30,790
23	103450	Services-Trans & Distr Mains	\$ 31,488	\$ -	\$ -	\$ -	\$ 31,488	\$ -	\$ -	\$ -	\$ 31,488
24	103460	Meters & Meter Boxes	\$ 359,322	\$ 248,411	\$ -	\$ -	\$ 607,732	\$ 160,938	\$ -	\$ -	\$ 768,670
25	103480	Hydrants-T & D Mains	\$ 17,145	\$ -	\$ -	\$ -	\$ 17,145	\$ -	\$ -	\$ -	\$ 17,145
26	103701	Pumping Equipment	\$ -	\$ 356,737	\$ -	\$ -	\$ 356,737	\$ -	\$ -	\$ -	\$ 356,737
27	103710	Struct & Improve Genl Plnt	\$ 321,266	\$ -	\$ -	\$ -	\$ 321,266	\$ -	\$ -	\$ -	\$ 321,266
28	103720	Office Furn & Equip-Gen Plnt	\$ 2,231	\$ -	\$ -	\$ -	\$ 2,231	\$ -	\$ -	\$ -	\$ 2,231
29	103721	Office-Elec. Equip/Computers	\$ 20,471	\$ -	\$ -	\$ -	\$ 20,471	\$ -	\$ -	\$ -	\$ 20,471
30	103730	Transportn Equip-Gen Plant	\$ 2,623	\$ -	\$ -	\$ -	\$ 2,623	\$ -	\$ -	\$ -	\$ 2,623
31	103740	Stores Equipment-Gen Plant	\$ 7,108	\$ -	\$ -	\$ -	\$ 7,108	\$ -	\$ -	\$ -	\$ 7,108
32	103750	Laboratory Equip-Gen Plant	\$ 6,490	\$ 20,740	\$ -	\$ -	\$ 27,229	\$ -	\$ -	\$ -	\$ 27,229
33	103770	Pwr Operated Equip-Gen Plant	\$ 62,225	\$ -	\$ -	\$ -	\$ 62,225	\$ -	\$ -	\$ -	\$ 62,225
34	103780	Tools, Shop & Garage Equip	\$ 46,945	\$ -	\$ -	\$ -	\$ 46,945	\$ -	\$ -	\$ -	\$ 46,945
35	103790	Other General Plant	\$ 12,782	\$ -	\$ -	\$ -	\$ 12,782	\$ -	\$ -	\$ -	\$ 12,782
36	103960	Communication Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37		HI	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38		Big Island Allocation	\$ 502,789	\$ 15,341	\$ -	\$ -	\$ 518,130	\$ 3,200	\$ -	\$ -	\$ 521,330
39		Hawaii Water GO Allocation	\$ 75,776	\$ 103,802	\$ -	\$ -	\$ 179,578	\$ -	\$ -	\$ -	\$ 179,578
40		Total	\$ 19,357,235	\$ 1,239,162	\$ -	\$ -	\$ 20,596,398	\$ 723,505	\$ -	\$ -	\$ 21,319,903

Hawaii Water Service Company
Plant Additions from 1/01/2024 to 12/31/2025
Test Year Ending December 31, 2025

Line No.	Department	Utility Account	Utility Account Description	Work Order No.	Work Order Description	In-service Date	Cost	Retirement	Adjustments
1	721 - Waikoloa Water	103460	Meters and Meter Boxes	128351	721-Meter Replacement Program 2023	1/1/2024	\$ 30,807	\$ -	\$ -
2	721 - Waikoloa Water	103434	T&D Mains - All Other	126426	721.723-Design & Construction of PRV 600	7/31/2024	\$ 234,828	\$ -	\$ -
3	721 - Waikoloa Water	103241	System Control Computer Equipment	128362	721(723)-Scada Upgrade 2023	12/31/2024	\$ 39,492	\$ -	\$ -
4	721 - Waikoloa Water	103434	T&D Mains - All Other	134265	721/723-Valve Replacement Program 2025	12/31/2025	\$ 70,904	\$ -	\$ -
4	721 - Waikoloa Water	103110	Struct & Improve-Supply Plnt	134267	721/723-DW2 Emergency Generator Replacemen	12/31/2025	\$ 215,269	\$ -	\$ -
5	721 - Waikoloa Water	103110	Struct & Improve-Supply Plnt	134277	721/723-DW1 Emergency Generator w/ATS Desig	12/31/2025	\$ 23,635	\$ -	\$ -
6	721 - Waikoloa Water	103420	Reservoirs and Tanks	134279	721/723-1200S Tanks Cathodic Protection	12/31/2025	\$ 17,754	\$ -	\$ -
7	721 - Waikoloa Water	103460	Meters and Meter Boxes	134147	721-AMI Upgrade 2025	12/31/2025	\$ 160,938	\$ -	\$ -
8	721 - Waikoloa Water	103241	System Control Computer Equipment	134150	721-SCADA Upgrade 2025	12/31/2025	\$ 64,375	\$ -	\$ -
9	721 - Waikoloa Water	103750	Laboratory Equipment	128379	721/723-Chlorine Analyzer 1200 S	9/30/2024	\$ 20,740	\$ -	\$ -
10	721 - Waikoloa Water	103240	Pumping Equipment	128487	721/723 Well Site Meter Replacements	9/30/2024	\$ 11,903	\$ -	\$ -
11	721 - Waikoloa Water	103241	System Control Computer Equipment	129937	721/723-HMI Screens for Well Sites	9/30/2024	\$ 4,841	\$ -	\$ -
12	721 - Waikoloa Water	103420	Reservoirs and Tanks	130582	721/723-1200N Tank Anode Replacement	12/31/2024	\$ 5,626	\$ -	\$ -
13	721 - Waikoloa Water	103434	T&D Mains - All Other	130587	721/723-Valve Replacement on 14" Trans Line	12/31/2024	\$ 40,184	\$ -	\$ -
14	721 - Waikoloa Water	103241	System Control Computer Equipment	130614	721-SCADA Upgrade 2024	12/31/2024	\$ 58,385	\$ -	\$ -
15	721 - Waikoloa Water	103460	Meters and Meter Boxes	130620	721-AMI Meter Upgrade 2024	12/31/2024	\$ 216,425	\$ -	\$ -
16	721 - Waikoloa Water	103434	T&D Mains - All Other	134365	721/723-A Gulch Crossing Design and Permitting	12/31/2025	\$ 47,838	\$ -	\$ -
17	721 - Waikoloa Water	103150	Wells	134366	721/723-Well DW-9 Permitting Design	12/31/2025	\$ 119,594	\$ -	\$ -
18	721 - Waikoloa Water	103150	Wells	130652	721/723-Genset Design for Well DW1	12/31/2024	\$ 34,056	\$ -	\$ -
19	721 - Waikoloa Water	103701	Pumping Equipment - Sewer	130952	721/723-Replacement motor DW5	4/10/2024	\$ 32,166	\$ -	\$ -
20	721 - Waikoloa Water	103420	Reservoirs and Tanks	130653	721/723-Tank 1200 N-1 Overflow	12/31/2024	\$ 31,786	\$ -	\$ -

Hawaii Water Service Company
Accumulated Depreciation and Amortization of Intangibles
Test Year Ending December 31, 2025

Line No.	Utility Account	Description	Balance as of 12/31/2023	Dep. Exp. 1/1/2024 to 12/31/2024	Retirements 1/1/2024 to 12/31/2024	Adjustments 1/1/2024 to 12/31/2024	Balance as of 12/31/2024	Dep. Exp. 1/1/2025 to 12/31/2025	Retirements 1/1/2025 to 12/31/2025	Adjustments 1/1/2025 to 12/31/2025	Test Year Balance as of 12/31/2025
1											
2											
3											
4	103030	Other Intangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	103110	Struct & Improve-Supply Plnt	\$ 64,000	\$ 3,439	\$ -	\$ -	\$ 67,439	\$ 9,053	\$ -	\$ -	\$ 76,492
6	103150	Wells-Supply Plant	\$ 779,106	\$ 65,262	\$ -	\$ -	\$ 844,368	\$ 68,073	\$ -	\$ -	\$ 912,441
7	103164	All Other -Supply Mains	\$ 70	\$ 2,553	\$ -	\$ -	\$ 2,623	\$ 2,553	\$ -	\$ -	\$ 5,176
8	103210	Struct & Imp- Pumping Plant	\$ 414,084	\$ 16,247	\$ -	\$ -	\$ 430,332	\$ 16,247	\$ -	\$ -	\$ 446,579
9	103211	Pavement-Pumping Plant	\$ 23,509	\$ 30,748	\$ -	\$ -	\$ 54,257	\$ 30,748	\$ -	\$ -	\$ 85,005
10	103240	Pumping Equipment	\$ 1,391,495	\$ 135,377	\$ -	\$ -	\$ 1,526,872	\$ 135,377	\$ -	\$ -	\$ 1,662,249
11	103241	System Ctrl Computer Equip	\$ 31,157	\$ 30,105	\$ -	\$ -	\$ 61,262	\$ 40,855	\$ -	\$ -	\$ 102,118
12	103310	Struct & Improve-Treat Plant	\$ 11,660	\$ 741	\$ -	\$ -	\$ 12,401	\$ 741	\$ -	\$ -	\$ 13,142
13	103320	Water Treatment Equipment	\$ (8,783)	\$ 530	\$ -	\$ -	\$ (8,253)	\$ 530	\$ -	\$ -	\$ (7,723)
14	103410	Struct & Imp-Trans&Dis Plnt	\$ 54,295	\$ 7,723	\$ -	\$ -	\$ 62,018	\$ 7,723	\$ -	\$ -	\$ 69,741
15	103411	Pavement-Trans & Dist Plant	\$ 16,577	\$ 873	\$ -	\$ -	\$ 17,450	\$ -	\$ -	\$ -	\$ 17,450
16	103420	Reservoirs & Tanks	\$ 831,943	\$ 35,349	\$ -	\$ -	\$ 867,292	\$ 35,707	\$ -	\$ -	\$ 902,999
17	103421	Tank Painting	\$ 93,735	\$ 6,274	\$ -	\$ -	\$ 100,009	\$ -	\$ -	\$ -	\$ 100,009
18	103431	A.C.-Trans & Distrib Mains	\$ 4,838,412	\$ 119,847	\$ -	\$ -	\$ 4,958,259	\$ 119,847	\$ -	\$ -	\$ 5,078,106
19	103434	All Other-Trans & Dist Mains	\$ -	\$ 6,763	\$ -	\$ -	\$ 6,763	\$ 8,758	\$ -	\$ -	\$ 15,521
20	103435	Ductile Iron Pipe-T&D Mains	\$ 11,208	\$ 984	\$ -	\$ -	\$ 12,192	\$ 984	\$ -	\$ -	\$ 13,176
21	103436	Plastic Pipe-T & D Mains	\$ -	\$ 342	\$ -	\$ -	\$ 342	\$ 342	\$ -	\$ -	\$ 684
22	103450	Services-Trans & Distr Mains	\$ 29,179	\$ 1,222	\$ -	\$ -	\$ 30,401	\$ 1,087	\$ -	\$ -	\$ 31,488
23	103460	Meters & Meter Boxes	\$ 218,575	\$ 32,574	\$ -	\$ -	\$ 251,149	\$ 41,201	\$ -	\$ -	\$ 292,350
24	103480	Hydrants-T & D Mains	\$ 1,068	\$ 297	\$ -	\$ -	\$ 1,365	\$ 297	\$ -	\$ -	\$ 1,661
25	103701	Pumping Equipment	\$ -	\$ 5,208	\$ -	\$ -	\$ 5,208	\$ 5,208	\$ -	\$ -	\$ 10,417
26	103710	Struct & Improve Genl Plnt	\$ 61,012	\$ 8,064	\$ -	\$ -	\$ 69,076	\$ 8,064	\$ -	\$ -	\$ 77,140
27	103720	Office Furn & Equip-Gen Plnt	\$ 2,231	\$ -	\$ -	\$ -	\$ 2,231	\$ -	\$ -	\$ -	\$ 2,231
28	103721	Office-Elec. Equip/Computers	\$ 21,402	\$ -	\$ -	\$ -	\$ 21,402	\$ -	\$ -	\$ -	\$ 21,402
29	103730	Transportn Equip-Gen Plant	\$ 2,181	\$ (88)	\$ -	\$ -	\$ 2,093	\$ (88)	\$ -	\$ -	\$ 2,004
30	103740	Stores Equipment-Gen Plant	\$ 148	\$ 379	\$ -	\$ -	\$ 527	\$ 379	\$ -	\$ -	\$ 906
31	103750	Laboratory Equip-Gen Plant	\$ 3,347	\$ 1,498	\$ -	\$ -	\$ 4,844	\$ 1,498	\$ -	\$ -	\$ 6,342
32	103770	Pwr Operated Equip-Gen Plant	\$ 57,185	\$ (1,002)	\$ -	\$ -	\$ 56,183	\$ (1,002)	\$ -	\$ -	\$ 55,182
33	103780	Tools, Shop & Garage Equip	\$ 11,028	\$ 239	\$ -	\$ -	\$ 11,268	\$ 239	\$ -	\$ -	\$ 11,507
34	103790	Other General Plant	\$ 12,782	\$ -	\$ -	\$ -	\$ 12,782	\$ -	\$ -	\$ -	\$ 12,782
35	103960	Communication Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36		HI	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37		Big Island Allocation	\$ 229,091	\$ 33,126	\$ -	\$ -	\$ 262,217	\$ 33,286	\$ -	\$ -	\$ 295,503
38		Hawaii Water GO Allocation	\$ 41,256	\$ 15,664	\$ -	\$ -	\$ 56,921	\$ 15,610	\$ -	\$ -	\$ 72,530
39											
40		Total	\$ 9,242,956	\$ 560,337	\$ -	\$ -	\$ 9,803,294	\$ 583,316	\$ -	\$ -	\$ 10,386,609

Hawaii Water Service Company
Depreciation Expense (Book)
Test Year Ending December 31, 2025

Line No.	Utility Account	Description	Dep. Exp. 1/1/2024 to 12/31/2024	Amort. 1/1/2024 to 12/31/2024	Net Dep. Exp. 12/31/2024	Dep. Exp. 1/1/2025 to 12/31/2025	Amort. 1/1/2025 to 12/31/2025	Test Year Net Dep. Exp. 12/31/2025
1			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2								
3								
4	103030	Other Intangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	103110	Struct & Improve-Supply Plnt	\$ 3,439	\$ (2,115)	\$ 1,324	\$ 9,053	\$ (2,115)	\$ 6,938
6	103150	Wells-Supply Plant	\$ 65,262	\$ (13,301)	\$ 51,961	\$ 68,073	\$ (13,301)	\$ 54,771
7	103164	All Other -Supply Mains	\$ 2,553	\$ -	\$ 2,553	\$ 2,553	\$ -	\$ 2,553
8	103210	Struct & Imp- Pumping Plant	\$ 16,247	\$ -	\$ 16,247	\$ 16,247	\$ -	\$ 16,247
9	103211	Pavement-Pumping Plant	\$ 30,748	\$ -	\$ 30,748	\$ 30,748	\$ -	\$ 30,748
10	103240	Pumping Equipment	\$ 135,377	\$ -	\$ 135,377	\$ 135,377	\$ -	\$ 135,377
11	103241	System Ctrl Computer Equip	\$ 30,105	\$ -	\$ 30,105	\$ 40,855	\$ -	\$ 40,855
12	103310	Struct & Improve-Treat Plant	\$ 741	\$ (186)	\$ 555	\$ 741	\$ -	\$ 741
13	103320	Water Treatment Equipment	\$ 530	\$ -	\$ 530	\$ 530	\$ -	\$ 530
14	103410	Struct & Imp-Trans&Dis Plnt	\$ 7,723	\$ (567)	\$ 7,156	\$ 7,723	\$ (567)	\$ 7,156
15	103411	Pavement-Trans & Dist Plant	\$ 873	\$ (372)	\$ 500	\$ -	\$ (372)	\$ (372)
16	103420	Reservoirs & Tanks	\$ 35,349	\$ (41,608)	\$ (6,259)	\$ 35,707	\$ (41,608)	\$ (5,901)
17	103421	Tank Painting	\$ 6,274	\$ -	\$ 6,274	\$ -	\$ -	\$ -
18	103431	A.C.-Trans & Distrib Mains	\$ 119,847	\$ (131,885)	\$ (12,039)	\$ 119,847	\$ (131,885)	\$ (12,039)
19	103434	All Other-Trans & Dist Mains	\$ 6,763	\$ -	\$ 6,763	\$ 8,758	\$ -	\$ 8,758
20	103435	Ductile Iron Pipe-T&D Mains	\$ 984	\$ (1,120)	\$ (136)	\$ 984	\$ (1,120)	\$ (136)
21	103436	Plastic Pipe-T & D Mains	\$ 342	\$ -	\$ 342	\$ 342	\$ -	\$ 342
22	103450	Services-Trans & Distr Mains	\$ 1,222	\$ -	\$ 1,222	\$ 1,087	\$ -	\$ 1,087
23	103460	Meters & Meter Boxes	\$ 32,574	\$ -	\$ 32,574	\$ 41,201	\$ -	\$ 41,201
24	103480	Hydrants-T & D Mains	\$ 297	\$ -	\$ 297	\$ 297	\$ -	\$ 297
25	103701	Pumping Equipment	\$ 5,208	\$ -	\$ 5,208	\$ 5,208	\$ -	\$ 5,208
26	103710	Struct & Improve Genl Plnt	\$ 8,064	\$ -	\$ 8,064	\$ 8,064	\$ -	\$ 8,064
27	103720	Office Furn & Equip-Gen Plnt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	103721	Office-Elec. Equip/Computers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	103730	Transportn Equip-Gen Plant	\$ (88)	\$ -	\$ (88)	\$ (88)	\$ -	\$ (88)
30	103740	Stores Equipment-Gen Plant	\$ 379	\$ -	\$ 379	\$ 379	\$ -	\$ 379
31	103750	Laboratory Equip-Gen Plant	\$ 1,498	\$ -	\$ 1,498	\$ 1,498	\$ -	\$ 1,498
32	103770	Pwr Operated Equip-Gen Plant	\$ (1,002)	\$ -	\$ (1,002)	\$ (1,002)	\$ -	\$ (1,002)
33	103780	Tools, Shop & Garage Equip	\$ 239	\$ -	\$ 239	\$ 239	\$ -	\$ 239
34	103790	Other General Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35	103960	Communication Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36		HI	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37		Big Island Allocation	\$ 33,126	\$ -	\$ 33,126	\$ 33,286	\$ -	\$ 33,286
38		Hawaii Water GO Allocation	\$ 15,664	\$ -	\$ 15,664	\$ 15,610	\$ -	\$ 15,610
39								
40		Total	\$ 560,337	\$ (191,155)	\$ 369,182	\$ 583,316	\$ (190,968)	\$ 392,347

Hawaii Water Service Company
Accumulated Depreciation and Depreciation Expense Detail

Test Year Ending December 31, 2025

Line No.	Account	Description	Plant Balance as of 12/31/2023	Accumulated Depreciation Reserve 12/31/2023	Additions from 1/01/2024 to 12/31/2024	Retirements from 1/01/2024 to 12/31/2024	Adjustments from 1/01/2024 to 12/31/2024	Plant Balance as of 12/31/2024	Present Rate	Proposed Rate	Depreciation Expense (Present Rate)	Depreciation Expense (Proposed Rate)	Accumulated Depreciation Reserve 12/31/2024	Additions from 1/01/2025 to 12/31/2025	Retirements from 1/01/2025 to 12/31/2025	Adjustments from 1/01/2025 to 12/31/2025	Plant Balance 12/31/2025	Depreciation Expense (Present Rate)	Depreciation Expense (Proposed Rate)	Accumulated Depreciation Reserve 12/31/2025
1		Waikoloa Water																		
2	103030	Other Intangible Plant	\$ 17,191	\$ -	\$ 22,704	\$ -	\$ -	\$ 39,895	0.00%	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,895	\$ -	\$ -	\$ -
3	103110	Struct & Improve-Supply Plnt	\$ 146,339	\$ 64,000	\$ -	\$ -	\$ -	\$ 146,339	2.35%	2.35%	\$ 3,439	\$ 3,439	\$ 67,439	\$ 238,903	\$ -	\$ -	\$ 385,242	\$ 9,053	\$ 9,053	\$ 76,492
4	103150	Wells-Supply Plant	\$ 2,743,058	\$ 779,106	\$ 34,056	\$ -	\$ -	\$ 2,777,114	2.35%	2.35%	\$ 65,262	\$ 65,262	\$ 844,368	\$ 119,594	\$ -	\$ -	\$ 2,896,708	\$ 68,073	\$ 68,073	\$ 912,441
5	103164	All Other -Supply Mains	\$ 95,627	\$ 70	\$ -	\$ -	\$ -	\$ 95,627	2.67%	2.67%	\$ 2,553	\$ 2,553	\$ 2,623	\$ -	\$ -	\$ -	\$ 95,627	\$ 2,553	\$ 2,553	\$ 5,176
6	103210	Struct & Imp- Pumping Plant	\$ 738,509	\$ 414,084	\$ -	\$ -	\$ -	\$ 738,509	2.20%	2.20%	\$ 16,247	\$ 16,247	\$ 430,332	\$ -	\$ -	\$ -	\$ 738,509	\$ 16,247	\$ 16,247	\$ 446,579
7	103211	Pavement-Pumping Plant	\$ 245,785	\$ 23,509	\$ -	\$ -	\$ -	\$ 245,785	12.51%	12.51%	\$ 30,748	\$ 30,748	\$ 54,257	\$ -	\$ -	\$ -	\$ 245,785	\$ 30,748	\$ 30,748	\$ 85,005
8	103240	Pumping Equipment	\$ 4,577,136	\$ 1,391,495	\$ 11,903	\$ -	\$ -	\$ 4,589,039	2.95%	2.95%	\$ 135,377	\$ 135,377	\$ 1,526,872	\$ -	\$ -	\$ -	\$ 4,589,039	\$ 135,377	\$ 135,377	\$ 1,662,249
9	103241	System Ctrl Computer Equip	\$ 77,550	\$ 31,157	\$ 102,718	\$ -	\$ -	\$ 180,269	16.70%	16.70%	\$ 30,105	\$ 30,105	\$ 61,262	\$ 64,375	\$ -	\$ -	\$ 244,644	\$ 40,855	\$ 40,855	\$ 102,118
10	103310	Struct & Improve-Treat Plant	\$ 44,651	\$ 11,660	\$ -	\$ -	\$ -	\$ 44,651	1.66%	1.66%	\$ 741	\$ 741	\$ 12,401	\$ -	\$ -	\$ -	\$ 44,651	\$ 741	\$ 741	\$ 13,142
11	103320	Water Treatment Equipment	\$ 21,375	\$ (8,783)	\$ -	\$ -	\$ -	\$ 21,375	2.48%	2.48%	\$ 530	\$ 530	\$ (8,253)	\$ -	\$ -	\$ -	\$ 21,375	\$ 530	\$ 530	\$ (7,723)
12	103410	Struct & Imp-Trans&Dis Plnt	\$ 209,289	\$ 54,295	\$ -	\$ -	\$ -	\$ 209,289	3.69%	3.69%	\$ 7,723	\$ 7,723	\$ 62,018	\$ -	\$ -	\$ -	\$ 209,289	\$ 7,723	\$ 7,723	\$ 69,741
13	103411	Pavement-Trans & Dist Plant	\$ 17,450	\$ 16,577	\$ -	\$ -	\$ -	\$ 17,450	12.51%	12.51%	\$ 873	\$ 873	\$ 17,450	\$ -	\$ -	\$ -	\$ 17,450	\$ -	\$ -	\$ 17,450
14	103420	Reservoirs & Tanks	\$ 1,702,196	\$ 831,943	\$ 47,738	\$ -	\$ -	\$ 1,749,934	2.02%	2.02%	\$ 35,349	\$ 35,349	\$ 867,292	\$ 17,754	\$ -	\$ -	\$ 1,767,688	\$ 35,707	\$ 35,707	\$ 902,999
15	103421	Tank Painting	\$ 100,009	\$ 93,735	\$ -	\$ -	\$ -	\$ 100,009	9.00%	9.00%	\$ 6,274	\$ 6,274	\$ 100,009	\$ -	\$ -	\$ -	\$ 100,009	\$ -	\$ -	\$ 100,009
16	103431	A.C.-Trans & Distrib Mains	\$ 6,927,563	\$ 4,838,412	\$ -	\$ -	\$ -	\$ 6,927,563	1.73%	1.73%	\$ 119,847	\$ 119,847	\$ 4,958,259	\$ -	\$ -	\$ -	\$ 6,927,563	\$ 119,847	\$ 119,847	\$ 5,078,106
17	103434	All Other-Trans & Dist Mains	\$ 127,561	\$ -	\$ 275,013	\$ -	\$ -	\$ 402,574	1.68%	1.68%	\$ 6,763	\$ 6,763	\$ 6,763	\$ 118,741	\$ -	\$ -	\$ 521,315	\$ 8,758	\$ 8,758	\$ 15,521
18	103435	Ductile Iron Pipe-T&D Mains	\$ 66,494	\$ 11,208	\$ -	\$ -	\$ -	\$ 66,494	1.48%	1.48%	\$ 984	\$ 984	\$ 12,192	\$ -	\$ -	\$ -	\$ 66,494	\$ 984	\$ 984	\$ 13,176
19	103436	Plastic Pipe-T & D Mains	\$ 30,790	\$ -	\$ -	\$ -	\$ -	\$ 30,790	1.11%	1.11%	\$ 342	\$ 342	\$ 342	\$ -	\$ -	\$ -	\$ 30,790	\$ 342	\$ 342	\$ 684
20	103450	Services-Trans & Distr Mains	\$ 31,488	\$ 29,179	\$ -	\$ -	\$ -	\$ 31,488	3.88%	3.88%	\$ 1,222	\$ 1,222	\$ 30,401	\$ -	\$ -	\$ -	\$ 31,488	\$ 1,087	\$ 1,087	\$ 31,488
21	103460	Meters & Meter Boxes	\$ 359,322	\$ 218,575	\$ 248,411	\$ -	\$ -	\$ 607,732	5.36%	5.36%	\$ 32,574	\$ 32,574	\$ 251,149	\$ 160,938	\$ -	\$ -	\$ 768,670	\$ 41,201	\$ 41,201	\$ 292,350
22	103480	Hydrants-T & D Mains	\$ 17,145	\$ 1,068	\$ -	\$ -	\$ -	\$ 17,145	1.73%	1.73%	\$ 297	\$ 297	\$ 1,365	\$ -	\$ -	\$ -	\$ 17,145	\$ 297	\$ 297	\$ 1,661
23	103701	Pumping Equipment	\$ -	\$ -	\$ 356,737	\$ -	\$ -	\$ 356,737	1.46%	1.46%	\$ 5,208	\$ 5,208	\$ 5,208	\$ -	\$ -	\$ -	\$ 356,737	\$ 5,208	\$ 5,208	\$ 10,417
24	103710	Struct & Improve Genl Plnt	\$ 321,266	\$ 61,012	\$ -	\$ -	\$ -	\$ 321,266	2.51%	2.51%	\$ 8,064	\$ 8,064	\$ 69,076	\$ -	\$ -	\$ -	\$ 321,266	\$ 8,064	\$ 8,064	\$ 77,140
25	103720	Office Furn & Equip-Gen Plnt	\$ 2,231	\$ 2,231	\$ -	\$ -	\$ -	\$ 2,231	15.35%	15.35%	\$ -	\$ -	\$ 2,231	\$ -	\$ -	\$ -	\$ 2,231	\$ -	\$ -	\$ 2,231
26	103721	Office-Elec. Equip/Computers	\$ 20,471	\$ 21,402	\$ -	\$ -	\$ -	\$ 20,471	11.15%	11.15%	\$ -	\$ -	\$ 21,402	\$ -	\$ -	\$ -	\$ 20,471	\$ -	\$ -	\$ 21,402
27	103730	Transportn Equip-Gen Plant	\$ 2,623	\$ 2,181	\$ -	\$ -	\$ -	\$ 2,623	-3.37%	-3.37%	\$ (88)	\$ (88)	\$ 2,093	\$ -	\$ -	\$ -	\$ 2,623	\$ (88)	\$ (88)	\$ 2,004
28	103740	Stores Equipment-Gen Plant	\$ 7,108	\$ 148	\$ -	\$ -	\$ -	\$ 7,108	5.33%	5.33%	\$ 379	\$ 379	\$ 527	\$ -	\$ -	\$ -	\$ 7,108	\$ 379	\$ 379	\$ 906
29	103750	Laboratory Equip-Gen Plant	\$ 6,490	\$ 3,347	\$ 20,740	\$ -	\$ -	\$ 27,229	5.50%	5.50%	\$ 1,498	\$ 1,498	\$ 4,844	\$ -	\$ -	\$ -	\$ 27,229	\$ 1,498	\$ 1,498	\$ 6,342
30	103770	Pwr Operated Equip-Gen Plant	\$ 62,225	\$ 57,185	\$ -	\$ -	\$ -	\$ 62,225	-1.61%	-1.61%	\$ (1,002)	\$ (1,002)	\$ 56,183	\$ -	\$ -	\$ -	\$ 62,225	\$ (1,002)	\$ (1,002)	\$ 55,182
31	103780	Tools, Shop & Garage Equip	\$ 46,945	\$ 11,028	\$ -	\$ -	\$ -	\$ 46,945	0.51%	0.51%	\$ 239	\$ 239	\$ 11,268	\$ -	\$ -	\$ -	\$ 46,945	\$ 239	\$ 239	\$ 11,507
32	103790	Other General Plant	\$ 12,782	\$ 12,782	\$ -	\$ -	\$ -	\$ 12,782	10.00%	10.00%	\$ -	\$ -	\$ 12,782	\$ -	\$ -	\$ -	\$ 12,782	\$ -	\$ -	\$ 12,782
33	103960	Communication Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2.13%	2.13%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34		HI	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33		Total	<u>\$ 18,778,670</u>	<u>\$ 8,972,609</u>	<u>\$ 1,120,019</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,898,689</u>			<u>\$ 511,547</u>	<u>\$ 511,547</u>	<u>\$ 9,484,156</u>	<u>\$ 720,305</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,618,995</u>	<u>\$ 534,420</u>	<u>\$ 534,420</u>	<u>\$ 10,018,576</u>

Hawaii Water Service Company
Accumulated Depreciation and Depreciation Expense Detail, No Cost of Removal

Test Year Ending December 31, 2025

Line No.	Account	Description	Plant Balance as of 12/31/2023	Accumulated Depreciation Reserve 12/31/2023	Additions from 1/01/2024 to 12/31/2024	Retirements from 1/01/2024 to 12/31/2024	Adjustments from 1/01/2024 to 12/31/2024	Plant Balance 12/31/2024	Present Rate	Proposed Rate	Depreciation Expense (Present Rate)	Depreciation Expense (Proposed Rate)	Accumulated Depreciation Reserve 12/31/2024	Additions from 1/01/2025 to 12/31/2025	Retirements from 1/01/2025 to 12/31/2025	Adjustments from 1/01/2025 to 12/31/2025	Plant Balance 12/31/2025	Depreciation Expense (Present Rate)	Depreciation Expense (Proposed Rate)	Accumulated Depreciation Reserve 12/31/2025
1		WHWC																		
2	103030	Other Intangible Plant	\$ 17,191	\$ -	\$ 22,704	\$ -	\$ -	\$ 39,895	0.00%	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,895	\$ -	\$ -	\$ -
3	103110	Struct & Improve-Supply Plnt	\$ 146,339	\$ 64,000	\$ -	\$ -	\$ -	\$ 146,339	2.12%	2.12%	\$ 3,102	\$ 3,102	\$ 67,102	\$ 238,903	\$ -	\$ -	\$ 385,242	\$ 8,167	\$ 8,167	\$ 75,269
4	103150	Wells-Supply Plant	\$ 2,743,058	\$ 779,106	\$ 34,056	\$ -	\$ -	\$ 2,777,114	2.31%	2.31%	\$ 64,151	\$ 64,151	\$ 843,257	\$ 119,594	\$ -	\$ -	\$ 2,896,708	\$ 66,914	\$ 66,914	\$ 910,171
5	103164	All Other -Supply Mains	\$ 95,627	\$ 70	\$ -	\$ -	\$ -	\$ 95,627	2.67%	2.67%	\$ 2,553	\$ 2,553	\$ 2,623	\$ -	\$ -	\$ -	\$ 95,627	\$ 2,553	\$ 2,553	\$ 5,176
6	103210	Struct & Imp- Pumping Plant	\$ 738,509	\$ 414,084	\$ -	\$ -	\$ -	\$ 738,509	2.15%	2.15%	\$ 15,878	\$ 15,878	\$ 429,962	\$ -	\$ -	\$ -	\$ 738,509	\$ 15,878	\$ 15,878	\$ 445,840
7	103211	Pavement-Pumping Plant	\$ 245,785	\$ 23,509	\$ -	\$ -	\$ -	\$ 245,785	12.51%	12.51%	\$ 30,748	\$ 30,748	\$ 54,257	\$ -	\$ -	\$ -	\$ 245,785	\$ 30,748	\$ 30,748	\$ 85,005
8	103240	Pumping Equipment	\$ 4,577,136	\$ 1,391,495	\$ 11,903	\$ -	\$ -	\$ 4,589,039	2.99%	2.99%	\$ 137,212	\$ 137,212	\$ 1,528,708	\$ -	\$ -	\$ -	\$ 4,589,039	\$ 137,212	\$ 137,212	\$ 1,665,920
9	103241	System Ctrl Computer Equip	\$ 77,550	\$ 31,157	\$ 102,718	\$ -	\$ -	\$ 180,269	16.70%	16.70%	\$ 30,105	\$ 30,105	\$ 61,262	\$ 64,375	\$ -	\$ -	\$ 244,644	\$ 40,855	\$ 40,855	\$ 102,118
10	103310	Struct & Improve-Treat Plant	\$ 44,651	\$ 11,660	\$ -	\$ -	\$ -	\$ 44,651	2.11%	2.11%	\$ 942	\$ 942	\$ 12,602	\$ -	\$ -	\$ -	\$ 44,651	\$ 942	\$ 942	\$ 13,544
11	103320	Water Treatment Equipment	\$ 21,375	\$ (8,783)	\$ -	\$ -	\$ -	\$ 21,375	2.37%	2.37%	\$ 507	\$ 507	\$ (8,276)	\$ -	\$ -	\$ -	\$ 21,375	\$ 507	\$ 507	\$ (7,770)
12	103410	Struct & Imp-Trans&Dis Plnt	\$ 209,289	\$ 54,295	\$ -	\$ -	\$ -	\$ 209,289	3.57%	3.57%	\$ 7,472	\$ 7,472	\$ 61,767	\$ -	\$ -	\$ -	\$ 209,289	\$ 7,472	\$ 7,472	\$ 69,239
13	103411	Pavement-Trans & Dist Plant	\$ 17,450	\$ 16,577	\$ -	\$ -	\$ -	\$ 17,450	12.51%	12.51%	\$ 873	\$ 873	\$ 17,450	\$ -	\$ -	\$ -	\$ 17,450	\$ -	\$ -	\$ 17,450
14	103420	Reservoirs & Tanks	\$ 1,702,196	\$ 831,943	\$ 47,738	\$ -	\$ -	\$ 1,749,934	1.87%	1.87%	\$ 32,724	\$ 32,724	\$ 864,667	\$ 17,754	\$ -	\$ -	\$ 1,767,688	\$ 33,056	\$ 33,056	\$ 897,723
15	103421	Tank Painting	\$ 100,009	\$ 93,735	\$ -	\$ -	\$ -	\$ 100,009	9.00%	9.00%	\$ 6,274	\$ 6,274	\$ 100,009	\$ -	\$ -	\$ -	\$ 100,009	\$ -	\$ -	\$ 100,009
16	103431	A.C.-Trans & Distrib Mains	\$ 6,927,563	\$ 4,838,412	\$ -	\$ -	\$ -	\$ 6,927,563	1.18%	1.18%	\$ 81,745	\$ 81,745	\$ 4,920,158	\$ -	\$ -	\$ -	\$ 6,927,563	\$ 81,745	\$ 81,745	\$ 5,001,903
17	103434	All Other-Trans & Dist Mains	\$ 127,561	\$ -	\$ 275,013	\$ -	\$ -	\$ 402,574	1.24%	1.24%	\$ 4,992	\$ 4,992	\$ 4,992	\$ 118,741	\$ -	\$ -	\$ 521,315	\$ 6,464	\$ 6,464	\$ 11,456
18	103435	Ductile Iron Pipe-T&D Mains	\$ 66,494	\$ 11,208	\$ -	\$ -	\$ -	\$ 66,494	1.09%	1.09%	\$ 725	\$ 725	\$ 11,933	\$ -	\$ -	\$ -	\$ 66,494	\$ 725	\$ 725	\$ 12,658
19	103436	Plastic Pipe-T & D Mains	\$ 30,790	\$ -	\$ -	\$ -	\$ -	\$ 30,790	1.11%	1.11%	\$ 342	\$ 342	\$ 342	\$ -	\$ -	\$ -	\$ 30,790	\$ 342	\$ 342	\$ 684
20	103450	Services-Trans & Distr Mains	\$ 31,488	\$ 29,179	\$ -	\$ -	\$ -	\$ 31,488	2.99%	2.99%	\$ 941	\$ 941	\$ 30,121	\$ -	\$ -	\$ -	\$ 31,488	\$ 941	\$ 941	\$ 31,062
21	103460	Meters & Meter Boxes	\$ 359,322	\$ 218,575	\$ 248,411	\$ -	\$ -	\$ 607,732	5.36%	5.36%	\$ 32,574	\$ 32,574	\$ 251,149	\$ 160,938	\$ -	\$ -	\$ 768,670	\$ 41,201	\$ 41,201	\$ 292,350
22	103480	Hydrants-T & D Mains	\$ 17,145	\$ 1,068	\$ -	\$ -	\$ -	\$ 17,145	1.23%	1.23%	\$ 211	\$ 211	\$ 1,279	\$ -	\$ -	\$ -	\$ 17,145	\$ 211	\$ 211	\$ 1,490
23	103701	Pumping Equipment	\$ -	\$ -	\$ 356,737	\$ -	\$ -	\$ 356,737	1.02%	1.02%	\$ 3,639	\$ 3,639	\$ 3,639	\$ -	\$ -	\$ -	\$ 356,737	\$ 3,639	\$ 3,639	\$ 7,277
24	103710	Struct & Improve Genl Plnt	\$ 321,266	\$ 61,012	\$ -	\$ -	\$ -	\$ 321,266	2.38%	2.38%	\$ 7,646	\$ 7,646	\$ 68,658	\$ -	\$ -	\$ -	\$ 321,266	\$ 7,646	\$ 7,646	\$ 76,304
25	103720	Office Furn & Equip-Gen Plnt	\$ 2,231	\$ 2,231	\$ -	\$ -	\$ -	\$ 2,231	15.35%	15.35%	\$ -	\$ -	\$ 2,231	\$ -	\$ -	\$ -	\$ 2,231	\$ -	\$ -	\$ 2,231
26	103721	Office-Elec. Equip/Computers	\$ 20,471	\$ 21,402	\$ -	\$ -	\$ -	\$ 20,471	11.15%	11.15%	\$ -	\$ -	\$ 21,402	\$ -	\$ -	\$ -	\$ 20,471	\$ -	\$ -	\$ 21,402
27	103730	Transportn Equip-Gen Plant	\$ 2,623	\$ 2,181	\$ -	\$ -	\$ -	\$ 2,623	-3.37%	-3.37%	\$ (88)	\$ (88)	\$ 2,093	\$ -	\$ -	\$ -	\$ 2,623	\$ (88)	\$ (88)	\$ 2,004
28	103740	Stores Equipment-Gen Plant	\$ 7,108	\$ 148	\$ -	\$ -	\$ -	\$ 7,108	5.33%	5.33%	\$ 379	\$ 379	\$ 527	\$ -	\$ -	\$ -	\$ 7,108	\$ 379	\$ 379	\$ 906
29	103750	Laboratory Equip-Gen Plant	\$ 6,490	\$ 3,347	\$ 20,740	\$ -	\$ -	\$ 27,229	5.50%	5.50%	\$ 1,498	\$ 1,498	\$ 4,844	\$ -	\$ -	\$ -	\$ 27,229	\$ 1,498	\$ 1,498	\$ 6,342
30	103770	Pwr Operated Equip-Gen Plant	\$ 62,225	\$ 57,185	\$ -	\$ -	\$ -	\$ 62,225	-1.61%	-1.61%	\$ (1,002)	\$ (1,002)	\$ 56,183	\$ -	\$ -	\$ -	\$ 62,225	\$ (1,002)	\$ (1,002)	\$ 55,182
31	103780	Tools, Shop & Garage Equip	\$ 46,945	\$ 11,028	\$ -	\$ -	\$ -	\$ 46,945	0.51%	0.51%	\$ 239	\$ 239	\$ 11,268	\$ -	\$ -	\$ -	\$ 46,945	\$ 239	\$ 239	\$ 11,507
32	103790	Other General Plant	\$ 12,782	\$ 12,782	\$ -	\$ -	\$ -	\$ 12,782	10.00%	10.00%	\$ -	\$ -	\$ 12,782	\$ -	\$ -	\$ -	\$ 12,782	\$ -	\$ -	\$ 12,782
33	103960	Communication Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2.13%	2.13%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34	HI		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33		Total	\$ 18,778,670	\$ 8,972,609	\$ 1,120,019	\$ -	\$ -	\$ 19,898,689			\$ 466,382	\$ 466,382	\$ 9,438,991	\$ 720,305	\$ -	\$ -	\$ 20,618,995	\$ 488,244	\$ 488,244	\$ 9,927,234
																			Depreciation Rates with No Cost of Removal	\$ 488,244
																			Depreication Rates with Cost of Removal	\$ 534,420
																			Net Salvage Adjustment	\$ (46,177)

Hawaii Water Service Company
Allocated Plant Detail (Hawaii Water GO)
Test Year Ending December 31, 2025

Line No	Description	In Service	Useful Life in Mos	Plant Balance as of 12/31/2023	Accumulated Depreciation Reserve 12/31/2023	Additions from 1/01/2024 to 12/31/2024	Retirements from 1/01/2024 to 12/31/2024	Plant Balance as of 12/31/2024	Present Rate	Depreciation Expense	Accumulated Depreciation Reserve 12/31/2024	Additions from 1/01/2025 to 12/31/2025	Retirements from 1/01/2025 to 12/31/2025	Plant Balance 12/31/2025	Depreciation Expense	Accumulated Depreciation Reserve 12/31/2025
1	EXISTING PLANT															
2	790 Leasehold Improvements	5/1/2015	720	\$ 16,865	\$ 2,436	\$ -	\$ -	\$ 16,865	1.67%	\$ 281	\$ 2,717	\$ -	\$ -	\$ 16,865	\$ 281	\$ 2,998
3	ClearSCADA HP260 Mini Desktop	12/1/2019	240	\$ 2,035	\$ 416	\$ -	\$ -	\$ 2,035	5.00%	\$ 102	\$ 517	\$ -	\$ -	\$ 2,035	\$ 102	\$ 619
4	ClearSCADA Server	12/1/2019	240	\$ 50,551	\$ 10,321	\$ -	\$ -	\$ 50,551	5.00%	\$ 2,528	\$ 12,848	\$ -	\$ -	\$ 50,551	\$ 2,528	\$ 15,376
5	ClearSCADA HPE Proliant DL360	12/1/2019	240	\$ 22,525	\$ 4,599	\$ -	\$ -	\$ 22,525	5.00%	\$ 1,126	\$ 5,725	\$ -	\$ -	\$ 22,525	\$ 1,126	\$ 6,851
6	ClearSCADA SATA drives	12/1/2019	240	\$ 6,049	\$ 1,235	\$ -	\$ -	\$ 6,049	5.00%	\$ 302	\$ 1,538	\$ -	\$ -	\$ 6,049	\$ 302	\$ 1,840
7	Server Rack Upgrade	6/1/2023	240	\$ 24,946	\$ 728	\$ -	\$ -	\$ 24,946	5.00%	\$ 1,247	\$ 1,975	\$ -	\$ -	\$ 24,946	\$ 1,247	\$ 3,222
8	AC Unit at Customer Service	8/1/2021	360	\$ 22,411	\$ 1,805	\$ -	\$ -	\$ 22,411	3.33%	\$ 747	\$ 2,552	\$ -	\$ -	\$ 22,411	\$ 747	\$ 3,299
9	desks, conf tables, chairs	3/1/2010	120	\$ 3,060	\$ 3,060	\$ -	\$ -	\$ 3,060	10.00%	\$ -	\$ 3,060	\$ -	\$ -	\$ 3,060	\$ -	\$ 3,060
10	Cubicles	12/1/2010	120	\$ 5,650	\$ 5,650	\$ -	\$ -	\$ 5,650	10.00%	\$ -	\$ 5,650	\$ -	\$ -	\$ 5,650	\$ -	\$ 5,650
11	Cherry Desk	12/1/2010	120	\$ 855	\$ 855	\$ -	\$ -	\$ 855	10.00%	\$ -	\$ 855	\$ -	\$ -	\$ 855	\$ -	\$ 855
12	Drawer	12/1/2010	120	\$ 71	\$ 71	\$ -	\$ -	\$ 71	10.00%	\$ -	\$ 71	\$ -	\$ -	\$ 71	\$ -	\$ 71
13	Credenza	12/1/2010	120	\$ 509	\$ 509	\$ -	\$ -	\$ 509	10.00%	\$ -	\$ 509	\$ -	\$ -	\$ 509	\$ -	\$ 509
14	Corner Unit	12/1/2010	120	\$ 404	\$ 404	\$ -	\$ -	\$ 404	10.00%	\$ -	\$ 404	\$ -	\$ -	\$ 404	\$ -	\$ 404
15	Library	12/1/2010	120	\$ 284	\$ 284	\$ -	\$ -	\$ 284	10.00%	\$ -	\$ 284	\$ -	\$ -	\$ 284	\$ -	\$ 284
16	Chairs	12/1/2010	120	\$ 2,037	\$ 2,037	\$ -	\$ -	\$ 2,037	10.00%	\$ -	\$ 2,037	\$ -	\$ -	\$ 2,037	\$ -	\$ 2,037
17	Desk Shell	12/1/2010	120	\$ 429	\$ 429	\$ -	\$ -	\$ 429	10.00%	\$ -	\$ 429	\$ -	\$ -	\$ 429	\$ -	\$ 429
18	Credenza Shell	12/1/2010	120	\$ 793	\$ 793	\$ -	\$ -	\$ 793	10.00%	\$ -	\$ 793	\$ -	\$ -	\$ 793	\$ -	\$ 793
19	Keyboard Draw	12/1/2010	120	\$ 71	\$ 71	\$ -	\$ -	\$ 71	10.00%	\$ -	\$ 71	\$ -	\$ -	\$ 71	\$ -	\$ 71
20	Executive Chai	12/1/2010	120	\$ 391	\$ 391	\$ -	\$ -	\$ 391	10.00%	\$ -	\$ 391	\$ -	\$ -	\$ 391	\$ -	\$ 391
21	Desk Pedestal	12/1/2010	120	\$ 468	\$ 468	\$ -	\$ -	\$ 468	10.00%	\$ -	\$ 468	\$ -	\$ -	\$ 468	\$ -	\$ 468
22	Shelf Unit	12/1/2010	120	\$ 308	\$ 308	\$ -	\$ -	\$ 308	10.00%	\$ -	\$ 308	\$ -	\$ -	\$ 308	\$ -	\$ 308
23	Hutch	12/1/2010	120	\$ 487	\$ 487	\$ -	\$ -	\$ 487	10.00%	\$ -	\$ 487	\$ -	\$ -	\$ 487	\$ -	\$ 487
24	Credenza	12/1/2010	120	\$ 333	\$ 333	\$ -	\$ -	\$ 333	10.00%	\$ -	\$ 333	\$ -	\$ -	\$ 333	\$ -	\$ 333
25	Regency Desk	12/1/2010	120	\$ 709	\$ 709	\$ -	\$ -	\$ 709	10.00%	\$ -	\$ 709	\$ -	\$ -	\$ 709	\$ -	\$ 709
26	Lateral File	12/1/2010	120	\$ 988	\$ 988	\$ -	\$ -	\$ 988	10.00%	\$ -	\$ 988	\$ -	\$ -	\$ 988	\$ -	\$ 988
27	Lateral Files	12/1/2010	120	\$ 2,868	\$ 2,868	\$ -	\$ -	\$ 2,868	10.00%	\$ -	\$ 2,868	\$ -	\$ -	\$ 2,868	\$ -	\$ 2,868
28	Desk Pedestal	12/1/2010	120	\$ 513	\$ 513	\$ -	\$ -	\$ 513	10.00%	\$ -	\$ 513	\$ -	\$ -	\$ 513	\$ -	\$ 513
29	Lateral File	12/1/2010	120	\$ 567	\$ 567	\$ -	\$ -	\$ 567	10.00%	\$ -	\$ 567	\$ -	\$ -	\$ 567	\$ -	\$ 567
30	Fireproof safe	12/1/2011	120	\$ 2,386	\$ 2,386	\$ -	\$ -	\$ 2,386	10.00%	\$ -	\$ 2,386	\$ -	\$ -	\$ 2,386	\$ -	\$ 2,386
31	Ricoh Aficio MP C3001	5/1/2015	480	\$ 3,044	\$ 659	\$ -	\$ -	\$ 3,044	2.50%	\$ 76	\$ 735	\$ -	\$ -	\$ 3,044	\$ 76	\$ 812
32	790 Office Furniture	5/1/2015	480	\$ 631	\$ 136	\$ -	\$ -	\$ 631	2.50%	\$ 16	\$ 152	\$ -	\$ -	\$ 631	\$ 16	\$ 168
33	Office Furniture	9/1/2021	240	\$ 1,795	\$ 209	\$ -	\$ -	\$ 1,795	5.00%	\$ 90	\$ 299	\$ -	\$ -	\$ 1,795	\$ 90	\$ 389
34	Defibrillators	12/1/2010	60	\$ 7,161	\$ 7,161	\$ -	\$ -	\$ 7,161	20.00%	\$ -	\$ 7,161	\$ -	\$ -	\$ 7,161	\$ -	\$ 7,161
35	License	12/1/2010	60	\$ 237	\$ 237	\$ -	\$ -	\$ 237	20.00%	\$ -	\$ 237	\$ -	\$ -	\$ 237	\$ -	\$ 237
36	Ricoh Copier	12/1/2010	60	\$ 10,686	\$ 10,686	\$ -	\$ -	\$ 10,686	20.00%	\$ -	\$ 10,686	\$ -	\$ -	\$ 10,686	\$ -	\$ 10,686
37	Monitors	12/1/2010	60	\$ 1,207	\$ 1,207	\$ -	\$ -	\$ 1,207	20.00%	\$ -	\$ 1,207	\$ -	\$ -	\$ 1,207	\$ -	\$ 1,207
38	Telephone	12/1/2010	60	\$ 8,102	\$ 8,102	\$ -	\$ -	\$ 8,102	20.00%	\$ -	\$ 8,102	\$ -	\$ -	\$ 8,102	\$ -	\$ 8,102
39	Video conferencing system	12/1/2011	60	\$ 37,185	\$ 37,185	\$ -	\$ -	\$ 37,185	20.00%	\$ -	\$ 37,185	\$ -	\$ -	\$ 37,185	\$ -	\$ 37,185
40	Laser printer	12/1/2011	60	\$ 1,111	\$ 1,111	\$ -	\$ -	\$ 1,111	20.00%	\$ -	\$ 1,111	\$ -	\$ -	\$ 1,111	\$ -	\$ 1,111
41	Desktop-HIWKLC540	12/1/2014	84	\$ 807	\$ 807	\$ -	\$ -	\$ 807	14.29%	\$ -	\$ 807	\$ -	\$ -	\$ 807	\$ -	\$ 807
42	Desktop-HIWKLC539	12/1/2014	84	\$ 807	\$ 807	\$ -	\$ -	\$ 807	14.29%	\$ -	\$ 807	\$ -	\$ -	\$ 807	\$ -	\$ 807
43	Desktop-HIWKLC537	12/1/2014	84	\$ 807	\$ 807	\$ -	\$ -	\$ 807	14.29%	\$ -	\$ 807	\$ -	\$ -	\$ 807	\$ -	\$ 807
44	Desktop-HIWKLC538	12/1/2014	84	\$ 807	\$ 807	\$ -	\$ -	\$ 807	14.29%	\$ -	\$ 807	\$ -	\$ -	\$ 807	\$ -	\$ 807
45	Desktop-HIWKLC536	12/1/2014	84	\$ 807	\$ 807	\$ -	\$ -	\$ 807	14.29%	\$ -	\$ 807	\$ -	\$ -	\$ 807	\$ -	\$ 807
46	Desktop-HIWKLC541	12/1/2014	84	\$ 807	\$ 807	\$ -	\$ -	\$ 807	14.29%	\$ -	\$ 807	\$ -	\$ -	\$ 807	\$ -	\$ 807
47	790 Server & Server room upgrade	5/1/2015	84	\$ 17,650	\$ 17,650	\$ -	\$ -	\$ 17,650	14.29%	\$ -	\$ 17,650	\$ -	\$ -	\$ 17,650	\$ -	\$ 17,650
48	Laptop for CS Manager	9/1/2019	60	\$ 1,592	\$ 1,380	\$ -	\$ -	\$ 1,592	20.00%	\$ 318	\$ 1,699	\$ -	\$ -	\$ 1,592	\$ -	\$ 1,699
49	Desktop for Wastewater Manager	9/1/2019	60	\$ 879	\$ 762	\$ -	\$ -	\$ 879	20.00%	\$ 176	\$ 938	\$ -	\$ -	\$ 879	\$ -	\$ 938
50	Richo IMC4500	4/1/2020	60	\$ 8,684	\$ 6,513	\$ -	\$ -	\$ 8,684	20.00%	\$ 1,737	\$ 8,250	\$ -	\$ -	\$ 8,684	\$ 1,737	\$ 9,987
51	Temperature Kiosk - Big Island	12/1/2021	60	\$ 2,898	\$ 1,208	\$ -	\$ -	\$ 2,898	20.00%	\$ 580	\$ 1,787	\$ -	\$ -	\$ 2,898	\$ 580	\$ 2,367
52	Temperature Kiosk - Maui	12/1/2021	60	\$ 2,898	\$ 1,208	\$ -	\$ -	\$ 2,898	20.00%	\$ 580	\$ 1,787	\$ -	\$ -	\$ 2,898	\$ 580	\$ 2,367
53	Scanner for AP	4/1/2022	60	\$ 959	\$ 336	\$ -	\$ -	\$ 959	20.00%	\$ 192	\$ 528	\$ -	\$ -	\$ 959	\$ 192	\$ 719
54	Rugged Laptop for SCADA Tech	8/1/2023	60	\$ 5,601	\$ 467	\$ -	\$ -	\$ 5,601	20.00%	\$ 1,120	\$ 1,587	\$ -	\$ -	\$ 5,601	\$ 1,120	\$ 2,707
55	Laptop & Docking Station (LT00359)	11/1/2023	60	\$ 2,358	\$ 79	\$ -	\$ -	\$ 2,358	20.00%	\$ 472	\$ 550	\$ -	\$ -	\$ 2,358	\$ 472	\$ 1,022
56	Laptop for new GM-# LT00390	11/1/2023	60	\$ 2,222	\$ 74	\$ -	\$ -	\$ 2,222	20.00%	\$ 444	\$ 518	\$ -	\$ -	\$ 2,222	\$ 444	\$ 963
57	IPAD for Big Island EMT	12/1/2023	60	\$ 892	\$ 15	\$ -	\$ -	\$ 892	20.00%	\$ 178	\$ 193	\$ -	\$ -	\$ 892	\$ 178	\$ 372
58	Software	12/1/2010	60	\$ 132,361	\$ 132,361	\$ -	\$ -	\$ 132,361	20.00%	\$ -	\$ 132,361	\$ -	\$ -	\$ 13		

Hawaii Water Service Company
Allocated Plant Detail (Big Island)
Test Year Ending December 31, 2025

Line No	Description	In Service	Useful Life in Mos	Plant Balance as of 12/31/2023	Accumulated Depreciation Reserve 12/31/2023	Additions from 1/01/2024 to 12/31/2024	Retirements from 1/01/2024 to 12/31/2024	Plant Balance as of 12/31/2024	Present Rate	Depreciation Expense	Accumulated Depreciation Reserve 12/31/2024	Additions from 1/01/2025 to 12/31/2025	Retirements from 1/01/2025 to 12/31/2025	Plant Balance 12/31/2025	Depreciation Expense	Accumulated Depreciation Reserve 12/31/2025
1	Big Island															
2	SCADA Vulnerability Assessment	8/1/2020	72	\$ 41,740	\$ 23,769	\$ -	\$ -	\$ 41,740	16.67%	\$ 6,957	\$ 30,726	\$ -	\$ -	\$ 41,740	\$ 6,957	\$ 37,682
3	Internal labor	7/1/2013	360	\$ 21,402	\$ 7,491	\$ -	\$ -	\$ 21,402	3.33%	\$ 713	\$ 8,204	\$ -	\$ -	\$ 21,402	\$ 713	\$ 8,917
4	Big Island SCADA 2012	10/1/2014	480	\$ 495,319	\$ 114,744	\$ -	\$ -	\$ 495,319	2.50%	\$ 12,383	\$ 127,127	\$ -	\$ -	\$ 495,319	\$ 12,383	\$ 139,510
5	SCADA INET-II 900 Dual Gateway	3/1/2016	480	\$ 22,377	\$ 4,382	\$ -	\$ -	\$ 22,377	2.50%	\$ 559	\$ 4,942	\$ -	\$ -	\$ 22,377	\$ 559	\$ 5,501
6	SCADA upgrade 2013	3/1/2016	480	\$ 64,775	\$ 12,685	\$ -	\$ -	\$ 64,775	2.50%	\$ 1,619	\$ 14,305	\$ -	\$ -	\$ 64,775	\$ 1,619	\$ 15,924
7	SCADAPack 32	3/1/2016	480	\$ 10,539	\$ 2,064	\$ -	\$ -	\$ 10,539	2.50%	\$ 263	\$ 2,327	\$ -	\$ -	\$ 10,539	\$ 263	\$ 2,591
8	SCADA radio data link	5/1/2017	480	\$ 53,201	\$ 8,867	\$ -	\$ -	\$ 53,201	2.50%	\$ 1,330	\$ 10,197	\$ -	\$ -	\$ 53,201	\$ 1,330	\$ 11,527
9	SCADA Report Writer System	6/1/2019	240	\$ 47,600	\$ 10,908	\$ -	\$ -	\$ 47,600	5.00%	\$ 2,380	\$ 13,288	\$ -	\$ -	\$ 47,600	\$ 2,380	\$ 15,668
10	Mobile office trailer	12/1/2011	474	\$ 12,629	\$ 3,999	\$ -	\$ -	\$ 12,629	2.53%	\$ 320	\$ 4,319	\$ -	\$ -	\$ 12,629	\$ 320	\$ 4,638
11	Electrical Upgrade	12/1/2011	472	\$ 8,770	\$ 2,802	\$ -	\$ -	\$ 8,770	2.54%	\$ 223	\$ 3,025	\$ -	\$ -	\$ 8,770	\$ 223	\$ 3,248
12	Work Order Addition	12/1/2011	472	\$ 1,447	\$ 462	\$ -	\$ -	\$ 1,447	2.54%	\$ 37	\$ 499	\$ -	\$ -	\$ 1,447	\$ 37	\$ 536
13	Work Order Addition	12/1/2011	474	\$ 4,571	\$ 1,438	\$ -	\$ -	\$ 4,571	2.53%	\$ 116	\$ 1,553	\$ -	\$ -	\$ 4,571	\$ 116	\$ 1,669
14	Septic Tank, Baseyard	9/1/2017	472	\$ 15,054	\$ 2,634	\$ -	\$ -	\$ 15,054	2.54%	\$ 383	\$ 3,017	\$ -	\$ -	\$ 15,054	\$ 383	\$ 3,400
15	Fuel Station @ Resort Plant	6/1/2019	355	\$ 159,878	\$ 26,646	\$ -	\$ -	\$ 159,878	3.38%	\$ 5,404	\$ 32,051	\$ -	\$ -	\$ 159,878	\$ 5,404	\$ 37,455
16	A/C Bard System @ Eng Trailer	11/1/2019	349	\$ 15,941	\$ 2,701	\$ -	\$ -	\$ 15,941	3.44%	\$ 548	\$ 3,249	\$ -	\$ -	\$ 15,941	\$ 548	\$ 3,797
17	Operations Office Trailer, 12x44	6/1/2023	351	\$ 93,669	\$ 4,163	\$ -	\$ -	\$ 93,669	3.42%	\$ 3,202	\$ 7,365	\$ -	\$ -	\$ 93,669	\$ 3,202	\$ 10,568
18	Office furniture & equip	9/1/2012	135	\$ 4,134	\$ 4,134	\$ -	\$ -	\$ 4,134	8.89%	\$ -	\$ 4,134	\$ -	\$ -	\$ 4,134	\$ -	\$ 4,134
19	Work Order Addition	9/1/2012	135	\$ 47	\$ 47	\$ -	\$ -	\$ 47	8.89%	\$ -	\$ 47	\$ -	\$ -	\$ 47	\$ -	\$ 47
20	Exec Chair	9/1/2012	135	\$ 351	\$ 351	\$ -	\$ -	\$ 351	8.89%	\$ -	\$ 351	\$ -	\$ -	\$ 351	\$ -	\$ 351
21	Desk w Drawer	9/1/2012	135	\$ 959	\$ 959	\$ -	\$ -	\$ 959	8.89%	\$ -	\$ 959	\$ -	\$ -	\$ 959	\$ -	\$ 959
21	Printer Cart	9/1/2012	135	\$ 75	\$ 75	\$ -	\$ -	\$ 75	8.89%	\$ -	\$ 75	\$ -	\$ -	\$ 75	\$ -	\$ 75
22	Visitor Chair	9/1/2012	135	\$ 169	\$ 169	\$ -	\$ -	\$ 169	8.89%	\$ -	\$ 169	\$ -	\$ -	\$ 169	\$ -	\$ 169
23	Book Case	9/1/2012	135	\$ 298	\$ 298	\$ -	\$ -	\$ 298	8.89%	\$ -	\$ 298	\$ -	\$ -	\$ 298	\$ -	\$ 298
24	Laternal File	9/1/2012	135	\$ 525	\$ 525	\$ -	\$ -	\$ 525	8.89%	\$ -	\$ 525	\$ -	\$ -	\$ 525	\$ -	\$ 525
25	dryer @ baseyard	4/1/2017	480	\$ 503	\$ 85	\$ -	\$ -	\$ 503	2.50%	\$ 13	\$ 98	\$ -	\$ -	\$ 503	\$ 13	\$ 110
26	Operations Trailer Office Equipment	6/1/2023	240	\$ 4,185	\$ 122	\$ -	\$ -	\$ 4,185	5.00%	\$ 209	\$ 331	\$ -	\$ -	\$ 4,185	\$ 209	\$ 541
27	Hand Helds	12/1/2010	156	\$ 19,147	\$ 19,147	\$ -	\$ -	\$ 19,147	7.69%	\$ -	\$ 19,147	\$ -	\$ -	\$ 19,147	\$ -	\$ 19,147
28	Desk Dock	12/1/2010	156	\$ 2,793	\$ 2,793	\$ -	\$ -	\$ 2,793	7.69%	\$ -	\$ 2,793	\$ -	\$ -	\$ 2,793	\$ -	\$ 2,793
29	Work Order Addition	6/1/2011	150	\$ 16,749	\$ 16,749	\$ -	\$ -	\$ 16,749	8.00%	\$ -	\$ 16,749	\$ -	\$ -	\$ 16,749	\$ -	\$ 16,749
30	Richo Fax Module	11/1/2011	145	\$ 1,045	\$ 1,045	\$ -	\$ -	\$ 1,045	8.28%	\$ -	\$ 1,045	\$ -	\$ -	\$ 1,045	\$ -	\$ 1,045
31	Work Order Addition	6/1/2012	138	\$ 13,813	\$ 13,813	\$ -	\$ -	\$ 13,813	8.70%	\$ -	\$ 13,813	\$ -	\$ -	\$ 13,813	\$ -	\$ 13,813
32	Hardware	9/1/2012	135	\$ 8,824	\$ 8,824	\$ -	\$ -	\$ 8,824	8.89%	\$ -	\$ 8,824	\$ -	\$ -	\$ 8,824	\$ -	\$ 8,824
33	Work Order Addition	9/1/2012	135	\$ 182	\$ 182	\$ -	\$ -	\$ 182	8.89%	\$ -	\$ 182	\$ -	\$ -	\$ 182	\$ -	\$ 182
34	1 laptops	4/1/2013	128	\$ 1,165	\$ 1,165	\$ -	\$ -	\$ 1,165	9.38%	\$ -	\$ 1,165	\$ -	\$ -	\$ 1,165	\$ -	\$ 1,165
35	1 desktops	4/1/2013	128	\$ 1,133	\$ 1,133	\$ -	\$ -	\$ 1,133	9.38%	\$ -	\$ 1,133	\$ -	\$ -	\$ 1,133	\$ -	\$ 1,133
36	1 desktops	4/1/2013	128	\$ 1,133	\$ 1,133	\$ -	\$ -	\$ 1,133	9.38%	\$ -	\$ 1,133	\$ -	\$ -	\$ 1,133	\$ -	\$ 1,133
37	New IP phone system	6/1/2013	126	\$ 19,704	\$ 19,704	\$ -	\$ -	\$ 19,704	9.52%	\$ -	\$ 19,704	\$ -	\$ -	\$ 19,704	\$ -	\$ 19,704
38	Work Order Addition	9/1/2013	123	\$ 51	\$ 51	\$ -	\$ -	\$ 51	9.76%	\$ -	\$ 51	\$ -	\$ -	\$ 51	\$ -	\$ 51
39	(2)Replacement Op Computer Stations	12/1/2013	120	\$ 2,081	\$ 2,081	\$ -	\$ -	\$ 2,081	10.00%	\$ -	\$ 2,081	\$ -	\$ -	\$ 2,081	\$ -	\$ 2,081
40	EMT Laptop	3/1/2014	117	\$ 4,509	\$ 4,509	\$ -	\$ -	\$ 4,509	10.26%	\$ -	\$ 4,509	\$ -	\$ -	\$ 4,509	\$ -	\$ 4,509
41	Rpic computer w/laptop for Eng Mgr	10/1/2014	110	\$ 1,478	\$ 1,478	\$ -	\$ -	\$ 1,478	10.91%	\$ -	\$ 1,478	\$ -	\$ -	\$ 1,478	\$ -	\$ 1,478
42	Desktop-HIWKLOC57	12/1/2014	108	\$ 1,613	\$ 1,613	\$ -	\$ -	\$ 1,613	11.11%	\$ -	\$ 1,613	\$ -	\$ -	\$ 1,613	\$ -	\$ 1,613
43	Desktop-HIWKLOC56	12/1/2014	108	\$ 1,572	\$ 1,572	\$ -	\$ -	\$ 1,572	11.11%	\$ -	\$ 1,572	\$ -	\$ -	\$ 1,572	\$ -	\$ 1,572
44	Laptop, EMT-HIWKCLT02	11/1/2016	85	\$ 1,631	\$ 1,631	\$ -	\$ -	\$ 1,631	14.12%	\$ -	\$ 1,631	\$ -	\$ -	\$ 1,631	\$ -	\$ 1,631
45	RICOH MPC3004-Engineering office	12/1/2016	84	\$ 8,282	\$ 8,282	\$ -	\$ -	\$ 8,282	14.29%	\$ -	\$ 8,282	\$ -	\$ -	\$ 8,282	\$ -	\$ 8,282
46	Projector-Dell 1610HD	12/1/2016	84	\$ 626	\$ 626	\$ -	\$ -	\$ 626	14.29%	\$ -	\$ 626	\$ -	\$ -	\$ 626	\$ -	\$ 626
47	Handheld Meter Readers, FC300	7/1/2018	84	\$ 4,337	\$ 3,407	\$ -	\$ -	\$ 4,337	14.29%	\$ 620	\$ 4,027	\$ -	\$ -	\$ 4,337	\$ 620	\$ 4,646
48	Handheld Meter Readers, FC300	7/1/2018	84	\$ 4,337	\$ 3,407	\$ -	\$ -	\$ 4,337	14.29%	\$ 620	\$ 4,027	\$ -	\$ -	\$ 4,337	\$ 620	\$ 4,646
49	iPad 9	7/1/2022	60	\$ 753	\$ 226	\$ -	\$ -	\$ 753	20.00%	\$ 151	\$ 377	\$ -	\$ -	\$ 753	\$ 151	\$ 527
50	Itron handheld FC300 dock	9/1/2022	60	\$ 1,818	\$ 485	\$ -	\$ -	\$ 1,818	20.00%	\$ 364	\$ 848	\$ -	\$ -	\$ 1,818	\$ 364	\$ 1,212
51	Itron handhelds FC300	9/1/2022	60	\$ 19,390	\$ 5,171	\$ -	\$ -	\$ 19,390	20.00%	\$ 3,878	\$ 9,049	\$ -	\$ -	\$ 19,390	\$ 3,878	\$ 12,927
52	RICOH MPC4504EX for Operations	9/1/2022	60	\$ 2,808	\$ 749	\$ -	\$ -	\$ 2,808	20.00%	\$ 562	\$ 1,311	\$ -	\$ -	\$ 2,808	\$ 562	\$ 1,872
53	iPads (9th Gen) for Foremans	6/1/2023	60	\$ 1,464	\$ 171	\$ -	\$ -	\$ 1,464	20.00%	\$ 293	\$ 464	\$ -	\$ -	\$ 1,464	\$ 293	\$ 757
54	laptop for Waikoloa Superintendent	8/1/2023	60	\$ 2,358	\$ 197	\$ -	\$ -	\$ 2,358	20.00%	\$ 472	\$ 668	\$ -	\$ -	\$ 2,358	\$ 472	\$ 1,140
55	GIS Software	12/1/2011	144	\$ 7,621	\$ 7,621	\$ -	\$ -	\$ 7,621	8.33%	\$ -	\$ 7,621	\$ -	\$ -	\$ 7,621	\$ -	\$ 7,621
56	Software	9/1/2012	135	\$ 2,995	\$ 2,995	\$ -	\$ -	\$ 2,995	8.89%	\$ -	\$ 2,995	\$ -	\$ -	\$ 2,995	\$ -	\$ 2,995
57	V208216, Chevy Silverad	12/1/2010	156	\$ 9,017	\$ 9,017	\$ -	\$ -	\$ 9,017	7.69%	\$ -	\$ 9,017	\$ -	\$ -	\$ 9,017	\$ -	\$ 9,017
58	V208214, Ford F-150	12/1/2010	156	\$ -	\$ 6,817	\$ -	\$ -	\$ -	7.69%	\$ -	\$ 6,817	\$ -	\$ -	\$ -	\$ -	\$ 6,817
59	V208217, Chevy 3500	12/1/2010	156	\$ 29,139	\$ 29,139	\$ -	\$ -	\$ 29,139	7.69%	\$ -	\$ 29,139	\$ -	\$ -	\$ 29,139	\$ -	\$ 29,139
60	Nissan Titan	12/1/2010	156	\$ 35,679	\$ 35,679	\$ -	\$ -	\$ 35,679	7.69%	\$ -	\$ 35,679	\$ -	\$ -	\$ 35,679	\$ -	\$ 35,679
61	Nissan Frontier	12/1/2010	156	\$ 27,030	\$ 27,030	\$ -	\$ -	\$ 27,030	7.69%	\$ -	\$ 27,030	\$ -	\$ -	\$ 27,030	\$ -	\$ 27,030
62	V208222, '08 TOY 4 RUNNER	12/1/2008	180	\$ 32,269	\$ 32,269	\$ -	\$ -	\$ 32,269	6.67%	\$ -	\$ 32,269	\$ -	\$ -	\$ 32,269	\$ -	\$ 32,269
63	FORD XCAB	6/1/2012	138	\$ 26,901	\$ 26,901	\$ -	\$ -	\$ 26,901	8.70%	\$ -	\$ 26,901	\$ -	\$ -	\$ 26,901	\$ -	\$ 26,901
64	FORD XCAB	6/1/2012	138	\$ 26,395	\$ 26,395	\$ -	\$ -	\$ 26,395	8.70%	\$ -	\$ 26,395	\$ -	\$ -	\$ 26,395	\$ -	\$ 26,395
65	FRONTIER	6/1/2012	138	\$ 25,350	\$ 25,350	\$ -	\$ -	\$ 25,350	8.70%	\$ -	\$ 25,350	\$ -	\$ -	\$ 25,350	\$ -	\$ 25,350
66	Ford Explorér	9/1/2012	135	\$ 37,497	\$ 37,497	\$ -	\$ -	\$ 37,497	8.89%	\$ -	\$ 37,497	\$ -	\$ -	\$ 37,497	\$ -	\$ 37,497
67	Ford F-150	9/1/2012	135	\$ 30,500	\$ 30,500	\$ -	\$ -	\$ 30,500	8.89%	\$ -	\$ 30,500	\$ -	\$ -	\$ 30,500	\$ -	\$ 30,500
68	Ford F-150	9/1/2012	135	\$ 30,500	\$ 30,500	\$ -	\$ -	\$ 30,500	8.89%	\$ -	\$ 30,500	\$ -	\$ -	\$ 30,500	\$ -	\$ 30,500
69	Ford F-150	9/1/2012	135	\$ 30,500	\$ 30,500	\$ -	\$ -	\$ 30,500	8.89%	\$ -	\$ 30,500	\$ -	\$ -	\$ 30,500	\$ -	\$ 30,500
70	Work Order Addition	9/1/2012	135	\$ 29,396	\$ 29,396	\$ -	\$ -	\$ 29,396	8.89%	\$ -	\$ 29,396	\$ -	\$ -	\$ 29,396	\$ -	\$ 29,396
71	2014 Nissan Frontier. V214001	4/1/2014	116	\$ 35,122	\$ 35,122	\$ -	\$ -	\$ 35,122	10.34%	\$ -	\$ 35,122	\$ -	\$ -	\$ 35,122	\$ -	\$ 35,122
72	2017 Honda CRV ZGG188-V218008	6/1/2019	84	\$ 31,709	\$ 20,762	\$ -	\$ -	\$ 31,709	14.29%	\$ 4,530	\$ 25,292	\$ -	\$ -	\$ 31,709	\$ 4,530	\$ 29,822
73	2017 Ford F250 V218001	9/1/2019	84	\$ 50,788	\$ 31,440	\$ -	\$ -	\$ 50,788	14.29%	\$ 7,255	\$ 38,696	\$ -	\$ -	\$ 50,788	\$ 7,255	\$ 45,951
74	2017 F250 V218001, 54" lightbar	9/1/2019	84	\$ 3,355	\$ 2,077	\$ -	\$ -	\$ 3,355	14.29%	\$ 479	\$ 2,556	\$ -	\$ -	\$ 3,355	\$ 479	\$ 3,035
75	2020 National Boom Truck	12/1/2019	84	\$ 358,520	\$ 209,137	\$ -	\$ -	\$ 358,520	14.29%	\$ 51,217	\$ 260,354	\$ -	\$ -	\$ 358,520	\$ 51,217	\$ 311,571
76	2018 Toyota Tacoma V218003	9/1/2020	84	\$ 37,8												

Hawaii Water Service Company
Allocated Plant Detail (Big Island)
Test Year Ending December 31, 2025

Line No	Description	In Service	Useful Life in Mos	Plant Balance as of 12/31/2023	Accumulated Depreciation Reserve 12/31/2023	Additions from 1/01/2024 to 12/31/2024	Retirements from 1/01/2024 to 12/31/2024	Plant Balance as of 12/31/2024	Present Rate	Depreciation Expense	Accumulated Depreciation Reserve 12/31/2024	Additions from 1/01/2025 to 12/31/2025	Retirements from 1/01/2025 to 12/31/2025	Plant Balance 12/31/2025	Depreciation Expense	Accumulated Depreciation Reserve 12/31/2025
124	69"x43"x 18"	9/1/2012	180	\$ 1,311	\$ 990	\$ -	\$ -	\$ 1,311	6.67%	\$ 87	\$ 1,078	\$ -	\$ -	\$ 1,311	\$ 87	\$ 1,165
125	Roof for (2) 20' Storage Containers	9/1/2020	300	\$ 3,287	\$ 438	\$ -	\$ -	\$ 3,287	4.00%	\$ 131	\$ 570	\$ -	\$ -	\$ 3,287	\$ 131	\$ 701
126	Equipment	12/1/2010	360	\$ 59,630	\$ 26,005	\$ -	\$ -	\$ 59,630	3.33%	\$ 1,988	\$ 27,993	\$ -	\$ -	\$ 59,630	\$ 1,988	\$ 29,981
127	Ingersoll Needle/Chisel Scl	9/1/2013	355	\$ 773	\$ 277	\$ -	\$ -	\$ 773	3.38%	\$ 26	\$ 303	\$ -	\$ -	\$ 773	\$ 26	\$ 329
128	Gradall lifting hook attachment	12/1/2014	358	\$ 2,427	\$ 748	\$ -	\$ -	\$ 2,427	3.35%	\$ 81	\$ 829	\$ -	\$ -	\$ 2,427	\$ 81	\$ 911
129	(3) New Baseyard Computers	1/1/2014	354	\$ 2,836	\$ 993	\$ -	\$ -	\$ 2,836	3.39%	\$ 96	\$ 1,089	\$ -	\$ -	\$ 2,836	\$ 96	\$ 1,185
130	Knoll task chair	2/1/2014	350	\$ 13,806	\$ 4,947	\$ -	\$ -	\$ 13,806	3.43%	\$ 473	\$ 5,420	\$ -	\$ -	\$ 13,806	\$ 473	\$ 5,894
131	HON chair	2/1/2014	350	\$ 636	\$ 228	\$ -	\$ -	\$ 636	3.43%	\$ 22	\$ 250	\$ -	\$ -	\$ 636	\$ 22	\$ 272
132	Office Furnishings	2/1/2014	350	\$ 6,706	\$ 2,403	\$ -	\$ -	\$ 6,706	3.43%	\$ 230	\$ 2,633	\$ -	\$ -	\$ 6,706	\$ 230	\$ 2,863
133	Total			\$ 2,723,268	\$ 1,240,832	\$ -	\$ -	\$ 2,723,268		\$ 160,052	\$ 1,400,884	\$ -	\$ -	\$ 2,723,268	\$ 160,052	\$ 1,560,935
134	PLANT ADDITIONS															
135	720-New 4X4 Operations Vehicle	12/31/2024	84	\$ -	\$ -	\$ 51,668	\$ -	\$ 51,668	14.29%	\$ 7,381	\$ 7,381	\$ -	\$ -	\$ 51,668	\$ 7,381	\$ 14,762
136	720-Storage Container for Kukio	8/31/2024	300	\$ -	\$ -	\$ 17,403	\$ -	\$ 17,403	4.00%	\$ 696	\$ 696	\$ -	\$ -	\$ 17,403	\$ 696	\$ 1,392
137	720-Retire Eng Mgr Laptop	6/30/2024	60	\$ -	\$ -	\$ -	\$ -	\$ -	20.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
138	720-Drying Oven	9/30/2024	135	\$ -	\$ -	\$ 9,168	\$ -	\$ 9,168	8.89%	\$ 815	\$ 815	\$ -	\$ -	\$ 9,168	\$ 815	\$ 1,630
139	720-Operator Trailer Copy-Machine	12/31/2025	240	\$ -	\$ -	\$ -	\$ -	\$ -	5.00%	\$ -	\$ -	\$ 5,100	\$ -	\$ 5,100	\$ 255	\$ 255
140	720-Emergency Utility Trailer	12/31/2025	240	\$ -	\$ -	\$ -	\$ -	\$ -	5.00%	\$ -	\$ -	\$ 11,220	\$ -	\$ 11,220	\$ 561	\$ 561
141	Total			\$ -	\$ -	\$ 78,239	\$ -	\$ 78,239		\$ 8,892	\$ 8,892	\$ 16,320	\$ -	\$ 94,559	\$ 9,708	\$ 18,600
142	BIG ISLAND ALLOCATIONS															
143	721 - Waikoloa Water		18.46%	\$ 502,789	\$ 229,091	\$ 15,341	\$ -	\$ 549,309		\$ 33,126	\$ 276,424	\$ 3,200	\$ -	\$ 552,509	\$ 33,286	\$ 309,709
144	722 - Waikoloa Sewer		11.71%	\$ 318,966	\$ 145,334	\$ 8,546	\$ -	\$ 305,995		\$ 18,453	\$ 153,983	\$ 1,783	\$ -	\$ 307,777	\$ 18,542	\$ 172,525
145	723 - Waikoloa Resort Water		17.81%	\$ 485,092	\$ 221,028	\$ 13,869	\$ -	\$ 496,611		\$ 29,948	\$ 249,905	\$ 2,893	\$ -	\$ 499,503	\$ 30,093	\$ 279,997
146	724 - Waikoloa Resort Sewer		21.37%	\$ 581,854	\$ 265,116	\$ 16,137	\$ -	\$ 577,804		\$ 34,844	\$ 290,763	\$ 3,366	\$ -	\$ 581,170	\$ 35,013	\$ 325,775
147	725 - Waikoloa Resort Irrigation		0.74%	\$ 20,024	\$ 9,124	\$ 603	\$ -	\$ 21,582		\$ 1,301	\$ 10,860	\$ 126	\$ -	\$ 21,707	\$ 1,308	\$ 12,168
148	726 - Kona Water		13.15%	\$ 358,089	\$ 163,160	\$ 10,996	\$ -	\$ 393,735		\$ 23,744	\$ 198,136	\$ 2,294	\$ -	\$ 396,029	\$ 23,859	\$ 221,994
149	727 - Kona Sewer		6.27%	\$ 170,711	\$ 77,783	\$ 5,322	\$ -	\$ 190,547		\$ 11,491	\$ 95,887	\$ 1,110	\$ -	\$ 191,657	\$ 11,546	\$ 107,434
150	729 - Keauhou		10.49%	\$ 285,743	\$ 130,196	\$ 7,427	\$ -	\$ 265,925		\$ 16,037	\$ 133,819	\$ 1,549	\$ -	\$ 267,474	\$ 16,114	\$ 149,933
151	Total		100%	\$ 2,723,268	\$ 1,240,832	\$ 78,239	\$ -	\$ 2,801,507		\$ 168,944	\$ 1,409,776	\$ 16,320	\$ -	\$ 2,817,827	\$ 169,760	\$ 1,579,536

Hawaii Water Service Company
Contributions in Aid of Construction
Test Year Ending December 31, 2025

Line No.			Balance as of	Additions	Retirements	Adjustments	Balance as of	Additions	Retirements	Adjustments	Test Year
			12/31/2023	1/1/2024 to 12/31/2024	1/1/2024 to 12/31/2024	1/1/2024 to 12/31/2024	12/31/2024	1/1/2025 to 12/31/2025	1/1/2025 to 12/31/2025	1/1/2025 to 12/31/2025	Balance as of 12/31/2025
1	Utility Account	Description									
2	103030	Other Intangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	103110	Struct & Improve-Supply Plnt	\$ (76,620)	\$ -	\$ -	\$ -	\$ (76,620)	\$ -	\$ -	\$ -	\$ (76,620)
4	103150	Wells-Supply Plant	\$ (665,064)	\$ -	\$ -	\$ -	\$ (665,064)	\$ -	\$ -	\$ -	\$ (665,064)
5	103164	All Other -Supply Mains	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	103210	Struct & Imp- Pumping Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	103211	Pavement-Pumping Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	103240	Pumping Equipment	\$ (2,165,696)	\$ -	\$ -	\$ -	\$ (2,165,696)	\$ -	\$ -	\$ -	\$ (2,165,696)
9	103241	System Ctrl Computer Equip	\$ (18,616)	\$ -	\$ -	\$ -	\$ (18,616)	\$ -	\$ -	\$ -	\$ (18,616)
10	103310	Struct & Improve-Treat Plant	\$ (6,757)	\$ -	\$ -	\$ -	\$ (6,757)	\$ -	\$ -	\$ -	\$ (6,757)
11	103320	Water Treatment Equipment	\$ (6,338)	\$ -	\$ -	\$ -	\$ (6,338)	\$ -	\$ -	\$ -	\$ (6,338)
12	103410	Struct & Imp-Trans&Dis Plnt	\$ (20,536)	\$ -	\$ -	\$ -	\$ (20,536)	\$ -	\$ -	\$ -	\$ (20,536)
13	103411	Pavement-Trans & Dist Plant	\$ (18,076)	\$ -	\$ -	\$ -	\$ (18,076)	\$ -	\$ -	\$ -	\$ (18,076)
14	103420	Reservoirs & Tanks	\$ (1,449,752)	\$ -	\$ -	\$ -	\$ (1,449,752)	\$ -	\$ -	\$ -	\$ (1,449,752)
15	103421	Tank Painting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	103431	A.C.-Trans & Distrib Mains	\$ (6,402,207)	\$ -	\$ -	\$ -	\$ (6,402,207)	\$ -	\$ -	\$ -	\$ (6,402,207)
17	103434	All Other-Trans & Dist Mains	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	103435	Ductile Iron Pipe-T&D Mains	\$ (54,366)	\$ -	\$ -	\$ -	\$ (54,366)	\$ -	\$ -	\$ -	\$ (54,366)
19	103450	Services-Trans & Distr Mains	\$ (24,242)	\$ -	\$ -	\$ -	\$ (24,242)	\$ -	\$ -	\$ -	\$ (24,242)
20	103460	Meters & Meter Boxes	\$ (145,393)	\$ -	\$ -	\$ -	\$ (145,393)	\$ -	\$ -	\$ -	\$ (145,393)
21	103480	Hydrants-T & D Mains	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	103710	Struct & Improve Genl Plnt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	103720	Office Furn & Equip-Gen Plnt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	103721	Office-Elec. Equip/Computers	\$ (4,767)	\$ -	\$ -	\$ -	\$ (4,767)	\$ -	\$ -	\$ -	\$ (4,767)
25	103730	Transportn Equip-Gen Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	103740	Stores Equipment-Gen Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	103750	Laboratory Equip-Gen Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	103770	Pwr Operated Equip-Gen Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	103780	Tools, Shop & Garage Equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	103790	Other General Plant	\$ (10,613)	\$ -	\$ -	\$ -	\$ (10,613)	\$ -	\$ -	\$ -	\$ (10,613)
31	103960	Communication Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32		HI	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33		Total	\$ (11,069,043)	\$ -	\$ -	\$ -	\$ (11,069,043)	\$ -	\$ -	\$ -	\$ (11,069,043)

Hawaii Water Service Company
Amortization of Contributions in Aid of Construction

Test Year Ending December 31, 2025

Line No.	Account	Description	Balance 12/31/2023	Accumulated Amortization 12/31/2023	Additions from 1/01/2024 to 12/31/2024	Retirements from 1/01/2024 to 12/31/2024	Adjustments from 1/01/2024 to 12/31/2024	Balance 12/31/2024	Amortization Rate	Amortization	Accumulated Amortization 12/31/2024	Additions from 1/01/2025 to 12/31/2025	Retirements from 1/01/2025 to 12/31/2025	Adjustments from 1/01/2025 to 12/31/2025	Balance 12/31/2025	Amortization	Accumulated Amortization 12/31/2025
1																	
2	103030	Other Intangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	103110	Struct & Improve-Supply Plnt	\$ (76,620)	\$ (54,240)	\$ -	\$ -	\$ -	\$ (76,620)	2.76%	\$ (2,115)	\$ (56,354)	\$ -	\$ -	\$ -	\$ (76,620)	\$ (2,115)	\$ (58,469)
4	103150	Wells-Supply Plant	\$ (665,064)	\$ (467,884)	\$ -	\$ -	\$ -	\$ (665,064)	2.00%	\$ (13,301)	\$ (481,186)	\$ -	\$ -	\$ -	\$ (665,064)	\$ (13,301)	\$ (494,487)
5	103164	All Other -Supply Mains	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	103210	Struct & Imp- Pumping Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	103211	Pavement-Pumping Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	103240	Pumping Equipment	\$ (2,165,696)	\$ (2,597,515)	\$ -	\$ -	\$ -	\$ (2,165,696)	4.55%	\$ -	\$ (2,165,696)	\$ -	\$ -	\$ -	\$ (2,165,696)	\$ -	\$ (2,165,696)
9	103241	System Ctrl Computer Equip	\$ (18,616)	\$ (19,345)	\$ -	\$ -	\$ -	\$ (18,616)	0.00%	\$ -	\$ (18,616)	\$ -	\$ -	\$ -	\$ (18,616)	\$ -	\$ (18,616)
10	103310	Struct & Improve-Treat Plant	\$ (6,757)	\$ (6,639)	\$ -	\$ -	\$ -	\$ (6,757)	2.76%	\$ (186)	\$ (6,757)	\$ -	\$ -	\$ -	\$ (6,757)	\$ -	\$ (6,757)
11	103320	Water Treatment Equipment	\$ (6,338)	\$ (7,120)	\$ -	\$ -	\$ -	\$ (6,338)	20.00%	\$ -	\$ (6,338)	\$ -	\$ -	\$ -	\$ (6,338)	\$ -	\$ (6,338)
12	103410	Struct & Imp-Trans&Dis Plnt	\$ (20,536)	\$ (9,378)	\$ -	\$ -	\$ -	\$ (20,536)	2.76%	\$ (567)	\$ (9,945)	\$ -	\$ -	\$ -	\$ (20,536)	\$ (567)	\$ (10,512)
13	103411	Pavement-Trans & Dist Plant	\$ (18,076)	\$ (17,172)	\$ -	\$ -	\$ -	\$ (18,076)	2.06%	\$ (372)	\$ (17,544)	\$ -	\$ -	\$ -	\$ (18,076)	\$ (372)	\$ (17,917)
14	103420	Reservoirs & Tanks	\$ (1,449,752)	\$ -	\$ -	\$ -	\$ -	\$ (1,449,752)	2.87%	\$ (41,608)	\$ (41,608)	\$ -	\$ -	\$ -	\$ (1,449,752)	\$ (41,608)	\$ (83,216)
15	103421	Tank Painting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	103431	A.C.-Trans & Distrib Mains	\$ (6,402,207)	\$ (4,764,194)	\$ -	\$ -	\$ -	\$ (6,402,207)	2.06%	\$ (131,885)	\$ (4,896,080)	\$ -	\$ -	\$ -	\$ (6,402,207)	\$ (131,885)	\$ (5,027,965)
17	103434	All Other-Trans & Dist Mains	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	103435	Ductile Iron Pipe-T&D Mains	\$ (54,366)	\$ (14,621)	\$ -	\$ -	\$ -	\$ (54,366)	2.06%	\$ (1,120)	\$ (15,741)	\$ -	\$ -	\$ -	\$ (54,366)	\$ (1,120)	\$ (16,861)
19	103450	Services-Trans & Distr Mains	\$ (24,242)	\$ (28,945)	\$ -	\$ -	\$ -	\$ (24,242)	2.06%	\$ -	\$ (24,242)	\$ -	\$ -	\$ -	\$ (24,242)	\$ -	\$ (24,242)
20	103460	Meters & Meter Boxes	\$ (145,393)	\$ (153,180)	\$ -	\$ -	\$ -	\$ (145,393)	0.00%	\$ -	\$ (145,393)	\$ -	\$ -	\$ -	\$ (145,393)	\$ -	\$ (145,393)
21	103480	Hydrants-T & D Mains	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	103710	Struct & Improve Genl Plnt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	103720	Office Furn & Equip-Gen Plnt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	103721	Office-Elec. Equip/Computers	\$ (4,767)	\$ (4,767)	\$ -	\$ -	\$ -	\$ (4,767)	20.00%	\$ -	\$ (4,767)	\$ -	\$ -	\$ -	\$ (4,767)	\$ -	\$ (4,767)
25	103730	Transportn Equip-Gen Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	103740	Stores Equipment-Gen Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	103750	Laboratory Equip-Gen Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	103770	Pwr Operated Equip-Gen Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	103780	Tools, Shop & Garage Equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	103790	Other General Plant	\$ (10,613)	\$ (10,613)	\$ -	\$ -	\$ -	\$ (10,613)	6.67%	\$ -	\$ (10,613)	\$ -	\$ -	\$ -	\$ (10,613)	\$ -	\$ (10,613)
31	103960	Communication Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32		HI	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	Total WHWC Water Plant		\$ (11,069,043)	\$ (8,155,613)	\$ -	\$ -	\$ -	\$ (11,069,043)		\$ (191,155)	\$ (7,900,880)	\$ -	\$ -	\$ -	\$ (11,069,043)	\$ (190,968)	\$ (8,091,849)

Hawaii Water Service Company
Accumulated Deferred Income Taxes - Federal
Test Year Ending December 31, 2025

Line No.	Utility Account Description	Balance as of 12/31/2023	Dep. Exp.	Adjustments	Balance as of 12/31/2024	Dep. Exp.	Adjustments	Test Year Balance as of 12/31/2025
4	103030 Other Intangible Plant	\$ -	\$ 454	\$ -	\$ 454	\$ 908	\$ -	\$ 1,362
5	103110 Struct & Improve-Supply Plnt	\$ 41,443	\$ -	\$ -	\$ 41,443	\$ 4,778	\$ -	\$ 46,221
6	103150 Wells-Supply Plant	\$ 520,666	\$ 681	\$ -	\$ 521,348	\$ 3,754	\$ -	\$ 525,102
7	103164 All Other -Supply Mains	\$ 2,095	\$ -	\$ -	\$ 2,095	\$ -	\$ -	\$ 2,095
8	103210 Struct & Imp- Pumping Plant	\$ 202,728	\$ -	\$ -	\$ 202,728	\$ -	\$ -	\$ 202,728
9	103211 Pavement-Pumping Plant	\$ 3,272	\$ -	\$ -	\$ 3,272	\$ -	\$ -	\$ 3,272
10	103240 Pumping Equipment	\$ 713,232	\$ 238	\$ -	\$ 713,470	\$ 476	\$ -	\$ 713,946
11	103241 System Ctrl Computer Equip	\$ 11,386	\$ 2,054	\$ -	\$ 13,440	\$ 5,396	\$ -	\$ 18,836
12	103310 Struct & Improve-Treat Plant	\$ 26,417	\$ -	\$ -	\$ 26,417	\$ -	\$ -	\$ 26,417
13	103320 Water Treatment Equipment	\$ 3,276	\$ -	\$ -	\$ 3,276	\$ -	\$ -	\$ 3,276
14	103410 Struct & Imp-Trans&Dis Plnt	\$ 32,488	\$ -	\$ -	\$ 32,488	\$ -	\$ -	\$ 32,488
15	103411 Pavement-Trans & Dist Plant	\$ (96)	\$ -	\$ -	\$ (96)	\$ -	\$ -	\$ (96)
16	103420 Reservoirs & Tanks	\$ 52,158	\$ 955	\$ -	\$ 53,113	\$ 2,265	\$ -	\$ 55,377
17	103421 Tank Painting	\$ (2,450)	\$ -	\$ -	\$ (2,450)	\$ -	\$ -	\$ (2,450)
18	103431 A.C.-Trans & Distrib Mains	\$ 753,881	\$ -	\$ -	\$ 753,881	\$ -	\$ -	\$ 753,881
19	103434 All Other-Trans & Dist Mains	\$ 103,167	\$ 5,500	\$ -	\$ 108,667	\$ 13,375	\$ -	\$ 122,043
20	103435 Ductile Iron Pipe-T&D Mains	\$ 8,385	\$ -	\$ -	\$ 8,385	\$ -	\$ -	\$ 8,385
21	103436 Plastic Pipe-T & D Mains	\$ 154	\$ -	\$ -	\$ 154	\$ -	\$ -	\$ 154
22	103450 Services-Trans & Distr Mains	\$ 6,858	\$ -	\$ -	\$ 6,858	\$ -	\$ -	\$ 6,858
23	103460 Meters & Meter Boxes	\$ 44,029	\$ 4,968	\$ -	\$ 48,997	\$ 13,155	\$ -	\$ 62,153
24	103480 Hydrants-T & D Mains	\$ 14,542	\$ -	\$ -	\$ 14,542	\$ -	\$ -	\$ 14,542
25	103701 Pumping Equipment	\$ -	\$ 7,135	\$ -	\$ 7,135	\$ 14,269	\$ -	\$ 21,404
26	103710 Struct & Improve Genl Plnt	\$ 6,490	\$ -	\$ -	\$ 6,490	\$ -	\$ -	\$ 6,490
27	103720 Office Furn & Equip-Gen Plnt	\$ 472	\$ -	\$ -	\$ 472	\$ -	\$ -	\$ 472
28	103721 Office-Elec. Equip/Computers	\$ 7,406	\$ -	\$ -	\$ 7,406	\$ -	\$ -	\$ 7,406
29	103730 Transportn Equip-Gen Plant	\$ 856	\$ -	\$ -	\$ 856	\$ -	\$ -	\$ 856
30	103740 Stores Equipment-Gen Plant	\$ 4,776	\$ -	\$ -	\$ 4,776	\$ -	\$ -	\$ 4,776
31	103750 Laboratory Equip-Gen Plant	\$ 11,088	\$ 415	\$ -	\$ 11,503	\$ 830	\$ -	\$ 12,333
32	103770 Pwr Operated Equip-Gen Plant	\$ 22,422	\$ -	\$ -	\$ 22,422	\$ -	\$ -	\$ 22,422
33	103780 Tools, Shop & Garage Equip	\$ 30,728	\$ -	\$ -	\$ 30,728	\$ -	\$ -	\$ 30,728
34	103790 Other General Plant	\$ 10,806	\$ -	\$ -	\$ 10,806	\$ -	\$ -	\$ 10,806
33	103960 Communication Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34	HI	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35	Subtotal	\$ 2,632,676	\$ 22,400	\$ -	\$ 2,655,076	\$ 59,207	\$ -	\$ 2,714,283
36	Deferred Tax Liability at 21%	\$ 552,862			\$ 557,566			\$ 569,999
37	Less NOL	\$ 28,179			\$ 28,179			\$ 28,179
38	Net Deferred Tax Liability	\$ 524,683			\$ 529,387			\$ 541,821
39	Allocated Big Island 720 Net Deferred Tax Liability	\$ 31,060	\$ 1,773	\$ -	\$ 32,833	\$ 3,302	\$ -	\$ 36,135
40	Allocated Hawaii Water GO 790 Net Deferred Tax Liability	\$ 4,116	\$ 4,709	\$ -	\$ 8,826	\$ 8,282	\$ -	\$ 17,108
41	Grand Total	\$ 559,860			\$ 571,046			\$ 595,064

Hawaii Water Service Company
Accumulated Deferred Income Taxes - Federal (Detail) from 1/01/2023 to 12/31/2025
Test Year Ending December 31, 2025

Line No.	Utility Account	Utility Account Description	Work Order No.	Work Order Description	In-service Date	Tax Cost	Tax Period	Year 1 Tax Amortization	Year 2 Tax Amortization
1	103460	Meters and Meter Boxes	128351	721-Meter Replacement Program 2023	1/1/2024	\$ 30,807	25	\$ 616	\$ 1,232
2	103434	T&D Mains - All Other	126426	721.723-Design & Construction of PRV 600	7/31/2024	\$ 234,828	25	\$ 4,697	\$ 9,393
3	103241	System Control Computer Equipment	128362	721(723)-Scada Upgrade 2023	12/31/2024	\$ 39,492	25	\$ 790	\$ 1,580
4	103434	T&D Mains - All Other	134265	721/723-Valve Replacement Program 2025	12/31/2025	\$ 70,904	25	\$ -	\$ 1,418
5	103110	Struct & Improve-Supply Plnt	134267	721/723-DW2 Emergency Generator Replace	12/31/2025	\$ 215,269	25	\$ -	\$ 4,305
6	103110	Struct & Improve-Supply Plnt	134277	721/723-DW1 Emergency Generator w/ATS C	12/31/2025	\$ 23,635	25	\$ -	\$ 473
7	103420	Reservoirs and Tanks	134279	721/723-1200S Tanks Cathodic Protection	12/31/2025	\$ 17,754	25	\$ -	\$ 355
8	103460	Meters and Meter Boxes	134147	721-AMI Upgrade 2025	12/31/2025	\$ 160,938	25	\$ -	\$ 3,219
9	103241	System Control Computer Equipment	134150	721-SCADA Upgrade 2025	12/31/2025	\$ 64,375	25	\$ -	\$ 1,288
10	103750	Laboratory Equipment	128379	721/723-Chlorine Analyzer 1200 S	9/30/2024	\$ 20,740	25	\$ 415	\$ 830
11	103240	Pumping Equipment	128487	721/723 Well Site Meter Replacements	9/30/2024	\$ 11,903	25	\$ 238	\$ 476
12	103241	System Control Computer Equipment	129937	721/723-HMI Screens for Well Sites	9/30/2024	\$ 4,841	25	\$ 97	\$ 194
13	103420	Reservoirs and Tanks	130582	721/723-1200N Tank Anode Replacement	12/31/2024	\$ 5,626	25	\$ 113	\$ 225
14	103434	T&D Mains - All Other	130587	721/723-Valve Replacement on 14" Trans Line	12/31/2024	\$ 40,184	25	\$ 804	\$ 1,607
15	103241	System Control Computer Equipment	130614	721-SCADA Upgrade 2024	12/31/2024	\$ 58,385	25	\$ 1,168	\$ 2,335
16	103460	Meters and Meter Boxes	130620	721-AMI Meter Upgrade 2024	12/31/2024	\$ 216,425	25	\$ 4,329	\$ 8,657
17	103434	T&D Mains - All Other	134365	721/723-A Gulch Crossing Design and Permitt	12/31/2025	\$ 47,838	25	\$ -	\$ 957
18	103150	Wells	134366	721/723-Well DW-9 Permitting Design	12/31/2025	\$ 119,594	25	\$ -	\$ 2,392
19	103150	Wells	130652	721/723-Genset Design for Well DW1	12/31/2024	\$ 34,056	25	\$ 681	\$ 1,362
20	103701	Pumping Equipment - Sewer	130952	721/723-Replacement motor DW5	4/10/2024	\$ 32,166	25	\$ 643	\$ 1,287
21	103420	Reservoirs and Tanks	130653	721/723-Tank 1200 N-1 Overflow	12/31/2024	\$ 31,786	25	\$ 636	\$ 1,271
22	103030	Intangible Plant	130821	721/723-Revise Waikoloa Master Plan	12/31/2024	\$ 22,704	25	\$ 454	\$ 908
23	103460	Meters and Meter Boxes	131850	721/723-3" Badger Fire Hydrant Meters	4/10/2024	\$ 1,178	25	\$ 24	\$ 47
24	103701	Pumping Equipment - Sewer	131310	721/723-Remove/Replace DW6 Pump	12/31/2024	\$ 324,571	25	\$ 6,491	\$ 12,983
25	103420	Reservoirs and Tanks	133909	721/723-Tank 900/Exterior shell repair	9/30/2024	\$ 10,326	25	\$ 207	\$ 413
26	Allocated Plant								
27	Hawaii Water								
28	103030	Other Intangible Plant	98455	Renewable Energy Assessment	9/30/2024	\$ 187,362	25	\$ 3,747	\$ 7,494
29	103730	Transportn Equip-Gen Plant	129527	Vehicle for SCADA Tech	2/15/2024	\$ 53,725	5	\$ 10,745	\$ 17,192
30	103710	Struct & Improve Genl Plnt	130694	Modular Office for Baseyard	12/31/2024	\$ 278,261	25	\$ 5,565	\$ 11,130
31	103730	Transportn Equip-Gen Plant	130806	Engineering Dep't Vehicle Replacement	12/31/2024	\$ 63,393	5	\$ 12,679	\$ 20,286
32	103030	Other Intangible Plant	130825	Poipu Regional Plant Planning	9/30/2024	\$ 333,304	25	\$ 6,666	\$ 13,332
33	103721	Office-Elec. Equip/Computers	135018	790-EMT Laptops	10/31/2024	\$ 6,120	7	\$ 875	\$ 1,499
34	103760	Communication Equip-Gen Plnt	131672	Satellite Phones (6)	2/14/2024	\$ 11,835	7	\$ 1,691	\$ 2,898
35	103721	Office-Elec. Equip/Computers	134492	Copy Machine	4/2/2024	\$ 4,178	7	\$ 597	\$ 1,023
36		Total				\$ 938,178		\$ 42,565	\$ 74,855
37	HAWAII GENERAL OFFICE ALLOCATIONS								
38		700 - Kaanapali			17.00%	\$ 159,533		\$ 7,238	\$ 12,729
39		701 - Pukalani			4.42%	\$ 41,495		\$ 1,883	\$ 3,311
40		704 - Kapalua Water			5.02%	\$ 47,135		\$ 2,138	\$ 3,761
41		705 - Kapalua Sewer			2.91%	\$ 27,273		\$ 1,237	\$ 2,176
42		706 - Kapalua Wells Service			0.17%	\$ 1,594		\$ 72	\$ 127
43		707 - Kapalua Ditch Service			0.34%	\$ 3,193		\$ 145	\$ 255
44		721 - Waikoloa Water			11.06%	\$ 103,802		\$ 4,709	\$ 8,282
45		722 - Waikoloa Sewer			6.35%	\$ 59,547		\$ 2,702	\$ 4,751
46		723 - Waikoloa Resort Water			9.82%	\$ 92,127		\$ 4,180	\$ 7,351
47		724 - Waikoloa Resort Sewer			12.00%	\$ 112,609		\$ 5,109	\$ 8,985
48		725 - Waikoloa Resort Irrigation			0.43%	\$ 4,047		\$ 184	\$ 323
49		726 - Kona Water			7.98%	\$ 74,913		\$ 3,399	\$ 5,977
50		727 - Kona Sewer			4.12%	\$ 38,637		\$ 1,753	\$ 3,083
51		729 - Keauhou			5.60%	\$ 52,511		\$ 2,382	\$ 4,190
52		743 - Kalaeloa Water			2.56%	\$ 24,055		\$ 1,091	\$ 1,919
53		742 - Kalaeloa Sewer			4.27%	\$ 40,045		\$ 1,817	\$ 3,195
54		761 - Poipu			5.93%	\$ 55,660		\$ 2,525	\$ 4,441
55		Total				\$ 938,178		\$ 42,565	\$ 74,855
56	Big Island								
57	103720	720-New 4X4 Operations Vehicle	134146	720-New 4X4 Operations Vehicle	12/31/2024	\$ 51,668	7	\$ 7,383	\$ 12,654
58	103710	720-Storage Container for Kukio	134242	720-Storage Container for Kukio	8/31/2024	\$ 17,403	25	\$ 348	\$ 696
59	103721	Office-Elec. Equip/Computers	135023	720-Retire Eng Mgr Laptop	6/30/2024	\$ -	7	\$ -	\$ -
60	103720	Office Furn & Equip - Gen Plant	134609	720-Drying Oven	9/30/2024	\$ 9,168	7	\$ 1,310	\$ 2,245
61	103730	720-Operator Trailer Copy-Machine	130579	720-Operator Trailer Copy-Machine	12/31/2025	\$ 5,100	5	\$ -	\$ 1,020
62	103710	720-Emergency Utility Trailer	130651	720-Emergency Utility Trailer	12/31/2025	\$ 11,220	25	\$ -	\$ 224
66		Total				\$ 94,559		\$ 9,042	\$ 16,839
67	BIG ISLAND ALLOCATIONS								
68		721 - Waikoloa Water			19.61%	\$ 18,541		\$ 1,773	\$ 3,302
69		722 - Waikoloa Sewer			10.92%	\$ 10,328		\$ 988	\$ 1,839
70		723 - Waikoloa Resort Water			17.73%	\$ 16,762		\$ 1,603	\$ 2,985
71		724 - Waikoloa Resort Sewer			20.62%	\$ 19,503		\$ 1,865	\$ 3,473
72		725 - Waikoloa Resort Irrigation			0.77%	\$ 728		\$ 70	\$ 130
73		726 - Kona Water			14.05%	\$ 13,290		\$ 1,271	\$ 2,367
74		727 - Kona Sewer			6.80%	\$ 6,432		\$ 615	\$ 1,145
75		729 - Keauhou			9.49%	\$ 8,976		\$ 858	\$ 1,598
76		Total				\$ 94,559		\$ 9,042	\$ 16,839

Hawaii Water Service Company
Accumulated Deferred Income Taxes - State
Test Year Ending December 31, 2025

Line No.	Utility Account	Description	Balance as of 12/31/2023	Dep. Exp.	Adjustments	Balance as of 12/31/2024	Dep. Exp.	Adjustments	Test Year Balance as of 12/31/2025
1									
2									
3									
4	103030	Other Intangible Plant	\$ -	\$ 436	\$ -	\$ 436	\$ 872	\$ -	\$ 1,308
5	103110	Struct & Improve-Supply Plnt	\$ 13,512	\$ -	\$ -	\$ 13,512	\$ 4,587	\$ -	\$ 18,099
6	103150	Wells-Supply Plant	\$ 271,877	\$ 654	\$ -	\$ 272,531	\$ 3,604	\$ -	\$ 276,135
7	103164	All Other -Supply Mains	\$ 10,681	\$ -	\$ -	\$ 10,681	\$ -	\$ -	\$ 10,681
8	103210	Struct & Imp- Pumping Plant	\$ 221,693	\$ -	\$ -	\$ 221,693	\$ -	\$ -	\$ 221,693
9	103211	Pavement-Pumping Plant	\$ 24,948	\$ -	\$ -	\$ 24,948	\$ -	\$ -	\$ 24,948
10	103240	Pumping Equipment	\$ 493,736	\$ 229	\$ -	\$ 493,964	\$ 457	\$ -	\$ 494,421
11	103241	System Ctrl Computer Equip	\$ 18,259	\$ 1,972	\$ -	\$ 20,231	\$ 5,180	\$ -	\$ 25,412
12	103310	Struct & Improve-Treat Plant	\$ 5	\$ -	\$ -	\$ 5	\$ -	\$ -	\$ 5
13	103320	Water Treatment Equipment	\$ 4,168	\$ -	\$ -	\$ 4,168	\$ -	\$ -	\$ 4,168
14	103410	Struct & Imp-Trans&Dis Plnt	\$ 39,260	\$ -	\$ -	\$ 39,260	\$ -	\$ -	\$ 39,260
15	103411	Pavement-Trans & Dist Plant	\$ (93)	\$ -	\$ -	\$ (93)	\$ -	\$ -	\$ (93)
16	103420	Reservoirs & Tanks	\$ 6,209	\$ 917	\$ -	\$ 7,125	\$ 2,174	\$ -	\$ 9,299
17	103421	Tank Painting	\$ (13,172)	\$ -	\$ -	\$ (13,172)	\$ -	\$ -	\$ (13,172)
18	103431	A.C.-Trans & Distrib Mains	\$ 66,840	\$ -	\$ -	\$ 66,840	\$ -	\$ -	\$ 66,840
19	103434	All Other-Trans & Dist Mains	\$ 103,271	\$ 5,280	\$ -	\$ 108,551	\$ 12,840	\$ -	\$ 121,392
20	103435	Ductile Iron Pipe-T&D Mains	\$ 9,487	\$ -	\$ -	\$ 9,487	\$ -	\$ -	\$ 9,487
21	103436	Plastic Pipe-T & D Mains	\$ 394	\$ -	\$ -	\$ 394	\$ -	\$ -	\$ 394
22	103450	Services-Trans & Distr Mains	\$ 6,859	\$ -	\$ -	\$ 6,859	\$ -	\$ -	\$ 6,859
23	103460	Meters & Meter Boxes	\$ 10,695	\$ 4,769	\$ -	\$ 15,464	\$ 12,629	\$ -	\$ 28,093
24	103480	Hydrants-T & D Mains	\$ 14,089	\$ -	\$ -	\$ 14,089	\$ -	\$ -	\$ 14,089
25	103701	Pumping Equipment	\$ -	\$ 6,849	\$ -	\$ 6,849	\$ 13,699	\$ -	\$ 20,548
26	103710	Struct & Improve Genl Plnt	\$ (8,474)	\$ -	\$ -	\$ (8,474)	\$ -	\$ -	\$ (8,474)
27	103720	Office Furn & Equip-Gen Plnt	\$ 478	\$ -	\$ -	\$ 478	\$ -	\$ -	\$ 478
28	103721	Office-Elec. Equip/Computers	\$ 8,531	\$ -	\$ -	\$ 8,531	\$ -	\$ -	\$ 8,531
29	103730	Transportn Equip-Gen Plant	\$ 862	\$ -	\$ -	\$ 862	\$ -	\$ -	\$ 862
30	103740	Stores Equipment-Gen Plant	\$ 4,176	\$ -	\$ -	\$ 4,176	\$ -	\$ -	\$ 4,176
31	103750	Laboratory Equip-Gen Plant	\$ 11,002	\$ 398	\$ -	\$ 11,400	\$ 796	\$ -	\$ 12,196
32	103770	Pwr Operated Equip-Gen Plant	\$ 22,426	\$ -	\$ -	\$ 22,426	\$ -	\$ -	\$ 22,426
33	103780	Tools, Shop & Garage Equip	\$ 28,589	\$ -	\$ -	\$ 28,589	\$ -	\$ -	\$ 28,589
34	103790	Other General Plant	\$ 2,921	\$ -	\$ -	\$ 2,921	\$ -	\$ -	\$ 2,921
35	103960	Communication Equipment	\$ 2	\$ -	\$ -	\$ 2	\$ -	\$ -	\$ 2
36		HI	\$ 3	\$ -	\$ -	\$ 3	\$ -	\$ -	\$ 3
37		Subtotal	\$ 1,373,231	\$ 21,504	\$ -	\$ 1,394,735	\$ 56,839	\$ -	\$ 1,451,574
38		Total Deferred Tax Liability	\$ 95,901			\$ 89,263			\$ 92,901
39		Allocated Big Island Net Deferred Tax Liability	\$ 7,546	\$ 1,702	\$ -	\$ 9,248	\$ 3,170	\$ -	\$ 12,418
40		Allocated Hawaii General Office Net Deferred Tax Liability	\$ 1,126	\$ 4,521	\$ -	\$ 5,647	\$ 7,951	\$ -	\$ 13,598
41		Grand Total	\$ 104,573			\$ 104,158			\$118,916

Hawaii Water Service Company

Accumulated Deferred Income Taxes - State (Detail) from 1/01/2023 to 12/31/2025

Test Year Ending December 31, 2025

Line No.	Utility Account	Utility Account Description	Work Order No.	Work Order Description	In-service Date	Tax Cost	Tax Period	Year 1 Amortization	Year 2 Amortization
1	103460	Meters and Meter Boxes	128351	721-Meter Replacement Program 2023	1/1/2024	\$ 29,575	25	\$ 592	\$ 1,183
2	103434	T&D Mains - All Other	126426	721.723-Design & Construction of PRV 600	7/31/2024	\$ 225,435	25	\$ 4,509	\$ 9,017
3	103241	System Control Computer Equipment	128362	721(723)-Scada Upgrade 2023	12/31/2024	\$ 37,912	25	\$ 758	\$ 1,516
4	103434	T&D Mains - All Other	134265	721/723-Valve Replacement Program 2025	12/31/2025	\$ 68,068	25	\$ -	\$ 1,361
5	103110	Struct & Improve-Supply Plnt	134267	721/723-DW2 Emergency Generator Replacement	12/31/2025	\$ 206,658	25	\$ -	\$ 4,133
6	103110	Struct & Improve-Supply Plnt	134277	721/723-DW1 Emergency Generator w/ATS Design	12/31/2025	\$ 22,689	25	\$ -	\$ 454
7	103420	Reservoirs and Tanks	134279	721/723-1200S Tanks Cathodic Protection	12/31/2025	\$ 17,044	25	\$ -	\$ 341
8	103460	Meters and Meter Boxes	134147	721-AMI Upgrade 2025	12/31/2025	\$ 154,500	25	\$ -	\$ 3,090
9	103241	System Control Computer Equipment	134150	721-SCADA Upgrade 2025	12/31/2025	\$ 61,800	25	\$ -	\$ 1,236
10	103750	Laboratory Equipment	128379	721/723-Chlorine Analyzer 1200 S	9/30/2024	\$ 19,910	25	\$ 398	\$ 796
11	103240	Pumping Equipment	128487	721/723 Well Site Meter Replacements	9/30/2024	\$ 11,426	25	\$ 229	\$ 457
12	103241	System Control Computer Equipment	129937	721/723-HMI Screens for Well Sites	9/30/2024	\$ 4,647	25	\$ 93	\$ 186
13	103420	Reservoirs and Tanks	130582	721/723-1200N Tank Anode Replacement	12/31/2024	\$ 5,401	25	\$ 108	\$ 216
14	103434	T&D Mains - All Other	130587	721/723-Valve Replacement on 14" Trans Line	12/31/2024	\$ 38,577	25	\$ 772	\$ 1,543
15	103241	System Control Computer Equipment	130614	721-SCADA Upgrade 2024	12/31/2024	\$ 56,050	25	\$ 1,121	\$ 2,242
16	103460	Meters and Meter Boxes	130620	721-AMI Meter Upgrade 2024	12/31/2024	\$ 207,768	25	\$ 4,155	\$ 8,311
17	103434	T&D Mains - All Other	134365	721/723-A Gulch Crossing Design and Permitting	12/31/2025	\$ 45,924	25	\$ -	\$ 918
18	103150	Wells	134366	721/723-Well DW-9 Permitting Design	12/31/2025	\$ 114,810	25	\$ -	\$ 2,296
19	103150	Wells	130652	721/723-Genset Design for Well DW1	12/31/2024	\$ 32,694	25	\$ 654	\$ 1,308
20	103701	Pumping Equipment - Sewer	130952	721/723-Replacement motor DW5	4/10/2024	\$ 30,880	25	\$ 618	\$ 1,235
21	103420	Reservoirs and Tanks	130653	721/723-Tank 1200 N-1 Overflow	12/31/2024	\$ 30,514	25	\$ 610	\$ 1,221
22	103030	Intangible Plant	130821	721/723-Revise Waikoloa Master Plan	12/31/2024	\$ 21,796	25	\$ 436	\$ 872
23	103460	Meters and Meter Boxes	131850	721/723-3" Badger Fire Hydrant Meters	4/10/2024	\$ 1,131	25	\$ 23	\$ 45
24	103701	Pumping Equipment - Sewer	131310	721/723-Remove/Replace DW6 Pump	12/31/2024	\$ 311,588	25	\$ 6,232	\$ 12,464
25	103420	Reservoirs and Tanks	133909	721/723-Tank 900/Exterior shell repair	9/30/2024	\$ 9,913	25	\$ 198	\$ 397
26	Allocated Plant								
27	Hawaii Water								
28	103030	Other Intangible Plant	98455	Renewable Energy Assessment	9/30/2024	\$ 179,868	25	\$ 3,597	\$ 7,195
29	103730	Transportn Equip-Gen Plant	129527	Vehicle for SCADA Tech	2/15/2024	\$ 51,576	5	\$ 10,315	\$ 16,504
30	103710	Struct & Improve Genl Plnt	130694	Modular Office for Baseyard	12/31/2024	\$ 267,130	25	\$ 5,343	\$ 10,685
31	103730	Transportn Equip-Gen Plant	130806	Engineering Dep't Vehicle Replacement	12/31/2024	\$ 60,857	5	\$ 12,171	\$ 19,474
32	103030	Other Intangible Plant	130825	Poipu Regional Plant Planning	9/30/2024	\$ 319,972	25	\$ 6,399	\$ 12,799
33	103721	Office-Elec. Equip/Computers	135018	790-EMT Laptops	10/31/2024	\$ 5,875	7	\$ 840	\$ 1,439
34	103760	Communication Equip-Gen Plnt	131672	Satellite Phones (6)	2/14/2024	\$ 11,362	7	\$ 1,624	\$ 2,783
35	103721	Office-Elec. Equip/Computers	134492	Copy Machine	4/2/2024	\$ 4,011	7	\$ 573	\$ 982
36		Total				<u>\$ 900,651</u>		<u>\$ 40,862</u>	<u>\$ 71,861</u>
37	HAWAII GENERAL OFFICE ALLOCATIONS								
38		700 - Kaanapali			17.00%	\$ 153,152		\$ 6,948	\$ 12,220
39		701 - Pukalani			4.42%	\$ 39,835		\$ 1,807	\$ 3,178
40		704 - Kapalua Water			5.02%	\$ 45,249		\$ 2,053	\$ 3,610
41		705 - Kapalua Sewer			2.91%	\$ 26,183		\$ 1,188	\$ 2,089
42		706 - Kapalua Wells Service			0.17%	\$ 1,530		\$ 69	\$ 122
43		707 - Kapalua Ditch Service			0.34%	\$ 3,065		\$ 139	\$ 245
44		721 - Waikoloa Water			11.06%	\$ 99,650		\$ 4,521	\$ 7,951
45		722 - Waikoloa Sewer			6.35%	\$ 57,165		\$ 2,594	\$ 4,561
46		723 - Waikoloa Resort Water			9.82%	\$ 88,442		\$ 4,013	\$ 7,057
47		724 - Waikoloa Resort Sewer			12.00%	\$ 108,105		\$ 4,905	\$ 8,625
48		725 - Waikoloa Resort Irrigation			0.43%	\$ 3,885		\$ 176	\$ 310
49		726 - Kona Water			7.98%	\$ 71,916		\$ 3,263	\$ 5,738
50		727 - Kona Sewer			4.12%	\$ 37,092		\$ 1,683	\$ 2,959
51		729 - Keauhou			5.60%	\$ 50,411		\$ 2,287	\$ 4,022
52		743 - Kalaeloa Water			2.56%	\$ 23,093		\$ 1,048	\$ 1,843
53		742 - Kalaeloa Sewer			4.27%	\$ 38,444		\$ 1,744	\$ 3,067
54		761 - Poipu			5.93%	\$ 53,434		\$ 2,424	\$ 4,263
55		Total				<u>\$ 900,651</u>		<u>\$ 40,862</u>	<u>\$ 71,861</u>
56	Big Island								
57	103720	720-New 4X4 Operations Vehicle	134146	720-New 4X4 Operations Vehicle	12/31/2024	\$ 49,602	7	\$ 7,088	\$ 12,147
58	103710	720-Storage Container for Kukio	134242	720-Storage Container for Kukio	8/31/2024	\$ 16,707	25	\$ 334	\$ 668
59	103721	Office-Elec. Equip/Computers	135023	720-Retire Eng Mgr Laptop	6/30/2024	\$ -	7	\$ -	\$ -
60	103720	Office Furn & Equip - Gen Plant	134609	720-Drying Oven	9/30/2024	\$ 8,801	7	\$ 1,258	\$ 2,155
61	103730	720-Operator Trailer Copy-Machine	130579	720-Operator Trailer Copy-Machine	12/31/2025	\$ 4,896	5	\$ -	\$ 979
62	103710	720-Emergency Utility Trailer	130651	720-Emergency Utility Trailer	12/31/2025	\$ 10,771	25	\$ -	\$ 215
64		Total				<u>\$ 90,777</u>		<u>\$ 8,680</u>	<u>\$ 16,166</u>
65	BIG ISLAND ALLOCATIONS								
66		721 - Waikoloa Water			19.61%	\$ 17,799		\$ 1,702	\$ 3,170
67		722 - Waikoloa Sewer			10.92%	\$ 9,915		\$ 948	\$ 1,766
68		723 - Waikoloa Resort Water			17.73%	\$ 16,092		\$ 1,539	\$ 2,866
69		724 - Waikoloa Resort Sewer			20.62%	\$ 18,723		\$ 1,790	\$ 3,334
70		725 - Waikoloa Resort Irrigation			0.77%	\$ 699		\$ 67	\$ 125
71		726 - Kona Water			14.05%	\$ 12,758		\$ 1,220	\$ 2,272
72		727 - Kona Sewer			6.80%	\$ 6,174		\$ 590	\$ 1,100
73		729 - Keauhou			9.49%	\$ 8,617		\$ 824	\$ 1,534
74		Total				<u>\$ 90,777</u>		<u>\$ 8,680</u>	<u>\$ 16,166</u>

Hawaii Water Service Company
Hawaii Capital Goods Excise Tax Credit
Test Year Ending December 31, 2025

Line No.	Utility Account	Property Description	In Service Date	Federal Tax Cost	State Tax Cost	HCGETC	Amortization Period	Annual Amortization	Accumulated Amortization										Unamortized HCGETC							
									2019	2020	2021	2022	2023	2024	2025	2021	2022	2023	2024	2025	2021	2022	2023	2024	2025	
309		PLANT IN SERVICE		\$ 18,778,670	\$ 18,027,523	\$ 751,147		\$ 30,046	\$ 23,425	\$ 23,633	\$ 23,801	\$ 26,746	\$ 27,180	\$ 27,180	\$ 27,180	\$ 452,508	\$ 466,847	\$ 481,410	\$ 495,687	\$ 509,921	\$ 160,799	\$ 272,167	\$ 269,737	\$ 255,460	\$ 241,226	
310		PLANT ADDITIONS																								
336		subtotal		\$ 1,840,325	\$ 1,766,712	\$ 73,613		\$ 2,945	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,792	\$ 2,945	\$ -	\$ -	\$ -	\$ 1,792	\$ 4,737	\$ -	\$ -	\$ -	\$ 43,009	\$ 68,876
337		Total Waikoloa Plant		\$ 20,618,995	\$ 19,794,235	\$ 824,760		\$ 32,990	\$ 23,425	\$ 23,633	\$ 23,801	\$ 26,746	\$ 27,180	\$ 28,972	\$ 30,125	\$ 452,508	\$ 466,847	\$ 481,410	\$ 497,479	\$ 514,657	\$ 160,799	\$ 272,167	\$ 269,737	\$ 298,469	\$ 310,103	
338		HAWAII GENERAL OFFICE																								
407		Total Hawaii Water Allocated Plant		\$ 1,605,586	\$ 1,541,363	\$ 64,223		\$ 6,742	\$ 3,944	\$ 3,993	\$ 4,176	\$ 4,181	\$ 4,400	\$ 6,742	\$ 6,742	\$ 15,245	\$ 15,767	\$ 16,507	\$ 19,485	\$ 22,464	\$ 7,079	\$ 6,596	\$ 10,190	\$ 44,738	\$ 41,760	
408		700 - Kaanapali	17.00%	\$ 273,023	\$ 262,102	\$ 10,921		\$ 1,146	\$ 671	\$ 679	\$ 710	\$ 711	\$ 748	\$ 1,146	\$ 1,146	\$ 2,592	\$ 2,681	\$ 2,807	\$ 3,313	\$ 3,820	\$ 1,204	\$ 1,122	\$ 1,733	\$ 7,608	\$ 7,101	
409		701 - Pukalani	4.42%	\$ 71,014	\$ 68,174	\$ 2,841		\$ 298	\$ 174	\$ 177	\$ 185	\$ 185	\$ 195	\$ 298	\$ 298	\$ 674	\$ 697	\$ 730	\$ 862	\$ 994	\$ 313	\$ 292	\$ 451	\$ 1,979	\$ 1,847	
410		704 - Kapalua Water	5.02%	\$ 80,666	\$ 77,439	\$ 3,227		\$ 339	\$ 198	\$ 201	\$ 210	\$ 210	\$ 221	\$ 339	\$ 339	\$ 766	\$ 792	\$ 829	\$ 979	\$ 1,129	\$ 356	\$ 331	\$ 512	\$ 2,248	\$ 2,098	
411		705 - Kapalua Sewer	2.91%	\$ 46,676	\$ 44,809	\$ 1,867		\$ 196	\$ 115	\$ 116	\$ 121	\$ 122	\$ 128	\$ 196	\$ 196	\$ 443	\$ 458	\$ 480	\$ 566	\$ 653	\$ 206	\$ 192	\$ 296	\$ 1,301	\$ 1,214	
412		706 - Kapalua Wells Service	0.17%	\$ 2,728	\$ 2,619	\$ 109		\$ 11	\$ 7	\$ 7	\$ 7	\$ 7	\$ 7	\$ 11	\$ 11	\$ 26	\$ 27	\$ 28	\$ 33	\$ 38	\$ 12	\$ 11	\$ 17	\$ 76	\$ 71	
413		707 - Kapalua Ditch Service	0.34%	\$ 5,464	\$ 5,245	\$ 219		\$ 23	\$ 13	\$ 14	\$ 14	\$ 14	\$ 15	\$ 23	\$ 23	\$ 52	\$ 54	\$ 56	\$ 66	\$ 76	\$ 24	\$ 22	\$ 35	\$ 152	\$ 142	
414		721 - Waikoloa Water	11.06%	\$ 177,645	\$ 170,540	\$ 7,106		\$ 746	\$ 436	\$ 442	\$ 462	\$ 463	\$ 487	\$ 746	\$ 746	\$ 1,687	\$ 1,744	\$ 1,826	\$ 2,156	\$ 2,485	\$ 783	\$ 730	\$ 1,127	\$ 4,950	\$ 4,620	
415		722 - Waikoloa Sewer	6.35%	\$ 101,909	\$ 97,832	\$ 4,076		\$ 428	\$ 250	\$ 253	\$ 265	\$ 265	\$ 279	\$ 428	\$ 428	\$ 968	\$ 1,001	\$ 1,048	\$ 1,237	\$ 1,426	\$ 449	\$ 419	\$ 647	\$ 2,840	\$ 2,651	
416		723 - Waikoloa Resort Water	9.82%	\$ 157,665	\$ 151,359	\$ 6,307		\$ 662	\$ 387	\$ 392	\$ 410	\$ 411	\$ 432	\$ 662	\$ 662	\$ 1,497	\$ 1,548	\$ 1,621	\$ 1,913	\$ 2,206	\$ 695	\$ 648	\$ 1,001	\$ 4,393	\$ 4,101	
417		724 - Waikoloa Resort Sewer	12.00%	\$ 192,718	\$ 185,009	\$ 7,709		\$ 809	\$ 473	\$ 479	\$ 501	\$ 502	\$ 528	\$ 809	\$ 809	\$ 1,830	\$ 1,892	\$ 1,981	\$ 2,339	\$ 2,696	\$ 850	\$ 792	\$ 1,223	\$ 5,370	\$ 5,012	
418		725 - Waikoloa Resort Irrigation	0.43%	\$ 6,925	\$ 6,648	\$ 277		\$ 29	\$ 17	\$ 17	\$ 18	\$ 18	\$ 19	\$ 29	\$ 29	\$ 66	\$ 68	\$ 71	\$ 84	\$ 97	\$ 31	\$ 28	\$ 44	\$ 193	\$ 180	
419		726 - Kona Water	7.98%	\$ 128,205	\$ 123,077	\$ 5,128		\$ 538	\$ 315	\$ 319	\$ 333	\$ 334	\$ 351	\$ 538	\$ 538	\$ 1,217	\$ 1,259	\$ 1,318	\$ 1,556	\$ 1,794	\$ 565	\$ 527	\$ 814	\$ 3,572	\$ 3,334	
420		727 - Kona Sewer	4.12%	\$ 66,123	\$ 63,478	\$ 2,645		\$ 278	\$ 162	\$ 164	\$ 172	\$ 172	\$ 181	\$ 278	\$ 278	\$ 628	\$ 649	\$ 680	\$ 802	\$ 925	\$ 292	\$ 272	\$ 420	\$ 1,842	\$ 1,720	
421		729 - Keauhou	5.60%	\$ 89,867	\$ 86,272	\$ 3,595		\$ 377	\$ 221	\$ 224	\$ 234	\$ 234	\$ 246	\$ 377	\$ 377	\$ 853	\$ 882	\$ 924	\$ 1,091	\$ 1,257	\$ 396	\$ 369	\$ 570	\$ 2,504	\$ 2,337	
422		743 - Kalaeloa Water	2.56%	\$ 41,168	\$ 39,521	\$ 1,647		\$ 173	\$ 101	\$ 102	\$ 107	\$ 107	\$ 113	\$ 173	\$ 173	\$ 391	\$ 404	\$ 423	\$ 500	\$ 576	\$ 182	\$ 169	\$ 261	\$ 1,147	\$ 1,071	
423		742 - Kalaeloa Sewer	4.27%	\$ 68,533	\$ 65,792	\$ 2,741		\$ 288	\$ 168	\$ 170	\$ 178	\$ 178	\$ 188	\$ 288	\$ 288	\$ 651	\$ 673	\$ 705	\$ 832	\$ 959	\$ 302	\$ 282	\$ 435	\$ 1,910	\$ 1,782	
424		761 - Poipu	5.93%	\$ 95,256	\$ 91,446	\$ 3,810		\$ 400	\$ 234	\$ 237	\$ 248	\$ 248	\$ 261	\$ 400	\$ 400	\$ 904	\$ 935	\$ 979	\$ 1,156	\$ 1,333	\$ 420	\$ 391	\$ 605	\$ 2,654	\$ 2,478	
425		Total		\$ 1,605,586	\$ 1,541,363	\$ 64,223		\$ 6,742	\$ 3,944	\$ 3,993	\$ 4,176	\$ 4,181	\$ 4,400	\$ 6,742	\$ 6,742	\$ 15,245	\$ 15,767	\$ 16,507	\$ 19,485	\$ 22,464	\$ 7,079	\$ 6,596	\$ 10,190	\$ 44,738	\$ 41,760	
426		BIG ISLAND																								
521		Total Big Island Allocated Plant		\$ 2,817,827	\$ 2,705,114	\$ 112,713		\$ 13,653	\$ 10,174	\$ 10,987	\$ 11,406	\$ 12,196	\$ 13,219	\$ 13,594	\$ 13,653	\$ 50,873	\$ 58,526	\$ 67,029	\$ 72,216	\$ 76,625	\$ 43,940	\$ 41,236	\$ 41,902	\$ 39,844	\$ 36,088	
522		BIG ISLAND ALLOCATIONS																								
523		721 - Waikoloa Water	19.61%	\$ 552,509	\$ 530,409	\$ 22,100		\$ 2,677	\$ 1,995	\$ 2,154	\$ 2,236	\$ 2,391	\$ 2,592	\$ 2,666	\$ 2,677	\$ 9,975	\$ 11,476	\$ 13,143	\$ 14,160	\$ 15,024	\$ 8,615	\$ 8,085	\$ 8,216	\$ 7,813	\$ 7,076	
524		722 - Waikoloa Sewer	10.92%	\$ 307,777	\$ 295,466	\$ 12,311		\$ 1,491	\$ 1,111	\$ 1,200	\$ 1,246	\$ 1,332	\$ 1,444	\$ 1,485	\$ 1,491	\$ 5,557	\$ 6,393	\$ 7,321	\$ 7,888	\$ 8,369	\$ 4,799	\$ 4,504	\$ 4,577	\$ 4,352	\$ 3,942	
525		723 - Waikoloa Resort Water	17.73%	\$ 499,503	\$ 479,523	\$ 19,980		\$ 2,420	\$ 1,804	\$ 1,948	\$ 2,022	\$ 2,162	\$ 2,343	\$ 2,410	\$ 2,420	\$ 9,018	\$ 10,375	\$ 11,882	\$ 12,801	\$ 13,583	\$ 7,789	\$ 7,310	\$ 7,428	\$ 7,063	\$ 6,397	
526		724 - Waikoloa Resort Sewer	20.62%	\$ 581,170	\$ 557,923	\$ 23,247		\$ 2,816	\$ 2,098	\$ 2,266	\$ 2,352	\$ 2,515	\$ 2,726	\$ 2,804	\$ 2,816	\$ 10,492	\$ 12,071	\$ 13,825	\$ 14,894	\$ 15,804	\$ 9,062	\$ 8,505	\$ 8,642	\$ 8,218	\$ 7,443	
527		725 - Waikoloa Resort Irrigation	0.77%	\$ 21,707	\$ 20,839	\$ 868		\$ 105	\$ 78	\$ 85	\$ 88	\$ 94	\$ 102	\$ 105	\$ 105	\$ 392	\$ 451	\$ 516	\$ 556	\$ 590	\$ 338	\$ 318	\$ 323	\$ 307	\$ 278	
528		726 - Kona Water	14.05%	\$ 396,029	\$ 380,188	\$ 15,841		\$ 1,919	\$ 1,430	\$ 1,544	\$ 1,603	\$ 1,714	\$ 1,858	\$ 1,911	\$ 1,919	\$ 7,150	\$ 8,225	\$ 9,421	\$ 10,150	\$ 10,769	\$ 6,175	\$ 5,796	\$ 5,889	\$ 5,600	\$ 5,072	
529		727 - Kona Sewer	6.80%	\$ 191,657	\$ 183,991	\$ 7,666		\$ 929	\$ 692	\$ 747	\$ 776	\$ 829	\$ 899	\$ 925	\$ 929	\$ 3,460	\$ 3,981	\$ 4,559	\$ 4,912	\$ 5,212	\$ 2,989	\$ 2,805	\$ 2,850	\$ 2,710	\$ 2,455	
530		729 - Keauhou	9.49%	\$ 267,474	\$ 256,775	\$ 10,699		\$ 1,296	\$ 966	\$ 1,043	\$ 1,083	\$ 1,158	\$ 1,255	\$ 1,296	\$ 1,296	\$ 4,829	\$ 5,555	\$ 6,363	\$ 6,855	\$ 7,273	\$ 4,171	\$ 3,914	\$ 3,977	\$ 3,782	\$ 3,426	
531		TOTALS		\$ 2,817,827	\$ 2,705,114	\$ 112,713		\$ 13,653	\$ 10,174	\$ 10,987	\$ 11,406	\$ 12,196	\$ 13,219	\$ 13,594	\$ 13,653	\$ 50,873	\$ 58,526	\$ 67,029	\$ 72,216	\$ 76,625	\$ 43,940	\$ 41,236	\$ 41,902	\$ 39,844	\$ 36,088	
532		TOTAL		\$ 21,349,149	\$ 20,495,183	\$ 853,966		\$ 36,413	\$ 25,857	\$ 26,230	\$ 26,500	\$ 29,600	\$ 30,259	\$ 32,384	\$ 33,548	\$ 464,170	\$ 480,067	\$ 496,379	\$ 513,795	\$ 532,167	\$ 170,198	\$ 280,982	\$ 279,080	\$ 311,231	\$ 321,799	

Hawaii Water Service Company
Working Cash
Test Year Ending December 31, 2025

Line No.

1	Labor Expenses	\$	788,084
2	Fuel & Power	\$	1,544,835
3	Chemicals	\$	30,136
4	Materials & Supplies	\$	22
5	Waste/Sludge Disposal	\$	3
6	Affiliated Charges	\$	156,146
7	Professional and Outside Services	\$	12,112
8	Repairs & Maintenance	\$	475,488
9	Rental Expenses	\$	9,997
10	Insurance Expenses	\$	20,916
11	Regulatory Expenses	\$	32,838
12	General & Administrative Expenses	\$	78,389
13	Customer Accounts Expenses	\$	108,942
14	Water Consumption License Fee	\$	-
15	subtotal	\$	3,257,908
16	Working Cash factor		<u>12</u>
17	Working Cash	\$	<u><u>271,492</u></u>

Hawaii Water Service Company
Historical Summary
Test Year Ending December 31, 2025

Line No.							Test Year	Test Year
1		2019	2020	2021	2022	2023	Present Rates Jan 1, 2025 to Dec 31, 2025	Proposed Rates Jan 1, 2025 to Dec 31, 2025
2								
3	Revenues							
4	Waste Water							
5	Residential							
6	Single-family							
7	Fixed revenue	\$ 293,011	\$ 308,741	\$ 312,185	\$ 315,543	\$ 318,676	\$ 322,763	\$ 805,175
8	Quantity Revenue	\$ 543,815	\$ 584,852	\$ 596,421	\$ 613,972	\$ 564,380	\$ 558,573	\$ 1,393,432
9	Power Cost Charge	\$ 767,285	\$ 744,813	\$ 820,598	\$ 1,112,210	\$ 973,562	\$ 922,107	\$ 910,887
10	subtotal	\$ 1,604,111	\$ 1,638,406	\$ 1,729,204	\$ 2,041,724	\$ 1,856,618	\$ 1,803,443	\$ 3,109,494
11	Multi-Family							
12	Fixed revenue	\$ 21,627	\$ 22,674	\$ 22,711	\$ (24,889)	\$ 21,191	\$ 21,803	\$ 54,390
13	Quantity Revenue	\$ 194,990	\$ 200,469	\$ 208,194	\$ 226,873	\$ 214,582	\$ 219,621	\$ 547,872
14	Power Cost Charge	\$ 275,346	\$ 254,843	\$ 285,372	\$ 409,756	\$ 368,938	\$ 362,556	\$ 358,144
15	subtotal	\$ 491,963	\$ 477,986	\$ 516,277	\$ 611,740	\$ 604,712	\$ 603,979	\$ 960,406
16	Commerical							
17	Fixed revenue	\$ 11,970	\$ 15,327	\$ 21,014	\$ 23,899	\$ 19,633	\$ 13,800	\$ 34,425
18	Quantity Revenue	\$ 59,197	\$ 54,259	\$ 59,121	\$ 94,422	\$ 67,108	\$ 63,796	\$ 159,147
19	Power Cost Charge	\$ 82,763	\$ 72,233	\$ 82,111	\$ 168,505	\$ 115,707	\$ 105,316	\$ 104,034
20	subtotal	\$ 153,931	\$ 141,820	\$ 162,247	\$ 286,827	\$ 202,449	\$ 182,911	\$ 297,606
21	Public Authority							
22	Fixed revenue	\$ 3,712	\$ 3,892	\$ 3,898	\$ 3,898	\$ 3,902	\$ 3,898	\$ 9,724
23	Quantity Revenue	\$ 45,223	\$ 54,545	\$ 49,187	\$ 50,247	\$ 60,545	\$ 63,105	\$ 157,424
24	Power Cost Charge	\$ 64,002	\$ 69,333	\$ 67,530	\$ 90,598	\$ 103,509	\$ 104,176	\$ 102,908
25	subtotal	\$ 112,937	\$ 127,770	\$ 120,615	\$ 144,742	\$ 167,957	\$ 171,179	\$ 270,056
26	Effluent Revenue	\$ 35,964	\$ 32,326	\$ 43,219	\$ 37,442	\$ 45,752	\$ -	\$ -
27	Miscellaneous	\$ 77,254	\$ 81,442	\$ 80,586	\$ 95,903	\$ 96,182	\$ -	\$ -
28	Adjustments	\$ 11,328	\$ (3,867)	\$ 15,282	\$ 25,544	\$ (12,555)	\$ -	\$ -
29	Other	\$ 16,388	\$ 12,870	\$ 13,523	\$ 51,944	\$ 57,196	\$ -	\$ -
30	TOTAL REVENUES	\$ 2,503,876	\$ 2,508,754	\$ 2,680,952	\$ 3,295,865	\$ 3,018,310	\$ 2,761,513	\$ 4,637,563
	Expenses							
31	Labor Expenses	\$ 817,638	\$ 830,164	\$ 757,628	\$ 693,757	\$ 797,367	\$ 788,084	\$ 788,084
32	Fuel & Power	\$ 1,174,842	\$ 1,135,309	\$ 1,273,475	\$ 1,791,464	\$ 1,615,995	\$ 1,544,835	\$ 1,544,835
33	Chemicals	\$ 15,178	\$ 21,341	\$ 22,363	\$ 25,158	\$ 34,311	\$ 30,136	\$ 30,136
34	Materials & Supplies	\$ -	\$ -	\$ 29	\$ -	\$ -	\$ 22	\$ 22
35	Waste/Sludge Disposal	\$ -	\$ -	\$ -	\$ 4	\$ 5	\$ 3	\$ 3
36	Affiliated Charges	\$ 170,803	\$ 152,508	\$ 160,974	\$ 199,013	\$ 229,373	\$ 156,146	\$ 156,146
37	Professional and Outside Services	\$ (5,111)	\$ 14,429	\$ 17,162	\$ 8,232	\$ 6,759	\$ 12,112	\$ 12,112
38	Repairs & Maintenace	\$ 251,484	\$ 364,809	\$ 400,220	\$ 452,025	\$ 432,650	\$ 475,488	\$ 475,488
39	Rental Expenses	\$ 13,138	\$ 22,289	\$ 22,548	\$ 20,499	\$ 25,216	\$ 9,997	\$ 9,997
40	Insurance Expenses	\$ 6,064	\$ 4,358	\$ 2,114	\$ 49,077	\$ (31,142)	\$ 20,916	\$ 20,916
41	Regulatory Expenses	\$ 22,855	\$ 29,481	\$ 26,919	\$ 24,548	\$ 22,988	\$ 32,838	\$ 32,838
42	General & Administrative Expenses	\$ 40,200	\$ 41,941	\$ 53,253	\$ 63,984	\$ 96,143	\$ 78,389	\$ 78,389
43	Customer Accounts Expenses	\$ 14,100	\$ 17,176	\$ 11,229	\$ 17,594	\$ 14,896	\$ 108,942	\$ 108,942
44	Water Consumption License Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45	Taxes Other than Income Taxes	\$ 178,200	\$ 186,431	\$ 192,186	\$ 233,315	\$ 218,163	\$ 176,323	\$ 296,108
46	Depreciation	\$ 194,270	\$ 196,421	\$ 211,077	\$ 248,689	\$ 428,392	\$ 392,347	\$ 392,347
47	Amortization	\$ 4,682	\$ 4,682	\$ 4,682	\$ 4,682	\$ 4,682	\$ -	\$ -
48	Income Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 129,972
49	Diff. due to changing factors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,180
50	TOTAL EXPENSES	\$ 2,898,344	\$ 3,021,339	\$ 3,155,859	\$ 3,832,041	\$ 3,895,798	\$ 3,826,578	\$ 4,077,516
51	NET INCOME/(LOSS)	\$ (394,468)	\$ (512,586)	\$ (474,907)	\$ (536,176)	\$ (877,488)	\$ (1,065,065)	\$ 560,048

Hawaii Water Service Company
Revenue Summary
Test Year Ending December 31, 2025

Line No.		2019	2020	2021	2022	2023	Test Year Present Rates Jan 1, 2025 to Dec 31, 2025	Test Year Proposed Rates Jan 1, 2025 to Dec 31, 2025
1								
2	Water							
3	Residential							
4	Single-family customers							
5	Fixed revenue	\$ 293,011	\$ 308,741	\$ 312,185	\$ 315,543	\$ 318,676	\$ 322,763	\$ 805,175
6	Quantity Revenue	\$ 543,815	\$ 584,852	\$ 596,421	\$ 613,972	\$ 564,380	\$ 558,573	\$ 1,393,432
7	Power Cost Charge	\$ 767,285	\$ 744,813	\$ 820,598	\$ 1,112,210	\$ 973,562	\$ 922,107	\$ 910,887
8	subtotal	\$ 1,604,111	\$ 1,638,406	\$ 1,729,204	\$ 2,041,724	\$ 1,856,618	\$ 1,803,443	\$ 3,109,494
9	Multi-family							
10	Fixed revenue	\$ 21,627	\$ 22,674	\$ 22,711	\$ (24,889)	\$ 21,191	\$ 21,803	\$ 54,390
11	Quantity Revenue	\$ 194,990	\$ 200,469	\$ 208,194	\$ 226,873	\$ 214,582	\$ 219,621	\$ 547,872
12	Power Cost Charge	\$ 275,346	\$ 254,843	\$ 285,372	\$ 409,756	\$ 368,938	\$ 362,556	\$ 358,144
13	subtotal	\$ 491,963	\$ 477,986	\$ 516,277	\$ 611,740	\$ 604,712	\$ 603,979	\$ 960,406
14	Commercial							
15	Fixed revenue	\$ 11,970	\$ 15,327	\$ 21,014	\$ 23,899	\$ 19,633	\$ 13,800	\$ 34,425
16	Quantity Revenue	\$ 59,197	\$ 54,259	\$ 59,121	\$ 94,422	\$ 67,108	\$ 63,796	\$ 159,147
17	Power Cost Charge	\$ 82,763	\$ 72,233	\$ 82,111	\$ 168,505	\$ 115,707	\$ 105,316	\$ 104,034
18	subtotal	\$ 153,931	\$ 141,820	\$ 162,247	\$ 286,827	\$ 202,449	\$ 182,911	\$ 297,606
19	Public Authority							
20	Fixed revenue	\$ 3,712	\$ 3,892	\$ 3,898	\$ 3,898	\$ 3,902	\$ 3,898	\$ 9,724
21	Quantity Revenue	\$ 45,223	\$ 54,545	\$ 49,187	\$ 50,247	\$ 60,545	\$ 63,105	\$ 157,424
22	Power Cost Charge	\$ 64,002	\$ 69,333	\$ 67,530	\$ 90,598	\$ 103,509	\$ 104,176	\$ 102,908
23	subtotal	\$ 112,937	\$ 127,770	\$ 120,615	\$ 144,742	\$ 167,957	\$ 171,179	\$ 270,056
24	Irrigation							
25	Fixed revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	Quantity Revenue	\$ 35,964	\$ 32,326	\$ 43,219	\$ 37,442	\$ 45,752	\$ -	\$ -
27	Power Cost Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	subtotal	\$ 35,964	\$ 32,326	\$ 43,219	\$ 37,442	\$ 45,752	\$ -	\$ -
29	Private Fire Protection	\$ 73,592	\$ 77,145	\$ 83,228	\$ 89,031	\$ 91,302	\$ -	\$ -
30	Miscellaneous	\$ 3,661	\$ 4,297	\$ (2,642)	\$ 6,872	\$ 4,880	\$ -	\$ -
31	Unbilled Revenue / Adjustments	\$ 11,328	\$ (3,867)	\$ 15,282	\$ 25,544	\$ (12,555)	\$ -	\$ -
32	Other	\$ 16,388	\$ 12,870	\$ 13,523	\$ 51,944	\$ 57,196	\$ -	\$ -
33	TOTAL	\$ 2,503,876	\$ 2,508,754	\$ 2,680,952	\$ 3,295,865	\$ 3,018,310	\$ 2,761,513	\$ 4,637,563

Line No.	Customer Count / Volumetric measurements					Test Year		
1		2019	2020	2021	2022	2023	Present Rates	Proposed Rates
2								
3								
4	Single-family customers							
5	5/8"	2055	2081	2055	2126	2145	2,167	2,167
6	3/4"	1	1	1	1	1	1	1
7	1"	5	2	2	2	2	2	2
8	1.5"	1	1	1	1	0	0	0
9	2"	0	0	0	0	0	0	0
10	3"	0	0	0	0	0	0	0
11	4"	0	0	0	0	0	0	0
12	6"	0	0	0	0	0	0	0
13	8"	0	0	0	0	0	0	0
14	subtotal	2,062	2,085	2,059	2,130	2,148	2,170	2,170
15								
16	Usage [TG]	421,668	434,841	442,053	454,584	418,147	413,238	413,238
17	subtotal	421,668	434,841	442,053	454,584	418,147	413,238	413,238
18								
19	Multi-family							
20	5/8"	0	0	0	0	0	0	0
21	3/4"	0	0	0	0	0	0	0
22	1"	0	0	0	0	0	0	0
23	1.5"	0	0	0	0	0	0	0
24	2"	18	18	18	19	20	20	20
25	3"	1	1	1	1	1	1	1
26	4"	0	0	0	1	1	1	1
27	6"	2	2	2	1	1	1	1
28	8"	0	0	0	0	0	0	0
29	subtotal	21	21	21	22	23	23	23
30								
31	Usage [TG]	151,821	148,672	154,024	166,486	158,750	162,478	162,478
32	subtotal	151,821	148,672	154,024	166,486	158,750	162,478	162,478
33								
34	Business							
35	5/8"	4	7	4	7	8	8	8
36	3/4"	0	0	0	0	0	0	0
37	1"	3	6	6	6	6	6	6
38	1.5"	5	5	5	5	5	5	5
39	2"	7	7	9	9	9	9	9
40	3"	3	0	0	0	0	0	0
41	4"	0	0	0	1	1	1	1
42	6"	0	0	0	0	0	0	0
43	8"	0	0	0	0	0	0	0
44	subtotal	22	25	24	28	29	29	29
45								
46	Usage [TG]	45,010	37,644	30,091	44,923	43,442	47,197	47,197
47	subtotal	45,010	37,644	30,091	44,923	43,442	47,197	47,197
48								
49	Public Authority							
50	5/8"	0	0	0	0	0	0	0
51	3/4"	0	0	0	0	0	0	0
52	1"	3	3	3	3	3	3	3
53	1.5"	2	2	2	2	2	2	2
54	2"	1	1	1	1	1	1	1
55	3"	1	1	1	1	1	1	1
56	4"	0	0	0	0	0	0	0
57	6"	0	0	0	0	0	0	0
58	8"	0	0	0	0	0	0	0
59	subtotal	7	7	7	7	7	7	7
60								
61	Usage [TG]	35,328	40,417	36,389	37,173	44,792	46,686	46,686
62	subtotal	35,328	40,417	36,389	37,173	44,792	46,686	46,686
63								
64	Totals							
65	Residential Customers	2,083	2,106	2,080	2,152	2,171	2,193	2,193
66	Business Customers	22	25	24	28	29	29	29
67	Public Authority Customers	7	7	7	7	7	7	7
68	Total Usage [TG]	653,827	661,574	662,557	703,166	665,131	669,598	669,598
69								

Hawaii Water Service Company
Inflation Factors
Test Year Ending December 31, 2025

Line
No.

1	Inflation Year	Percentage	Notes
3	2019->2020	1.57%	U.S. Bureau of Labor Statistics (CPI - U)
4	2020->2021	3.78%	U.S. Bureau of Labor Statistics (CPI - U)
5	2021->2022	6.49%	U.S. Bureau of Labor Statistics (CPI - U)
6	2022->2023	3.01%	U.S. Bureau of Labor Statistics (CPI - U)
7	2023-> 2024	3.75%	Hawaii State Department of Business, Economic Development & Tourism
8	2024-> 2025	2.81%	Hawaii State Department of Business, Economic Development & Tourism

- 9 References:
U.S. Bureau of Labor Statistics
Data source: <https://data.bls.gov/timeseries/CUURS49FSA0>
Hawaii State Department of Business, Economic Development & Tourism:
Actual and Forecast of Key Economic Indicators for Hawaii
Data source: <http://dbedt.hawaii.gov/economic/qser/outlook-economy/>

Hawaii Water Service Company
Four Factor Allocations
Test Year Ending December 31, 2025

Line No.		2019	2020	2021	2022	2023	2024
1	Allocations from Big Island (Dept 720)						
2	721 - Waikoloa Water	19.91%	18.55%	20.01%	17.78%	18.46%	19.61%
3	722 - Waikoloa Sewer	14.18%	13.58%	13.50%	12.18%	11.71%	10.92%
4	723 - Waikoloa Resort Water	19.50%	19.44%	18.87%	17.76%	17.81%	17.73%
5	724 - Waikoloa Resort Sewer	23.43%	24.16%	23.69%	23.22%	21.37%	20.62%
6	725 - Waikoloa Resort Irrigation	1.12%	0.90%	0.92%	0.77%	0.74%	0.77%
7	726 - Kona Water	14.51%	15.50%	15.40%	13.66%	13.15%	14.05%
8	727 - Kona Sewer	7.34%	7.86%	7.61%	6.53%	6.27%	6.80%
9	729 - Keauhou	0.00%	0.00%	0.00%	8.10%	10.49%	9.49%
10	Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
11	Allocations from Watewater Admin (Dept 796)						
12	701 - Pukalani	20.06%	16.52%	13.81%	11.36%	11.01%	9.58%
13	705 - Kapalua Sewer	0.00%	0.00%	13.67%	5.80%	6.97%	6.97%
14	722 - Waikoloa Sewer	25.00%	24.85%	19.65%	16.26%	17.02%	13.67%
15	724 - Waikoloa Resort Sewer	41.63%	44.42%	34.99%	30.92%	31.26%	26.17%
16	727 - Kona Sewer	13.30%	14.21%	11.29%	9.04%	9.25%	8.64%
17	729 - Keauhou	0.00%	0.00%	0.00%	10.87%	15.48%	11.87%
18	742 - Kalaeloa Sewer	0.00%	0.00%	6.59%	8.44%	9.01%	10.70%
19	761 - Poipu	0.00%	0.00%	0.00%	7.32%	0.00%	12.40%
20	Total	99.99%	100.00%	100.00%	100.00%	100.00%	100.00%
21	Allocations from Hawaii General Office (790)						
22	700 - Kaanapali	21.34%	18.21%	18.39%	18.96%	18.57%	17.00%
23	701 - Pukalani	6.51%	5.22%	5.53%	5.56%	4.72%	4.42%
24	704 - Kapalua Water	0.00%	0.00%	6.26%	5.10%	5.06%	5.02%
25	705 - Kapalua Sewer	0.00%	0.00%	5.42%	2.78%	2.71%	2.91%
26	706 - Kapalua Wells Service	0.00%	0.00%	0.19%	0.19%	0.19%	0.17%
27	707 - Kapalua Ditch Service	0.00%	0.00%	0.55%	0.26%	0.39%	0.34%
28	721 - Waikoloa Water	14.21%	10.91%	11.49%	11.38%	11.35%	11.06%
29	722 - Waikoloa Sewer	10.32%	8.02%	7.98%	8.02%	7.33%	6.35%
30	723 - Waikoloa Resort Water	13.63%	12.05%	10.82%	11.31%	10.68%	9.82%
31	724 - Waikoloa Resort Sewer	16.75%	14.51%	14.02%	15.31%	13.35%	12.00%
32	725 - Waikoloa Resort Irrigation	0.84%	0.56%	0.54%	0.51%	0.46%	0.43%
33	726 - Kona Water	10.87%	9.50%	9.15%	9.10%	8.31%	7.98%
34	727 - Kona Sewer	5.52%	4.89%	4.70%	4.56%	4.13%	4.12%
35	729 - Keauhou	0.00%	0.00%	0.00%	0.00%	6.59%	5.60%
36	743 - Kalaeloa Water	0.00%	8.59%	2.73%	2.99%	2.83%	2.56%
37	742 - Kalaeloa Sewer	0.00%	7.54%	2.21%	3.97%	3.33%	4.27%
38	761 - Poipu	0.00%	0.00%	0.00%	0.00%	0.00%	5.93%
39	Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
40	Allocations from Pubco						
41	Hawaii Water	2.25%	2.35%	2.32%	2.62%	2.91%	2.91%
42	% allocation for 791000	-10.90%	-5.97%	-9.24%	-6.02%	-4.84%	-4.84%

Hawaii Water Service Company
Labor Expense
Test Year Ending December 31, 2025

Line No.		2019	2020	2021	2022	2023	Test Year Jan 1, 2025 to Dec 31, 2025
3	Expenses						
4	Payroll:						
5	Operating Labor	\$ 425,541	\$ 419,504	\$ 387,883	\$ 342,684	\$ 465,648	\$ 451,931
6	Total Payroll	\$ 425,541	\$ 419,504	\$ 387,883	\$ 342,684	\$ 465,648	\$ 451,931
7	Employee Benefits						
8	Health Care Benefits (Medical and Dental)	\$ 235,704	\$ 248,836	\$ 212,825	\$ 208,930	\$ 187,753	\$ 122,844
9	Workers Compensation	\$ 18,314	\$ (4,454)	\$ 6,340	\$ 5,309	\$ 13,349	\$ 12,790
10	Pension	\$ 108,280	\$ 139,390	\$ 117,979	\$ 107,233	\$ 83,843	\$ 138,580
11	Total Employee Benefits	\$ 362,298	\$ 383,772	\$ 337,144	\$ 321,472	\$ 284,944	\$ 274,214
12	Payroll Taxes						
13	FICA	\$ 29,334	\$ 26,300	\$ 31,459	\$ 28,057	\$ 41,065	\$ 39,744
14	FUTA	\$ 216	\$ 192	\$ 236	\$ 187	\$ 265	\$ 2,627
15	SUTA	\$ 249	\$ 396	\$ 906	\$ 1,357	\$ 5,444	\$ 19,568
16	Total payroll taxes	\$ 29,799	\$ 26,888	\$ 32,601	\$ 29,601	\$ 46,775	\$ 61,939
17	Total Labor Expenses	\$ 817,638	\$ 830,164	\$ 757,628	\$ 693,757	\$ 797,367	\$ 788,084

Hawaii Water Service Company
Fuel & Power
Test Year Ending December 31, 2025

Line No.		2019	2020	2021	2022	2023	Test Year Jan 1, 2025 to Dec 31, 2025
3	Expenses [\$]						
4	Electricity						
5	Waikoloa Deep Well #1 Pump	\$ 787,095	\$ 561,457	\$ 462,219	\$ 1,224,819	\$ 1,338,607	\$ 979,079
6	Waikoloa Deep Well #2 Pump	\$ 78,082	\$ 303,892	\$ 525,740	\$ 340,155	\$ 427,078	\$ 460,704
7	Waikoloa Deep Well #3 Pump	\$ 380,133	\$ 178,974	\$ 318,469	\$ 86,425	\$ 417,479	\$ 292,122
8	Waikoloa Deep Well #4 Pump	\$ 130,143	\$ 109,029	\$ 225,494	\$ 109,596	\$ 404,098	\$ 250,482
9	Waikoloa Deep Well #5 Pump	\$ 197,428	\$ 86,260	\$ 131,619	\$ 571,068	\$ 49,535	\$ 207,564
10	Waikoloa Deep Well #6 Pump	\$ 819,399	\$ 713,833	\$ 593,906	\$ 962,257	\$ 289,492	\$ 617,103
11	Waikoloa Deep Well #7 Pump	\$ 902,381	\$ 838,234	\$ 843,815	\$ 573,892	\$ 465,497	\$ 648,845
12	Waikoloa Deep Well #8 Pump	\$ -	\$ 110,381	\$ 369,691	\$ 1,036,099	\$ 1,060,305	\$ 811,987
13	Waikoloa Well #1 Aux	\$ 805	\$ 1,461	\$ 2,679	\$ 3,397	\$ 3,265	\$ 2,346
14	Waikoloa Well #2 Aux	\$ 1,666	\$ 1,597	\$ 1,657	\$ 1,942	\$ 1,756	\$ 1,187
15	Waikoloa Well #3 Aux	\$ 806	\$ 632	\$ 616	\$ 2,846	\$ 654	\$ 118
16	Waikoloa Well #6 Aux	\$ 2,225	\$ 2,304	\$ 2,905	\$ 2,846	\$ 3,100	\$ 2,252
17	Waikoloa Well #7 Aux	\$ 992	\$ 935	\$ 1,058	\$ 2,530	\$ 2,209	\$ 1,259
18	Waikoloa Well #8 Aux	\$ -	\$ 5,557	\$ 5,018	\$ 5,676	\$ 7,690	\$ 5,028
19	Waikoloa Rd Schedule Q	\$ -	\$ -	\$ 1,406	\$ 1,250	\$ 969	\$ 432
20	Allocated to WHUC Water	\$ (2,126,312)	\$ (1,779,236)	\$ (2,212,818)	\$ (3,133,334)	\$ (2,855,737)	\$ (2,735,672)
21	subtotal	\$ 1,174,842	\$ 1,135,309	\$ 1,273,475	\$ 1,791,464	\$ 1,615,995	\$ 1,544,835
22	Fuel for Power Production	\$ -	\$ 241	\$ 6,811	\$ -	\$ -	\$ -
23	Total Expense	\$ 1,174,842	\$ 1,135,309	\$ 1,273,475	\$ 1,791,464	\$ 1,615,995	\$ 1,544,835
24	Units of consumption [kWh]						
25	Electricity						
26	Waikoloa Deep Well #1 Pump	2,593,600	1,818,400	1,156,800	3,075,200	3,652,000	2,628,000
27	Waikoloa Deep Well #2 Pump	153,600	1,054,500	1,747,800	832,500	1,129,500	1,236,600
28	Waikoloa Deep Well #3 Pump	1,232,100	588,300	1,080,600	173,700	1,098,000	784,100
29	Waikoloa Deep Well #4 Pump	393,200	332,400	739,600	206,400	1,071,000	672,333
30	Waikoloa Deep Well #5 Pump	645,200	226,600	337,600	1,331,800	2,000	557,133
31	Waikoloa Deep Well #6 Pump	2,840,700	2,641,800	1,957,800	2,385,000	626,400	1,656,400
32	Waikoloa Deep Well #7 Pump	3,130,500	3,163,200	2,921,400	1,311,000	992,400	1,741,600
33	Waikoloa Deep Well #8 Pump	0	398,100	1,091,400	2,538,000	2,909,100	2,179,500
34	Waikoloa Well #1 Aux	1,076	3,071	6,207	6,344	6,341	6,297
35	Waikoloa Well #2 Aux	3,443	3,427	3,385	3,232	2,940	3,186
36	Waikoloa Well #3 Aux	984	269	313	276	363	317
37	Waikoloa Well #6 Aux	4,975	5,456	6,954	5,227	5,954	6,045
38	Waikoloa Well #7 Aux	1,586	1,501	1,695	4,489	3,951	3,378
39	Waikoloa Well #8 Aux	0	16,122	12,699	11,209	16,578	13,495
40	Waikoloa Rd Schedule Q	0	0	2,400	950	130	1,160
41	subtotal	11,000,964	10,253,146	11,066,653	11,885,327	11,516,657	11,489,546
42	Unit Cost [\$ / kWh]	\$ 0.3001	\$ 0.2843	\$ 0.3150	\$ 0.4144	\$ 0.3883	\$ 0.3726

Hawaii Water Service Company
Power Cost Charge
Test Year Ending December 31, 2025

Line
No.

1		Present Rate	TY Expense [\$]			
2	Power Cost	\$ 1,544,835	\$ 1,544,835			
3	Revenue Tax	\$ 98,638	\$ 98,638			
4	Revenues w/o PCC	\$ 1,267,359	\$ 2,994,090			
5	Power Cost + Revenues	\$ 2,910,832	\$ 4,637,563			
6		TY Expense (\$)	TY Power Consumed (kWh)	3 Year Avg Production (TG)	Pump Efficiency (kWh / TG)	Electricity Unit Cost (\$ / kWh)
7	Waikoloa Deep Well #1 Pump	979,079	2,628,000	507,663	5.1767	0.3726
8	Waikoloa Deep Well #2 Pump	460,704	1,236,600	217,116	5.6956	0.3726
9	Waikoloa Deep Well #3 Pump	292,122	784,100	134,369	5.8354	0.3726
10	Waikoloa Deep Well #4 Pump	250,482	672,333	113,254	5.9365	0.3726
11	Waikoloa Deep Well #5 Pump	207,564	557,133	97,069	5.7396	0.3726
12	Waikoloa Deep Well #6 Pump	617,103	1,656,400	302,531	5.4751	0.3726
13	Waikoloa Deep Well #7 Pump	648,845	1,741,600	305,357	5.7035	0.3726
14	Waikoloa Deep Well #8 Pump	811,987	2,179,500	382,462	5.6986	0.3726
15	Total	4,267,886	11,455,667	2,059,821	5.5615	0.3726
16	Present Rate Calculation					
17	Revenue Tax Factor	1.0639				
18	Pump Efficiency Factor [kWh / TG]	5.63				
19	Power Cost Charge [\$ / TG]	2.10				
20	PCC Revenue	\$ 1,494,154				
21	Proposed Rate Calculation					
22	Revenue Tax Factor	1.06385				
23	Pump Efficiency Factor [kWh / TG]	5.5615				
24	Power Cost Charge [\$ / TG]	2.07				
25	PCC Revenue	\$ 1,475,974				

Hawaii Water Service Company
Chemicals
Test Year Ending December 31, 2025

Line
No.

Test Year
Jan 1, 2025 to
Dec 31, 2025

1	Description	2019	2020	2021	2022	2023		
2	Chemicals	15,178	21,341	22,363	25,158	34,311	\$	27,277
3	subtotal	\$ 15,178	\$ 21,341	\$ 22,363	\$ 25,158	\$ 34,311	\$	27,277
4	In 2025 Dollars							
5	Chemicals	\$ 18,720	\$ 25,915	\$ 26,166	\$ 27,643	\$ 36,599	\$	30,136
6	Total	\$ 18,720	\$ 25,915	\$ 26,166	\$ 27,643	\$ 36,599	\$	30,136

Hawaii Water Service Company
Materials & Supplies
Test Year Ending December 31, 2025

Line
No.

1	Description	2019	2020	2021	2022	2023	Test Year Jan 1, 2025 to Dec 31, 2025
2	Direct Charge to WHWC						
3	Treatment and Disposal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Water Treatment and Water Quality	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Transmission & Distribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Collection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	Pumping	\$ -	\$ -	\$ 29	\$ -	\$ -	\$ 10
8	subtotal	\$ -	\$ -	\$ 29	\$ -	\$ -	\$ 10
9	Allocated From HWSC to WHWC						
10	Treatment and Disposal	\$ 12	\$ -	\$ -	\$ -	\$ 29	\$ 10
11	Water Treatment and Water Quality	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Transmission & Distribution	\$ -	\$ 57	\$ -	\$ -	\$ -	\$ -
13	Collection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	Pumping	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	subtotal	\$ 12	\$ 57	\$ -	\$ -	\$ 29	\$ 10
16	Direct and Allocated Professional & Outside Services						
17	Treatment and Disposal	\$ 12	\$ -	\$ -	\$ -	\$ 29	\$ 10
18	Water Treatment and Water Quality	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	Transmission & Distribution	\$ -	\$ 57	\$ -	\$ -	\$ -	\$ -
20	Collection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	Pumping	\$ -	\$ -	\$ 29	\$ -	\$ -	\$ 10
22	subtotal	\$ 12	\$ 57	\$ 29	\$ -	\$ 29	\$ 20
23	In 2025 Dollars						
24	Treatment and Disposal	\$ 15	\$ -	\$ -	\$ -	\$ 31	\$ 10
25	Water Treatment and Water Quality	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	Transmission & Distribution	\$ -	\$ 70	\$ -	\$ -	\$ -	\$ -
27	Collection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	Pumping	\$ -	\$ -	\$ 34	\$ -	\$ -	\$ 11
29	Total	\$ 15	\$ 70	\$ 34	\$ -	\$ 31	\$ 22

Hawaii Water Service Company
Waste/Sludge Disposal
Test Year Ending December 31, 2025

Line
No.

1	Description	2019	2020	2021	2022	2023	Test Year Jan 1, 2025 to Dec 31, 2025
2	Sludge Removal	\$ -	\$ -	\$ -	\$ 4	\$ 5	\$ 3
3	subtotal	\$ -	\$ -	\$ -	\$ 4	\$ 5	\$ 3
4	In 2025 Dollars						
5	Sludge Removal	\$ -	\$ -	\$ -	\$ 5	\$ 5	\$ 3
6	Total	\$ -	\$ -	\$ -	\$ 5	\$ 5	\$ 3

Hawaii Water Service Company
Affiliated Charges
Test Year Ending December 31, 2025

Line No.							Test Year Jan 1, 2025 to Dec 31, 2025
1	Description	2019	2020	2021	2022	2023	
2	PubCo	\$ 170,803	\$ 152,508	\$ 160,974	\$ 199,013	\$ 229,373	\$ 156,146
3	Total	\$170,803	\$152,508	\$160,974	\$199,013	\$229,373	\$ 156,146
4	Allocated to Hawaii Water Service Co						
5	PubCo	\$ 1,201,657	\$ 1,397,832	\$ 1,401,146	\$ 1,749,265	\$ 2,020,235	\$ 1,723,549
6	PubCo Allocation	\$ 170,803	\$ 152,508	\$ 160,974	\$ 199,013	\$ 229,373	\$ 190,697
7	Adjustment for Account 791000	\$ (18,611)	\$ (9,107)	\$ (14,870)	\$ (11,973)	\$ (11,102)	\$ (12,648)
8	Adjusted Allocation	\$ 152,192	\$ 143,401	\$ 146,104	\$ 187,040	\$ 218,272	\$ 178,049
9	Insurance Expense (PubCo)	\$ 4,593,461	\$ 6,385,049	\$ 7,952,231	\$ 7,670,343	\$ 6,550,128	
10	Allocation factor to Hawaii Water	2.25%	2.35%	2.32%	2.62%	2.91%	
11	Allocated to Hawaii Water	\$ 103,389	\$ 150,026	\$ 184,282	\$ 201,076	\$ 190,776	
12	Allocated to WHWC	\$ 14,696	\$ 16,368	\$ 21,172	\$ 22,876	\$ 21,660	\$ (21,903)
13	Allocation less allocated insurance (line 8 minus line 12)	\$ 137,497	\$ 127,032	\$ 124,932	\$ 164,164	\$ 196,611	\$ 156,146

Hawaii Water Service Company
Professional and Outside Services
Test Year Ending December 31, 2025

Line No.	Description	2019	2020	2021	2022	2023	Test Year Jan 1, 2025 to Dec 31, 2025
2	Direct Charge to WHWC						
3	Legal Expense	\$ 1,320	\$ 183	\$ -	\$ -	\$ -	\$ -
4	Other Outside Services	\$ 6,142	\$ 6,243	\$ 5,335	\$ 4,503	\$ 6,249	\$ 5,362
5	Training Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Auditors and Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	subtotal	\$ 7,463	\$ 6,426	\$ 5,335	\$ 4,503	\$ 6,249	\$ 5,362
8	Allocated From HWSC to WHWC						
9	Legal Expense	\$ 636	\$ 4,040	\$ 1,779	\$ 3,237	\$ (669)	\$ 1,449
10	Other Outside Services	\$ (13,210)	\$ 3,963	\$ 10,048	\$ 491	\$ 1,178	\$ 3,906
11	Auditors and Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Auditors and Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	subtotal	\$ (12,573)	\$ 8,003	\$ 11,827	\$ 3,729	\$ 510	\$ 5,355
14	Direct and Allocated Professional & Outside Services						
15	Legal Expense	\$ 1,957	\$ 4,223	\$ 1,779	\$ 3,237	\$ (669)	\$ 1,449
16	Other Outside Services	\$ (7,067)	\$ 10,206	\$ 15,383	\$ 4,994	\$ 7,427	\$ 9,268
17	Auditors and Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Auditors and Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	subtotal	\$ (5,111)	\$ 14,429	\$ 17,162	\$ 8,232	\$ 6,759	\$ 10,717
20	In 2025 Dollars						
21	Legal Expense	\$ 2,413	\$ 5,129	\$ 2,081	\$ 3,557	\$ (713)	\$ 1,642
22	Other Outside Services	\$ (8,717)	\$ 12,393	\$ 18,000	\$ 5,488	\$ 7,923	\$ 10,470
23	Auditors and Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Auditors and Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Total	\$ (6,303)	\$ 17,522	\$ 20,081	\$ 9,045	\$ 7,210	\$ 12,112

Hawaii Water Service Company
Repairs & Maintenance
Test Year Ending December 31, 2025

Line No.	Description	2019	2020	2021	2022	2023	Test Year Jan 1, 2025 to Dec 31, 2025
2	Direct Charge to WHWC						
3	Source of Supply	\$ 12,232	\$ 16,851	\$ 39,817	\$ 43,785	\$ 32,332	\$ 38,645
4	Pumping	\$ (82,643)	\$ (63,441)	\$ (61,990)	\$ (76,360)	\$ (80,878)	\$ (73,076)
5	Treatment and Disposal	\$ 2,071	\$ 24,270	\$ 19,372	\$ 25,275	\$ 38,209	\$ 27,619
6	Transmission & Distribution	\$ (27,424)	\$ 23,803	\$ 29,631	\$ 10,897	\$ 62,593	\$ 34,374
7	A&G	\$ 218,882	\$ 209,260	\$ 189,155	\$ 240,645	\$ 161,239	\$ 197,013
8	Mileage	\$ 20,510	\$ 25,839	\$ 37,116	\$ 32,085	\$ 40,306	\$ 36,502
9	less chemicals	\$ (15,178)	\$ (21,341)	\$ (22,363)	\$ (25,158)	\$ (34,311)	\$ (27,277)
10	less materials & supplies	\$ -	\$ -	\$ (29)	\$ -	\$ -	\$ (10)
11	less waste disposal	\$ -	\$ -	\$ -	\$ (4)	\$ (5)	\$ (3)
12	subtotal	\$ 128,450	\$ 215,239	\$ 230,710	\$ 251,165	\$ 219,485	\$ 233,787
13	Allocated From HWSC to WHWC						
14	Source of Supply	\$ -	\$ 92	\$ 507	\$ -	\$ 13	\$ 173
15	Pumping	\$ 128	\$ (198)	\$ 695	\$ (626)	\$ 1,226	\$ 432
16	Treatment and Disposal	\$ (511)	\$ 2,589	\$ 4,304	\$ 2,600	\$ 5,634	\$ 4,179
17	Transmission & Distribution	\$ 6,064	\$ 6,169	\$ 4,513	\$ 13,811	\$ 37,361	\$ 18,561
18	A&G	\$ 101,097	\$ 128,637	\$ 141,695	\$ 167,650	\$ 144,017	\$ 151,121
19	Mileage	\$ 16,269	\$ 12,337	\$ 17,797	\$ 17,425	\$ 24,944	\$ 20,055
20	less materials & supplies	\$ (12)	\$ (57)	\$ -	\$ -	\$ (29)	\$ (10)
21	subtotal	\$ 123,034	\$ 149,570	\$ 169,511	\$ 200,860	\$ 213,164	\$ 194,512
22	Direct and Allocated Repairs & Maintenance						
23	Source of Supply	\$ 12,232	\$ 16,943	\$ 40,324	\$ 43,785	\$ 32,345	\$ 38,818
24	Pumping	\$ (82,515)	\$ (63,639)	\$ (61,295)	\$ (76,986)	\$ (79,652)	\$ (72,644)
25	Treatment and Disposal	\$ 1,560	\$ 26,859	\$ 23,676	\$ 27,875	\$ 43,843	\$ 31,798
26	Transmission & Distribution	\$ (21,360)	\$ 29,972	\$ 34,144	\$ 24,708	\$ 99,954	\$ 52,935
27	A&G	\$ 319,979	\$ 337,897	\$ 330,850	\$ 408,295	\$ 305,256	\$ 348,134
28	Mileage	\$ 36,779	\$ 38,175	\$ 54,913	\$ 49,510	\$ 65,249	\$ 56,558
29	less chemicals	\$ (15,178)	\$ (21,341)	\$ (22,363)	\$ (25,158)	\$ (34,311)	\$ (27,277)
30	less materials & supplies	\$ (12)	\$ (57)	\$ (29)	\$ -	\$ (29)	\$ (20)
31	less waste disposal	\$ -	\$ -	\$ -	\$ (4)	\$ (5)	\$ (3)
32	subtotal	\$ 251,484	\$ 364,809	\$ 400,220	\$ 452,025	\$ 432,650	\$ 428,298
33	In 2025 Dollars						
34	Source of Supply	\$ 15,086	\$ 20,574	\$ 47,182	\$ 48,110	\$ 34,501	\$ 43,265
35	Pumping	\$ (101,772)	\$ (77,277)	\$ (71,719)	\$ (84,591)	\$ (84,963)	\$ (80,425)
36	Treatment and Disposal	\$ 1,924	\$ 32,615	\$ 27,703	\$ 30,628	\$ 46,767	\$ 35,033
37	Transmission & Distribution	\$ (26,345)	\$ 36,395	\$ 39,951	\$ 27,149	\$ 106,618	\$ 57,906
38	A&G	\$ 394,653	\$ 410,308	\$ 387,120	\$ 448,629	\$ 325,609	\$ 387,119
39	Mileage	\$ 45,362	\$ 46,356	\$ 64,252	\$ 54,401	\$ 69,600	\$ 62,751
40	less chemicals	\$ (18,720)	\$ (25,915)	\$ (26,166)	\$ (27,643)	\$ (36,599)	\$ (30,136)
41	less materials & supplies	\$ (15)	\$ (70)	\$ (34)	\$ -	\$ (31)	\$ (22)
42	less waste disposal	\$ -	\$ -	\$ -	\$ (5)	\$ (5)	\$ (3)
43	Total	\$ 310,174	\$ 442,987	\$ 468,288	\$ 496,678	\$ 461,498	\$ 475,488

Hawaii Water Service Company
Rents
Test Year Ending December 31, 2025

Line No.	Description	2018	2019	2020	2021	2022	2023	Test Year Jan 1, 2025 to Dec 31, 2025
2	Waikoloa Office	\$ 13,724	\$ 13,138	\$ 22,289	\$ 22,548	\$ 20,499	\$ 25,216	\$ 9,997
3	Total	\$ 13,724	\$ 13,138	\$ 22,289	\$ 22,548	\$ 20,499	\$ 25,216	\$ 9,997
4	Hawaii Water General Office Rent (Waikoloa Office)	Monthly Base Rent	Months Effective in Test Year	Annual Base Rent	Monthly CAM* Rate [\$ / sf]	SQ. Feet	GET	Test Year Rent
5	Feb 1, 2024 - Jan 31, 2025	\$ 5,144	1	\$ 5,144			4.7120%	\$ 5,386
6	Feb 1, 2025 - Jan 31, 2026	\$ 5,247	11	\$ 57,712			4.7120%	\$ 60,432
7	Common Area Maintenance (throughout)	\$ 1,953	12	\$ 23,436	\$ 0.93	2100	4.7120%	\$ 24,540
8	Total Waikoloa Office Rent							\$ 90,358
9	4-Factor Allocation to WHWC							11.06%
10	Rent Allocation to WHWC							\$ 9,997

Hawaii Water Service Company
Insurance Expenses
Test Year Ending December 31, 2025

Line No.			2019	2020	2021	2022	2023	Test Year Jan 1, 2025 to Dec 31, 2025
1	Description							
2	Direct Charge to WHWC							
3	Liability Insurance - General, Auto, Umbrella, and etc	see (1) below	\$ 444	\$ 95	\$ -	\$ 2,734	\$ 156	
4	subtotal		\$ 444	\$ 95	\$ -	\$ 2,734	\$ 156	\$ -
5	Allocated From HWSC to WHWC							
6	Liability Insurance - General, Auto, Umbrella, and etc		\$ 5,619	\$ 4,263	\$ 2,114	\$ 46,343	\$ (31,298)	
7	subtotal		\$ 5,619	\$ 4,263	\$ 2,114	\$ 46,343	\$ (31,298)	\$ -
8	Direct and Allocated Insurance							
9	Liability Insurance - General, Auto, Umbrella, and etc		\$ 6,064	\$ 4,358	\$ 2,114	\$ 49,077	\$ (31,142)	\$ 20,916
10	Total		\$ 6,064	\$ 4,358	\$ 2,114	\$ 49,077	\$ (31,142)	\$ 20,916
11	(1) Test year expense based on Marsh Insurance quotation and allocated to WHWC using a four-factor allocation methodology							
12	Total Company Ins. Quote	\$6,496,151						
13	4-factor allocation to Hawaii	2.91%						
14	4-factor allocation to WHWC	11.06%						
15	Total (12 x 13 x 14)	\$ 20,916						

Hawaii Water Service Company
Regulatory Expenses
Test Year Ending December 31, 2025

Line No.

1		Test
2	Description	Year
3	PREPARATION AND FILING	
4	Regulatory Labor	\$ 3,829
5	Legal	\$ 10,134
6	Consultant	\$ 50,912
7	Other non-labor	\$ 845
8	subotal	\$ 65,720
9	DISCOVERY AND SETTLEMENT	
10	Regulatory Labor	\$ 6,700
11	Legal	\$ 23,647
12	Consultant	\$ 10,303
13	Travel	\$ 1,865
14	Other non-labor	\$ 845
15	subotal	\$ 43,359
16	HEARINGS AND BRIEFING	
17	Regulatory Labor	\$ 2,871
18	Legal	\$ 11,823
19	Consultant	\$ 5,152
20	Travel	\$ 1,582
21	Other non-labor	\$ 845
22	subotal	\$ 22,273
23	Total	\$ 131,352
24	Amortization Period	4
25	Test Year expense (Ln21/Ln22)	\$ 32,838

Hawaii Water Service Company
Regulatory Expenses
Test Year Ending December 31, 2025

Line
No.

1	Description	2019	2020	2021	2022	2023	Test Year Jan 1, 2025 to Dec 31, 2025
2	Direct Charge to WHWC						
3	Regulatory Expense	\$ 22,694	\$ 25,238	\$ 24,772	\$ 23,053	\$ 20,613	\$ 32,838
4	subtotal	\$ 22,694	\$ 25,238	\$ 24,772	\$ 23,053	\$ 20,613	\$ 32,838
5	Allocated From HWSC to WHWC						
6	Regulatory Expense	\$ 161	\$ 4,243	\$ 2,147	\$ 1,495	\$ 2,375	
7	subtotal	\$ 161	\$ 4,243	\$ 2,147	\$ 1,495	\$ 2,375	\$ -
8	Direct and Allocated Regulatory						
9	Regulatory Expense	\$ 22,855	\$ 29,481	\$ 26,919	\$ 24,548	\$ 22,988	\$ 32,838
10	Total	\$ 22,855	\$ 29,481	\$ 26,919	\$ 24,548	\$ 22,988	\$ 32,838

Hawaii Water Service Company
General & Administrative Expenses
Test Year Ending December 31, 2025

Line No.	Description						Test Year
		2019	2020	2021	2022	2023	Jan 1, 2025 to Dec 31, 2025
2	Direct Charge to WHWC						
3	Office Supplies	\$ 3,964	\$ 6,259	\$ 2,688	\$ 4,515	\$ 4,822	\$ 4,009
4	Misc G&A	\$ 1,879	\$ 864	\$ 1,082	\$ 1,445	\$ 2,498	\$ 1,675
5	subtotal	\$ 5,843	\$ 7,123	\$ 3,770	\$ 5,961	\$ 7,321	\$ 5,684
6	Allocated from HWSC to WHWC						
7	Office Supplies	\$ 23,643	\$ 30,649	\$ 42,676	\$ 49,085	\$ 76,327	\$ 56,029
8	Misc G&A	\$ 10,714	\$ 4,169	\$ 6,807	\$ 8,939	\$ 12,495	\$ 9,414
9	subtotal	\$ 34,357	\$ 34,818	\$ 49,483	\$ 58,024	\$ 88,822	\$ 65,443
10	Direct and Allocated General & Adminsitrative						
11	Office Supplies	\$ 27,607	\$ 36,908	\$ 45,364	\$ 53,600	\$ 81,150	\$ 60,038
12	Misc G&A	\$ 12,593	\$ 5,033	\$ 7,889	\$ 10,384	\$ 14,993	\$ 11,089
13	Total General & Administrative	\$ 40,200	\$ 41,941	\$ 53,253	\$ 63,984	\$ 96,143	\$ 71,127
14	In 2025 Dollars						
15	Office Supplies	\$ 34,049	\$ 44,818	\$ 53,079	\$ 58,895	\$ 86,560	\$ 66,178
16	Misc G&A	\$ 15,532	\$ 6,111	\$ 9,230	\$ 11,410	\$ 15,993	\$ 12,211
17	Total	\$ 49,581	\$ 50,929	\$ 62,310	\$ 70,305	\$ 102,553	\$ 78,389

Hawaii Water Service Company
Customer Accounts Expenses
Test Year Ending December 31, 2025

Line No.						Test Year Jan 1, 2025 to Dec 31, 2025
1	Description	2019	2020	2021	2022	2023
2	Direct Charge to WHWC					
3	Customer Accounts Exp.	\$ 1,642	\$ 5,096	\$ 3,420	\$ 10,781	\$ 7,179
4	subtotal	\$ 1,642	\$ 5,096	\$ 3,420	\$ 10,781	\$ 7,179
5	less uncollectible	\$ -	\$ -	\$ -	\$ -	\$ -
6	subtotal	\$ 1,642	\$ 5,096	\$ 3,420	\$ 10,781	\$ 7,179
7	Allocated From HWSC to WHWC					
8	Customer Accounts Exp.	\$ 12,458	\$ 12,080	\$ 7,808	\$ 6,813	\$ 7,718
9	subtotal	\$ 12,458	\$ 12,080	\$ 7,808	\$ 6,813	\$ 7,718
10	Direct and Allocated Customer Accounts					
11	Customer Accounts Exp.	\$ 14,100	\$ 17,176	\$ 11,229	\$ 17,594	\$ 14,896
12	Total Customer Accounts	\$ 14,100	\$ 17,176	\$ 11,229	\$ 17,594	\$ 14,896
13	In 2025 Dollars					
14	Customer Accounts Exp.	\$ 17,391	\$ 20,857	\$ 13,138	\$ 19,332	\$ 15,889
15	Conservation					\$ 92,822
16	add estimated uncollectible for test year					\$ -
17	Total	\$ 17,391	\$ 20,857	\$ 13,138	\$ 19,332	\$ 15,889

Hawaii Water Service Company
Taxes Other Than Income Taxes
Test Year Ending December 31, 2025

Line No.		Revenues at Present Rates	Revenues at Proposed Rates	Tax Rates	Taxes at Present Rates	Taxes at Proposed Rates
1						
2						
3	Revenue Taxes					
4						
5	Public Company Service Tax	\$ 2,761,513	\$ 4,637,563	5.885%	\$ 162,515	\$ 272,921
6	(Pursuant to HRS § 239)					
7	Public Utility Fee	\$ 2,761,513	\$ 4,637,563	0.500%	\$ 13,808	\$ 23,188
8	(Pursuant to HRS § 269-30)					
9	Total Revenue Taxes				\$ 176,323	\$ 296,108
10	Total Taxes Other Than Income Taxes				\$ 176,323	\$ 296,108

Hawaii Water Service Company
Income Tax Expense
Test Year Ending December 31, 2025

Line
No.

		At Present Rates	At Proposed Rates
1	Total Revenues	\$ 2,761,513	\$ 4,637,563
2	Total Operations & Maintenance Expenses	\$ 3,257,908	\$ 3,257,908
3	Depreciation	\$ 392,347	\$ 392,347
4	Amortization	\$ -	\$ -
5	Taxes Other than Income Taxes	\$ 176,323	\$ 296,108
6	Total Operating Expenses	\$ 3,826,578	\$ 3,946,364
7	Operating Income before Income Taxes	\$ (1,065,065)	\$ 691,199
8	Interest Expenses	\$ 82,349	\$ 82,349
9	State taxable Income	\$ (1,147,414)	\$ 608,851
		Less:	
10	State income Tax	Tax Rates	
11	less than \$25K	4.4000%	\$ 1,100
	Over \$25K, but less than \$100K	5.4000%	
12			\$ 4,050
13	Over \$100K	6.4000%	\$ 32,566
14	Less Hawaii Capital Goods Excise Tax Credit		\$ (33,548)
15	Federal taxable income	\$ (1,147,414)	\$ 604,682
16	Federal income tax		
17	Over \$1	21.0%	\$ 126,983
18	Less DTL Amortization		\$ (1,180)
19	Total Federal and State income taxes	\$ -	\$ 129,972
20	Effective Tax Rate	0.000%	21.347%
21	State	0.000%	0.685%
22	Federal	0.0000%	21.0000%

Hawaii Water Service Company
Results of Operations at Present and Proposed Rates
Test Year Ending December 31, 2025

Line No.	(1) Pro Forma for Year Ended December 31, 2023	(2) Proposed Increase	(3) Proposed Rates (8.01%)
1			
2	Present Rates	Proposed Increase	Proposed Rates (8.01%)
3			
4 Residential	\$ 1,118,829	\$ 1,682,040	\$ 2,800,869
5 Commercial	\$ 86,741	\$ 106,831	\$ 193,572
6 Public Authority	\$ 64,447	\$ 102,701	\$ 167,148
7 Other	\$ 186,575	\$ (186,575)	\$ -
8 Power Charge Cost	\$ 1,561,717	\$ (85,742)	\$ 1,475,974
9 Total Operating Revenues	\$ 3,018,310	\$ 1,619,254	\$ 4,637,563
10 Labor Expenses	\$ 797,367	\$ -	\$ 797,367
11 Fuel & Power	\$ 1,615,995	\$ -	\$ 1,615,995
12 Chemicals	\$ 34,311	\$ -	\$ 34,311
13 Materials & Supplies	\$ -	\$ -	\$ -
14 Waste/Sludge Disposal	\$ 5	\$ -	\$ 5
15 Affiliated Charges	\$ 229,373	\$ -	\$ 229,373
16 Professional and Outside Services	\$ 6,759	\$ -	\$ 6,759
17 Repairs & Maintenance	\$ 432,650	\$ -	\$ 432,650
18 Rental Expenses	\$ 25,216	\$ -	\$ 25,216
19 Insurance Expenses	\$ (31,142)	\$ -	\$ (31,142)
20 Regulatory Expenses	\$ 22,988	\$ -	\$ 22,988
21 General & Administrative Expenses	\$ 96,143	\$ -	\$ 96,143
22 Customer Accounts Expenses	\$ 14,896	\$ -	\$ 14,896
23 Water Consumption License Fee	\$ -	\$ -	\$ -
24 Total O&M Expenses	\$ 3,244,560	\$ -	\$ 3,244,560
25 Taxes Other than Income Taxes	\$ 218,163	\$ -	\$ 218,163
26 Depreciation	\$ 428,392	\$ -	\$ 428,392
27 Amortization	\$ 4,682	\$ -	\$ 4,682
28 Income Taxes	\$ -	\$ 443,676	\$ 443,676
29 Diff. due to changing factors	\$ -	\$ -	\$ -
30 Total Operating Expenses	\$ 3,895,798	\$ 443,676	\$ 4,339,473
31 Operating Income	\$ (877,488)	\$ 1,175,578	\$ 298,090
32 Rate Base	\$ 6,528,828	\$ -	\$ 6,528,828
33 Return on Rate Base	-13.44%		4.57%

HAWAII WATER SERVICE COMPANY
PROJECTED RATE OF RETURN

Line
No.

	PRO FORMA AVERAGE CAPITAL			RATE OF RETURN
	AMOUNT	RATIO	EFF. RATE	
1				
2				
3				
4	<u>Estimated Average Rate of Return 2025</u>			
5	Long-Term Debt	\$ 3,258,201	46.60%	5.42%
6	Common Stock	3,733,647	53.40%	10.27%
7		6,991,849	100.00%	8.01%

Hawaii Water Service Company
Phase-in Schedule
Test Year Ending December 31, 2025

Line No.

1	<u>Revenue Requirement</u>	<u>Present Rates</u>	<u>Incremental</u>	<u>Proposed Rates</u>	<u>% Increase</u>
2	No Phase-in		\$ -		#DIV/0!
3	Year 1 (2023)	\$ -	\$ -	\$ -	#DIV/0!
4	Year 2 (2024)	\$ -	\$ -	\$ -	#DIV/0!

See Exhibit WU-T-604-WHWC sponsored by Witness Greg Shimansky for Phase In calculations

Hawaii Water Service Company

Results of Operations at Present and Proposed Rates

Test Year Ending December 31, 2025

Revenue Requirement	Split	Present Revenue	Incremental	Proposed Revenue Split	Proposed Revenue	+/- Rev. Req.
Fixed	28.6%	\$ 362,264	\$ 541,449	28.6%	\$ 903,713	\$ -
Quantity	71.4%	\$ 905,095	\$ 1,352,780	71.4%	\$ 2,257,876	\$ -
Power Cost Charge		\$ 1,494,154	\$ (18,180)		\$ 1,475,974	
Total	100.0%	\$ 2,761,513	\$ 1,876,050		\$ 4,637,563	\$ -

	Revenue
Non-PCC Revenue	\$ 3,161,589

Current Ratio	Meter Size	Present Rates	Proposed Rates	Present Customer Count	Proposed Customer Count	Present Revenue	Proposed Revenue
1.00	5/8"	\$ 12.39	\$ 30.90	2,175	2,175	\$ 323,234	\$ 806,349
1.00	3/4"	\$ 12.39	\$ 30.90	1	1	\$ 149	\$ 371
1.92	1"	\$ 23.74	\$ 59.21	11	11	\$ 3,133	\$ 7,816
3.36	1 1/2"	\$ 41.64	\$ 103.88	7	7	\$ 3,498	\$ 8,726
4.58	2"	\$ 56.78	\$ 141.64	30	30	\$ 20,441	\$ 50,992
9.17	3"	\$ 113.56	\$ 283.29	2	2	\$ 2,725	\$ 6,799
15.28	4"	\$ 189.25	\$ 472.11	2	2	\$ 4,542	\$ 11,331
30.56	6"	\$ 378.48	\$ 944.18	1	1	\$ 4,542	\$ 11,330
55.01	8"	\$ 681.28	\$ 1,699.54	0	0	\$ -	\$ -
Total				2,229	2,229	362,264	903,713

Quantity Revenue	\$ 2,257,876
------------------	--------------

Quantity Revenue	Present Rates	Proposed Rates	Present [TG]	Proposed [TG]	Present Revenue	Proposed Revenue
Residential	\$ 1.3517	\$ 3.3720	413,238	413,238	\$ 558,573	\$ 1,393,432
Multi-Family	\$ 1.3517	\$ 3.3720	162,478	162,478	\$ 219,621	\$ 547,872
Business	\$ 1.3517	\$ 3.3720	47,197	47,197	\$ 63,796	\$ 159,147
Public Authority	\$ 1.3517	\$ 3.3720	46,686	46,686	\$ 63,105	\$ 157,424
Total			669,598	669,598	905,095	2,257,876

Power Cost Charge	Present	Proposed
Electricity Cost [\$]	\$ 1,615,995	\$ 1,544,835
Monthly Usage [TG]	669,598	669,598
Power Cost Charge [\$ / TG]	\$ 2.2314	\$ 2.2043
Revenue	\$ 1,494,154	\$ 1,475,974

Bill Impact	Present	Proposed	Difference
Monthly Usage [TG]	25	25	
Meter Size			
Fixed Charge	\$ 12.39	\$ 30.90	\$ 18.51
Quantity Charge	\$ 33.85	\$ 84.43	\$ 50.59
PCC	\$ 55.87	\$ 55.19	\$ (0.68)
Total	\$ 102.11	\$ 170.53	\$ 68.42

2024-0224
Hawaii Water Service Company
Test Year Ending December 31, 2025
List of Schedules

Schedule Title	Worksheet (tab) Label	Index	Page # of #	
List of Schedules	List of Schedules			
Input Sheet	Input			Witness:
Revenue Requirements & Rate of Return Summary	RevReq		Exhibit WU-T-401-WHSC 6	Witness: Mumm
Revenue Requirements Support	RevReqSupp		Exhibit WU-T-401-WHSC 6.1	Witness: Mumm
Income Statement related				
Historical Summary	Historical Summary		Exhibit WU-T-401-WHSC 8	Witness: Mumm
Revenue Summary	Revenues	Test 5.1	Exhibit WU-T-401-WHSC 8.1	Witness: Mumm
Sales and Production	Salesprod	Test 5.1	Exhibit WU-T-401-WHSC 8.2	Witness: Mumm
Inflation Factors	Inflation factors		Exhibit WU-T-401-WHSC 8.3	Witness: Mumm
Four Factor Allocations	4-factor allocation		Exhibit WU-T-401-WHSC 8.4	Witness: Mumm
Labor Expense	Labor		Exhibit WU-T-401-WHSC 8.5	Witness: Mumm
Fuel & Power	Fuel & Power		Exhibit WU-T-401-WHSC 8.6	Witness: Mumm
Power Cost Charge	PCC		Exhibit WU-T-401-WHSC 8.7	Witness: Mumm
Chemicals	Chemicals		Exhibit WU-T-401-WHSC 8.8	Witness: Mumm
Materials & Supplies	Materials & Supplies		Exhibit WU-T-401-WHSC 8.9	Witness: Mumm
Waste/Sludge Disposal	Waste Disposal		Exhibit WU-T-401-WHSC 8.10	Witness: Mumm
Affiliated Charges	Affiliated Charges		Exhibit WU-T-401-WHSC 8.11	Witness: Mumm
Professional and Outside Services	Outside Services		Exhibit WU-T-401-WHSC 8.12	Witness: Mumm
Repairs & Maintenance	Repair & Maint		Exhibit WU-T-401-WHSC 8.13	Witness: Mumm
Rents	Rents		Exhibit WU-T-401-WHSC 8.14	Witness: Mumm
Insurance Expenses	Insurance		Exhibit WU-T-401-WHSC 8.15	Witness: Mumm
Regulatory Expense	Regulatory (test yr)		Exhibit WU-T-401-WHSC 8.16	Witness: Mumm
Regulatory Expenses	Regulatory (recorded)		Exhibit WU-T-401-WHSC 8.17	Witness: Mumm
General & Administrative Expenses	Gen admin		Exhibit WU-T-401-WHSC 8.18	Witness: Mumm
Customer Accounts Expenses	Cust Accounts		Exhibit WU-T-401-WHSC 8.19	Witness: Mumm
Taxes Other Than Income Taxes	TOTIT	Test 3.1	Exhibit WU-T-401-WHSC 8.20	Witness: Mumm
Income Tax Expense	Inctax	Test 2.1	Exhibit WU-T-401-WHSC 8.21	Witness: Mumm
Balance Sheet related				
Average Rate Base	RateBase		Exhibit WU-T-401-WHSC 7	Witness: Mumm
Plant In Service	PIS		Exhibit WU-T-401-WHSC 7.1	Witness: Mumm
Plant Additions	Plant Additions		Exhibit WU-T-401-WHSC 7.2	Witness: Mumm
Accumulated Depreciation and Amortization of Intangibles	Acc Dep		Exhibit WU-T-401-WHSC 7.3	Witness: Mumm
Depreciation Expense (Book)	Dep Exp		Exhibit WU-T-401-WHSC 7.4	Witness: Mumm
Accumulated Depreciation and Depreciation Expense Detail	Depr Det - WHSC Water		Exhibit WU-T-401-WHSC 7.5	Witness: Mumm
Accumulated Depreciation and Depreciation Expense Detail, No Cost of Removal	Depr Det - WHSC Water		Exhibit WU-T-401-WHSC 7.5.1	Witness: Mumm
Allocated Plant Detail (Hawaii Water GO)	Allocated Plant Detail		Exhibit WU-T-401-WHSC 7.6	Witness: Mumm
Allocated Plant Detail (Big Island)	Allocated Plant Detail		Exhibit WU-T-401-WHSC 7.7	Witness: Mumm
Contributions in Aid of Construction	CIAC		Exhibit WU-T-401-WHSC 7.8	Witness: Mumm
Amortization of Contributions in Aid of Construction	CIAC amort		Exhibit WU-T-401-WHSC 7.9	Witness: Mumm
Accumulated Deferred Income Taxes - Federal	ADIT - Federal		Exhibit WU-T-401-WHSC 7.10	Witness: Mumm
Accumulated Deferred Income Taxes - Federal (Detail)	Deferred Tax Statement - Federal		Exhibit WU-T-401-WHSC 7.11	Witness: Mumm
Accumulated Deferred Income Taxes - State	ADIT - State		Exhibit WU-T-401-WHSC 7.12	Witness: Mumm
Accumulated Deferred Income Taxes - State (Detail)	Deferred Tax Statement - State		Exhibit WU-T-401-WHSC 7.13	Witness: Mumm
Hawaii Capital Goods Excise Tax Credit	ITC		Exhibit WU-T-401-WHSC 7.14	Witness: Mumm
Working Cash	Working Cash		Exhibit WU-T-401-WHSC 7.15	Witness: Mumm
Cost of Service and Rate Design related				
Include as appropriate				
Results of Operations for Recorded 2023 at Present and Proposed Rates	RO for Recorded 2023		Exhibit WU-T-401-WHSC 9	Witness: Mumm
Rate of Return	ROR		Exhibit WU-T-401-WHSC 10	Witness: Mumm
Phase In	Phase In		Exhibit WU-T-401-WHSC 11	Witness: Mumm
Rate Design	Rate Design		Exhibit WU-T-401-WHSC 12	Witness: Mumm

Hawaii Water Service Company
Revenue Requirements & Rate of Return Summary
Test Year Ending December 31, 2025

Line No.	(1)	(2)	(3)	Change in Revenues
	Present Rates	Additional Amount	Test Year Proposed Rates 8.01%	
1				
2				
3				55.3%
4 Single-family	\$ 357,827	\$ 216,565	\$ 574,392	
5 Multi-family	\$ 1,511,491	\$ 914,787	\$ 2,426,277	
6 Commercial	\$ 111,612	\$ 67,550	\$ 179,162	
7 Public Authority	\$ 71,244	\$ 43,118	\$ 114,362	
8 Power Charge Cost	\$ 191,820	\$ -	\$ 191,820	
9 Total Operating Revenues	\$ 2,243,994	\$ 1,242,020	\$ 3,486,014	
10 Labor Expenses	\$ 529,620	\$ -	\$ 529,620	
11 Fuel & Power	\$ 181,870	\$ -	\$ 181,870	
12 Chemicals	\$ 48,747	\$ -	\$ 48,747	
13 Materials & Supplies	\$ 18,325	\$ -	\$ 18,325	
14 Waste/Sludge Disposal	\$ 72,157	\$ -	\$ 72,157	
15 Affiliated Charges	\$ 102,803	\$ -	\$ 102,803	
16 Professional and Outside Services	\$ 10,544	\$ -	\$ 10,544	
17 Repairs & Maintenance	\$ 341,957	\$ -	\$ 341,957	
18 Rental Expenses	\$ 5,735	\$ -	\$ 5,735	
19 Insurance Expenses	\$ 11,998	\$ -	\$ 11,998	
20 Regulatory Expenses	\$ 18,293	\$ -	\$ 18,293	
21 General & Administrative Expenses	\$ 59,812	\$ -	\$ 59,812	
22 Customer Accounts Expenses	\$ 10,086	\$ -	\$ 10,086	
23 Water Consumption License Fee	\$ -	\$ -	\$ -	
24 Total O&M Expenses	\$ 1,411,948	\$ -	\$ 1,411,948	
25 Taxes Other than Income Taxes	\$ 143,279	\$ 79,303	\$ 222,582	
26 Depreciation	\$ 798,821		\$ 798,821	
27 Amortization	\$ -		\$ -	
28 Income Taxes	\$ -	\$ 208,241	\$ 208,241	
29 Diff. due to changing factors		\$ 896	\$ 896	
30 Total Operating Expenses	\$ 2,354,049	\$ 288,440	\$ 2,642,488	
31 Operating Income	\$ (110,055)	\$ 953,580	\$ 843,526	
32 Average Rate Base	\$ 10,530,893	\$ -	\$ 10,530,893	
33 Return on Rate Base	-1.05%		8.01%	

Hawaii Water Service Company
Revenue Requirements Support
Test Year Ending December 31, 2025

Line No.				
1	Gross Revenue Factor			
2	Additional Revenue		1.000000	
3	Less:			
4	Bad Debts	0.000000		
5	PSCT	0.058850		
6	PUC Fee	0.005000		
7	Franchise	0.000000	0.063850	0.06385
8	Subject to Income Tax			
9	Less:		0.936150	
10	State Income Tax	-0.030131		-0.028207
11	Federal Income Tax	0.210000		0.196592
12		0.179869	0.168384	
13	Remaining for Net Income		0.767766	
14	Expense for each \$1 of Revenue		0.232234	
15	Factor for Moving Rate Base			
16	=	(1-Bad Debt%-Revenue Taxes-Income tax on Addl. Revenue)		
17			0.7677657	
18	Revenue Factor		1.3024807	
19	Additional Revenue Requirements			
20	Proposed rate of return			8.01%
21	Multiply rate base @ present rates by the above proposed ROR			843,525
22	Subtract the net income @ present rates from the above net income			953,580
23	Divide the above difference by the moving rate base factor to			
24	determine the additional revenue requirements @ the proposed ROR			1,242,020
25	Multiply the add'l revenues by the bad debt factor			0
26	Multiply the add'l revenues by the revenue tax factor			79303
27	Multiply the add'l revenues by the inc tax on add'l revenue			209137
28	Total Expenses at Proposed Rates			2,642,488
29	Subtract total expense from total revenues @ proposed rates			843,526
30	Subtract NI before WC change from NI after WC change			0.0
31	Divide change in NI by desired rate of return			0.0
32	Calculate change in rate base			10,530,893
33	Test - Divide NI by rate base			8.01%

Hawaii Water Service Company
Average Rate Base
Test Year Ending December 31, 2025

Line No.		At 12/31/2024	At 12/31/2025	Average
1				
2	Description			
3	Plant In Service	\$ 22,436,232	\$ 23,843,601	\$ 23,139,916
4	Accumulated Depreciation Reserve	\$ 9,729,398	\$ 10,622,029	\$ 10,175,713
5	Net Plant-in-Service	\$ 12,706,834	\$ 13,221,572	\$ 12,964,203
6	Deduct:			
7	Contributions in Aid of Construction	\$ (2,724,007)	\$ (2,724,007)	\$ (2,724,007)
8	Accumulated Amortization of Contributions in Aid of Construction	\$ 1,586,605	\$ 1,680,479	\$ 1,633,542
9	Accumulated Deferred Taxes: Federal	\$ (874,216)	\$ (915,808)	\$ (895,012)
10	Accumulated Deferred Taxes: State	\$ (44,349)	\$ (60,916)	\$ (52,633)
11	Unamortized Hawaii Capital Goods Excise Tax Credit	\$ (443,153)	\$ (468,600)	\$ (455,877)
12	Net Salvage Adjustment	\$ -	\$ -	\$ (47,204)
13	TCJA Deferred Tax Adjustment	\$ -	\$ -	\$ (9,782)
14	subtotal	\$ (2,499,121)	\$ (2,488,852)	\$ (2,550,972)
15	Add:			
16	Working Capital	\$ 117,662	\$ 117,662	\$ 117,662
17	subtotal	\$ 117,662	\$ 117,662	\$ 117,662
18	Subtotal	\$ 10,325,375	\$ 10,850,382	
19	Rate Base at Proposed Rates			\$ 10,530,893

Hawaii Water Service Company
Plant In Service
Test Year Ending December 31, 2025

Line
No.

		Balance as of	Additions	Retirements	Adjustments	Balance as of	Additions	Retirements	Adjustments	Test Year
			1/1/2024	1/1/2024	1/1/2024		1/1/2025	1/1/2025	1/1/2025	Balance as of
			to	to	to		to	to	to	
		12/31/2023	12/31/2024	12/31/2024	12/31/2024	12/31/2024	12/31/2025	12/31/2025	12/31/2025	12/31/2025
Utility	Description									
Account										
1										
2										
3										
4	103700 Receiving Wells	\$ 24,727	\$ -	\$ -	\$ -	\$ 24,727	\$ -	\$ -	\$ -	\$ 24,727
5	103810 Plant Sewers	\$ 39,320	\$ -	\$ -	\$ -	\$ 39,320	\$ -	\$ -	\$ -	\$ 39,320
6	103241 System ctrl computer equip	\$ 44,963	\$ 152,465	\$ -	\$ -	\$ 197,428	\$ 64,197	\$ -	\$ -	\$ 261,625
7	103701 Pumping Equipment	\$ 15,557	\$ -	\$ -	\$ -	\$ 15,557	\$ -	\$ -	\$ -	\$ 15,557
8	103801 Treatment & Disposal Equip	\$ 5,355,477	\$ 3,046,413	\$ -	\$ -	\$ 8,401,890	\$ 195,431	\$ -	\$ -	\$ 8,597,321
9	103540 Structure & Improvements	\$ 9,954,938	\$ 62,172	\$ -	\$ -	\$ 10,017,110	\$ -	\$ -	\$ -	\$ 10,017,110
10	103600 Collection Sewers Force	\$ 257,305	\$ -	\$ -	\$ -	\$ 257,305	\$ -	\$ -	\$ -	\$ 257,305
11	103610 Collection Sewers Gravity	\$ 1,499,445	\$ 18,945	\$ -	\$ -	\$ 1,518,390	\$ -	\$ -	\$ -	\$ 1,518,390
12	103890 Other Miscellaneous Equip	\$ 519,179	\$ -	\$ -	\$ -	\$ 519,179	\$ -	\$ -	\$ -	\$ 519,179
13	103550 Power Generation Equipment	\$ 347,008	\$ -	\$ -	\$ -	\$ 347,008	\$ -	\$ -	\$ -	\$ 347,008
14	103930 Tools, Shop & Garage Equip	\$ 872	\$ -	\$ -	\$ -	\$ 872	\$ -	\$ -	\$ -	\$ 872
15	103940 Laboratory Equipment	\$ 13,837	\$ -	\$ -	\$ -	\$ 13,837	\$ -	\$ -	\$ -	\$ 13,837
16	103955 Office Furniture & equip	\$ 1,472	\$ -	\$ -	\$ -	\$ 1,472	\$ -	\$ -	\$ -	\$ 1,472
17	103960 Communication Equipment	\$ 5,786	\$ -	\$ -	\$ -	\$ 5,786	\$ -	\$ -	\$ -	\$ 5,786
18	103965 Transportation Equipment	\$ 339,984	\$ -	\$ -	\$ -	\$ 339,984	\$ -	\$ -	\$ -	\$ 339,984
19	103975 Stores Equipment	\$ 8,299	\$ -	\$ -	\$ -	\$ 8,299	\$ -	\$ -	\$ -	\$ 8,299
20	103980 Other Tangible Plant	\$ 107,180	\$ 99,775	\$ -	\$ -	\$ 206,956	\$ -	\$ -	\$ -	\$ 206,956
21	103722 Software	\$ -	\$ 76,003	\$ -	\$ -	\$ 76,003	\$ 76,526	\$ -	\$ -	\$ 152,528
22	103210 Structures and Improvements Pumping Plant	\$ -	\$ 8,352	\$ -	\$ -	\$ 8,352	\$ -	\$ -	\$ -	\$ 8,352
23	103620 Special Collecting Structures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,069,304	\$ -	\$ -	\$ 1,069,304
24	Big Island Allocation	\$ 318,966	\$ 9,164	\$ -	\$ -	\$ 328,130	\$ 1,911	\$ -	\$ -	\$ 330,041
25	Hawaii Water GO Allocation	\$ 48,941	\$ 59,547	\$ -	\$ -	\$ 108,489	\$ -	\$ -	\$ -	\$ 108,489
26	Wastewater Administration	\$ 138	\$ -	\$ -	\$ -	\$ 138	\$ -	\$ -	\$ -	\$ 138
27	Total	\$ 18,903,395	\$ 3,532,837	\$ -	\$ -	\$ 22,436,232	\$ 1,407,369	\$ -	\$ -	\$ 23,843,601

Hawaii Water Service Company
Plant Additions from 1/01/2024 to 12/31/2025
Test Year Ending December 31, 2025

Line No.	Department	Utility Account	Utility Account Description	Work Order No.	Work Order Description	In-service Date	Cost	Retirement	Adjustments
1	722 - Waikoloa Sewer	103722	Software	134151	722-Geographical Information System	12/31/2025	\$ 76,526	\$ -	\$ -
2	722 - Waikoloa Sewer	103241	System Control Computer Equipment	134152	722-SCADA Upgrade 2025	12/31/2025	\$ 64,197	\$ -	\$ -
3	722 - Waikoloa Sewer	103620	Special Collecting Structures	134153	722-Collection System Rehab 2025	12/31/2025	\$ 39,303	\$ -	\$ -
4	722 - Waikoloa Sewer	103801	Treatment & Disposal Equipment	131133	722-Aplant dry polymer feed system	2/15/2024	\$ 12,779	\$ -	\$ -
5	722 - Waikoloa Sewer	103620	Special Collecting Structures	134264	722-A-Plant Solids handling upgrade	12/31/2025	\$ 1,030,001	\$ -	\$ -
6	722 - Waikoloa Sewer	103801	Treatment & Disposal Equipment	122329	722-KPlant Effluent Disposal Cons	12/31/2024	\$ 2,629,276	\$ -	\$ -
7	722 - Waikoloa Sewer	103801	Treatment & Disposal Equipment	127757	722-A-Plant Auger Rebuild	9/30/2024	\$ 64,125	\$ -	\$ -
8	722 - Waikoloa Sewer	103801	Treatment & Disposal Equipment	134367	722-Effluent disposal study Aplant	12/31/2025	\$ 195,431	\$ -	\$ -
9	722 - Waikoloa Sewer	103241	System Control Computer Equipment	128392	722-SCADA Upgrade 2023	12/31/2024	\$ 58,191	\$ -	\$ -
10	722 - Waikoloa Sewer	103801	Treatment & Disposal Equipment	128474	722-K-Plant Headworks Replacement	9/30/2024	\$ 65,573	\$ -	\$ -
11	722 - Waikoloa Sewer	103980	Other Tangible Plant	128626	722-Wastewater Hydraulic Model (K-Plant)	1/1/2024	\$ 99,775	\$ -	\$ -
12	722 - Waikoloa Sewer	103610	Collection Sewers Gravity	130588	722-Collection System Rehab 2024	1/11/2024	\$ 18,945	\$ -	\$ -
13	722 - Waikoloa Sewer	103210	Structures and Improvements Pumping Plant	133943	722-AC Unit Aplant MCC Room	2/15/2024	\$ 8,352	\$ -	\$ -
14	722 - Waikoloa Sewer	103241	System Control Computer Equipment	130622	722-SCADA Upgrade 2024	12/31/2024	\$ 94,274	\$ -	\$ -
15	722 - Waikoloa Sewer	103722	Software	130814	722-Geographical Information System	12/31/2024	\$ 76,003	\$ -	\$ -
16	722 - Waikoloa Sewer	103540	Structures & Improvements	110597	722-KPlant absorption bed#2 design	12/31/2024	\$ 25,805	\$ -	\$ -
17	722 - Waikoloa Sewer	103801	Treatment & Disposal Equipment	118316	722-KPlant Secondary Effluent Disposal	12/31/2024	\$ 269,475	\$ -	\$ -
18	722 - Waikoloa Sewer	103540	Structures & Improvements	134331	722-Relocate water supply line (Kplant)	11/30/2024	\$ 36,367	\$ -	\$ -
19	722 - Waikoloa Sewer	103801	Treatment & Disposal Equipment	134627	722-Electric Relay for Centrifuge (Aplant)	5/31/2024	\$ 3,472	\$ -	\$ -
20	722 - Waikoloa Sewer	103801	Treatment & Disposal Equipment	135014	722-Ph Probe replacement Aplant	6/20/2024	\$ 1,713	\$ -	\$ -

Hawaii Water Service Company
Accumulated Depreciation and Amortization of Intangibles
Test Year Ending December 31, 2025

Line No.	Utility Account	Description	Balance as of 12/31/2023	Dep. Exp. 1/1/2024 to 12/31/2024	Retirements 1/1/2024 to 12/31/2024	Adjustments 1/1/2024 to 12/31/2024	Balance as of 12/31/2024	Dep. Exp. 1/1/2025 to 12/31/2025	Retirements 1/1/2025 to 12/31/2025	Adjustments 1/1/2025 to 12/31/2025	Test Year Balance as of 12/31/2025
1											
2											
3											
4											
5	103700	Receiving Wells	\$ 11,402	\$ 868	\$ -	\$ -	\$ 12,270	\$ 868	\$ -	\$ -	\$ 13,138
6	103810	Plant Sewers	\$ 9,988	\$ 1,451	\$ -	\$ -	\$ 11,439	\$ 1,451	\$ -	\$ -	\$ 12,890
6	103241	System ctrl computer equip	\$ 11,579	\$ 32,970	\$ -	\$ -	\$ 44,549	\$ 43,691	\$ -	\$ -	\$ 88,241
7	103701	Pumping Equipment	\$ (6,681)	\$ 227	\$ -	\$ -	\$ (6,454)	\$ 227	\$ -	\$ -	\$ (6,227)
8	103801	Treatment & Disposal Equip	\$ 3,025,984	\$ 389,008	\$ -	\$ -	\$ 3,414,992	\$ 398,056	\$ -	\$ -	\$ 3,813,048
9	103540	Structure & Improvements	\$ 3,575,477	\$ 270,462	\$ -	\$ -	\$ 3,845,939	\$ 270,462	\$ -	\$ -	\$ 4,116,401
10	103600	Collection Sewers Force	\$ 158,631	\$ 6,844	\$ -	\$ -	\$ 165,475	\$ 6,844	\$ -	\$ -	\$ 172,320
11	103610	Collection Sewers Gravity	\$ 977,635	\$ 36,745	\$ -	\$ -	\$ 1,014,380	\$ 36,745	\$ -	\$ -	\$ 1,051,125
12	103890	Other Miscellaneous Equip	\$ 280,910	\$ 42,157	\$ -	\$ -	\$ 323,067	\$ 42,157	\$ -	\$ -	\$ 365,225
13	103550	Power Generation Equipment	\$ 119,020	\$ 11,486	\$ -	\$ -	\$ 130,506	\$ 11,486	\$ -	\$ -	\$ 141,992
14	103930	Tools, Shop & Garage Equip	\$ 408	\$ 61	\$ -	\$ -	\$ 469	\$ 61	\$ -	\$ -	\$ 530
15	103940	Laboratory Equipment	\$ 4,026	\$ 495	\$ -	\$ -	\$ 4,521	\$ 495	\$ -	\$ -	\$ 5,016
16	103955	Office Furniture & equip	\$ (2,942)	\$ 226	\$ -	\$ -	\$ (2,716)	\$ 226	\$ -	\$ -	\$ (2,490)
17	103960	Communication Equipment	\$ (5,786)	\$ 123	\$ -	\$ -	\$ (5,663)	\$ 123	\$ -	\$ -	\$ (5,540)
18	103965	Transportation Equipment	\$ 327,587	\$ 12,398	\$ -	\$ -	\$ 339,984	\$ -	\$ -	\$ -	\$ 339,984
19	103975	Stores Equipment	\$ 3,169	\$ 442	\$ -	\$ -	\$ 3,611	\$ 442	\$ -	\$ -	\$ 4,053
20	103980	Other Tangible Plant	\$ 195,827	\$ 11,129	\$ -	\$ -	\$ 206,956	\$ -	\$ -	\$ -	\$ 206,956
21	103722	Software	\$ -	\$ 25,081	\$ -	\$ -	\$ 25,081	\$ 50,334	\$ -	\$ -	\$ 75,415
22	103210	Structures and Improvements Pumping Plant	\$ -	\$ 184	\$ -	\$ -	\$ 184	\$ 184	\$ -	\$ -	\$ 368
23	103620	Special Collecting Structures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24		Big Island Allocation	\$ 145,334	\$ 19,788	\$ -	\$ -	\$ 165,122	\$ 19,788	\$ -	\$ -	\$ 184,909
25		Hawaii Water GO Allocation	\$ 26,646	\$ 8,986	\$ -	\$ -	\$ 35,632	\$ 8,986	\$ -	\$ -	\$ 44,618
26		Wastewater Administration	\$ 50	\$ 4	\$ -	\$ -	\$ 54	\$ 4	\$ -	\$ -	\$ 58
27		Total	\$ 8,858,263	\$ 871,135	\$ -	\$ -	\$ 9,729,398	\$ 892,632	\$ -	\$ -	\$ 10,622,029

Hawaii Water Service Company
Depreciation Expense (Book)
Test Year Ending December 31, 2025

Line No.	Utility Account	Description	Dep. Exp. 1/1/2024 to 12/31/2024	Amort. 1/1/2024 to 12/31/2024	Net Dep. Exp. 12/31/2024	Dep. Exp. 1/1/2025 to 12/31/2025	Amort. 1/1/2025 to 12/31/2025	Test Year Net Dep. Exp. 12/31/2025
1								
2								
3								
4								
5	103700	Receiving Wells	\$ 868	\$ -	\$ 868	\$ 868	\$ -	\$ 868
6	103810	Plant Sewers	\$ 1,451	\$ -	\$ 1,451	\$ 1,451	\$ -	\$ 1,451
6	103241	System ctrl computer equip	\$ 32,970	\$ -	\$ 32,970	\$ 43,691	\$ -	\$ 43,691
7	103701	Pumping Equipment	\$ 227	\$ -	\$ 227	\$ 227	\$ -	\$ 227
8	103801	Treatment & Disposal Equip	\$ 389,008	\$ (10,131)	\$ 378,877	\$ 398,056	\$ (10,131)	\$ 387,925
9	103540	Structure & Improvements	\$ 270,462	\$ (24,776)	\$ 245,686	\$ 270,462	\$ (24,776)	\$ 245,686
10	103600	Collection Sewers Force	\$ 6,844	\$ (10,292)	\$ (3,448)	\$ 6,844	\$ (10,292)	\$ (3,448)
11	103610	Collection Sewers Gravity	\$ 36,745	\$ (48,675)	\$ (11,930)	\$ 36,745	\$ (48,675)	\$ (11,930)
12	103890	Other Miscellaneous Equip	\$ 42,157	\$ -	\$ 42,157	\$ 42,157	\$ -	\$ 42,157
13	103550	Power Generation Equipment	\$ 11,486	\$ -	\$ 11,486	\$ 11,486	\$ -	\$ 11,486
14	103930	Tools, Shop & Garage Equip	\$ 61	\$ -	\$ 61	\$ 61	\$ -	\$ 61
15	103940	Laboratory Equipment	\$ 495	\$ -	\$ 495	\$ 495	\$ -	\$ 495
16	103955	Office Furniture & equip	\$ 226	\$ -	\$ 226	\$ 226	\$ -	\$ 226
17	103960	Communication Equipment	\$ 123	\$ -	\$ 123	\$ 123	\$ -	\$ 123
18	103965	Transportation Equipment	\$ 12,398	\$ -	\$ 12,398	\$ -	\$ -	\$ -
19	103975	Stores Equipment	\$ 442	\$ -	\$ 442	\$ 442	\$ -	\$ 442
20	103980	Other Tangible Plant	\$ 11,129	\$ -	\$ 11,129	\$ -	\$ -	\$ -
21	103722	Software	\$ 25,081	\$ -	\$ 25,081	\$ 50,334	\$ -	\$ 50,334
22	103210	Structures and Improvements Pumping Plant	\$ 184	\$ -	\$ 184	\$ 184	\$ -	\$ 184
23	103620	Special Collecting Structures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24		Big Island Allocation	\$ 19,788	\$ -	\$ 19,788	\$ 19,883	\$ -	\$ 19,883
25		Hawaii Water GO Allocation	\$ 8,986	\$ -	\$ 8,986	\$ 8,955	\$ -	\$ 8,955
26		Wastewater Administration	\$ 4	\$ -	\$ 4	\$ 4	\$ -	\$ 4
27		Total	\$ 871,135	\$ (93,874)	\$ 777,261	\$ 892,696	\$ (93,874)	\$ 798,821

Hawaii Water Service Company
Accumulated Depreciation and Depreciation Expense Detail
Test Year Ending December 31, 2025

Line No.	Account	Description	Plant Balance 12/31/2023	Accumulated Depreciation Reserve 12/31/2023	Additions from 1/01/2024 to 12/31/2024	Retirements from 1/01/2024 to 12/31/2024	Adjustments from 1/01/2024 to 12/31/2024	Plant Balance 12/31/2024	Present Rate	Proposed Rate	Depreciation Expense (Present Rate)	Depreciation Expense (Proposed Rate)	Accumulated Depreciation Reserve 12/31/2024	Additions from 1/01/2025 to 12/31/2025	Retirements from 1/01/2025 to 12/31/2025	Adjustments from 1/01/2025 to 12/31/2025	Plant Balance 12/31/2025	Depreciation Expense (Present Rate)	Depreciation Expense (Proposed Rate)	Accumulated Depreciation Reserve 12/31/2025
1		Waikoloa Sewer																		
2	103700	Receiving Wells	\$ 24,727	\$ 11,402	\$ -	\$ -	\$ -	\$ 24,727	3.51%	3.51%	\$ 868	\$ 868	\$ 12,270	\$ -	\$ -	\$ -	\$ 24,727	\$ 868	\$ 868	\$ 13,138
3	103810	Plant Sewers	\$ 39,320	\$ 9,988	\$ -	\$ -	\$ -	\$ 39,320	3.69%	3.69%	\$ 1,451	\$ 1,451	\$ 11,439	\$ -	\$ -	\$ -	\$ 39,320	\$ 1,451	\$ 1,451	\$ 12,890
4	103241	System ctrl computer equip	\$ 44,963	\$ 11,579	\$ 152,465	\$ -	\$ -	\$ 197,428	16.70%	16.70%	\$ 32,970	\$ 32,970	\$ 44,549	\$ 64,197	\$ -	\$ -	\$ 261,625	\$ 43,691	\$ 43,691	\$ 88,241
5	103701	Pumping Equipment	\$ 15,557	\$ (6,681)	\$ -	\$ -	\$ -	\$ 15,557	1.46%	1.46%	\$ 227	\$ 227	\$ (6,454)	\$ -	\$ -	\$ -	\$ 15,557	\$ 227	\$ 227	\$ (6,227)
6	103801	Treatment & Disposal Equip	\$ 5,355,477	\$ 3,025,984	\$ 3,046,413	\$ -	\$ -	\$ 8,401,890	4.63%	4.63%	\$ 389,008	\$ 389,008	\$ 3,414,992	\$ 195,431	\$ -	\$ -	\$ 8,597,321	\$ 398,056	\$ 398,056	\$ 3,813,048
7	103540	Structure & Improvements	\$ 9,954,938	\$ 3,575,477	\$ 62,172	\$ -	\$ -	\$ 10,017,110	2.70%	2.70%	\$ 270,462	\$ 270,462	\$ 3,845,939	\$ -	\$ -	\$ -	\$ 10,017,110	\$ 270,462	\$ 270,462	\$ 4,116,401
8	103600	Collection Sewers Force	\$ 257,305	\$ 158,631	\$ -	\$ -	\$ -	\$ 257,305	2.66%	2.66%	\$ 6,844	\$ 6,844	\$ 165,475	\$ -	\$ -	\$ -	\$ 257,305	\$ 6,844	\$ 6,844	\$ 172,320
9	103610	Collection Sewers Gravity	\$ 1,499,445	\$ 977,635	\$ 18,945	\$ -	\$ -	\$ 1,518,390	2.42%	2.42%	\$ 36,745	\$ 36,745	\$ 1,014,380	\$ -	\$ -	\$ -	\$ 1,518,390	\$ 36,745	\$ 36,745	\$ 1,051,125
10	103890	Other Miscellaneous Equip	\$ 519,179	\$ 280,910	\$ -	\$ -	\$ -	\$ 519,179	8.12%	8.12%	\$ 42,157	\$ 42,157	\$ 323,067	\$ -	\$ -	\$ -	\$ 519,179	\$ 42,157	\$ 42,157	\$ 365,225
11	103550	Power Generation Equipment	\$ 347,008	\$ 119,020	\$ -	\$ -	\$ -	\$ 347,008	3.31%	3.31%	\$ 11,486	\$ 11,486	\$ 130,506	\$ -	\$ -	\$ -	\$ 347,008	\$ 11,486	\$ 11,486	\$ 141,992
12	103930	Tools, Shop & Garage Equip	\$ 872	\$ 408	\$ -	\$ -	\$ -	\$ 872	7.02%	7.02%	\$ 61	\$ 61	\$ 469	\$ -	\$ -	\$ -	\$ 872	\$ 61	\$ 61	\$ 530
13	103940	Laboratory Equipment	\$ 13,837	\$ 4,026	\$ -	\$ -	\$ -	\$ 13,837	3.58%	3.58%	\$ 495	\$ 495	\$ 4,521	\$ -	\$ -	\$ -	\$ 13,837	\$ 495	\$ 495	\$ 5,016
14	103955	Office Furniture & equip	\$ 1,472	\$ (2,942)	\$ -	\$ -	\$ -	\$ 1,472	15.35%	15.35%	\$ 226	\$ 226	\$ (2,716)	\$ -	\$ -	\$ -	\$ 1,472	\$ 226	\$ 226	\$ (2,490)
15	103960	Communication Equipment	\$ 5,786	\$ (5,786)	\$ -	\$ -	\$ -	\$ 5,786	2.13%	2.13%	\$ 123	\$ 123	\$ (5,663)	\$ -	\$ -	\$ -	\$ 5,786	\$ 123	\$ 123	\$ (5,540)
16	103965	Transportation Equipment	\$ 339,984	\$ 327,587	\$ -	\$ -	\$ -	\$ 339,984	15.33%	15.33%	\$ 12,398	\$ 12,398	\$ 339,984	\$ -	\$ -	\$ -	\$ 339,984	\$ -	\$ -	\$ 339,984
17	103975	Stores Equipment	\$ 8,299	\$ 3,169	\$ -	\$ -	\$ -	\$ 8,299	5.33%	5.33%	\$ 442	\$ 442	\$ 3,611	\$ -	\$ -	\$ -	\$ 8,299	\$ 442	\$ 442	\$ 4,053
18	103980	Other Tangible Plant	\$ 107,180	\$ 195,827	\$ 99,775	\$ -	\$ -	\$ 206,956	20.63%	20.63%	\$ 11,129	\$ 11,129	\$ 206,956	\$ -	\$ -	\$ -	\$ 206,956	\$ -	\$ -	\$ 206,956
19	103722	Software	\$ -	\$ -	\$ 76,003	\$ -	\$ -	\$ 76,003	33.00%	33.00%	\$ 25,081	\$ 25,081	\$ 25,081	\$ 76,526	\$ -	\$ -	\$ 152,528	\$ 50,334	\$ 50,334	\$ 75,415
20	103210	Structures and Improvements Pumping Plant	\$ -	\$ -	\$ 8,352	\$ -	\$ -	\$ 8,352	2.20%	2.20%	\$ 184	\$ 184	\$ 184	\$ -	\$ -	\$ -	\$ 8,352	\$ 184	\$ 184	\$ 368
21	103620	Special Collecting Structures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.83%	0.83%	\$ -	\$ -	\$ -	\$ 1,069,304	\$ -	\$ -	\$ 1,069,304	\$ -	\$ -	\$ -
22		Total	\$ 18,535,350	\$ 8,686,233	\$ 3,464,126	\$ -	\$ -	\$ 21,999,475			\$ 842,357	\$ 842,357	\$ 9,528,590	\$ 1,405,458	\$ -	\$ -	\$ 23,404,933	\$ 863,854	\$ 863,854	\$ 10,392,444

Hawaii Water Service Company
Accumulated Depreciation and Depreciation Expense Detail
Test Year Ending December 31, 2025

Line No.	Account	Description	Plant Balance 12/31/2023	Accumulated Depreciation Reserve 12/31/2023	Additions from 1/01/2024 to 12/31/2024	Retirements from 1/01/2024 to 12/31/2024	Adjustments from 1/01/2024 to 12/31/2024	Plant Balance 12/31/2024	Present Rate	Proposed Rate	Depreciation Expense (Present Rate)	Depreciation Expense (Proposed Rate)	Accumulated Depreciation Reserve 12/31/2024	Additions from 1/01/2025 to 12/31/2025	Retirements from 1/01/2025 to 12/31/2025	Adjustments from 1/01/2025 to 12/31/2025	Plant Balance 12/31/2025	Depreciation Expense (Present Rate)	Depreciation Expense (Proposed Rate)	Accumulated Depreciation Reserve 12/31/2025
1	Waikoloa Sewer																			
2	103700	Receiving Wells	\$ 24,727	\$ 11,402	\$ -	\$ -	\$ -	24,727	3.08%	3.08%	\$ 762	\$ 762	\$ 12,164	\$ -	\$ -	\$ -	24,727	\$ 762	\$ 762	\$ 12,925
3	103810	Plant Sewers	\$ 39,320	\$ 9,988	\$ -	\$ -	\$ -	39,320	3.31%	3.31%	\$ 1,302	\$ 1,302	\$ 11,290	\$ -	\$ -	\$ -	39,320	\$ 1,302	\$ 1,302	\$ 12,591
3	103241	System ctrl computer equip	\$ 44,963	\$ 11,579	\$ 152,465	\$ -	\$ -	197,428	16.70%	16.70%	\$ 32,970	\$ 32,970	\$ 44,549	\$ 64,197	\$ -	\$ -	\$ 261,625	\$ 43,691	\$ 43,691	\$ 88,241
4	103701	Pumping Equipment	\$ 15,557	\$ (6,681)	\$ -	\$ -	\$ -	15,557	1.02%	1.02%	\$ 159	\$ 159	\$ (6,522)	\$ -	\$ -	\$ -	15,557	\$ 159	\$ 159	\$ (6,363)
5	103801	Treatment & Disposal Equip	\$ 5,355,477	\$ 3,025,984	\$ 3,046,413	\$ -	\$ -	8,401,890	4.21%	4.21%	\$ 353,720	\$ 353,720	\$ 3,379,704	\$ 195,431	\$ -	\$ -	8,597,321	\$ 361,947	\$ 361,947	\$ 3,741,651
6	103540	Structure & Improvements	\$ 9,954,938	\$ 3,575,477	\$ 62,172	\$ -	\$ -	10,017,110	2.55%	2.55%	\$ 255,436	\$ 255,436	\$ 3,830,913	\$ -	\$ -	\$ -	10,017,110	\$ 255,436	\$ 255,436	\$ 4,086,349
7	103600	Collection Sewers Force	\$ 257,305	\$ 158,631	\$ -	\$ -	\$ -	257,305	2.40%	2.40%	\$ 6,175	\$ 6,175	\$ 164,806	\$ -	\$ -	\$ -	257,305	\$ 6,175	\$ 6,175	\$ 170,982
8	103610	Collection Sewers Gravity	\$ 1,499,445	\$ 977,635	\$ 18,945	\$ -	\$ -	1,518,390	2.16%	2.16%	\$ 32,797	\$ 32,797	\$ 1,010,432	\$ -	\$ -	\$ -	1,518,390	\$ 32,797	\$ 32,797	\$ 1,043,229
9	103890	Other Miscellaneous Equip	\$ 519,179	\$ 280,910	\$ -	\$ -	\$ -	519,179	8.12%	8.12%	\$ 42,157	\$ 42,157	\$ 323,067	\$ -	\$ -	\$ -	519,179	\$ 42,157	\$ 42,157	\$ 365,225
10	103550	Power Generation Equipment	\$ 347,008	\$ 119,020	\$ -	\$ -	\$ -	347,008	3.31%	3.31%	\$ 11,486	\$ 11,486	\$ 130,506	\$ -	\$ -	\$ -	347,008	\$ 11,486	\$ 11,486	\$ 141,992
11	103930	Tools, Shop & Garage Equip	\$ 872	\$ 408	\$ -	\$ -	\$ -	872	7.02%	7.02%	\$ 61	\$ 61	\$ 469	\$ -	\$ -	\$ -	872	\$ 61	\$ 61	\$ 530
12	103940	Laboratory Equipment	\$ 13,837	\$ 4,026	\$ -	\$ -	\$ -	13,837	3.58%	3.58%	\$ 495	\$ 495	\$ 4,521	\$ -	\$ -	\$ -	13,837	\$ 495	\$ 495	\$ 5,016
13	103955	Office Furniture & equip	\$ 1,472	\$ (2,942)	\$ -	\$ -	\$ -	1,472	15.35%	15.35%	\$ 226	\$ 226	\$ (2,716)	\$ -	\$ -	\$ -	1,472	\$ 226	\$ 226	\$ (2,490)
14	103960	Communication Equipment	\$ 5,786	\$ (5,786)	\$ -	\$ -	\$ -	5,786	2.13%	2.13%	\$ 123	\$ 123	\$ (5,663)	\$ -	\$ -	\$ -	5,786	\$ 123	\$ 123	\$ (5,540)
15	103965	Transportation Equipment	\$ 339,984	\$ 327,587	\$ -	\$ -	\$ -	339,984	15.33%	15.33%	\$ 12,398	\$ 12,398	\$ 339,984	\$ -	\$ -	\$ -	339,984	\$ -	\$ -	\$ 339,984
16	103975	Stores Equipment	\$ 8,299	\$ 3,169	\$ -	\$ -	\$ -	8,299	5.33%	5.33%	\$ 442	\$ 442	\$ 3,611	\$ -	\$ -	\$ -	8,299	\$ 442	\$ 442	\$ 4,053
17	103980	Other Tangible Plant	\$ 107,180	\$ 195,827	\$ 99,775	\$ -	\$ -	206,956	20.63%	20.63%	\$ 11,129	\$ 11,129	\$ 206,956	\$ -	\$ -	\$ -	206,956	\$ -	\$ -	\$ 206,956
18	103722	Software	\$ -	\$ -	\$ 76,003	\$ -	\$ -	76,003	33.00%	33.00%	\$ 25,081	\$ 25,081	\$ 25,081	\$ 76,526	\$ -	\$ -	\$ 152,528	\$ 50,334	\$ 50,334	\$ 75,415
19	103210	Structures and Improvements Pumping Plant	\$ -	\$ -	\$ 8,352	\$ -	\$ -	8,352	2.15%	2.15%	\$ 180	\$ 180	\$ 180	\$ -	\$ -	\$ -	8,352	\$ 180	\$ 180	\$ 359
20	103620	Special Collecting Structures	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.83%	0.83%	\$ -	\$ -	\$ -	\$ 1,069,304	\$ -	\$ -	\$ 1,069,304	\$ 8,875	\$ 8,875	\$ 8,875
21	Total		\$ 18,535,350	\$ 8,686,233	\$ 3,464,126	\$ -	\$ -	\$ 21,999,475			\$ 787,099	\$ 787,099	\$ 9,473,331	\$ 1,405,458	\$ -	\$ -	\$ 23,404,933	\$ 816,650	\$ 816,650	\$ 10,289,981
																		Depreciation Rates with No Cost of Removal		\$ 816,650
																		Depreication Rates with Cost of Removal		\$ 863,854
																		Net Salvage Adjustment		\$ (47,204)

Hawaii Water Service Company
Allocated Plant Detail (Hawaii Water GO)
Test Year Ending December 31, 2025

Line No	Description	In Service	Useful Life in Mos	Plant Balance 12/31/2023	Present Rate	Depreciation Expense	Accumulated Depreciation Reserve 12/31/2023	Additions from 1/01/2024 to 12/31/2024	Retirements from 1/01/2024 to 12/31/2024	Plant Balance 12/31/2024	Depreciation Expense	Accumulated Depreciation Reserve 12/31/2024	Additions from 1/01/2025 to 12/31/2025	Retirements from 1/01/2025 to 12/31/2025	Plant Balance 12/31/2025	Depreciation Expense	Accumulated Depreciation Reserve 12/31/2025
1	EXISTING PLANT																
2	790 Leasehold Improvements	5/1/2015	720	\$ 16,865	1.67%	\$ -	\$ 2,436	\$ -	\$ -	\$ 16,865	\$ 281	\$ 2,717	\$ -	\$ -	\$ 16,865	\$ 281	\$ 2,998
3	ClearSCADA HP260 Mini Desktop	12/1/2019	240	\$ 2,035	5.00%	\$ -	\$ 416	\$ -	\$ -	\$ 2,035	\$ 102	\$ 517	\$ -	\$ -	\$ 2,035	\$ 102	\$ 619
4	ClearSCADA Server	12/1/2019	240	\$ 50,551	5.00%	\$ -	\$ 10,321	\$ -	\$ -	\$ 50,551	\$ 2,528	\$ 12,848	\$ -	\$ -	\$ 50,551	\$ 2,528	\$ 15,376
5	ClearSCADA HPE Proliant DL360	12/1/2019	240	\$ 22,525	5.00%	\$ -	\$ 4,599	\$ -	\$ -	\$ 22,525	\$ 1,126	\$ 5,725	\$ -	\$ -	\$ 22,525	\$ 1,126	\$ 6,851
6	ClearSCADA SATA drives	12/1/2019	240	\$ 6,049	5.00%	\$ -	\$ 1,235	\$ -	\$ -	\$ 6,049	\$ 302	\$ 1,538	\$ -	\$ -	\$ 6,049	\$ 302	\$ 1,840
7	Server Rack Upgrade for Waikoloa, Kukio, Ka'anapali, and Kalaeloa	6/1/2023	240	\$ 24,946	5.00%	\$ -	\$ 728	\$ -	\$ -	\$ 24,946	\$ 1,247	\$ 1,975	\$ -	\$ -	\$ 24,946	\$ 1,247	\$ 3,222
8	AC Unit at Customer Service Office	8/1/2021	360	\$ 22,411	3.33%	\$ -	\$ 1,805	\$ -	\$ -	\$ 22,411	\$ 747	\$ 2,552	\$ -	\$ -	\$ 22,411	\$ 747	\$ 3,299
9	desks, conf table, chairs	3/1/2010	120	\$ 3,060	10.00%	\$ -	\$ 3,060	\$ -	\$ -	\$ 3,060	\$ -	\$ 3,060	\$ -	\$ -	\$ 3,060	\$ -	\$ 3,060
10	2 Cubical Work Stations	12/1/2010	120	\$ 5,650	10.00%	\$ -	\$ 5,650	\$ -	\$ -	\$ 5,650	\$ -	\$ 5,650	\$ -	\$ -	\$ 5,650	\$ -	\$ 5,650
11	Cherry Desk	12/1/2010	120	\$ 855	10.00%	\$ -	\$ 855	\$ -	\$ -	\$ 855	\$ -	\$ 855	\$ -	\$ -	\$ 855	\$ -	\$ 855
12	Cherry Drawer	12/1/2010	120	\$ 71	10.00%	\$ -	\$ 71	\$ -	\$ -	\$ 71	\$ -	\$ 71	\$ -	\$ -	\$ 71	\$ -	\$ 71
13	Cherry Credenza	12/1/2010	120	\$ 509	10.00%	\$ -	\$ 509	\$ -	\$ -	\$ 509	\$ -	\$ 509	\$ -	\$ -	\$ 509	\$ -	\$ 509
14	Cherry Corner Unit	12/1/2010	120	\$ 404	10.00%	\$ -	\$ 404	\$ -	\$ -	\$ 404	\$ -	\$ 404	\$ -	\$ -	\$ 404	\$ -	\$ 404
15	Regency Library	12/1/2010	120	\$ 284	10.00%	\$ -	\$ 284	\$ -	\$ -	\$ 284	\$ -	\$ 284	\$ -	\$ -	\$ 284	\$ -	\$ 284
16	Chairs	12/1/2010	120	\$ 2,037	10.00%	\$ -	\$ 2,037	\$ -	\$ -	\$ 2,037	\$ -	\$ 2,037	\$ -	\$ -	\$ 2,037	\$ -	\$ 2,037
17	Cherry Desk Shell 66"	12/1/2010	120	\$ 429	10.00%	\$ -	\$ 429	\$ -	\$ -	\$ 429	\$ -	\$ 429	\$ -	\$ -	\$ 429	\$ -	\$ 429
18	24" x 71" Credenza Shells	12/1/2010	120	\$ 793	10.00%	\$ -	\$ 793	\$ -	\$ -	\$ 793	\$ -	\$ 793	\$ -	\$ -	\$ 793	\$ -	\$ 793
19	Cherry Keyboard Drawer	12/1/2010	120	\$ 71	10.00%	\$ -	\$ 71	\$ -	\$ -	\$ 71	\$ -	\$ 71	\$ -	\$ -	\$ 71	\$ -	\$ 71
20	Executive Chair	12/1/2010	120	\$ 391	10.00%	\$ -	\$ 391	\$ -	\$ -	\$ 391	\$ -	\$ 391	\$ -	\$ -	\$ 391	\$ -	\$ 391
21	Desk Pedestal F/F	12/1/2010	120	\$ 468	10.00%	\$ -	\$ 468	\$ -	\$ -	\$ 468	\$ -	\$ 468	\$ -	\$ -	\$ 468	\$ -	\$ 468
22	Cherry Shelf Unit	12/1/2010	120	\$ 308	10.00%	\$ -	\$ 308	\$ -	\$ -	\$ 308	\$ -	\$ 308	\$ -	\$ -	\$ 308	\$ -	\$ 308
23	Cherry Storage Hutch	12/1/2010	120	\$ 487	10.00%	\$ -	\$ 487	\$ -	\$ -	\$ 487	\$ -	\$ 487	\$ -	\$ -	\$ 487	\$ -	\$ 487
24	Cherry Credenza 66"	12/1/2010	120	\$ 333	10.00%	\$ -	\$ 333	\$ -	\$ -	\$ 333	\$ -	\$ 333	\$ -	\$ -	\$ 333	\$ -	\$ 333
25	Regency Desk	12/1/2010	120	\$ 709	10.00%	\$ -	\$ 709	\$ -	\$ -	\$ 709	\$ -	\$ 709	\$ -	\$ -	\$ 709	\$ -	\$ 709
26	2 Drawer Lateral File	12/1/2010	120	\$ 988	10.00%	\$ -	\$ 988	\$ -	\$ -	\$ 988	\$ -	\$ 988	\$ -	\$ -	\$ 988	\$ -	\$ 988
27	3, 42" 4 Drawer Lateral File Cabinets	12/1/2010	120	\$ 2,868	10.00%	\$ -	\$ 2,868	\$ -	\$ -	\$ 2,868	\$ -	\$ 2,868	\$ -	\$ -	\$ 2,868	\$ -	\$ 2,868
28	Cherry Desk Pedestal B/B/F	12/1/2010	120	\$ 513	10.00%	\$ -	\$ 513	\$ -	\$ -	\$ 513	\$ -	\$ 513	\$ -	\$ -	\$ 513	\$ -	\$ 513
29	Regency Lateral File	12/1/2010	120	\$ 567	10.00%	\$ -	\$ 567	\$ -	\$ -	\$ 567	\$ -	\$ 567	\$ -	\$ -	\$ 567	\$ -	\$ 567
30	Fireproof safe for Customer Service office.	12/1/2011	120	\$ 2,386	10.00%	\$ -	\$ 2,386	\$ -	\$ -	\$ 2,386	\$ -	\$ 2,386	\$ -	\$ -	\$ 2,386	\$ -	\$ 2,386
31	Ricoh Aficio MP C3001	5/1/2015	480	\$ 3,044	2.50%	\$ -	\$ 659	\$ -	\$ -	\$ 3,044	\$ 76	\$ 735	\$ -	\$ -	\$ 3,044	\$ 76	\$ 812
32	790 Office Furniture	5/1/2015	480	\$ 631	2.50%	\$ -	\$ 136	\$ -	\$ -	\$ 631	\$ 16	\$ 152	\$ -	\$ -	\$ 631	\$ 16	\$ 168
33	Office Furniture - Manager of Technical & Regulatory Matters	9/1/2021	240	\$ 1,795	5.00%	\$ -	\$ 209	\$ -	\$ -	\$ 1,795	\$ 90	\$ 299	\$ -	\$ -	\$ 1,795	\$ 90	\$ 389
34	Automated Electronic Defibrillators	12/1/2010	60	\$ 7,161	20.00%	\$ -	\$ 7,161	\$ -	\$ -	\$ 7,161	\$ -	\$ 7,161	\$ -	\$ -	\$ 7,161	\$ -	\$ 7,161
35	License for Capture Now	12/1/2010	60	\$ 237	20.00%	\$ -	\$ 237	\$ -	\$ -	\$ 237	\$ -	\$ 237	\$ -	\$ -	\$ 237	\$ -	\$ 237
36	Ricoh MP 4001SP Copier w/Finisher	12/1/2010	60	\$ 10,686	20.00%	\$ -	\$ 10,686	\$ -	\$ -	\$ 10,686	\$ -	\$ 10,686	\$ -	\$ -	\$ 10,686	\$ -	\$ 10,686
37	Monitors	12/1/2010	60	\$ 1,207	20.00%	\$ -	\$ 1,207	\$ -	\$ -	\$ 1,207	\$ -	\$ 1,207	\$ -	\$ -	\$ 1,207	\$ -	\$ 1,207
38	Mitel EP Dig 6 Line Model 8560 Telephone	12/1/2010	60	\$ 8,102	20.00%	\$ -	\$ 8,102	\$ -	\$ -	\$ 8,102	\$ -	\$ 8,102	\$ -	\$ -	\$ 8,102	\$ -	\$ 8,102
39	8-way video conferencing system (Customeer Service) 3 each, 3-w	12/1/2011	60	\$ 37,185	20.00%	\$ -	\$ 37,185	\$ -	\$ -	\$ 37,185	\$ -	\$ 37,185	\$ -	\$ -	\$ 37,185	\$ -	\$ 37,185
40	Hewlett Packard laser printer	12/1/2011	60	\$ 1,111	20.00%	\$ -	\$ 1,111	\$ -	\$ -	\$ 1,111	\$ -	\$ 1,111	\$ -	\$ -	\$ 1,111	\$ -	\$ 1,111
41	Desktop-HIWKCLS40	12/1/2014	84	\$ 807	14.29%	\$ -	\$ 807	\$ -	\$ -	\$ 807	\$ -	\$ 807	\$ -	\$ -	\$ 807	\$ -	\$ 807
42	Desktop-HIWKCLS39	12/1/2014	84	\$ 807	14.29%	\$ -	\$ 807	\$ -	\$ -	\$ 807	\$ -	\$ 807	\$ -	\$ -	\$ 807	\$ -	\$ 807
43	Desktop-HIWKCLS37	12/1/2014	84	\$ 807	14.29%	\$ -	\$ 807	\$ -	\$ -	\$ 807	\$ -	\$ 807	\$ -	\$ -	\$ 807	\$ -	\$ 807
44	Desktop-HIWKCLS38	12/1/2014	84	\$ 807	14.29%	\$ -	\$ 807	\$ -	\$ -	\$ 807	\$ -	\$ 807	\$ -	\$ -	\$ 807	\$ -	\$ 807
45	Desktop-HIWKCLS36	12/1/2014	84	\$ 807	14.29%	\$ -	\$ 807	\$ -	\$ -	\$ 807	\$ -	\$ 807	\$ -	\$ -	\$ 807	\$ -	\$ 807
46	Desktop-HIWKCLS41	12/1/2014	84	\$ 807	14.29%	\$ -	\$ 807	\$ -	\$ -	\$ 807	\$ -	\$ 807	\$ -	\$ -	\$ 807	\$ -	\$ 807
47	790 Server & Server room upgrade	5/1/2015	84	\$ 17,650	14.29%	\$ -	\$ 17,650	\$ -	\$ -	\$ 17,650	\$ -	\$ 17,650	\$ -	\$ -	\$ 17,650	\$ -	\$ 17,650
48	Laptop for CS Manager	9/1/2019	60	\$ 1,592	20.00%	\$ -	\$ 1,380	\$ -	\$ -	\$ 1,592	\$ 318	\$ 1,699	\$ -	\$ -	\$ 1,592	\$ -	\$ 1,699
49	Desktop for Wastewater Manager	9/1/2019	60	\$ 879	20.00%	\$ -	\$ 762	\$ -	\$ -	\$ 879	\$ 176	\$ 938	\$ -	\$ -	\$ 879	\$ -	\$ 938
50	Ricoh IM C4500 - 14343259	4/1/2020	60	\$ 8,684	20.00%	\$ -	\$ 6,513	\$ -	\$ -	\$ 8,684	\$ 1,737	\$ 8,250	\$ -	\$ -	\$ 8,684	\$ 1,737	\$ 9,987
51	Temperature Kiosk - Big Island	12/1/2021	60	\$ 2,898	20.00%	\$ -	\$ 1,208	\$ -	\$ -	\$ 2,898	\$ 580	\$ 1,787	\$ -	\$ -	\$ 2,898	\$ 580	\$ 2,367
52	Temperature Kiosk - Maui	12/1/2021	60	\$ 2,898	20.00%	\$ -	\$ 1,208	\$ -	\$ -	\$ 2,898	\$ 580	\$ 1,787	\$ -	\$ -	\$ 2,898	\$ 580	\$ 2,367
53	Scanner for AP	4/1/2022	60	\$ 959	20.00%	\$ -	\$ 336	\$ -	\$ -	\$ 959	\$ 192	\$ 528	\$ -	\$ -	\$ 959	\$ 192	\$ 719
54	Rugged Laptop for SCADA Tech	8/1/2023	60	\$ 5,601	20.00%	\$ -	\$ 467	\$ -	\$ -	\$ 5,601	\$ 1,120	\$ 1,587	\$ -	\$ -	\$ 5,601	\$ 1,120	\$ 2,707
55	Laptop & docking station for General Manager (LT00359)	11/1/2023	60	\$ 2,358	20.00%	\$ -	\$ 79	\$ -	\$ -	\$ 2,358	\$ 472	\$ 550	\$ -	\$ -	\$ 2,358	\$ 472	\$ 1,022
56	Laptop for new GM-# LT00390	11/1/2023	60	\$ 2,222	20.00%	\$ -	\$ 74	\$ -	\$ -	\$ 2,222	\$ 444	\$ 518	\$ -	\$ -	\$ 2,222	\$ 444	\$ 963
57	IPAD for Big Island EMT S/N P9MR6H7XKF_IPAD	12/1/2023	60	\$ 892	20.00%	\$ -	\$ 15	\$ -	\$ -	\$ 892	\$ 178	\$ 193	\$ -	\$ -	\$ 892	\$ 178	\$ 372
58	Hawaii Business Unit Software	12/1/2010	60	\$ 132,361	20.00%	\$ -	\$ 132,361	\$ -	\$ -	\$ 132,361	\$ -	\$ 132,361	\$ -	\$ -	\$ 132,361	\$ -	\$ 132,361
59	RMS Software	3/1/2014	480	\$ 92,429	2.50%	\$ -	\$ 22,722	\$ -	\$ -	\$ 92,429	\$ 2,311	\$ 25,033	\$ -	\$ -	\$ 92,429	\$ 2,311	\$ 27,344
60	PeopleSoft Bank Reconciliation Software	8/1/2021	120	\$ 7,751	10.00%	\$ -	\$ 1,873	\$ -	\$ -	\$ 7,751	\$ 775	\$ 2,648	\$ -	\$ -	\$ 7,751	\$ 775	\$ 3,423
61	2019 Toyota 4Runner V218004	12/1/2019	84	\$ 44,521	14.29%	\$ -	\$ 25,971	\$ -	\$ -	\$ 44,521	\$ 6,360	\$ 32,331	\$ -	\$ -	\$ 44,521	\$ 6,360	\$ 38,691
62	Radio: mobile Motorola XPR7580	11/1/2015	60	\$ -	20.00%	\$ -	\$ 1,635	\$ -	\$ -	\$ -	\$ -	\$ 1,635	\$ -	\$ -	\$ -	\$ -	\$ 1,635
63	Radios: portable Motorola XPR7580	11/1/2015	60	\$ -	20.00%	\$ -	\$ 3,838	\$ -	\$ -	\$ -	\$ -	\$ 3,838	\$ -	\$ -	\$ -	\$ -	\$ 3,838
64	phone system with 8 phones	3/1/2010	60	\$ 24,859	20.00%	\$ -	\$ 24,859	\$ -	\$ -	\$ 24,859	\$ -	\$ 24,859	\$ -	\$ -	\$ 24,859	\$ -	\$ 24,859
65	Mahana Estates Tank LTE Radio	3/1/2023	120	\$ -	10.00%	\$ -	\$ 176	\$ -	\$ -	\$ -	\$ -	\$ 176	\$ -	\$ -	\$ -	\$ -	\$ 176
66	SCADA test equipment-Big Island & Maui	9/1/2023	120	\$ 16,798	10.00%	\$ -	\$ 560	\$ -	\$ -	\$ 16,798	\$ 1,680	\$ 2,240	\$ -	\$ -	\$ 16,798	\$ 1,680	\$ 3,920
67	RS Logix 500-Allen Bradley Software-Big Island & Maui	9/1/2023	120	\$ 9,181	10.00%	\$ -	\$ 306	\$ -	\$ -	\$ 9,181	\$ 918	\$ 1,224	\$ -	\$ -	\$ 9,181	\$ 918	\$ 2,142
68	Programming Cable-Big Island & Maui	9/1/2023	120	\$ 163	10.00%	\$ -	\$ 5	\$ -	\$ -	\$ 163	\$ 16	\$ 22	\$ -	\$ -	\$ 163	\$ 16	\$ 38

Hawaii Water Service Company
Allocated Plant Detail (Hawaii Water GO)
Test Year Ending December 31, 2025

Line No	Description	In Service	Useful Life in Mos	Plant Balance 12/31/2023	Present Rate	Depreciation Expense	Accumulated Depreciation Reserve 12/31/2023	Additions from 1/01/2024 to 12/31/2024	Retirements from 1/01/2024 to 12/31/2024	Plant Balance 12/31/2024	Depreciation Expense	Accumulated Depreciation Reserve 12/31/2024	Additions from 1/01/2025 to 12/31/2025	Retirements from 1/01/2025 to 12/31/2025	Plant Balance 12/31/2025	Depreciation Expense	Accumulated Depreciation Reserve 12/31/2025
69	Device maker/labeler-Big Island & Maui	9/1/2023	120	\$ 959	10.00%	\$ -	\$ 32	\$ -	\$ -	\$ 959	\$ 96	\$ 128	\$ -	\$ -	\$ 959	\$ 96	\$ 224
70	Bird Master RF Kit-Big Island & Maui	9/1/2023	120	\$ 20,613	10.00%	\$ -	\$ 687	\$ -	\$ -	\$ 20,613	\$ 2,061	\$ 2,748	\$ -	\$ -	\$ 20,613	\$ 2,061	\$ 4,810
71	Terminal wire marking kit-Big Island & Maui	9/1/2023	120	\$ 8,106	10.00%	\$ -	\$ 270	\$ -	\$ -	\$ 8,106	\$ 811	\$ 1,081	\$ -	\$ -	\$ 8,106	\$ 811	\$ 1,891
72	Miscellaneous Kitchen Equipment	12/1/2010	180	\$ 981	6.67%	\$ -	\$ 855	\$ -	\$ -	\$ 981	\$ 65	\$ 921	\$ -	\$ -	\$ 981	\$ 65	\$ 986
73	Manual transfer switch at Waikoloa Baseyard	8/1/2023	300	\$ 16,490	4.00%	\$ -	\$ 275	\$ -	\$ -	\$ 16,490	\$ 660	\$ 934	\$ -	\$ -	\$ 16,490	\$ 660	\$ 1,594
74	Total			\$ 667,409		\$ -	\$ 363,370	\$ -	\$ -	\$ 667,409	\$ 28,065	\$ 391,435	\$ -	\$ -	\$ 667,409	\$ 27,570	\$ 419,005
75	PLANT ADDITIONS																
76	Renewable Energy Assessment	9/30/2024	120	\$ -	10.00%	\$ -	\$ -	\$ 187,362	\$ -	\$ 187,362	\$ 18,736	\$ 18,736	\$ -	\$ -	\$ 187,362	\$ 18,736	\$ 37,472
77	Vehicle for SCADA Tech	2/15/2024	84	\$ -	14.29%	\$ -	\$ -	\$ 53,725	\$ -	\$ 53,725	\$ 7,675	\$ 7,675	\$ -	\$ -	\$ 53,725	\$ 7,675	\$ 15,350
78	Modular Office for Baseyard	12/31/2024	480	\$ -	2.50%	\$ -	\$ -	\$ 278,261	\$ -	\$ 278,261	\$ 6,957	\$ 6,957	\$ -	\$ -	\$ 278,261	\$ 6,957	\$ 13,913
79	Engineering Dep't Vehicle Replacement	12/31/2024	84	\$ -	14.29%	\$ -	\$ -	\$ 63,393	\$ -	\$ 63,393	\$ 9,056	\$ 9,056	\$ -	\$ -	\$ 63,393	\$ 9,056	\$ 18,112
80	Satellite Phones (6)	2/14/2024	60	\$ -	20.00%	\$ -	\$ -	\$ 11,835	\$ -	\$ 11,835	\$ 2,367	\$ 2,367	\$ -	\$ -	\$ 11,835	\$ 2,367	\$ 4,734
81	Copy Machine	4/2/2024	60	\$ -	20.00%	\$ -	\$ -	\$ 4,178	\$ -	\$ 4,178	\$ 836	\$ 836	\$ -	\$ -	\$ 4,178	\$ 836	\$ 1,671
82	790-Poipu Regional Plant Planning	9/30/2024	60	\$ -	20.00%	\$ -	\$ -	\$ 333,304	\$ -	\$ 333,304	\$ 66,661	\$ 66,661	\$ -	\$ -	\$ 333,304	\$ 66,661	\$ 133,321
83	790-EMT Laptops	10/31/2024	60	\$ -	20.00%	\$ -	\$ -	\$ 6,120	\$ -	\$ 6,120	\$ 1,224	\$ 1,224	\$ -	\$ -	\$ 6,120	\$ 1,224	\$ 2,448
82	Total			\$ -		\$ -	\$ -	\$ 938,178	\$ -	\$ 938,178	\$ 113,511	\$ 113,511	\$ -	\$ -	\$ 938,178	\$ 113,511	\$ 227,022
83	HAWAII GENERAL OFFICE ALLOCATIONS																
84	700 - Kaanapali		18.57%	\$ 123,922		\$ -	\$ 67,469	\$ 159,533	\$ -	\$ 273,023	\$ 24,074	\$ 85,864	\$ -	\$ -	\$ 273,023	\$ 23,990	\$ 109,854
85	701 - Pukalani		4.72%	\$ 31,497		\$ -	\$ 17,149	\$ 41,495	\$ -	\$ 71,014	\$ 6,262	\$ 22,334	\$ -	\$ -	\$ 71,014	\$ 6,240	\$ 28,574
86	704 - Kapalua Water		5.06%	\$ 33,754		\$ -	\$ 18,377	\$ 47,135	\$ -	\$ 80,666	\$ 7,113	\$ 25,369	\$ -	\$ -	\$ 80,666	\$ 7,088	\$ 32,457
87	705 - Kapalua Sewer		2.71%	\$ 18,080		\$ -	\$ 9,844	\$ 27,273	\$ -	\$ 46,676	\$ 4,116	\$ 14,679	\$ -	\$ -	\$ 46,676	\$ 4,101	\$ 18,780
88	706 - Kapalua Wells Service		0.19%	\$ 1,237		\$ -	\$ 674	\$ 1,594	\$ -	\$ 2,728	\$ 241	\$ 858	\$ -	\$ -	\$ 2,728	\$ 240	\$ 1,098
89	707 - Kapalua Ditch Service		0.39%	\$ 2,618		\$ -	\$ 1,425	\$ 3,193	\$ -	\$ 5,464	\$ 482	\$ 1,718	\$ -	\$ -	\$ 5,464	\$ 480	\$ 2,198
90	721 - Waikoloa Water		11.35%	\$ 75,776		\$ -	\$ 41,256	\$ 103,802	\$ -	\$ 177,645	\$ 15,664	\$ 55,868	\$ -	\$ -	\$ 177,645	\$ 15,610	\$ 71,478
91	722 - Waikoloa Sewer		7.33%	\$ 48,941		\$ -	\$ 26,646	\$ 59,547	\$ -	\$ 101,909	\$ 8,986	\$ 32,050	\$ -	\$ -	\$ 101,909	\$ 8,955	\$ 41,004
92	723 - Waikoloa Resort Water		10.68%	\$ 71,251		\$ -	\$ 38,792	\$ 92,127	\$ -	\$ 157,665	\$ 13,902	\$ 49,585	\$ -	\$ -	\$ 157,665	\$ 13,854	\$ 63,439
93	724 - Waikoloa Resort Sewer		13.35%	\$ 89,089		\$ -	\$ 48,504	\$ 112,609	\$ -	\$ 192,718	\$ 16,993	\$ 60,609	\$ -	\$ -	\$ 192,718	\$ 16,934	\$ 77,543
94	725 - Waikoloa Resort Irrigation		0.46%	\$ 3,082		\$ -	\$ 1,678	\$ 4,047	\$ -	\$ 6,925	\$ 611	\$ 2,178	\$ -	\$ -	\$ 6,925	\$ 609	\$ 2,787
95	726 - Kona Water		8.31%	\$ 55,473		\$ -	\$ 30,202	\$ 74,913	\$ -	\$ 128,205	\$ 11,305	\$ 40,320	\$ -	\$ -	\$ 128,205	\$ 11,265	\$ 51,585
96	727 - Kona Sewer		4.13%	\$ 27,563		\$ -	\$ 15,007	\$ 38,637	\$ -	\$ 66,123	\$ 5,831	\$ 20,795	\$ -	\$ -	\$ 66,123	\$ 5,810	\$ 26,605
97	729 - Keauhou		6.59%	\$ 44,002		\$ -	\$ 23,957	\$ 52,511	\$ -	\$ 89,867	\$ 7,924	\$ 28,263	\$ -	\$ -	\$ 89,867	\$ 7,897	\$ 36,159
98	743 - Kalaeloa Water		2.83%	\$ 18,916		\$ -	\$ 10,299	\$ 24,055	\$ -	\$ 41,168	\$ 3,630	\$ 12,947	\$ -	\$ -	\$ 41,168	\$ 3,617	\$ 16,565
99	742 - Kalaeloa Sewer		3.33%	\$ 22,207		\$ -	\$ 12,091	\$ 40,045	\$ -	\$ 68,533	\$ 6,043	\$ 21,553	\$ -	\$ -	\$ 68,533	\$ 6,022	\$ 27,575
100	761 - Poipu		0.00%	\$ -		\$ -	\$ -	\$ 55,660	\$ -	\$ 95,256	\$ 8,399	\$ 29,957	\$ -	\$ -	\$ 95,256	\$ 8,370	\$ 38,327
101	Total		100%	\$ 667,409		\$ -	\$ 363,370	\$ 938,178	\$ -	\$ 1,605,586	\$ 141,576	\$ 504,946	\$ -	\$ -	\$ 1,605,586	\$ 141,082	\$ 646,028
102	WASTEWATER ADMINISTRATION																
103	iPad 3rd generation - WW Engineer	9/1/2013	360	\$ 810	3.33%	\$ 27	\$ 295	\$ -	\$ -	\$ 810	\$ 27	\$ 322	\$ -	\$ -	\$ -	\$ 27	\$ 349
104	Total			\$ 810		\$ 27	\$ 295	\$ -	\$ -	\$ 810	\$ 27	\$ 322	\$ -	\$ -	\$ -	\$ 27	\$ 349
105	PLANT ADDITIONS																
106				\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
107	Total			\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	WASTEWATER ADMINISTRATION ALLOCATIONS																
	701 - Pukalani		11.36%	\$ 89		\$ 3	\$ 32	\$ -	\$ -	\$ 78	\$ 3	\$ 31	\$ -	\$ -	\$ -	\$ 3	\$ 33
	705 - Kapalua Sewer		5.80%	\$ 56		\$ 2	\$ 21	\$ -	\$ -	\$ 56	\$ 2	\$ 22	\$ -	\$ -	\$ -	\$ 2	\$ 24
	722 - Waikoloa Sewer		16.26%	\$ 138		\$ 5	\$ 50	\$ -	\$ -	\$ 111	\$ 4	\$ 44	\$ -	\$ -	\$ -	\$ 4	\$ 48
	724 - Waikoloa Resort Sewer		30.92%	\$ 253		\$ 8	\$ 92	\$ -	\$ -	\$ 212	\$ 7	\$ 84	\$ -	\$ -	\$ -	\$ 7	\$ 91
	727 - Kona Sewer		9.04%	\$ 75		\$ 2	\$ 27	\$ -	\$ -	\$ 70	\$ 2	\$ 28	\$ -	\$ -	\$ -	\$ 2	\$ 30
	729 - Keauhou		10.87%	\$ 125		\$ 4	\$ 46	\$ -	\$ -	\$ 96	\$ 3	\$ 38	\$ -	\$ -	\$ -	\$ 3	\$ 41
	742 - Kalaeloa Sewer		8.44%	\$ 73		\$ 2	\$ 27	\$ -	\$ -	\$ 87	\$ 3	\$ 34	\$ -	\$ -	\$ -	\$ 3	\$ 37
	761 - Poipu		7.32%	\$ -		\$ -	\$ -	\$ -	\$ -	\$ 100	\$ 3	\$ 40	\$ -	\$ -	\$ -	\$ 3	\$ 43
	Total		100%	\$ 810		\$ 27	\$ 295	\$ -	\$ -	\$ 810	\$ 27	\$ 322	\$ -	\$ -	\$ -	\$ 27	\$ 349

Hawaii Water Service Company
Allocated Plant Detail (Big Island)
Test Year Ending December 31, 2025

Line No	Description	In Service	Useful Life in Mos	Plant Balance 12/31/2023	Present Rate	Depreciation Expense	Accumulated Depreciation Reserve 12/31/2023	Additions from 1/01/2024 to 12/31/2024	Retirements from 1/01/2024 to 12/31/2024	Plant Balance 12/31/2024	Depreciation Expense	Accumulated Depreciation Reserve 12/31/2024	Additions from 1/01/2025 to 12/31/2025	Retirements from 1/01/2025 to 12/31/2025	Plant Balance 12/31/2025	Depreciation Expense	Accumulated Depreciation Reserve 12/31/2025
1	Big Island																
2	SCADA Vulnerability Assessment	8/1/2020	72	\$ 41,740	16.67%	\$ -	\$ 23,769	\$ -	\$ -	\$ 41,740	\$ 6,957	\$ 30,726	\$ -	\$ -	\$ 41,740	\$ 6,957	\$ 37,682
3	Internal Labor & Burdent for Project	7/1/2013	360	\$ 21,402	3.33%	\$ -	\$ 7,491	\$ -	\$ -	\$ 21,402	\$ 713	\$ 8,204	\$ -	\$ -	\$ 21,402	\$ 713	\$ 8,917
4	Big Island SCADA 2012	10/1/2014	480	\$ 495,319	2.50%	\$ -	\$ 114,744	\$ -	\$ -	\$ 495,319	\$ 12,383	\$ 127,127	\$ -	\$ -	\$ 495,319	\$ 12,383	\$ 139,510
5	SCADA iNET-II 900 Dual Gateway	3/1/2016	480	\$ 22,377	2.50%	\$ -	\$ 4,382	\$ -	\$ -	\$ 22,377	\$ 559	\$ 4,942	\$ -	\$ -	\$ 22,377	\$ 559	\$ 5,501
6	SCADA upgrade 2013	3/1/2016	480	\$ 64,775	2.50%	\$ -	\$ 12,685	\$ -	\$ -	\$ 64,775	\$ 1,619	\$ 14,305	\$ -	\$ -	\$ 64,775	\$ 1,619	\$ 15,924
7	SCADAPack 32	3/1/2016	480	\$ 10,539	2.50%	\$ -	\$ 2,064	\$ -	\$ -	\$ 10,539	\$ 263	\$ 2,327	\$ -	\$ -	\$ 10,539	\$ 263	\$ 2,591
8	SCADA radio data link	5/1/2017	480	\$ 53,201	2.50%	\$ -	\$ 8,867	\$ -	\$ -	\$ 53,201	\$ 1,330	\$ 10,197	\$ -	\$ -	\$ 53,201	\$ 1,330	\$ 11,527
9	SCADA Report Writer System	6/1/2019	240	\$ 47,600	5.00%	\$ -	\$ 10,908	\$ -	\$ -	\$ 47,600	\$ 2,380	\$ 13,288	\$ -	\$ -	\$ 47,600	\$ 2,380	\$ 15,668
10	10' x 24' mobile office trailer	12/1/2011	474	\$ 12,629	2.53%	\$ -	\$ 3,999	\$ -	\$ -	\$ 12,629	\$ 320	\$ 4,319	\$ -	\$ -	\$ 12,629	\$ 320	\$ 4,638
11	Replace existing 200 amp panel with a 400 amp panel.	12/1/2011	472	\$ 8,770	2.54%	\$ -	\$ 2,802	\$ -	\$ -	\$ 8,770	\$ 223	\$ 3,025	\$ -	\$ -	\$ 8,770	\$ 223	\$ 3,248
12	MISCELLANEOUS [666]	12/1/2011	472	\$ 1,447	2.54%	\$ -	\$ 462	\$ -	\$ -	\$ 1,447	\$ 37	\$ 499	\$ -	\$ -	\$ 1,447	\$ 37	\$ 536
13	MISCELLANEOUS [666]	12/1/2011	474	\$ 4,571	2.53%	\$ -	\$ 1,438	\$ -	\$ -	\$ 4,571	\$ 116	\$ 1,553	\$ -	\$ -	\$ 4,571	\$ 116	\$ 1,669
14	Septic Tank, Baseyard	9/1/2017	472	\$ 15,054	2.54%	\$ -	\$ 2,634	\$ -	\$ -	\$ 15,054	\$ 383	\$ 3,017	\$ -	\$ -	\$ 15,054	\$ 383	\$ 3,400
15	Fuel Station for all BI Operations	6/1/2019	355	\$ 159,878	3.38%	\$ -	\$ 26,646	\$ -	\$ -	\$ 159,878	\$ 5,404	\$ 32,051	\$ -	\$ -	\$ 159,878	\$ 5,404	\$ 37,455
16	A/C Bard System @ Engineering Trailer	11/1/2019	349	\$ 15,941	3.44%	\$ -	\$ 2,701	\$ -	\$ -	\$ 15,941	\$ 548	\$ 3,249	\$ -	\$ -	\$ 15,941	\$ 548	\$ 3,797
17	Operations Office Trailer, 12x44	6/1/2023	351	\$ 93,669	3.42%	\$ -	\$ 4,163	\$ -	\$ -	\$ 93,669	\$ 3,202	\$ 7,365	\$ -	\$ -	\$ 93,669	\$ 3,202	\$ 10,568
18	Office furniture & equip. for 2 EMT's	9/1/2012	135	\$ 4,134	8.89%	\$ -	\$ 4,134	\$ -	\$ -	\$ 4,134	\$ -	\$ 4,134	\$ -	\$ -	\$ 4,134	\$ -	\$ 4,134
19	OFFICE FURNITURE & EQUIPMENT [680]	9/1/2012	135	\$ 47	8.89%	\$ -	\$ 47	\$ 47	\$ -	\$ 47	\$ -	\$ 47	\$ -	\$ -	\$ 47	\$ -	\$ 47
20	Dual Function Chair - Local Mgrs Office	9/1/2012	135	\$ 351	8.89%	\$ -	\$ 351	\$ -	\$ -	\$ 351	\$ -	\$ 351	\$ -	\$ -	\$ 351	\$ -	\$ 351
21	36"x72" Desk w/Drawers- Local Mgrs Off.	9/1/2012	135	\$ 959	8.89%	\$ -	\$ 959	\$ -	\$ -	\$ 959	\$ -	\$ 959	\$ -	\$ -	\$ 959	\$ -	\$ 959
22	Printer Cart - Local Manager's Office	9/1/2012	135	\$ 75	8.89%	\$ -	\$ 75	\$ -	\$ -	\$ 75	\$ -	\$ 75	\$ -	\$ -	\$ 75	\$ -	\$ 75
23	Visitor Chair - Local Manager's Office	9/1/2012	135	\$ 169	8.89%	\$ -	\$ 169	\$ -	\$ -	\$ 169	\$ -	\$ 169	\$ -	\$ -	\$ 169	\$ -	\$ 169
24	Book Case - Local Manager's Office	9/1/2012	135	\$ 298	8.89%	\$ -	\$ 298	\$ -	\$ -	\$ 298	\$ -	\$ 298	\$ -	\$ -	\$ 298	\$ -	\$ 298
25	Lateral File - Local Manager's Office	9/1/2012	135	\$ 525	8.89%	\$ -	\$ 525	\$ -	\$ -	\$ 525	\$ -	\$ 525	\$ -	\$ -	\$ 525	\$ -	\$ 525
26	dryer @ baseyard	4/1/2017	480	\$ 503	2.50%	\$ -	\$ 85	\$ -	\$ -	\$ 503	\$ 13	\$ 98	\$ -	\$ -	\$ 503	\$ 13	\$ 110
27	Operations Office Trailer Office Equipment	6/1/2023	240	\$ 4,185	5.00%	\$ -	\$ 122	\$ -	\$ -	\$ 4,185	\$ 209	\$ 331	\$ -	\$ -	\$ 4,185	\$ 209	\$ 541
28	FC200 Hand Held Meter Reading Devices	12/1/2010	156	\$ 19,147	7.69%	\$ -	\$ 19,147	\$ -	\$ -	\$ 19,147	\$ -	\$ 19,147	\$ -	\$ -	\$ 19,147	\$ -	\$ 19,147
29	FC200 Multidock Desk Dock	12/1/2010	156	\$ 2,793	7.69%	\$ -	\$ 2,793	\$ -	\$ -	\$ 2,793	\$ -	\$ 2,793	\$ -	\$ -	\$ 2,793	\$ -	\$ 2,793
30	Network Hardware	6/1/2011	150	\$ 16,749	8.00%	\$ -	\$ 16,749	\$ -	\$ -	\$ 16,749	\$ -	\$ 16,749	\$ -	\$ -	\$ 16,749	\$ -	\$ 16,749
31	Richo Fax Module	11/1/2011	145	\$ 1,045	8.28%	\$ -	\$ 1,045	\$ -	\$ -	\$ 1,045	\$ -	\$ 1,045	\$ -	\$ -	\$ 1,045	\$ -	\$ 1,045
32	ELECTRONICS [681]	6/1/2012	138	\$ 13,813	8.70%	\$ -	\$ 13,813	\$ -	\$ -	\$ 13,813	\$ -	\$ 13,813	\$ -	\$ -	\$ 13,813	\$ -	\$ 13,813
33	GPS Hardware	9/1/2012	135	\$ 8,824	8.89%	\$ -	\$ 8,824	\$ -	\$ -	\$ 8,824	\$ -	\$ 8,824	\$ -	\$ -	\$ 8,824	\$ -	\$ 8,824
34	ELECTRONICS [681]	9/1/2012	135	\$ 182	8.89%	\$ -	\$ 182	\$ 182	\$ -	\$ 182	\$ -	\$ 182	\$ -	\$ -	\$ 182	\$ -	\$ 182
35	Laptop for the Hawaii safety program	4/1/2013	128	\$ 1,165	9.38%	\$ -	\$ 1,165	\$ -	\$ -	\$ 1,165	\$ -	\$ 1,165	\$ -	\$ -	\$ 1,165	\$ -	\$ 1,165
36	Desktop Computer for Waikoloa Lab	4/1/2013	128	\$ 1,133	9.38%	\$ -	\$ 1,133	\$ -	\$ -	\$ 1,133	\$ -	\$ 1,133	\$ -	\$ -	\$ 1,133	\$ -	\$ 1,133
37	Desktop Computer for Waikoloa Lab	4/1/2013	128	\$ 1,133	9.38%	\$ -	\$ 1,133	\$ -	\$ -	\$ 1,133	\$ -	\$ 1,133	\$ -	\$ -	\$ 1,133	\$ -	\$ 1,133
38	New 12 extension InterTel phone system	6/1/2013	126	\$ 19,704	9.52%	\$ -	\$ 19,704	\$ -	\$ -	\$ 19,704	\$ -	\$ 19,704	\$ -	\$ -	\$ 19,704	\$ -	\$ 19,704
39	ELECTRONICS [681]	9/1/2013	123	\$ 51	9.76%	\$ -	\$ 51	\$ -	\$ -	\$ 51	\$ -	\$ 51	\$ -	\$ -	\$ 51	\$ -	\$ 51
40	(2)Replacement Op Computer Stations	12/1/2013	120	\$ 2,081	10.00%	\$ -	\$ 2,081	\$ -	\$ -	\$ 2,081	\$ -	\$ 2,081	\$ -	\$ -	\$ 2,081	\$ -	\$ 2,081
41	EMT Laptop	3/1/2014	117	\$ 4,509	10.26%	\$ -	\$ 4,509	\$ -	\$ -	\$ 4,509	\$ -	\$ 4,509	\$ -	\$ -	\$ 4,509	\$ -	\$ 4,509
42	Rplc computer w/laptop for Eng Mgr	10/1/2014	110	\$ 1,478	10.91%	\$ -	\$ 1,478	\$ -	\$ -	\$ 1,478	\$ -	\$ 1,478	\$ -	\$ -	\$ 1,478	\$ -	\$ 1,478
43	Desktop-HIWKLOC57	12/1/2014	108	\$ 1,613	11.11%	\$ -	\$ 1,613	\$ -	\$ -	\$ 1,613	\$ -	\$ 1,613	\$ -	\$ -	\$ 1,613	\$ -	\$ 1,613
44	Desktop-HIWKLOC56	12/1/2014	108	\$ 1,572	11.11%	\$ -	\$ 1,572	\$ -	\$ -	\$ 1,572	\$ -	\$ 1,572	\$ -	\$ -	\$ 1,572	\$ -	\$ 1,572
45	Laptop, EMT-HIWKOCLT02	11/1/2016	85	\$ 1,631	14.12%	\$ -	\$ 1,631	\$ -	\$ -	\$ 1,631	\$ -	\$ 1,631	\$ -	\$ -	\$ 1,631	\$ -	\$ 1,631
46	RICOH MPC3004-Engineering office	12/1/2016	84	\$ 8,282	14.29%	\$ -	\$ 8,282	\$ -	\$ -	\$ 8,282	\$ -	\$ 8,282	\$ -	\$ -	\$ 8,282	\$ -	\$ 8,282
47	Projector-Dell 1610HD	12/1/2016	84	\$ 626	14.29%	\$ -	\$ 626	\$ -	\$ -	\$ 626	\$ -	\$ 626	\$ -	\$ -	\$ 626	\$ -	\$ 626
48	Handheld Meter Readers, FC300	7/1/2018	84	\$ 4,337	14.29%	\$ -	\$ 3,407	\$ -	\$ -	\$ 4,337	\$ 620	\$ 4,027	\$ -	\$ -	\$ 4,337	\$ 620	\$ 4,646
49	Handheld Meter Readers, FC300	7/1/2018	84	\$ 4,337	14.29%	\$ -	\$ 3,407	\$ -	\$ -	\$ 4,337	\$ 620	\$ 4,027	\$ -	\$ -	\$ 4,337	\$ 620	\$ 4,646
50	iPad 9	7/1/2022	60	\$ 753	20.00%	\$ -	\$ 226	\$ -	\$ -	\$ 753	\$ 151	\$ 377	\$ -	\$ -	\$ 753	\$ 151	\$ 527
51	Itron handheld FC300 dock	9/1/2022	60	\$ 1,818	20.00%	\$ -	\$ 485	\$ -	\$ -	\$ 1,818	\$ 364	\$ 848	\$ -	\$ -	\$ 1,818	\$ 364	\$ 1,212
52	Itron handhelds FC300	9/1/2022	60	\$ 19,390	20.00%	\$ -	\$ 5,171	\$ -	\$ -	\$ 19,390	\$ 3,878	\$ 9,049	\$ -	\$ -	\$ 19,390	\$ 3,878	\$ 12,927
53	RICOH MPC4504EX for Base Yard Operations	9/1/2022	60	\$ 2,808	20.00%	\$ -	\$ 749	\$ -	\$ -	\$ 2,808	\$ 562	\$ 1,311	\$ -	\$ -	\$ 2,808	\$ 562	\$ 1,872
54	iPads (9th Gen) for Foremans	6/1/2023	60	\$ 1,464	20.00%	\$ -	\$ 171	\$ -	\$ -	\$ 1,464	\$ 293	\$ 464	\$ -	\$ -	\$ 1,464	\$ 293	\$ 757
55	laptop for Waikoloa Superintendent-(laptop HIWKLLT05)	8/1/2023	60	\$ 2,358	20.00%	\$ -	\$ 197	\$ -	\$ -	\$ 2,358	\$ 472	\$ 668	\$ -	\$ -	\$ 2,358	\$ 472	\$ 1,140
56	ARC Editor software	12/1/2011	144	\$ 7,621	8.33%	\$ -	\$ 7,621	\$ -	\$ -	\$ 7,621	\$ -	\$ 7,621	\$ -	\$ -	\$ 7,621	\$ -	\$ 7,621
57	GIS Software	9/1/2012	135	\$ 2,995	8.89%	\$ -	\$ 2,995	\$ -	\$ -	\$ 2,995	\$ -	\$ 2,995	\$ -	\$ -	\$ 2,995	\$ -	\$ 2,995
58	V208216, '06 Chevy Silverado-V208216	12/1/2010	156	\$ 9,017	7.69%	\$ -	\$ 9,017	\$ -	\$ -	\$ 9,017	\$ -	\$ 9,017	\$ -	\$ -	\$ 9,017	\$ -	\$ 9,017
59	V208214, Ford F-150	12/1/2010	156	\$ -	7.69%	\$ -	\$ 6,817	\$ -	\$ -	\$ -	\$ -	\$ 6,817	\$ -	\$ -	\$ -	\$ -	\$ 6,817
60	V208217, '03 Chevy 3500 Flatbed	12/1/2010	156	\$ 29,139	7.69%	\$ -	\$ 29,139	\$ -	\$ -	\$ 29,139	\$ -	\$ 29,139	\$ -	\$ -	\$ 29,139	\$ -	\$ 29,139
61	2010 Nissan Titan 4 x 4 Crew Cab	12/1/2010	156	\$ 35,679	7.69%	\$ -	\$ 35,679	\$ -	\$ -	\$ 35,679	\$ -	\$ 35,679	\$ -	\$ -	\$ 35,679	\$ -	\$ 35,679
62	2010 Nissan Frontier 4 x 4 BAS	12/1/2010	156	\$ 27,030	7.69%	\$ -	\$ 27,030	\$ -	\$ -	\$ 27,030	\$ -	\$ 27,030	\$ -	\$ -	\$ 27,030	\$ -	\$ 27,030
63	V208222, '08 TOY 4 RUNNER	12/1/2008	180	\$ 32,269	6.67%	\$ -	\$ 32,269	\$ -	\$ -	\$ 32,269	\$ -	\$ 32,269	\$ -	\$ -	\$ 32,269	\$ -	\$ 32,269
64	2011 FORD RANGER 4DR XCAB	6/1/2012	138	\$ 26,901	8.70%	\$ -	\$ 26,901	\$ -	\$ -	\$ 26,901	\$ -	\$ 26,901	\$ -	\$ -	\$ 26,901	\$ -	\$ 26,901
65	2011 FORD RANGER 4DR XCAB	6/1/2012	138	\$ 26,395	8.70%	\$ -	\$ 26,395	\$ -	\$ -	\$ 26,395	\$ -	\$ 26,395	\$ -	\$ -	\$ 26,395	\$ -	\$ 26,395

Hawaii Water Service Company
Allocated Plant Detail (Big Island)
Test Year Ending December 31, 2025

Line No	Description	In Service	Useful Life in Mos	Plant Balance 12/31/2023	Present Rate	Depreciation Expense	Accumulated Depreciation Reserve 12/31/2023	Additions from 1/01/2024 to 12/31/2024	Retirements from 1/01/2024 to 12/31/2024	Plant Balance 12/31/2024	Depreciation Expense	Accumulated Depreciation Reserve 12/31/2024	Additions from 1/01/2025 to 12/31/2025	Retirements from 1/01/2025 to 12/31/2025	Plant Balance 12/31/2025	Depreciation Expense	Accumulated Depreciation Reserve 12/31/2025
66	2012 NISSAN FRONTIER 2WD CREW CAB	6/1/2012	138	\$ 25,350	8.70%	\$ -	\$ 25,350	\$ -	\$ -	\$ 25,350	\$ -	\$ 25,350	\$ -	\$ -	\$ 25,350	\$ -	\$ 25,350
67	2013 Ford Explorer	9/1/2012	135	\$ 37,497	8.89%	\$ -	\$ 37,497	\$ -	\$ -	\$ 37,497	\$ -	\$ 37,497	\$ -	\$ -	\$ 37,497	\$ -	\$ 37,497
68	2012 Ford F-150 XCab	9/1/2012	135	\$ 30,500	8.89%	\$ -	\$ 30,500	\$ -	\$ -	\$ 30,500	\$ -	\$ 30,500	\$ -	\$ -	\$ 30,500	\$ -	\$ 30,500
69	2012 Ford F-150 XCab	9/1/2012	135	\$ 30,500	8.89%	\$ -	\$ 30,500	\$ -	\$ -	\$ 30,500	\$ -	\$ 30,500	\$ -	\$ -	\$ 30,500	\$ -	\$ 30,500
70	2012 Ford F-150 XCab	9/1/2012	135	\$ 30,500	8.89%	\$ -	\$ 30,500	\$ -	\$ -	\$ 30,500	\$ -	\$ 30,500	\$ -	\$ -	\$ 30,500	\$ -	\$ 30,500
71	TRANSPORTATION EQUIPMENT [690]	9/1/2012	135	\$ 29,396	8.89%	\$ -	\$ 29,396	\$ -	\$ -	\$ 29,396	\$ -	\$ 29,396	\$ -	\$ -	\$ 29,396	\$ -	\$ 29,396
72	2014 Nissan Frontier. V214001	4/1/2014	116	\$ 35,122	10.34%	\$ -	\$ 35,122	\$ -	\$ -	\$ 35,122	\$ -	\$ 35,122	\$ -	\$ -	\$ 35,122	\$ -	\$ 35,122
73	2017 Honda CRV ZGG188-V218002	6/1/2019	84	\$ 31,709	14.29%	\$ -	\$ 20,762	\$ -	\$ -	\$ 31,709	\$ 4,530	\$ 25,292	\$ -	\$ -	\$ 31,709	\$ 4,530	\$ 29,822
74	2017 Ford F250 V218001	9/1/2019	84	\$ 50,788	14.29%	\$ -	\$ 31,440	\$ -	\$ -	\$ 50,788	\$ 7,255	\$ 38,696	\$ -	\$ -	\$ 50,788	\$ 7,255	\$ 45,951
75	2017 Ford F250 V218001, 54" lightbar	9/1/2019	84	\$ 3,355	14.29%	\$ -	\$ 2,077	\$ -	\$ -	\$ 3,355	\$ 479	\$ 2,556	\$ -	\$ -	\$ 3,355	\$ 479	\$ 3,035
76	2020 National NBT30 Boom Truck mounted on Peterbilt 367	12/1/2019	84	\$ 358,520	14.29%	\$ -	\$ 209,137	\$ -	\$ -	\$ 358,520	\$ 51,217	\$ 260,354	\$ -	\$ -	\$ 358,520	\$ 51,217	\$ 311,571
77	2018 Toyota Tacoma V218003	9/1/2020	84	\$ 37,834	14.29%	\$ -	\$ 18,016	\$ -	\$ -	\$ 37,834	\$ 5,405	\$ 23,421	\$ -	\$ -	\$ 37,834	\$ 5,405	\$ 28,826
78	2018 Toyota Tacoma V218003 54" lighbar	9/1/2020	84	\$ 3,325	14.29%	\$ -	\$ 1,584	\$ -	\$ -	\$ 3,325	\$ 475	\$ 2,059	\$ -	\$ -	\$ 3,325	\$ 475	\$ 2,534
79	2020 Toyota Tundra V220301	9/1/2020	84	\$ 49,763	14.29%	\$ -	\$ 23,697	\$ -	\$ -	\$ 49,763	\$ 7,109	\$ 30,806	\$ -	\$ -	\$ 49,763	\$ 7,109	\$ 37,915
80	2021 Ford Ranger - V221306	7/1/2022	84	\$ 36,166	14.29%	\$ -	\$ 7,750	\$ -	\$ -	\$ 36,166	\$ 5,167	\$ 12,917	\$ -	\$ -	\$ 36,166	\$ 5,167	\$ 18,083
81	2023 Ford Ranger 4x4 SuperCab - V223304	9/1/2023	84	\$ 43,257	14.29%	\$ -	\$ 2,060	\$ -	\$ -	\$ 43,257	\$ 6,180	\$ 8,240	\$ -	\$ -	\$ 43,257	\$ 6,180	\$ 14,419
82	1996 Eagle Pitchr Forklift-Cat R80T-SN1KK01108	12/1/2010	480	\$ 22,871	2.50%	\$ -	\$ 7,481	\$ -	\$ -	\$ 22,871	\$ 572	\$ 8,053	\$ -	\$ -	\$ 22,871	\$ 572	\$ 8,625
83	STORES EQUIPMENT [700]	12/1/2011	480	\$ 15	2.50%	\$ -	\$ 4	\$ -	\$ -	\$ 15	\$ 0	\$ 5	\$ -	\$ -	\$ 15	\$ 0	\$ 5
84	70 gallon diesel fuel transfer tank.	12/1/2011	480	\$ 725	2.50%	\$ -	\$ 219	\$ -	\$ -	\$ 725	\$ 18	\$ 237	\$ -	\$ -	\$ 725	\$ 18	\$ 255
85	20' Container-Baseyard	6/1/2015	480	\$ 10,373	2.50%	\$ -	\$ 2,226	\$ -	\$ -	\$ 10,373	\$ 259	\$ 2,485	\$ -	\$ -	\$ 10,373	\$ 259	\$ 2,744
86	20' Container Shelving-Baseyard	6/1/2015	480	\$ 931	2.50%	\$ -	\$ 200	\$ -	\$ -	\$ 931	\$ 23	\$ 223	\$ -	\$ -	\$ 931	\$ 23	\$ 246
87	20' Container Shelving-EMT	6/1/2015	480	\$ 455	2.50%	\$ -	\$ 98	\$ -	\$ -	\$ 455	\$ 11	\$ 109	\$ -	\$ -	\$ 455	\$ 11	\$ 121
88	20' Container-EMT	6/1/2015	480	\$ 5,312	2.50%	\$ -	\$ 1,140	\$ -	\$ -	\$ 5,312	\$ 133	\$ 1,273	\$ -	\$ -	\$ 5,312	\$ 133	\$ 1,406
89	Lab Tray Sealer	9/1/2022	240	\$ 4,737	5.00%	\$ -	\$ 316	\$ -	\$ -	\$ 4,737	\$ 237	\$ 553	\$ -	\$ -	\$ 4,737	\$ 237	\$ 790
90	POCKET COLORIMETER	9/1/2022	240	\$ 2,746	5.00%	\$ -	\$ 183	\$ -	\$ -	\$ 2,746	\$ 137	\$ 320	\$ -	\$ -	\$ 2,746	\$ 137	\$ 458
91	KTO-HQ40D	9/1/2022	240	\$ 2,378	5.00%	\$ -	\$ 159	\$ -	\$ -	\$ 2,378	\$ 119	\$ 277	\$ -	\$ -	\$ 2,378	\$ 119	\$ 396
92	Pocket Colorimeter, Chlorine	8/1/2023	240	\$ 2,958	5.00%	\$ -	\$ 62	\$ -	\$ -	\$ 2,958	\$ 148	\$ 209	\$ -	\$ -	\$ 2,958	\$ 148	\$ 357
93	Pocket Colorimeter, Phosphate	8/1/2023	240	\$ 493	5.00%	\$ -	\$ 10	\$ -	\$ -	\$ 493	\$ 25	\$ 35	\$ -	\$ -	\$ 493	\$ 25	\$ 60
94	Turbidimeter	8/1/2023	240	\$ 1,794	5.00%	\$ -	\$ 37	\$ -	\$ -	\$ 1,794	\$ 90	\$ 127	\$ -	\$ -	\$ 1,794	\$ 90	\$ 217
95	2017 Ford F250 V218001, XPR5380 radio	9/1/2019	120	\$ 1,385	10.00%	\$ -	\$ 600	\$ -	\$ -	\$ 1,385	\$ 139	\$ 739	\$ -	\$ -	\$ 1,385	\$ 139	\$ 877
96	Motorola XPR5380 Mobile Radios	9/1/2022	120	\$ 22,344	10.00%	\$ -	\$ 2,979	\$ -	\$ -	\$ 22,344	\$ 2,234	\$ 5,214	\$ -	\$ -	\$ 22,344	\$ 2,234	\$ 7,448
97	Motorola XPR5380 Base Radio	9/1/2022	120	\$ 8,370	10.00%	\$ -	\$ 1,116	\$ -	\$ -	\$ 8,370	\$ 837	\$ 1,953	\$ -	\$ -	\$ 8,370	\$ 837	\$ 2,790
98	Motorola XPR7580e Portable Radios	9/1/2022	120	\$ 18,527	10.00%	\$ -	\$ 2,470	\$ -	\$ -	\$ 18,527	\$ 1,853	\$ 4,323	\$ -	\$ -	\$ 18,527	\$ 1,853	\$ 6,176
99	Network Rack UPS for Waikoloa Base Yard	9/1/2023	120	\$ 2,542	10.00%	\$ -	\$ 85	\$ -	\$ -	\$ 2,542	\$ 254	\$ 339	\$ -	\$ -	\$ 2,542	\$ 254	\$ 593
100	Gradall Telehandler Model 534D9-45	12/1/2010	156	\$ 27,625	7.69%	\$ -	\$ 27,625	\$ -	\$ -	\$ 27,625	\$ -	\$ 27,625	\$ -	\$ -	\$ 27,625	\$ -	\$ 27,625
101	Air Compressor, Atlas Copco 49HP, portable	9/1/2017	180	\$ 21,139	6.67%	\$ -	\$ 8,925	\$ -	\$ -	\$ 21,139	\$ 1,409	\$ 10,335	\$ -	\$ -	\$ 21,139	\$ 1,409	\$ 11,744
102	Standard LX Gas-VMT(RH) 27 HP w/GPS	3/1/2021	180	\$ 73,234	6.67%	\$ -	\$ 13,833	\$ -	\$ -	\$ 73,234	\$ 4,882	\$ 18,715	\$ -	\$ -	\$ 73,234	\$ 4,882	\$ 23,598
103	Tools & Equip. For BI EMT Truck	6/1/2013	240	\$ 994	5.00%	\$ -	\$ 526	\$ -	\$ -	\$ 994	\$ 50	\$ 575	\$ -	\$ -	\$ 994	\$ 50	\$ 625
104	New Hydraulic Hammer	12/1/2013	240	\$ 9,847	5.00%	\$ -	\$ 4,965	\$ -	\$ -	\$ 9,847	\$ 492	\$ 5,457	\$ -	\$ -	\$ 9,847	\$ 492	\$ 5,949
105	Power Quality Analyzer	3/1/2015	240	\$ 8,416	5.00%	\$ -	\$ 3,717	\$ -	\$ -	\$ 8,416	\$ 421	\$ 4,138	\$ -	\$ -	\$ 8,416	\$ 421	\$ 4,559
106	Backflow Test Kit-Midwest 835	8/1/2015	240	\$ 1,202	5.00%	\$ -	\$ 506	\$ -	\$ -	\$ 1,202	\$ 60	\$ 566	\$ -	\$ -	\$ 1,202	\$ 60	\$ 626
107	Trailer, emergency generator EG6500	3/1/2016	240	\$ 2,073	5.00%	\$ -	\$ 812	\$ -	\$ -	\$ 2,073	\$ 104	\$ 916	\$ -	\$ -	\$ 2,073	\$ 104	\$ 1,019
108	Trailer, emergency compressor	3/1/2016	240	\$ 426	5.00%	\$ -	\$ 167	\$ -	\$ -	\$ 426	\$ 21	\$ 188	\$ -	\$ -	\$ 426	\$ 21	\$ 209
109	Trailer, emergency, 6'x12' w/ramp	3/1/2016	240	\$ 7,800	5.00%	\$ -	\$ 3,055	\$ -	\$ -	\$ 7,800	\$ 390	\$ 3,445	\$ -	\$ -	\$ 7,800	\$ 390	\$ 3,835
110	Scaffolding	3/1/2016	240	\$ 4,771	5.00%	\$ -	\$ 1,869	\$ -	\$ -	\$ 4,771	\$ 239	\$ 2,107	\$ -	\$ -	\$ 4,771	\$ 239	\$ 2,346
111	Respirator supplied air system	12/1/2016	240	\$ 4,239	5.00%	\$ -	\$ 1,501	\$ -	\$ -	\$ 4,239	\$ 212	\$ 1,713	\$ -	\$ -	\$ 4,239	\$ 212	\$ 1,925
112	Portable generator 3500w, EMT's	12/1/2016	240	\$ 518	5.00%	\$ -	\$ 184	\$ -	\$ -	\$ 518	\$ 26	\$ 209	\$ -	\$ -	\$ 518	\$ 26	\$ 235
113	Socket welding prep	12/1/2017	240	\$ 1,587	5.00%	\$ -	\$ 483	\$ -	\$ -	\$ 1,587	\$ 79	\$ 562	\$ -	\$ -	\$ 1,587	\$ 79	\$ 641
114	Socket fusion kit, 20-63 mm	12/1/2017	240	\$ 662	5.00%	\$ -	\$ 201	\$ -	\$ -	\$ 662	\$ 33	\$ 235	\$ -	\$ -	\$ 662	\$ 33	\$ 268
115	EMT Truck Tools (2017 F250 V218001)	12/1/2018	120	\$ 10,413	10.00%	\$ -	\$ 5,293	\$ -	\$ -	\$ 10,413	\$ 1,041	\$ 6,335	\$ -	\$ -	\$ 10,413	\$ 1,041	\$ 7,376
116	Emergency Trailer Tools	11/1/2019	120	\$ 3,053	10.00%	\$ -	\$ 1,272	\$ -	\$ -	\$ 3,053	\$ 305	\$ 1,577	\$ -	\$ -	\$ 3,053	\$ 305	\$ 1,883
117	Skid Sprayer	9/1/2022	120	\$ 3,716	10.00%	\$ -	\$ 495	\$ -	\$ -	\$ 3,716	\$ 372	\$ 867	\$ -	\$ -	\$ 3,716	\$ 372	\$ 1,239
118	Air Compressor @ Waikoloa Baseyard - Ingersoll Rand model	4/1/2023	120	\$ 8,003	10.00%	\$ -	\$ 600	\$ -	\$ -	\$ 8,003	\$ 800	\$ 1,401	\$ -	\$ -	\$ 8,003	\$ 800	\$ 2,201
119	Sewer Inspection Camera, Cues Push Camera	6/1/2023	120	\$ 54,054	10.00%	\$ -	\$ 3,153	\$ -	\$ -	\$ 54,054	\$ 5,405	\$ 8,559	\$ -	\$ -	\$ 54,054	\$ 5,405	\$ 13,964
120	Sewer Inspection Camera, Cues Small Standard C550	6/1/2023	120	\$ 12,425	10.00%	\$ -	\$ 725	\$ -	\$ -	\$ 12,425	\$ 1,242	\$ 1,967	\$ -	\$ -	\$ 12,425	\$ 1,242	\$ 3,210
121	5 gallon fire packs for Big Island	11/1/2023	120	\$ 2,002	10.00%	\$ -	\$ 33	\$ -	\$ -	\$ 2,002	\$ 200	\$ 234	\$ -	\$ -	\$ 2,002	\$ 200	\$ 434
122	20' Storage Container	12/1/2010	180	\$ 3,187	6.67%	\$ -	\$ 2,780	\$ -	\$ -	\$ 3,187	\$ 212	\$ 2,993	\$ -	\$ -	\$ 3,187	\$ 212	\$ 3,205
123	Fork Mounted Work Platform	6/1/2012	180	\$ 5,844	6.67%	\$ -	\$ 4,513	\$ -	\$ -	\$ 5,844	\$ 390	\$ 4,902	\$ -	\$ -	\$ 5,844	\$ 390	\$ 5,292
124	OTHER GENERAL PLANT [750]	9/1/2012	180	\$ 90	6.67%	\$ -	\$ 68	\$ -	\$ -	\$ 90	\$ 6	\$ 74	\$ -	\$ -	\$ 90	\$ 6	\$ 80
125	69"x43"x18" Flammable Material Storage Cabinet	9/1/2012	180	\$ 1,311	6.67%	\$ -	\$ 990	\$ -	\$ -	\$ 1,311	\$ 87	\$ 1,078	\$ -	\$ -	\$ 1,311	\$ 87	\$ 1,165
126	Roof for (2) 20' Storage Containers (CS&Accounting)	9/1/2020	300	\$ 3,287	4.00%	\$ -	\$ 438	\$ -	\$ -	\$ 3,287	\$ 131	\$ 570	\$ -	\$ -	\$ 3,287	\$ 131	\$ 701
127	Valve Vault Equipment	12/1/2010	360	\$ 59,630	3.33%	\$ -	\$ 26,005	\$ -	\$ -	\$ 59,630	\$ 1,988	\$ 27,993	\$ -	\$ -	\$ 59,630	\$ 1,988	\$ 29,981
128	Ingersoll-Rand Model 182K1 Needle/Chisel Scaler	9/1/2013	355	\$ 773	3.38%	\$ -	\$ 277	\$ -	\$ -	\$ 773	\$ 26	\$ 303	\$ -	\$ -	\$ 773	\$ 26	\$ 329
129	Gradall lifting hook attachment	12/1/2014	358	\$ 2,427	3.35%	\$ -	\$ 748	\$ -	\$ -	\$ 2,427	\$ 81	\$ 829	\$ -	\$ -	\$ 2,427	\$ 81	\$ 911
130	(3) New Baseyard Computers	1/1/2014	354	\$ 2,836	3.39%	\$ -	\$ 993	\$ -	\$ -	\$ 2,836	\$ 96	\$ 1,089	\$ -	\$ -	\$ 2,836	\$ 96	\$ 1,185
131	Knoll task chair	2/1/2014	350	\$ 13,806	3.43%	\$ -	\$ 4,947	\$ -	\$ -	\$ 13,806	\$ 473	\$ 5,420	\$ -	\$ -	\$ 13,806	\$ 473	\$ 5,894

Hawaii Water Service Company
Allocated Plant Detail (Big Island)
Test Year Ending December 31, 2025

Line No	Description	In Service	Useful Life in Mos	Plant Balance 12/31/2023	Present Rate	Depreciation Expense	Accumulated Depreciation Reserve 12/31/2023	Additions from 1/01/2024 to 12/31/2024	Retirements from 1/01/2024 to 12/31/2024	Plant Balance 12/31/2024	Depreciation Expense	Accumulated Depreciation Reserve 12/31/2024	Additions from 1/01/2025 to 12/31/2025	Retirements from 1/01/2025 to 12/31/2025	Plant Balance 12/31/2025	Depreciation Expense	Accumulated Depreciation Reserve 12/31/2025
132	HON chair	2/1/2014	350	\$ 636	3.43%	\$ -	\$ 228	\$ -	\$ -	\$ 636	\$ 22	\$ 250	\$ -	\$ -	\$ 636	\$ 22	\$ 272
133	Office Furnishings	2/1/2014	350	\$ 6,706	3.43%	\$ -	\$ 2,403	\$ -	\$ -	\$ 6,706	\$ 230	\$ 2,633	\$ -	\$ -	\$ 6,706	\$ 230	\$ 2,863
134	Total			<u>\$ 2,723,268</u>		<u>\$ -</u>	<u>\$ 1,240,832</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,723,268</u>	<u>\$ 160,052</u>	<u>\$ 1,400,884</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,723,268</u>	<u>\$ 160,052</u>	<u>\$ 1,560,935</u>
135	PLANT ADDITIONS																
136	720-New 4X4 Operations Vehicle	12/31/2024	84	\$ -	14.29%	\$ -	\$ -	\$ 51,668	\$ -	\$ 51,668	\$ 7,381	\$ 7,381	\$ -	\$ -	\$ 51,668	\$ 7,381	\$ 14,762
137	720-Storage Container for Kukio	4/3/2024	300	\$ -	4.00%	\$ -	\$ -	\$ 17,403	\$ -	\$ 17,403	\$ 696	\$ 696	\$ -	\$ -	\$ 17,403	\$ 696	\$ 1,392
138	720-Operator Trailer Copy-Machine	12/31/2025	240	\$ -	5.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,100	\$ -	\$ 5,100	\$ 255	\$ 255
139	720-Emergency Utility Trailer	12/31/2025	240	\$ -	5.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,220	\$ -	\$ 11,220	\$ 561	\$ 561
140	720-Retire Eng Mgr Laptop	6/17/2024	60	\$ -	20.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
141	720-Drying Oven	9/30/2024	135	\$ -	8.89%	\$ -	\$ -	\$ 9,168	\$ -	\$ 9,168	\$ 815	\$ 815	\$ -	\$ -	\$ 9,168	\$ 815	\$ 1,630
142	Total			<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,239</u>	<u>\$ -</u>	<u>\$ 78,239</u>	<u>\$ 8,892</u>	<u>\$ 8,892</u>	<u>\$ 16,320</u>	<u>\$ -</u>	<u>\$ 94,559</u>	<u>\$ 9,708</u>	<u>\$ 18,600</u>
143	BIG ISLAND ALLOCATIONS																
144	721 - Waikoloa Water		18.46%	\$ 502,789		\$ -	\$ 229,091	\$ 14,445	\$ -	\$ 517,234	\$ 31,192	\$ 260,283	\$ 3,013	\$ -	\$ 520,247	\$ 31,342	\$ 291,625
145	722 - Waikoloa Sewer		11.71%	\$ 318,966		\$ -	\$ 145,334	\$ 9,164	\$ -	\$ 328,130	\$ 19,788	\$ 165,122	\$ 1,911	\$ -	\$ 330,041	\$ 19,883	\$ 185,005
146	723 - Waikoloa Resort Water		17.81%	\$ 485,092		\$ -	\$ 221,028	\$ 13,937	\$ -	\$ 499,028	\$ 30,094	\$ 251,121	\$ 2,907	\$ -	\$ 501,935	\$ 30,239	\$ 281,360
147	724 - Waikoloa Resort Sewer		21.37%	\$ 581,854		\$ -	\$ 265,116	\$ 16,717	\$ -	\$ 598,571	\$ 36,097	\$ 301,213	\$ 3,487	\$ -	\$ 602,058	\$ 36,271	\$ 337,484
148	725 - Waikoloa Resort Irrigation		0.74%	\$ 20,024		\$ -	\$ 9,124	\$ 575	\$ -	\$ 20,599	\$ 1,242	\$ 10,366	\$ 120	\$ -	\$ 20,719	\$ 1,248	\$ 11,614
149	726 - Kona Water		13.15%	\$ 358,089		\$ -	\$ 163,160	\$ 10,288	\$ -	\$ 368,377	\$ 22,215	\$ 185,375	\$ 2,146	\$ -	\$ 370,523	\$ 22,322	\$ 207,697
150	727 - Kona Sewer		6.27%	\$ 170,711		\$ -	\$ 77,783	\$ 4,905	\$ -	\$ 175,616	\$ 10,590	\$ 88,373	\$ 1,023	\$ -	\$ 176,639	\$ 10,642	\$ 99,015
151	729 - Keauhou		10.49%	\$ 285,743		\$ -	\$ 130,196	\$ 8,209	\$ -	\$ 293,952	\$ 17,727	\$ 147,923	\$ 1,712	\$ -	\$ 295,665	\$ 17,812	\$ 165,735
152	Total		100%	<u>\$ 2,723,268</u>		<u>\$ -</u>	<u>\$ 1,240,832</u>	<u>\$ 78,239</u>	<u>\$ -</u>	<u>\$ 2,801,507</u>	<u>\$ 168,944</u>	<u>\$ 1,409,776</u>	<u>\$ 16,320</u>	<u>\$ -</u>	<u>\$ 2,817,827</u>	<u>\$ 169,760</u>	<u>\$ 1,579,536</u>

Hawaii Water Service Company
Contributions in Aid of Construction
Test Year Ending December 31, 2025

Line No.										Test Year Balance as of
		Balance as of	Additions	Retirements	Adjustments	Balance as of	Additions	Retirements	Adjustments	Balance as of
			1/1/2024	1/1/2024	1/1/2024		1/1/2025	1/1/2025	1/1/2025	
			to	to	to		to	to	to	
Utility Account Description		12/31/2023	12/31/2024	12/31/2024	12/31/2024	12/31/2024	12/31/2025	12/31/2025	12/31/2025	12/31/2025
1										
2										
3										
4	103700	Receiving Wells	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	103810	Plant Sewers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	103241	System ctrl computer equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	103701	Pumping Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	103801	Treatment & Disposal Equip	\$ (506,540)	\$ -	\$ -	\$ (506,540)	\$ -	\$ -	\$ -	\$ (506,540)
9	103540	Structure & Improvements	\$ (743,292)	\$ -	\$ -	\$ (743,292)	\$ -	\$ -	\$ -	\$ (743,292)
10	103600	Collection Sewers Force	\$ (257,305)	\$ -	\$ -	\$ (257,305)	\$ -	\$ -	\$ -	\$ (257,305)
11	103610	Collection Sewers Gravity	\$ (1,216,871)	\$ -	\$ -	\$ (1,216,871)	\$ -	\$ -	\$ -	\$ (1,216,871)
12	103890	Other Miscellaneous Equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	103550	Power Generation Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	103930	Tools, Shop & Garage Equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	103940	Laboratory Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	103955	Office Furniture & equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	103960	Communication Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	103965	Transportation Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	103975	Stores Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	103980	Other Tangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	103722	Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	103210	Structures and Improvements Pumping Pla	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	103620	Special Collecting Structures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24										
25		Total	\$ (2,724,007)	\$ -	\$ -	\$ (2,724,007)	\$ -	\$ -	\$ -	\$ (2,724,007)

Hawaii Water Service Company
Amortization of Contributions in Aid of Construction
Test Year Ending December 31, 2025

Line No.	Account	Description	Balance 12/31/2023	Useful Life in years	Accumulated Amortization 12/31/2023	Additions from 1/01/2024 to 12/31/2024	Retirements from 1/01/2024 to 12/31/2024	Adjustments from 1/01/2024 to 12/31/2024	Balance 12/31/2024	Amortization	Accumulated Amortization 12/31/2024	Additions from 1/01/2025 to 12/31/2025	Retirements from 1/01/2025 to 12/31/2025	Adjustments from 1/01/2025 to 12/31/2025	Balance 12/31/2025	Amortization	Accumulated Amortization 12/31/2025
1																	
2	103700	Receiving Wells	\$ -	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	103810	Plant Sewers	\$ -	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	103241	System ctrl computer equip	\$ -	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	103701	Pumping Equipment	\$ -	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	103801	Treatment & Disposal Equip	\$ (506,540)	2.00%	\$ (334,626)	\$ -	\$ -	\$ -	\$ (506,540)	\$ (10,131)	\$ (344,756)	\$ -	\$ -	\$ -	\$ (506,540)	\$ (10,131)	\$ (354,887)
7	103540	Structure & Improvements	\$ (743,292)	3.33%	\$ -	\$ -	\$ -	\$ -	\$ (743,292)	\$ (24,776)	\$ (24,776)	\$ -	\$ -	\$ -	\$ (743,292)	\$ (24,776)	\$ (49,553)
8	103600	Collection Sewers Force	\$ (257,305)	4.00%	\$ (150,269)	\$ -	\$ -	\$ -	\$ (257,305)	\$ (10,292)	\$ (160,561)	\$ -	\$ -	\$ -	\$ (257,305)	\$ (10,292)	\$ (170,853)
9	103610	Collection Sewers Gravity	\$ (1,216,871)	4.00%	\$ (1,007,836)	\$ -	\$ -	\$ -	\$ (1,216,871)	\$ (48,675)	\$ (1,056,511)	\$ -	\$ -	\$ -	\$ (1,216,871)	\$ (48,675)	\$ (1,105,186)
10	103890	Other Miscellaneous Equip	\$ -	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	103550	Power Generation Equipment	\$ -	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	103930	Tools, Shop & Garage Equip	\$ -	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	103940	Laboratory Equipment	\$ -	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	103955	Office Furniture & equip	\$ -	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	103960	Communication Equipment	\$ -	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	103965	Transportation Equipment	\$ -	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	103975	Stores Equipment	\$ -	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	103980	Other Tangible Plant	\$ -	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	103722	Software	\$ -	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	103210	Structures and Improvements Pumping Plant	\$ -	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	103620	Special Collecting Structures	\$ -	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	Total Waikoloa Sewer Plant		\$ (2,724,007)		\$ (1,492,731)	\$ -	\$ -	\$ -	\$ (2,724,007)	\$ (93,874)	\$ (1,586,605)	\$ -	\$ -	\$ -	\$ (2,724,007)	\$ (93,874)	\$ (1,680,479)

Hawaii Water Service Company
Accumulated Deferred Income Taxes - Federal
Test Year Ending December 31, 2025

Line No.	Utility Account Description	Balance as of 12/31/2023	Dep. Exp.	Adjustments	Balance as of 12/31/2024	Dep. Exp.	Adjustments	Test Year Balance as of 12/31/2025
1								
2								
3								
4	103700 Receiving Wells	\$ (776)	\$ -	\$ -	\$ (776)	\$ -	\$ -	\$ (776)
5	103810 Plant Sewers	\$ 39,561	\$ -	\$ -	\$ 39,561	\$ -	\$ -	\$ 39,561
6	103241 System ctrl computer equip	\$ 886	\$ 3,049	\$ -	\$ 3,935	\$ 7,383	\$ -	\$ 11,318
7	103701 Pumping Equipment	\$ 1,988	\$ -	\$ -	\$ 1,988	\$ -	\$ -	\$ 1,988
8	103801 Treatment & Disposal Equip	\$ 2,302,103	\$ 60,928	\$ -	\$ 2,363,032	\$ 125,765	\$ -	\$ 2,488,797
9	103540 Structure & Improvements	\$ 1,523,085	\$ 1,243	\$ -	\$ 1,524,328	\$ 2,487	\$ -	\$ 1,526,815
10	103600 Collection Sewers Force	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	103610 Collection Sewers Gravity	\$ 135,364	\$ 379	\$ -	\$ 135,743	\$ 758	\$ -	\$ 136,501
12	103890 Other Miscellaneous Equip	\$ (12,175)	\$ -	\$ -	\$ (12,175)	\$ -	\$ -	\$ (12,175)
13	103550 Power Generation Equipment	\$ 103,958	\$ -	\$ -	\$ 103,958	\$ -	\$ -	\$ 103,958
14	103930 Tools, Shop & Garage Equip	\$ (122)	\$ -	\$ -	\$ (122)	\$ -	\$ -	\$ (122)
15	103940 Laboratory Equipment	\$ (2,617)	\$ -	\$ -	\$ (2,617)	\$ -	\$ -	\$ (2,617)
16	103955 Office Furniture & equip	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	103960 Communication Equipment	\$ 7,165	\$ -	\$ -	\$ 7,165	\$ -	\$ -	\$ 7,165
18	103965 Transportation Equipment	\$ (91,098)	\$ -	\$ -	\$ (91,098)	\$ -	\$ -	\$ (91,098)
19	103975 Stores Equipment	\$ 3,885	\$ -	\$ -	\$ 3,885	\$ -	\$ -	\$ 3,885
20	103980 Other Tangible Plant	\$ 116,947	\$ 1,996	\$ -	\$ 118,942	\$ 3,991	\$ -	\$ 122,933
21	103722 Software	\$ -	\$ 1,520	\$ -	\$ 1,520	\$ 4,571	\$ -	\$ 6,091
22	103210 Structures and Improvements Pumping Plant	\$ -	\$ 167	\$ -	\$ 167	\$ 334	\$ -	\$ 501
23	103620 Special Collecting Structures	\$ -	\$ -	\$ -	\$ -	\$ 21,386	\$ -	\$ 21,386
24	Subtotal	\$ 4,128,153	\$ 69,283	\$ -	\$ 4,197,436	\$ 166,674	\$ -	\$ 4,364,110
25	Deferred Tax Liability at 21%	\$ 866,912			\$ 881,462			\$ 916,463
26	Less NOL	\$ 32,912			\$ 32,912			\$ 32,912
27	Net Deferred Tax Liability	\$ 834,000			\$ 848,549			\$ 883,551
28	Allocated Big Island 720 Net Deferred Tax Liability	\$ 19,705	\$ 988	\$ -	\$ 20,692	\$ 1,839	\$ -	\$ 22,531
29	Allocated Hawaii Water GO 790 Net Deferred Tax Liability	\$ 2,658	\$ 2,702	\$ -	\$ 5,360	\$ 4,751	\$ -	\$ 10,111
30	Allocated Wastewater Administration 796 Net Deferred Tax Liability	\$ (386)	\$ -	\$ -	\$ (386)	\$ -	\$ -	\$ (386)
31	Grand Total	\$ 855,977			\$ 874,216			\$ 915,808

Hawaii Water Service Company
Accumulated Deferred Income Taxes - Federal (Detail) from 1/01/2023 to 12/31/2024
Test Year Ending December 31, 2025

Line No.	Utility Account	Utility Account Description	Work Order No.	Work Order Description	In-service Date	Tax Cost	Tax Period	Year 1 Tax Amortization	Year 2 Tax Amortization
1	103722	Software	134151	722-Geographical Information System	12/31/2025	\$ 76,526	25	\$ -	\$ 1,531
2	103241	System Control Computer Equipment	134152	722-SCADA Upgrade 2025	12/31/2025	\$ 64,197	25	\$ -	\$ 1,284
3	103620	Special Collecting Structures	134153	722-Collection System Rehab 2025	12/31/2025	\$ 39,303	25	\$ -	\$ 786
4	103801	Treatment & Disposal Equipment	131133	722-Aplant dry polymer feed system	2/15/2024	\$ 12,779	25	\$ 256	\$ 511
5	103620	Special Collecting Structures	134264	722-A-Plant Solids handling upgrade	12/31/2025	\$ 1,030,001	25	\$ -	\$ 20,600
6	103801	Treatment & Disposal Equipment	122329	722-KPlant Effluent Disposal Cons	12/31/2024	\$ 2,629,276	25	\$ 52,586	\$ 105,171
7	103801	Treatment & Disposal Equipment	127757	722-A-Plant Auger Rebuild	9/30/2024	\$ 64,125	25	\$ 1,282	\$ 2,565
8	103801	Treatment & Disposal Equipment	134367	722-Effluent disposal study Aplant	12/31/2025	\$ 195,431	25	\$ -	\$ 3,909
9	103241	System Control Computer Equipment	128392	722-SCADA Upgrade 2023	12/31/2024	\$ 58,191	25	\$ 1,164	\$ 2,328
10	103801	Treatment & Disposal Equipment	128474	722-K-Plant Headworks Replacement	9/30/2024	\$ 65,573	25	\$ 1,311	\$ 2,623
11	103980	Other Tangible Plant	128626	722-Wastewater Hydraulic Model (K-Plant)	1/1/2024	\$ 99,775	25	\$ 1,996	\$ 3,991
12	103610	Collection Sewers Gravity	130588	722-Collection System Rehab 2024	1/11/2024	\$ 18,945	25	\$ 379	\$ 758
13	103210	Structures and Improvements Pumping Plant	133943	722-AC Unit Aplant MCC Room	2/15/2024	\$ 8,352	25	\$ 167	\$ 334
14	103241	System Control Computer Equipment	130622	722-SCADA Upgrade 2024	12/31/2024	\$ 94,274	25	\$ 1,885	\$ 3,771
15	103722	Software	130814	722-Geographical Information System	12/31/2024	\$ 76,003	25	\$ 1,520	\$ 3,040
16	103540	Structures & Improvements	110597	722-KPlant absorption bed#2 design	12/31/2024	\$ 25,805	25	\$ 516	\$ 1,032
17	103801	Treatment & Disposal Equipment	118316	722-KPlant Secondary Effluent Disposal	12/31/2024	\$ 269,475	25	\$ 5,389	\$ 10,779
18	103540	Structures & Improvements	134331	722-Relocate water supply line (Kplant)	11/30/2024	\$ 36,367	25	\$ 727	\$ 1,455
19	103801	Treatment & Disposal Equipment	134627	722-Electric Relay for Centrifuge (Aplant)	5/31/2024	\$ 3,472	25	\$ 69	\$ 139
20	103801	Treatment & Disposal Equipment	135014	722-Ph Probe replacement Aplant	6/20/2024	\$ 1,713	25	\$ 34	\$ 69
21	Allocated Plant								
22	Hawaii Water								
23	103030	Other Intangible Plant	98455	Renewable Energy Assessment	9/30/2024	\$ 187,362	25	\$ 3,747	\$ 7,494
24	103730	Transportn Equip-Gen Plant	129527	Vehicle for SCADA Tech	2/15/2024	\$ 53,725	5	\$ 10,745	\$ 17,192
25	103710	Struct & Improve Genl Plnt	130694	Modular Office for Baseyard	12/31/2024	\$ 278,261	25	\$ 5,565	\$ 11,130
26	103730	Transportn Equip-Gen Plant	130806	Engineering Dep't Vehicle Replacement	12/31/2024	\$ 63,393	5	\$ 12,679	\$ 20,286
27	103760	Communication Equip-Gen Plnt	131672	Satellite Phones (6)	2/14/2024	\$ 11,835	7	\$ 1,691	\$ 2,898
28	103721	Office-Elec. Equip/Computers	134492	Copy Machine	4/2/2024	\$ 4,178	7	\$ 597	\$ 1,023
29	103030	Other Intangible Plant	130825	790-Poipu Regional Plant Planning	9/30/2024	\$ 333,304	25	\$ 6,666	\$ 13,332
30	103721	Office-Elec. Equip/Computers	135018	790-EMT Laptops	10/31/2024	\$ 6,120	7	\$ 875	\$ 1,499
29	Total					\$ 938,178		\$ 42,565	\$ 74,855
30	HAWAII GENERAL OFFICE ALLOCATIONS								
31		700 - Kaanapali			17.00%	\$ 159,533		\$ 7,238	\$ 12,729
32		701 - Pukalani			4.42%	\$ 41,495		\$ 1,883	\$ 3,311
33		704 - Kapalua Water			5.02%	\$ 47,135		\$ 2,138	\$ 3,761
34		705 - Kapalua Sewer			2.91%	\$ 27,273		\$ 1,237	\$ 2,176
35		706 - Kapalua Wells Service			0.17%	\$ 1,594		\$ 72	\$ 127
36		707 - Kapalua Ditch Service			0.34%	\$ 3,193		\$ 145	\$ 255
37		721 - Waikoloa Water			11.06%	\$ 103,802		\$ 4,709	\$ 8,282
38		722 - Waikoloa Sewer			6.35%	\$ 59,547		\$ 2,702	\$ 4,751
39		723 - Waikoloa Resort Water			9.82%	\$ 92,127		\$ 4,180	\$ 7,351
40		724 - Waikoloa Resort Sewer			12.00%	\$ 112,609		\$ 5,109	\$ 8,985
41		725 - Waikoloa Resort Irrigation			0.43%	\$ 4,047		\$ 184	\$ 323
42		726 - Kona Water			7.98%	\$ 74,913		\$ 3,399	\$ 5,977
43		727 - Kona Sewer			4.12%	\$ 38,637		\$ 1,753	\$ 3,083
44		729 - Keauhou			5.60%	\$ 52,511		\$ 2,382	\$ 4,190
45		743 - Kalaeloa Water			2.56%	\$ 24,055		\$ 1,091	\$ 1,919
46		742 - Kalaeloa Sewer			4.27%	\$ 40,045		\$ 1,817	\$ 3,195
47		761 - Poipu			5.93%	\$ 55,660		\$ 2,525	\$ 4,441
46		Total				\$ 938,178		\$ 42,565	\$ 74,855
47	Big Island								
48	103720	Office Furn & Equip-Gen Plnt	134146	720-New 4X4 Operations Vehicle	12/31/2024	\$ 51,668	7	\$ 7,383	\$ 12,654
49	103710	Struct & Improve Genl Plnt	134242	720-Storage Container for Kukio	4/3/2024	\$ 17,403	25	\$ 348	\$ 696
50	103730	Transportn Equip-Gen Plant	130579	720-Operator Trailer Copy-Machine	12/31/2025	\$ 5,100	5	\$ -	\$ 1,020
51	103710	Struct & Improve Genl Plnt	130651	720-Emergency Utility Trailer	12/31/2025	\$ 11,220	25	\$ -	\$ 224
52	103721	Office-Elec. Equip/Computers	135023	720-Retire Eng Mgr Laptop	6/17/2024	\$ -	7	\$ -	\$ -
53	103720	Office Furn & Equip-Gen Plnt	134609	720-Drying Oven	9/30/2024	\$ 9,168	7	\$ 1,310	\$ 2,245
54	Total					\$ 94,559		\$ 9,042	\$ 16,839
55	BIG ISLAND ALLOCATIONS								
56		721 - Waikoloa Water			19.61%	\$ 18,541		\$ 1,773	\$ 3,302
57		722 - Waikoloa Sewer			10.92%	\$ 10,328		\$ 988	\$ 1,839
58		723 - Waikoloa Resort Water			17.73%	\$ 16,762		\$ 1,603	\$ 2,985
59		724 - Waikoloa Resort Sewer			20.62%	\$ 19,503		\$ 1,865	\$ 3,473
60		725 - Waikoloa Resort Irrigation			0.77%	\$ 728		\$ 70	\$ 130
61		726 - Kona Water			14.05%	\$ 13,290		\$ 1,271	\$ 2,367
62		727 - Kona Sewer			6.80%	\$ 6,432		\$ 615	\$ 1,145
63		729 - Keauhou			9.49%	\$ 8,976		\$ 858	\$ 1,598
64		Total				\$ 94,559		\$ 9,042	\$ 16,839
65	Wastewater								
66						\$ -			
67	Total					\$ -		\$ -	\$ -
68	WASTEWATER ADMIN ALLOCATIONS								
69		701 - Pukalani			9.58%	\$ -		\$ -	\$ -
70		705 - Kapalua Sewer			6.97%	\$ -		\$ -	\$ -
71		722 - Waikoloa Sewer			13.67%	\$ -		\$ -	\$ -
72		724 - Waikoloa Resort Sewer			26.17%	\$ -		\$ -	\$ -
73		727 - Kona Sewer			8.64%	\$ -		\$ -	\$ -
74		729 - Keauhou			11.87%	\$ -		\$ -	\$ -
75		742 - Kalaeloa Sewer			10.70%	\$ -		\$ -	\$ -
76		761 - Poipu			12.40%	\$ -		\$ -	\$ -
77		Total			100.00%	\$ -		\$ -	\$ -
Total								\$ 72,972	\$ 173,265

Hawaii Water Service Company
Accumulated Deferred Income Taxes - State
Test Year Ending December 31, 2025

Line No.	Utility Account	Description	Balance as of 12/31/2023	Dep. Exp.	Adjustments	Balance as of 12/31/2024	Dep. Exp.	Adjustments	Test Year Balance as of 12/31/2025
4	103700	Receiving Wells	\$ 2,215	\$ -	\$ -	\$ 2,215	\$ -	\$ -	\$ 2,215
5	103810	Plant Sewers	\$ 29,821	\$ -	\$ -	\$ 29,821	\$ -	\$ -	\$ 29,821
6	103241	System ctrl computer equip	\$ 1,231	\$ 2,927	\$ -	\$ 4,158	\$ 7,087	\$ -	\$ 11,245
7	103701	Pumping Equipment	\$ 345	\$ -	\$ -	\$ 345	\$ -	\$ -	\$ 345
8	103801	Treatment & Disposal Equip	\$ (666,751)	\$ 58,491	\$ -	\$ (608,260)	\$ 120,735	\$ -	\$ (487,525)
9	103540	Structure & Improvements	\$ 753,922	\$ 1,194	\$ -	\$ 755,115	\$ 2,387	\$ -	\$ 757,503
10	103600	Collection Sewers Force	\$ 8	\$ -	\$ -	\$ 8	\$ -	\$ -	\$ 8
11	103610	Collection Sewers Gravity	\$ 117,399	\$ 364	\$ -	\$ 117,763	\$ 728	\$ -	\$ 118,490
12	103890	Other Miscellaneous Equip	\$ (45,433)	\$ -	\$ -	\$ (45,433)	\$ -	\$ -	\$ (45,433)
13	103550	Power Generation Equipment	\$ 28,653	\$ -	\$ -	\$ 28,653	\$ -	\$ -	\$ 28,653
14	103930	Tools, Shop & Garage Equip	\$ (96)	\$ -	\$ -	\$ (96)	\$ -	\$ -	\$ (96)
15	103940	Laboratory Equipment	\$ (2,314)	\$ -	\$ -	\$ (2,314)	\$ -	\$ -	\$ (2,314)
16	103955	Office Furniture & equip	\$ 3	\$ -	\$ -	\$ 3	\$ -	\$ -	\$ 3
17	103960	Communication Equipment	\$ 3,830	\$ -	\$ -	\$ 3,830	\$ -	\$ -	\$ 3,830
18	103965	Transportation Equipment	\$ 124,846	\$ -	\$ -	\$ 124,846	\$ -	\$ -	\$ 124,846
19	103975	Stores Equipment	\$ 4,034	\$ -	\$ -	\$ 4,034	\$ -	\$ -	\$ 4,034
20	103980	Other Tangible Plant	\$ 133,145	\$ 1,916	\$ -	\$ 135,061	\$ 3,831	\$ -	\$ 138,892
21	103722	Software	\$ -	\$ 1,459	\$ -	\$ 1,459	\$ 4,388	\$ -	\$ 5,847
22	103210	Structures and Improvements Pumping Plant	\$ -	\$ 160	\$ -	\$ 160	\$ 321	\$ -	\$ 481
23	103620	Special Collecting Structures	\$ -	\$ -	\$ -	\$ -	\$ 20,531	\$ -	\$ 20,531
24	HI -		\$ 4	\$ -	\$ -	\$ 4	\$ -	\$ -	\$ 4
24		Subtotal	\$ 484,860	\$ 66,511	\$ -	\$ 551,372	\$ 160,007	\$ -	\$ 711,379
25	Total Deferred Tax Liability		\$ 33,861			\$ 35,288			\$ 45,528
26	Allocated Big Island Net Deferred Tax Liability		\$ 4,787	\$ 948	\$ -	\$ 5,735	\$ 1,766	\$ -	\$ 7,501
27	Allocated Hawaii General Office Net Deferred Tax Liability		\$ 727	\$ 2,594	\$ -	\$ 3,321	\$ 4,561	\$ -	\$ 7,882
28	Allocated Wastewater Admin Net Deferred Tax Liability		\$ 5	\$ -	\$ -	\$ 5	\$ -	\$ -	\$ 5
28	Grand Total		\$ 39,380			\$ 44,349			\$ 60,916

Hawaii Water Service Company

Accumulated Deferred Income Taxes - State (Detail) from 1/01/2023 to 12/31/2024

Test Year Ending December 31, 2025

Line No.	Utility Account	Utility Account Description	Work Order No.	Work Order Description	In-service Date	Tax Cost	Tax Period	Year 1 Amortization	Year 2 Amortization
1	103722	Software	134151	722-Geographical Information System	12/31/2025	\$ 73,465	25	\$ -	\$ 1,469
2	103241	System Control Computer Equipment	134152	722-SCADA Upgrade 2025	12/31/2025	\$ 61,629	25	\$ -	\$ 1,233
3	103620	Special Collecting Structures	134153	722-Collection System Rehab 2025	12/31/2025	\$ 37,731	25	\$ -	\$ 755
4	103801	Treatment & Disposal Equipment	131133	722-Aplant dry polymer feed system	2/15/2024	\$ 12,268	25	\$ 245	\$ 491
5	103620	Special Collecting Structures	134264	722-A-Plant Solids handling upgrade	12/31/2025	\$ 988,801	25	\$ -	\$ 19,776
6	103801	Treatment & Disposal Equipment	122329	722-KPlant Effluent Disposal Cons	12/31/2024	\$ 2,524,105	25	\$ 50,482	\$ 100,964
7	103801	Treatment & Disposal Equipment	127757	722-A-Plant Auger Rebuild	9/30/2024	\$ 61,560	25	\$ 1,231	\$ 2,462
8	103801	Treatment & Disposal Equipment	134367	722-Effluent disposal study Aplant	12/31/2025	\$ 187,614	25	\$ -	\$ 3,752
9	103241	System Control Computer Equipment	128392	722-SCADA Upgrade 2023	12/31/2024	\$ 55,863	25	\$ 1,117	\$ 2,235
10	103801	Treatment & Disposal Equipment	128474	722-K-Plant Headworks Replacement	9/30/2024	\$ 62,950	25	\$ 1,259	\$ 2,518
11	103980	Other Tangible Plant	128626	722-Wastewater Hydraulic Model (K-Pla	1/1/2024	\$ 95,784	25	\$ 1,916	\$ 3,831
12	103610	Collection Sewers Gravity	130588	722-Collection System Rehab 2024	1/11/2024	\$ 18,188	25	\$ 364	\$ 728
13	103210	Structures and Improvements Pumping Plant	133943	722-AC Unit Aplant MCC Room	2/15/2024	\$ 8,018	25	\$ 160	\$ 321
14	103241	System Control Computer Equipment	130622	722-SCADA Upgrade 2024	12/31/2024	\$ 90,503	25	\$ 1,810	\$ 3,620
15	103722	Software	130814	722-Geographical Information System	12/31/2024	\$ 72,963	25	\$ 1,459	\$ 2,919
16	103540	Structures & Improvements	110597	722-KPlant absorption bed#2 design	12/31/2024	\$ 24,773	25	\$ 495	\$ 991
17	103801	Treatment & Disposal Equipment	118316	722-KPlant Secondary Effluent Disposal	12/31/2024	\$ 258,696	25	\$ 5,174	\$ 10,348
18	103540	Structures & Improvements	134331	722-Relocate water supply line (Kplant)	11/30/2024	\$ 34,912	25	\$ 698	\$ 1,396
19	103801	Treatment & Disposal Equipment	134627	722-Electric Relay for Centrifuge (Aplant	5/31/2024	\$ 3,333	25	\$ 67	\$ 133
20	103801	Treatment & Disposal Equipment	135014	722-Ph Probe replacement Aplant	6/20/2024	\$ 1,645	25	\$ 33	\$ 66
21	Allocated Plant								
22	Hawaii Water								
23	103030	Other Intangible Plant	98455	Renewable Energy Assessment	9/30/2024	\$ 179,868	25	\$ 3,597	\$ 7,195
24	103730	Transportn Equip-Gen Plnt	129527	Vehicle for SCADA Tech	2/15/2024	\$ 51,576	5	\$ 10,315	\$ 16,504
25	103710	Struct & Improve Genl Plnt	130694	Modular Office for Baseyard	12/31/2024	\$ 267,130	25	\$ 5,343	\$ 10,685
26	103730	Transportn Equip-Gen Plant	130806	Engineering Dep't Vehicle Replacement	12/31/2024	\$ 60,857	5	\$ 12,171	\$ 19,474
27	103760	Communication Equip-Gen Plnt	131672	Satellite Phones (6)	2/14/2024	\$ 11,362	7	\$ 1,624	\$ 2,783
28	103721	Office-Elec. Equip/Computers	134492	Copy Machine	4/2/2024	\$ 4,011	7	\$ 573	\$ 982
29	103030	Other Intangible Plant	130825	790-Poipu Regional Plant Planning	9/30/2024	\$ 319,972	25	\$ 6,399	\$ 12,799
30	103721	Office-Elec. Equip/Computers	135018	790-EMT Laptops	10/31/2024	\$ 5,875	7	\$ 840	\$ 1,439
29	Total					\$ 900,651		\$ 40,862	\$ 71,861
30	HAWAII GENERAL OFFICE ALLOCATIONS								
31	700 - Kaanapali				17.00%	\$ 153,152		\$ 6,948	\$ 12,220
32	701 - Pukalani				4.42%	\$ 39,835		\$ 1,807	\$ 3,178
33	704 - Kapalua Water				5.02%	\$ 45,249		\$ 2,053	\$ 3,610
34	705 - Kapalua Sewer				2.91%	\$ 26,183		\$ 1,188	\$ 2,089
35	706 - Kapalua Wells Service				0.17%	\$ 1,530		\$ 69	\$ 122
36	707 - Kapalua Ditch Service				0.34%	\$ 3,065		\$ 139	\$ 245
37	721 - Waikoloa Water				11.06%	\$ 99,650		\$ 4,521	\$ 7,951
38	722 - Waikoloa Sewer				6.35%	\$ 57,165		\$ 2,594	\$ 4,561
39	723 - Waikoloa Resort Water				9.82%	\$ 88,442		\$ 4,013	\$ 7,057
40	724 - Waikoloa Resort Sewer				12.00%	\$ 108,105		\$ 4,905	\$ 8,625
41	725 - Waikoloa Resort Irrigation				0.43%	\$ 3,885		\$ 176	\$ 310
42	726 - Kona Water				7.98%	\$ 71,916		\$ 3,263	\$ 5,738
43	727 - Kona Sewer				4.12%	\$ 37,092		\$ 1,683	\$ 2,959
44	729 - Keauhou				5.60%	\$ 50,411		\$ 2,287	\$ 4,022
45	743 - Kalaeloa Water				2.56%	\$ 23,093		\$ 1,048	\$ 1,843
46	742 - Kalaeloa Sewer				4.27%	\$ 38,444		\$ 1,744	\$ 3,067
	761 - Poipu				5.93%	\$ 53,434		\$ 2,424	\$ 4,263
47	Total					\$ 900,651		\$ 40,862	\$ 71,861
48	Big Island								
49	103720	Office Furn & Equip-Gen Plnt	134146	720-New 4X4 Operations Vehicle	12/31/2024	\$ 49,602	7	\$ 7,088	\$ 12,147
50	103710	Struct & Improve Genl Plnt	134242	720-Storage Container for Kukio	4/3/2024	\$ 16,707	25	\$ 334	\$ 668
51	103730	Transportn Equip-Gen Plant	130579	720-Operator Trailer Copy-Machine	12/31/2025	\$ 4,896	5	\$ -	\$ 979
52	103710	Struct & Improve Genl Plnt	130651	720-Emergency Utility Trailer	12/31/2025	\$ 10,771	25	\$ -	\$ 215
53	103721	Office-Elec. Equip/Computers	135023	720-Retire Eng Mgr Laptop	6/17/2024	\$ -	7	\$ -	\$ -
54	103720	Office Furn & Equip-Gen Plnt	134609	720-Drying Oven	9/30/2024	\$ 8,801	7	\$ 1,258	\$ 2,155
53	Total					\$ 90,777		\$ 8,680	\$ 16,166
54	BIG ISLAND ALLOCATIONS								
55	721 - Waikoloa Water				19.61%	\$ 17,799		\$ 1,702	\$ 3,170
56	722 - Waikoloa Sewer				10.92%	\$ 9,915		\$ 948	\$ 1,766
57	723 - Waikoloa Resort Water				17.73%	\$ 16,092		\$ 1,539	\$ 2,866
58	724 - Waikoloa Resort Sewer				20.62%	\$ 18,723		\$ 1,790	\$ 3,334
59	725 - Waikoloa Resort Irrigation				0.77%	\$ 699		\$ 67	\$ 125
60	726 - Kona Water				14.05%	\$ 12,758		\$ 1,220	\$ 2,272
61	727 - Kona Sewer				6.80%	\$ 6,174		\$ 590	\$ 1,100
62	729 - Keauhou				9.49%	\$ 8,617		\$ 824	\$ 1,534
63	Total					\$ 90,777		\$ 8,680	\$ 16,166
64	Wastewater								
65						\$ -			
66	Total					\$ -		\$ -	\$ -
67	WASTEWATER ADMIN ALLOCATIONS								
68	701 - Pukalani				9.58%	\$ -		\$ -	\$ -
69	705 - Kapalua Sewer				6.97%	\$ -		\$ -	\$ -
70	722 - Waikoloa Sewer				13.67%	\$ -		\$ -	\$ -
71	724 - Waikoloa Resort Sewer				26.17%	\$ -		\$ -	\$ -
72	727 - Kona Sewer				8.64%	\$ -		\$ -	\$ -
73	729 - Keauhou				11.87%	\$ -		\$ -	\$ -
74	742 - Kalaeloa Sewer				10.70%	\$ -		\$ -	\$ -
75	761 - Poipu				12.40%	\$ -		\$ -	\$ -
76	Total					\$ -		\$ -	\$ -

Hawaii Water Service Company
Hawaii Capital Goods Excise Tax Credit
Test Year Ending December 31, 2025

Line No.	Utility Account	Property Description	In Service Date	Federal Tax Cost	State Tax Cost	HCGETC	Annual Amortization	Accumulated Amortization					Unamortized HCGETC				
								2021	2022	2023	2024	2025	2021	2022	2023	2024	2025
208	subtotal	PLANT IN SERVICE		\$ 18,535,350	\$ 17,793,936	\$ 741,414	\$ 31,919	\$ 375,447	\$ 395,434	\$ 416,929	\$ 437,693	\$ 458,327	\$ 316,142	\$ 307,798	\$ 324,485	\$ 303,721	\$ 283,087
209		PLANT ADDITIONS															
230	subtotal			\$ 4,869,583	\$ 4,674,800	\$ 194,783	\$ 9,581	\$ -	\$ -	\$ -	\$ 6,434	\$ 16,015	\$ -	\$ -	\$ -	\$ 132,131	\$ 178,768
231	Total Waikoloa Plant			\$ 23,404,933	\$ 22,468,736	\$ 936,197	\$ 41,500	\$ 375,447	\$ 395,434	\$ 416,929	\$ 444,128	\$ 474,343	\$ 316,142	\$ 307,798	\$ 324,485	\$ 435,851	\$ 461,855
HAWAII GENERAL OFFICE																	
317		700 - Kaanapali	17.00%	\$ 273,023	\$ 262,102	\$ 10,921	\$ 1,146	\$ 2,482	\$ 2,537	\$ 2,623	\$ 3,017	\$ 3,411	\$ 1,315	\$ 1,265	\$ 1,916	\$ 7,904	\$ 7,510
318		701 - Pukalani	4.42%	\$ 71,014	\$ 68,174	\$ 2,841	\$ 298	\$ 645	\$ 660	\$ 682	\$ 785	\$ 887	\$ 342	\$ 329	\$ 498	\$ 2,056	\$ 1,953
319		704 - Kapalua Water	5.02%	\$ 80,666	\$ 77,439	\$ 3,227	\$ 339	\$ 733	\$ 750	\$ 775	\$ 891	\$ 1,008	\$ 388	\$ 374	\$ 566	\$ 2,335	\$ 2,219
320		705 - Kapalua Sewer	2.91%	\$ 46,676	\$ 44,809	\$ 1,867	\$ 196	\$ 424	\$ 434	\$ 449	\$ 516	\$ 583	\$ 225	\$ 216	\$ 328	\$ 1,351	\$ 1,284
321		706 - Kapalua Wells Service	0.17%	\$ 2,728	\$ 2,619	\$ 109	\$ 11	\$ 25	\$ 25	\$ 26	\$ 30	\$ 34	\$ 13	\$ 13	\$ 19	\$ 79	\$ 75
322		707 - Kapalua Ditch Service	0.34%	\$ 5,464	\$ 5,245	\$ 219	\$ 23	\$ 50	\$ 51	\$ 53	\$ 60	\$ 68	\$ 26	\$ 25	\$ 38	\$ 158	\$ 150
323		721 - Waikoloa Water	11.06%	\$ 177,645	\$ 170,540	\$ 7,106	\$ 746	\$ 1,615	\$ 1,651	\$ 1,707	\$ 1,963	\$ 2,219	\$ 855	\$ 823	\$ 1,247	\$ 5,143	\$ 4,886
324		722 - Waikoloa Sewer	6.35%	\$ 101,909	\$ 97,832	\$ 4,076	\$ 428	\$ 926	\$ 947	\$ 979	\$ 1,126	\$ 1,273	\$ 491	\$ 472	\$ 715	\$ 2,950	\$ 2,803
325		723 - Waikoloa Resort Water	9.82%	\$ 157,665	\$ 151,359	\$ 6,307	\$ 662	\$ 1,433	\$ 1,465	\$ 1,515	\$ 1,742	\$ 1,970	\$ 759	\$ 731	\$ 1,107	\$ 4,564	\$ 4,337
326		724 - Waikoloa Resort Sewer	12.00%	\$ 192,718	\$ 185,009	\$ 7,709	\$ 809	\$ 1,752	\$ 1,791	\$ 1,852	\$ 2,130	\$ 2,408	\$ 928	\$ 893	\$ 1,353	\$ 5,579	\$ 5,301
327		725 - Waikoloa Resort Irrigation	0.43%	\$ 6,925	\$ 6,648	\$ 277	\$ 29	\$ 63	\$ 64	\$ 67	\$ 77	\$ 87	\$ 33	\$ 32	\$ 49	\$ 200	\$ 190
328		726 - Kona Water	7.98%	\$ 128,205	\$ 123,077	\$ 5,128	\$ 538	\$ 1,165	\$ 1,191	\$ 1,232	\$ 1,417	\$ 1,602	\$ 617	\$ 594	\$ 900	\$ 3,711	\$ 3,526
329		727 - Kona Sewer	4.12%	\$ 66,123	\$ 63,478	\$ 2,645	\$ 278	\$ 601	\$ 615	\$ 635	\$ 731	\$ 826	\$ 318	\$ 306	\$ 464	\$ 1,914	\$ 1,819
330		729 - Keauhou	5.60%	\$ 89,867	\$ 86,272	\$ 3,595	\$ 377	\$ 817	\$ 835	\$ 864	\$ 993	\$ 1,123	\$ 433	\$ 417	\$ 631	\$ 2,602	\$ 2,472
331		743 - Kalaeloa Water	2.56%	\$ 41,168	\$ 39,521	\$ 1,647	\$ 173	\$ 374	\$ 383	\$ 396	\$ 455	\$ 514	\$ 198	\$ 191	\$ 289	\$ 1,192	\$ 1,132
332		742 - Kalaeloa Sewer	4.27%	\$ 68,533	\$ 65,792	\$ 2,741	\$ 288	\$ 623	\$ 637	\$ 659	\$ 757	\$ 856	\$ 330	\$ 318	\$ 481	\$ 1,984	\$ 1,885
333		761 - Poipu	5.93%	\$ 95,256	\$ 91,446	\$ 3,810	\$ 400	\$ 866	\$ 885	\$ 915	\$ 1,053	\$ 1,190	\$ 459	\$ 442	\$ 669	\$ 2,758	\$ 2,620
334	Total			\$ 1,605,586	\$ 1,541,363	\$ 64,223	\$ 6,742	\$ 14,593	\$ 14,921	\$ 15,428	\$ 17,744	\$ 20,059	\$ 7,731	\$ 7,442	\$ 11,268	\$ 46,480	\$ 44,164
BIG ISLAND ALLOCATIONS																	
479		721 - Waikoloa Water	19.61%	\$ 552,509	\$ 530,409	\$ 22,100	\$ 2,677	\$ 9,975	\$ 10,805	\$ 12,375	\$ 13,333	\$ 14,147	\$ 8,615	\$ 8,085	\$ 8,216	\$ 7,813	\$ 7,076
481		722 - Waikoloa Sewer	10.92%	\$ 307,777	\$ 295,466	\$ 12,311	\$ 1,491	\$ 5,557	\$ 6,855	\$ 7,851	\$ 8,458	\$ 8,975	\$ 4,799	\$ 4,504	\$ 4,577	\$ 4,352	\$ 3,942
482		723 - Waikoloa Resort Water	17.73%	\$ 499,503	\$ 479,523	\$ 19,980	\$ 2,420	\$ 9,018	\$ 10,425	\$ 11,940	\$ 12,864	\$ 13,649	\$ 7,789	\$ 7,310	\$ 7,428	\$ 7,063	\$ 6,397
483		724 - Waikoloa Resort Sewer	20.62%	\$ 581,170	\$ 557,923	\$ 23,247	\$ 2,816	\$ 10,492	\$ 12,505	\$ 14,321	\$ 15,430	\$ 16,372	\$ 9,062	\$ 8,505	\$ 8,642	\$ 8,218	\$ 7,443
484		725 - Waikoloa Resort Irrigation	0.77%	\$ 21,707	\$ 20,839	\$ 868	\$ 105	\$ 392	\$ 430	\$ 493	\$ 531	\$ 563	\$ 338	\$ 318	\$ 323	\$ 307	\$ 278
485		726 - Kona Water	14.05%	\$ 396,029	\$ 380,188	\$ 15,841	\$ 1,919	\$ 7,150	\$ 7,696	\$ 8,814	\$ 9,496	\$ 10,076	\$ 6,175	\$ 5,796	\$ 5,889	\$ 5,600	\$ 5,072
486		727 - Kona Sewer	6.80%	\$ 191,657	\$ 183,991	\$ 7,666	\$ 929	\$ 3,460	\$ 3,669	\$ 4,202	\$ 4,527	\$ 4,803	\$ 2,989	\$ 2,805	\$ 2,850	\$ 2,710	\$ 2,455
487		729 - Keauhou	9.49%	\$ 267,474	\$ 256,775	\$ 10,699	\$ 1,296	\$ 4,829	\$ 6,141	\$ 7,033	\$ 7,577	\$ 8,040	\$ 4,171	\$ 3,914	\$ 3,977	\$ 3,782	\$ 3,426
488	TOTALS			\$ 2,817,827	\$ 2,705,114	\$ 112,713	\$ 13,653	\$ 50,873	\$ 58,526	\$ 67,029	\$ 72,216	\$ 76,625	\$ 43,940	\$ 41,236	\$ 41,902	\$ 39,844	\$ 36,088
WASTEWATER ADMIN ALLOCATIONS																	
497		701 - Pukalani	9.58%	\$ 78	\$ 74	\$ 3	\$ 1	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ -	\$ -	\$ -	\$ -	\$ -
499		705 - Kapalua Sewer	6.97%	\$ 56	\$ 54	\$ 2	\$ 0	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ -
500		722 - Waikoloa Sewer	13.67%	\$ 111	\$ 106	\$ 4	\$ 1	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ -
501		724 - Waikoloa Resort Sewer	26.17%	\$ 212	\$ 203	\$ 8	\$ 2	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ -	\$ -	\$ -	\$ -	\$ -
502		727 - Kona Sewer	8.64%	\$ 70	\$ 67	\$ 3	\$ 1	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ -	\$ -	\$ -	\$ -	\$ -
503		729 - Keauhou	11.87%	\$ 96	\$ 92	\$ 4	\$ 1	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ -
504		742 - Kalaeloa Sewer	10.70%	\$ 87	\$ 83	\$ 3	\$ 1	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ -	\$ -	\$ -	\$ -	\$ -
505		761 - Poipu	12.40%	\$ 100	\$ 96	\$ 4	\$ 1	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ -
506	Total			\$ 810	\$ 778	\$ 32	\$ 6	\$ 32	\$ 32	\$ 32	\$ 32	\$ 32	\$ -	\$ -	\$ -	\$ -	\$ -
507	TOTAL			\$ 23,814,729	\$ 22,862,140	\$ 952,589	\$ 43,420	\$ 381,934	\$ 403,240	\$ 425,764	\$ 453,717	\$ 484,595	\$ 321,432	\$ 312,775	\$ 329,777	\$ 443,153	\$ 468,600

Hawaii Water Service Company
Working Cash
Test Year Ending December 31, 2025

Line No.			
1	Labor Expenses	\$	529,620
2	Fuel & Power	\$	181,870
3	Chemicals	\$	48,747
4	Materials & Supplies	\$	18,325
5	Waste/Sludge Disposal	\$	72,157
6	Affiliated Charges	\$	102,803
7	Professional and Outside Services	\$	10,544
8	Repairs & Maintenace	\$	341,957
9	Rental Expenses	\$	5,735
10	Insurance Expenses	\$	11,998
11	Regulatory Expenses	\$	18,293
12	General & Administrative Expenses	\$	59,812
13	Customer Accounts Expenses	\$	10,086
14	Water Consumption License Fee	\$	-
15	subtotal	\$	1,411,948
16	Working Cash factor		<u>12</u>
17	Working Cash	\$	<u><u>117,662</u></u>

Hawaii Water Service Company
Historical Summary
Test Year Ending December 31, 2025

Line No.							Test Year	Test Year
1		2019	2020	2021	2022	2023	Present Rates Jan 1, 2025 to Dec 31, 2025	Proposed Rates Jan 1, 2025 to Dec 31, 2025
2								
3	Revenues							
4	Waste Water							
5	Residential							
6	Single-family							
7	Fixed revenue	\$ 271,073	\$ 274,540	\$ 275,947	\$ 277,048	\$ 276,722	\$ 280,873	\$ 450,863
8	Quantity Revenue	\$ 99,592	\$ 94,747	\$ 96,070	\$ 95,739	\$ 90,143	\$ 76,954	\$ 123,528
9	Power Cost Charge	\$ 15,646	\$ 25,802	\$ 26,408	\$ 33,689	\$ 31,007	\$ 30,450	\$ 30,450
10	subtotal	\$ 386,311	\$ 395,089	\$ 398,424	\$ 406,476	\$ 397,872	\$ 388,277	\$ 604,841
11	Multi-Family							
12	Fixed revenue	\$ 1,053,446	\$ 1,064,182	\$ 1,064,182	\$ 1,077,828	\$ 1,126,503	\$ 1,191,716	\$ 1,912,969
13	Quantity Revenue	\$ 405,801	\$ 358,757	\$ 377,819	\$ 391,708	\$ 374,317	\$ 319,774	\$ 513,309
14	Power Cost Charge	\$ 63,744	\$ 98,462	\$ 103,799	\$ 142,842	\$ 133,719	\$ 126,530	\$ 126,530
15	subtotal	\$ 1,522,992	\$ 1,521,401	\$ 1,545,800	\$ 1,612,378	\$ 1,634,538	\$ 1,638,021	\$ 2,552,808
16	Commercial							
17	Fixed revenue	\$ 37,142	\$ 36,329	\$ 36,329	\$ 36,329	\$ 45,633	\$ 75,313	\$ 120,894
18	Quantity Revenue	\$ 45,918	\$ 44,884	\$ 35,223	\$ 45,691	\$ 40,409	\$ 36,299	\$ 58,268
19	Power Cost Charge	\$ 8,030	\$ 12,214	\$ 9,681	\$ 16,660	\$ 17,469	\$ 14,363	\$ 14,363
20	subtotal	\$ 91,089	\$ 93,428	\$ 81,234	\$ 98,680	\$ 103,511	\$ 125,975	\$ 193,525
21	Public Authority							
22	Fixed revenue	\$ 19,297	\$ 19,494	\$ 19,494	\$ 19,494	\$ 19,494	\$ 19,493	\$ 31,290
23	Quantity Revenue	\$ 51,863	\$ 55,144	\$ 59,096	\$ 59,411	\$ 66,693	\$ 51,751	\$ 83,072
24	Power Cost Charge	\$ 8,202	\$ 15,159	\$ 16,250	\$ 21,770	\$ 23,704	\$ 20,477	\$ 20,477
25	subtotal	\$ 79,363	\$ 89,797	\$ 94,840	\$ 100,675	\$ 109,890	\$ 91,721	\$ 134,840
26	Miscellaneous	\$ 3,877	\$ 10,366	\$ (9,352)	\$ 16,215	\$ 4,160	\$ -	\$ -
27	Adjustments	\$ 18,150	\$ (15,903)	\$ 10,346	\$ 3,885	\$ 8,139	\$ -	\$ -
28	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	TOTAL REVENUES	\$ 2,101,782	\$ 2,094,178	\$ 2,121,293	\$ 2,238,307	\$ 2,258,111	\$ 2,243,994	\$ 3,486,014
	Expenses							
30	Labor Expenses	\$ 757,948	\$ 716,002	\$ 658,657	\$ 694,563	\$ 529,620	\$ 529,620	\$ 529,620
31	Fuel & Power	\$ 164,561	\$ 142,536	\$ 146,767	\$ 202,059	\$ 181,870	\$ 181,870	\$ 181,870
32	Chemicals	\$ 47,985	\$ 38,444	\$ 42,255	\$ 48,642	\$ 43,846	\$ 48,747	\$ 48,747
33	Materials & Supplies	\$ 17,181	\$ 28,794	\$ 18,281	\$ 14,636	\$ 16,436	\$ 18,325	\$ 18,325
34	Waste/Sludge Disposal	\$ 38,905	\$ 36,610	\$ 55,706	\$ 64,916	\$ 65,195	\$ 72,157	\$ 72,157
35	Affiliated Charges	\$ 124,055	\$ 112,171	\$ 111,789	\$ 140,297	\$ 102,803	\$ 102,803	\$ 102,803
36	Professional and Outside Services	\$ (14,647)	\$ 12,517	\$ 15,331	\$ 10,616	\$ 9,283	\$ 10,544	\$ 10,544
37	Repairs & Maintenance	\$ 300,190	\$ 291,985	\$ 276,367	\$ 365,152	\$ 307,988	\$ 341,957	\$ 341,957
38	Rental Expenses	\$ 11,046	\$ 16,146	\$ 15,313	\$ 14,126	\$ 5,735	\$ 5,735	\$ 5,735
39	Insurance Expenses	\$ (17,707)	\$ 5,429	\$ (5,748)	\$ (4,921)	\$ 11,998	\$ 11,998	\$ 11,998
40	Regulatory Expenses	\$ 36,473	\$ 33,399	\$ 23,864	\$ 23,220	\$ 18,293	\$ 18,293	\$ 18,293
41	General & Administrative Expenses	\$ 38,666	\$ 33,905	\$ 38,156	\$ 100,667	\$ 53,830	\$ 59,812	\$ 59,812
42	Customer Accounts Expenses	\$ 21,008	\$ 30,788	\$ 9,752	\$ 10,489	\$ 7,424	\$ 10,086	\$ 10,086
43	Water Consumption License Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44	Taxes Other than Income Taxes	\$ 154,900	\$ 159,019	\$ 156,045	\$ 165,939	\$ 166,714	\$ 143,279	\$ 222,582
45	Depreciation	\$ 564,624	\$ 566,503	\$ 568,234	\$ 569,836	\$ 599,109	\$ 798,821	\$ 798,821
46	Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	Income Taxes	\$ -	\$ 207	\$ 1,078	\$ -	\$ 9,221	\$ -	\$ 208,241
48	TOTAL EXPENSES	\$ 2,245,188	\$ 2,224,457	\$ 2,131,849	\$ 2,420,236	\$ 2,129,366	\$ 2,354,049	\$ 2,641,592
49	NET INCOME/(LOSS)	\$ (143,406)	\$ (130,279)	\$ (10,556)	\$ (181,929)	\$ 128,746	\$ (110,055)	\$ 844,421

Hawaii Water Service Company
Revenue Summary
Test Year Ending December 31, 2025

Line No.		2019	2020	2021	2022	2023	Test Year Present Rates Jan 1, 2025 to Dec 31, 2025	Test Year Proposed Rates Jan 1, 2025 to Dec 31, 2025
1								
2	Sewer							
3	Residential							
4	Single-family customers							
5	Fixed revenue	\$ 271,073	\$ 274,540	\$ 275,947	\$ 277,048	\$ 276,722	\$ 280,873	\$ 450,863
6	Quantity Revenue	\$ 99,592	\$ 94,747	\$ 96,070	\$ 95,739	\$ 90,143	\$ 76,954	\$ 123,528
7	Power Cost Charge	\$ 15,646	\$ 25,802	\$ 26,408	\$ 33,689	\$ 31,007	\$ 30,450	\$ 30,450
8	subtotal	\$ 386,311	\$ 395,089	\$ 398,424	\$ 406,476	\$ 397,872	\$ 388,277	\$ 604,841
9	Multi-family							
10	Fixed revenue	\$ 1,053,446	\$ 1,064,182	\$ 1,064,182	\$ 1,077,828	\$ 1,126,503	\$ 1,191,716	\$ 1,912,969
11	Quantity Revenue	\$ 405,801	\$ 358,757	\$ 377,819	\$ 391,708	\$ 374,317	\$ 319,774	\$ 513,309
12	Power Cost Charge	\$ 63,744	\$ 98,462	\$ 103,799	\$ 142,842	\$ 133,719	\$ 126,530	\$ 126,530
13	subtotal	\$ 1,522,992	\$ 1,521,401	\$ 1,545,800	\$ 1,612,378	\$ 1,634,538	\$ 1,638,021	\$ 2,552,808
14	Commercial							
15	Fixed revenue	\$ 37,142	\$ 36,329	\$ 36,329	\$ 36,329	\$ 45,633	\$ 75,313	\$ 120,894
16	Quantity Revenue	\$ 45,918	\$ 44,884	\$ 35,223	\$ 45,691	\$ 40,409	\$ 36,299	\$ 58,268
17	Power Cost Charge	\$ 8,030	\$ 12,214	\$ 9,681	\$ 16,660	\$ 17,469	\$ 14,363	\$ 14,363
18	subtotal	\$ 91,089	\$ 93,428	\$ 81,234	\$ 98,680	\$ 103,511	\$ 125,975	\$ 193,525
19	Public Authority							
20	Fixed revenue	\$ 19,297	\$ 19,494	\$ 19,494	\$ 19,494	\$ 19,494	\$ 19,493	\$ 31,290
21	Quantity Revenue	\$ 51,863	\$ 55,144	\$ 59,096	\$ 59,411	\$ 66,693	\$ 51,751	\$ 83,072
22	Power Cost Charge	\$ 8,202	\$ 15,159	\$ 16,250	\$ 21,770	\$ 23,704	\$ 20,477	\$ 20,477
23	subtotal	\$ 79,363	\$ 89,797	\$ 94,840	\$ 100,675	\$ 109,890	\$ 91,721	\$ 134,840
24	Miscellaneous	\$ 3,877	\$ 10,366	\$ (9,352)	\$ 16,215	\$ 4,160	\$ -	\$ -
25	Unbilled Revenue / Adjustments	\$ 18,150	\$ (15,903)	\$ 10,346	\$ 3,885	\$ 8,139	\$ -	\$ -
26	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	TOTAL	\$ 2,101,782	\$ 2,094,178	\$ 2,121,293	\$ 2,238,307	\$ 2,258,111	\$ 2,243,994	\$ 3,486,014

Hawaii Water Service Company
Sales and Production
Test Year Ending December 31, 2025

Line No.		2019	2020	2021	2022	2023	Test Year Present Rates	Proposed Rates
1	Customer Count / Volumetric measurements							
2								
4	Single-family customers							
5	No. of customers (units)	315	316	318	317	317	317	317
6	subtotal	315	316	318	317	317	317	317
7	Billed Sewer Flows	37,265	38,960	39,186	38,437	35,340	37,654	37,654
8	subtotal	37,265	38,960	39,186	38,437	35,340	37,654	37,654
9	Multi-family							
10	No. of customers (units)	1,203	1,203	1,203	1,203	1,345	1,345	1,345
11	subtotal	1,203	1,203	1,203	1,203	1,345	1,345	1,345
12	Billed Sewer Flows	151,821	148,672	154,024	162,976	152,405	156,468	156,468
13	subtotal	151,821	148,672	154,024	162,976	152,405	156,468	156,468
14	Business							
15	No. of customers (units)	41	41	41	41	85	85	85
16	subtotal	41	41	41	41	85	85	85
17	Billed Sewer Flows	19,124	18,443	14,366	19,008	19,910	17,761	17,761
18	subtotal	19,124	18,443	14,366	19,008	19,910	17,761	17,761
19	Public Authority							
20	No. of customers (units)	21	21	21	21	22	22	22
21	subtotal	21	21	21	21	22	22	22
22	Billed Sewer Flows	19,536	22,889	24,113	24,838	27,016	25,322	25,322
23	subtotal	19,536	22,889	24,113	24,838	27,016	25,322	25,322
24	Totals							
25	Single-Family	315	316	318	317	317	317	317
26	Multi-Family	1,203	1,203	1,203	1,203	1,345	1,345	1,345
27	Business Customers	41	41	41	41	85	85	85
28	Public Authority Customers	21	21	21	21	22	22	22
29	Total Billed Sewer Flows	227,746	228,964	231,689	245,259	234,671	237,206	237,206

Hawaii Water Service Company
Inflation Factors
Test Year Ending December 31, 2025

Line No.

1 Inflation Year	Percentage	Notes
2 2019->2020	1.57%	U.S. Bureau of Labor Statistics (CPI - U)
3 2020->2021	3.78%	U.S. Bureau of Labor Statistics (CPI - U)
4 2021->2022	6.49%	U.S. Bureau of Labor Statistics (CPI - U)
5 2022->2023	3.01%	U.S. Bureau of Labor Statistics (CPI - U)
6 2023-> 2024	3.75%	Hawaii State Department of Business, Economic Development & Tourism
7 2024-> 2025	2.81%	Hawaii State Department of Business, Economic Development & Tourism

8 References:

U.S. Bureau of Labor Statistics

Data source: <https://data.bls.gov/timeseries/CUURS49FSA0>

Hawaii State Department of Business, Economic Development & Tourism:

Actual and Forecast of Key Economic Indicators for Hawaii

Data source: <http://dbedt.hawaii.gov/economic/qser/outlook-economy/>

Hawaii Water Service Company
Four Factor Allocations
Test Year Ending December 31, 2025

Line No.		2019	2020	2021	2022	2023	2024
1	Allocations from Big Island (Dept 720)						
2	721 - Waikoloa Water	19.91%	18.55%	20.01%	17.78%	18.46%	19.61%
3	722 - Waikoloa Sewer	14.18%	13.58%	13.50%	12.18%	11.71%	10.92%
4	723 - Waikoloa Resort Water	19.50%	19.44%	18.87%	17.76%	17.81%	17.73%
5	724 - Waikoloa Resort Sewer	23.43%	24.16%	23.69%	23.22%	21.37%	20.62%
6	725 - Waikoloa Resort Irrigation	1.12%	0.90%	0.92%	0.77%	0.74%	0.77%
7	726 - Kona Water	14.51%	15.50%	15.40%	13.66%	13.15%	14.05%
8	727 - Kona Sewer	7.34%	7.86%	7.61%	6.53%	6.27%	6.80%
9	729 - Keauhou	0.00%	0.00%	0.00%	8.10%	10.49%	9.49%
10	Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
11	Allocations from Wastewater Admin (Dept 796)						
12	701 - Pukalani	20.06%	16.52%	13.81%	11.36%	11.01%	9.58%
13	705 - Kapalua Sewer	0.00%	0.00%	13.67%	5.80%	6.97%	6.97%
14	722 - Waikoloa Sewer	25.00%	24.85%	19.65%	16.26%	17.02%	13.67%
15	724 - Waikoloa Resort Sewer	41.63%	44.42%	34.99%	30.92%	31.26%	26.17%
16	727 - Kona Sewer	13.30%	14.21%	11.29%	9.04%	9.25%	8.64%
17	729 - Keauhou	0.00%	0.00%	0.00%	10.87%	15.48%	11.87%
18	742 - Kalaeloa Sewer	0.00%	0.00%	6.59%	8.44%	9.01%	10.70%
19	761 - Poipu	0.00%	0.00%	0.00%	7.32%	0.00%	12.40%
20	Total	99.99%	100.00%	100.00%	100.00%	100.00%	100.00%
21	Allocations from Hawaii General Office (790)						
22	700 - Kaanapali	21.34%	18.21%	18.39%	18.96%	18.57%	17.00%
23	701 - Pukalani	6.51%	5.22%	5.53%	5.56%	4.72%	4.42%
24	704 - Kapalua Water	0.00%	0.00%	6.26%	5.10%	5.06%	5.02%
25	705 - Kapalua Sewer	0.00%	0.00%	5.42%	2.78%	2.71%	2.91%
26	706 - Kapalua Wells Service	0.00%	0.00%	0.19%	0.19%	0.19%	0.17%
27	707 - Kapalua Ditch Service	0.00%	0.00%	0.55%	0.26%	0.39%	0.34%
28	721 - Waikoloa Water	14.21%	10.91%	11.49%	11.38%	11.35%	11.06%
29	722 - Waikoloa Sewer	10.32%	8.02%	7.98%	8.02%	7.33%	6.35%
30	723 - Waikoloa Resort Water	13.63%	12.05%	10.82%	11.31%	10.68%	9.82%
31	724 - Waikoloa Resort Sewer	16.75%	14.51%	14.02%	15.31%	13.35%	12.00%
32	725 - Waikoloa Resort Irrigation	0.84%	0.56%	0.54%	0.51%	0.46%	0.43%
33	726 - Kona Water	10.87%	9.50%	9.15%	9.10%	8.31%	7.98%
34	727 - Kona Sewer	5.52%	4.89%	4.70%	4.56%	4.13%	4.12%
35	729 - Keauhou	0.00%	0.00%	0.00%	0.00%	6.59%	5.60%
36	743 - Kalaeloa Water	0.00%	8.59%	2.73%	2.99%	2.83%	2.56%
37	742 - Kalaeloa Sewer	0.00%	7.54%	2.21%	3.97%	3.33%	4.27%
38	761 - Poipu	0.00%	0.00%	0.00%	0.00%	0.00%	5.93%
39	Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
38	Allocations from Pubco						
39	Hawaii Water	2.25%	2.35%	2.32%	2.62%	2.91%	2.91%
40	% allocation for 791000	-10.90%	-5.97%	-9.24%	-6.02%	-4.84%	-4.84%

Hawaii Water Service Company
Labor Expense
Test Year Ending December 31, 2025

Line No.		2019	2020	2021	2022	2023	Test Year Jan 1, 2025 to Dec 31, 2025
3	Expenses						
4	Payroll:						
5	Operating Labor	\$ 412,282	\$ 375,917	\$ 358,253	\$ 362,605	\$ 371,043	\$ 253,866
6	Total Payroll	\$ 412,282	\$ 375,917	\$ 358,253	\$ 362,605	\$ 371,043	\$ 253,866
7	Employee Benefits						
8	Health Care Benefits (Medical and Dental)	\$ 228,005	\$ 221,244	\$ 190,568	\$ 194,040	\$ 117,907	\$ 109,856
9	Workers Compensation	\$ 17,707	\$ (5,429)	\$ 5,748	\$ 40,976	\$ 8,232	\$ 7,184
10	Pension	78,638	104,569	81,938	\$ 76,464	\$ 54,147	\$ 123,928
11	Total Employee Benefits	\$ 324,351	\$ 320,384	\$ 278,255	\$ 311,479	\$ 180,286	\$ 240,969
12	Payroll Taxes						
13	FICA	\$ 20,982	\$ 19,270	\$ 21,374	\$ 19,412	\$ 26,199	\$ 22,331
14	FUTA	\$ 154	\$ 141	\$ 160	\$ 129	\$ 169	\$ 1,474
15	SUTA	\$ 178	\$ 290	\$ 616	\$ 937	\$ 3,471	\$ 10,981
16	Total payroll taxes	\$ 21,314	\$ 19,701	\$ 22,150	\$ 20,479	\$ 29,839	\$ 34,786
17	Total Labor Expenses	\$ 757,948	\$ 716,002	\$ 658,657	\$ 694,563	\$ 581,168	\$ 529,620

Hawaii Water Service Company
Fuel & Power
Test Year Ending December 31, 2025

Line No.		2019	2020	2021	2022	2023	Test Year Jan 1, 2025 to Dec 31, 2025
3	Expenses [\$]						
4	Electricity						
5	Auwaiakeakua WWTP NEM (WIND)	\$ 62,383	\$ 45,933	\$ 41,430	\$ 61,098	\$ 62,783	\$ 48,503
6	Kamakoa WWTP	\$ 102,179	\$ 96,603	\$ 105,337	\$ 140,961	\$ 130,757	\$ 131,805
7	subtotal	\$ 164,561	\$ 142,536	\$ 146,767	\$ 202,059	\$ 193,541	\$ 180,308
8	Fuel for Power Production	\$ -	\$ -	\$ 1,946	\$ -	\$ 2,742	\$ 1,563
9	Total Expense	\$ 164,561	\$ 142,536	\$ 146,767	\$ 202,059	\$ 193,541	\$ 181,870
10	Units of consumption [kWh]						
11	Electricity						
12	Auwaiakeakua WWTP NEM (WIND)	177,480	127,960	103,560	128,160	134,753	122,158
13	Kamakoa WWTP	322,520	326,760	334,800	332,520	328,560	331,960
14	subtotal	500,000	454,720	438,360	460,680	463,313	454,118
15	Unit Cost [\$ / kWh]	\$ 0.3291	\$ 0.3135	\$ 0.3348	\$ 0.4386	\$ 0.4177	\$ 0.3971

Hawaii Water Service Company
Power Cost Charge
Test Year Ending December 31, 2025

Line
No.

1		Present Rate	Proposed Rate
2	Power Cost [\$]	\$ 180,308	\$ 180,308
3	Billed Sewer Flows [TG]	237,206	237,206
4	Unit Price for Metered Water Sales [\$/TG]	\$ 0.76013	\$ 0.76013
5	Adopted Revenue Tax Factor	1.06385	1.06385
6	Power Cost Charge [\$/TG]	\$ 0.80866	\$ 0.80866
7	Power Cost Charge Revenue [\$]	\$ 191,820	\$ 191,820

Hawaii Water Service Company
Chemicals
Test Year Ending December 31, 2025

Line
No.

1	Description	2019	2020	2021	2022	2023	Test Year Jan 1, 2025 to Dec 31, 2025
2	Chemicals	47,985	38,444	42,255	48,642	40,642	\$ 43,846
3	subtotal	\$ 47,985	\$ 38,444	\$ 42,255	\$ 48,642	\$ 40,642	\$ 43,846
4	In 2025 Dollars						
5	Chemicals	\$ 59,183	\$ 46,683	\$ 49,442	\$ 53,447	\$ 43,352	\$ 48,747
6	Total	\$ 59,183	\$ 46,683	\$ 49,442	\$ 53,447	\$ 43,352	\$ 48,747

Hawaii Water Service Company
Materials & Supplies
Test Year Ending December 31, 2025

Line No.	Description	2019	2020	2021	2022	2023	Test Year Jan 1, 2025 to Dec 31, 2025
2	Direct Charge to Waikoloa Sewer						
3	Treatment and Disposal	\$ 16,774	\$ 28,119	\$ 18,281	\$ 14,636	\$ 15,881	\$ 16,266
4	Water Treatment and Water Quality	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Transmission & Distribution	\$ -	\$ 388	\$ -	\$ -	\$ 510	\$ 170
6	Collection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	Pumping	\$ 407	\$ 286	\$ -	\$ -	\$ -	\$ -
8	subtotal	\$ 17,181	\$ 28,794	\$ 18,281	\$ 14,636	\$ 16,391	\$ 16,436
9	Allocated From HWSC to Waikoloa Sewer						
10	Treatment and Disposal	\$ 9	\$ -	\$ -	\$ -	\$ 19	\$ 6
11	Water Treatment and Water Quality	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Transmission & Distribution	\$ -	\$ 42	\$ -	\$ -	\$ -	\$ -
13	Collection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	Pumping	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	subtotal	\$ 9	\$ 42	\$ -	\$ -	\$ 19	\$ 6
16	Direct and Allocated Professional & Outside Services						
17	Treatment and Disposal	\$ 16,783	\$ 28,119	\$ 18,281	\$ 14,636	\$ 15,899	\$ 16,272
18	Water Treatment and Water Quality	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	Transmission & Distribution	\$ -	\$ 430	\$ -	\$ -	\$ 510	\$ 170
20	Collection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	Pumping	\$ 407	\$ 286	\$ -	\$ -	\$ -	\$ -
22	subtotal	\$ 17,190	\$ 28,836	\$ 18,281	\$ 14,636	\$ 16,409	\$ 16,442
23	In 2025 Dollars						
24	Treatment and Disposal	\$ 20,699	\$ 34,145	\$ 21,391	\$ 16,082	\$ 16,959	\$ 18,144
25	Water Treatment and Water Quality	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	Transmission & Distribution	\$ -	\$ 523	\$ -	\$ -	\$ 544	\$ 181
27	Collection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	Pumping	\$ 502	\$ 348	\$ -	\$ -	\$ -	\$ -
29	Total	\$ 21,202	\$ 35,015	\$ 21,391	\$ 16,082	\$ 17,504	\$ 18,325

Hawaii Water Service Company
Waste/Sludge Disposal
Test Year Ending December 31, 2025

Line
No.

1	Description	2019	2020	2021	2022	2023	Test Year Jan 1, 2025 to Dec 31, 2025
2	Sludge Removal	\$ 38,905	\$ 36,610	\$ 55,706	\$ 64,916	\$ 74,963	\$ 65,195
3	subtotal	\$ 38,905	\$ 36,610	\$ 55,706	\$ 64,916	\$ 74,963	\$ 65,195
4	In 2025 Dollars						
5	Sludge Removal	\$ 47,985	\$ 44,455	\$ 65,180	\$ 71,329	\$ 79,962	\$ 72,157
6	Total	\$ 47,985	\$ 44,455	\$ 65,180	\$ 71,329	\$ 79,962	\$ 72,157

Hawaii Water Service Company
Affiliated Charges
Test Year Ending December 31, 2025

Line No.	Description	2019	2020	2021	2022	2023	Test Year Jan 1, 2025 to Dec 31, 2025
1							
2	PubCo	\$ 124,055	\$ 112,171	\$ 111,789	\$ 140,297	\$ 148,144	\$ 102,803
3	Total	<u>\$124,055</u>	<u>\$112,171</u>	<u>\$111,789</u>	<u>\$140,297</u>	<u>\$148,144</u>	<u>\$ 102,803</u>
4	Allocated to Hawaii Water Service Co						
5	PubCo	<u>\$ 1,201,657</u>	<u>\$ 1,397,832</u>	<u>\$ 1,401,146</u>	<u>\$ 1,749,265</u>	<u>\$ 2,020,235</u>	\$ 1,723,549
6	PubCo Allocation	\$ 124,055	\$ 112,171	\$ 111,789	\$ 140,297	\$ 148,144	\$ 126,388
7	Adjustment for Account 791000	\$ (13,517)	\$ (6,699)	\$ (10,327)	\$ (8,441)	\$ (7,170)	\$ (8,646)
8	Adjusted Allocation	<u>\$ 110,538</u>	<u>\$ 105,473</u>	<u>\$ 101,462</u>	<u>\$ 131,857</u>	<u>\$ 140,974</u>	<u>\$ 117,742</u>
9	Insurance Expense (PubCo)	<u>\$ 4,593,461</u>	<u>\$ 6,385,049</u>	<u>\$ 7,952,231</u>	<u>\$ 7,670,343</u>	<u>\$ 6,550,128</u>	
10	Allocation factor to Hawaii Water	<u>2.25%</u>	<u>2.35%</u>	<u>2.32%</u>	<u>2.62%</u>	<u>2.91%</u>	
11	Allocated to Hawaii Water	\$ 103,389	\$ 150,026	\$ 184,282	\$ 201,076	\$ 190,776	
12	Allocated to Waikoloa Sewer	\$ (10,674)	\$ (12,039)	\$ (14,703)	\$ (16,127)	\$ (13,990)	\$ (14,940)
13	Allocation less allocated insurance (line 8 minus line 12)	\$ 99,865	\$ 93,434	\$ 86,759	\$ 115,730	\$ 126,985	\$ 102,803

Hawaii Water Service Company
Professional and Outside Services
Test Year Ending December 31, 2025

Line
No.

1	Description	2019	2020	2021	2022	2023	Test Year Jan 1, 2025 to Dec 31, 2025
2	Direct Charge to Waikoloa Sewer						
3	Legal Expense	\$ (7,899)	\$ -	\$ -	\$ -	\$ -	\$ -
4	Other Outside Services	\$ 2,500	\$ 6,958	\$ 7,102	\$ 8,207	\$ 1,807	\$ 5,706
5	Training Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Auditors and Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	subtotal	\$ (5,399)	\$ 6,958	\$ 7,102	\$ 8,207	\$ 1,807	\$ 5,706
8	Allocated From HWSC to Waikoloa Sewer						
9	Legal Expense	\$ 468	\$ 2,806	\$ 1,254	\$ 2,091	\$ (123)	\$ 1,074
10	Other Outside Services	\$ (9,716)	\$ 2,753	\$ 6,975	\$ 317	\$ 218	\$ 2,503
11	Training Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Auditors and Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	subtotal	\$ (9,248)	\$ 5,559	\$ 8,229	\$ 2,408	\$ 94	\$ 3,577
14	Direct and Allocated Professional & Outside Services						
15	Legal Expense	\$ (7,431)	\$ 2,806	\$ 1,254	\$ 2,091	\$ (123)	\$ 1,074
16	Other Outside Services	\$ (7,216)	\$ 9,712	\$ 14,077	\$ 8,525	\$ 2,025	\$ 8,209
17	Training Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Auditors and Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	subtotal	\$ (14,647)	\$ 12,517	\$ 15,331	\$ 10,616	\$ 1,901	\$ 9,283
20	In 2025 Dollars						
21	Legal Expense	\$ (9,165)	\$ 3,407	\$ 1,467	\$ 2,297	\$ (132)	\$ 1,211
22	Other Outside Services	\$ (8,900)	\$ 11,793	\$ 16,471	\$ 9,367	\$ 2,160	\$ 9,333
23	Training Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Auditors and Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Total	\$ (18,065)	\$ 15,200	\$ 17,938	\$ 11,664	\$ 2,028	\$ 10,544

Hawaii Water Service Company
Repairs & Maintenance
Test Year Ending December 31, 2025

Line
No.

Test Year
Jan 1, 2025 to Dec
31, 2025

1	Description	2019	2020	2021	2022	2023	
2	Direct Charge to Waikoloa Sewer						
3	Source of Supply	\$ -	\$ 60	\$ -	\$ -	\$ -	\$ -
4	Pumping	\$ 747	\$ 5,417	\$ 132	\$ 11,550	\$ 17,713	\$ 9,798
5	Treatment and Disposal	\$ 146,945	\$ 139,263	\$ 164,030	\$ 190,169	\$ 175,011	\$ 176,403
6	Transmission & Distribution	\$ 3,256	\$ 1,715	\$ 3,732	\$ 390	\$ 1,602	\$ 1,908
7	A&G	\$ 227,792	\$ 209,374	\$ 185,651	\$ 254,092	\$ 135,871	\$ 191,871
8	Mileage	\$ 7,905	\$ 23,133	\$ 18,450	\$ 12,881	\$ 14,055	\$ 15,129
9	less chemicals	\$ (47,985)	\$ (38,444)	\$ (42,255)	\$ (48,642)	\$ (40,642)	\$ (43,846)
10	less materials & supplies	\$ (17,181)	\$ (28,794)	\$ (18,281)	\$ (14,636)	\$ (16,391)	\$ (16,436)
11	less waste disposal	\$ (38,905)	\$ (36,610)	\$ (55,706)	\$ (64,916)	\$ (74,963)	\$ (65,195)
12	subtotal	\$ 282,574	\$ 275,114	\$ 255,752	\$ 340,887	\$ 212,256	\$ 269,632
13	Allocated From HWSC to Waikoloa Sewer						
14	Source of Supply	\$ -	\$ 68	\$ 342	\$ -	\$ 8	\$ 117
15	Pumping	\$ 91	\$ (145)	\$ 469	\$ (426)	\$ 732	\$ 258
16	Treatment and Disposal	\$ (363)	\$ 1,895	\$ 2,949	\$ 1,781	\$ 3,574	\$ 2,768
17	Transmission & Distribution	\$ 4,345	\$ 4,498	\$ 3,078	\$ 9,526	\$ 23,480	\$ 12,028
18	A&G	\$ 1,967	\$ 1,567	\$ 1,737	\$ 1,449	\$ 26,589	\$ 9,925
19	Mileage	\$ 11,584	\$ 9,030	\$ 12,040	\$ 11,935	\$ 15,824	\$ 13,267
20	less materials & supplies	\$ (9)	\$ (42)	\$ -	\$ -	\$ (19)	\$ (14)
21	subtotal	\$ 17,616	\$ 16,871	\$ 20,615	\$ 24,265	\$ 70,188	\$ 38,348
22	Direct and Allocated Repairs & Maintenance						
23	Source of Supply	\$ -	\$ 128	\$ 342	\$ -	\$ 8	\$ 117
24	Pumping	\$ 838	\$ 5,272	\$ 601	\$ 11,124	\$ 18,445	\$ 10,056
25	Treatment and Disposal	\$ 146,582	\$ 141,158	\$ 166,979	\$ 191,950	\$ 178,585	\$ 179,171
26	Transmission & Distribution	\$ 7,601	\$ 6,213	\$ 6,810	\$ 9,916	\$ 25,082	\$ 13,936
27	A&G	\$ 229,760	\$ 210,941	\$ 187,388	\$ 255,541	\$ 162,461	\$ 201,797
28	Mileage	\$ 19,489	\$ 32,163	\$ 30,491	\$ 24,816	\$ 29,879	\$ 28,395
29	less chemicals	\$ (47,985)	\$ (38,444)	\$ (42,255)	\$ (48,642)	\$ (40,642)	\$ (43,846)
30	less materials & supplies	\$ (17,190)	\$ (28,836)	\$ (18,281)	\$ (14,636)	\$ (16,409)	\$ (16,442)
31	less waste disposal	\$ (38,905)	\$ (36,610)	\$ (55,706)	\$ (64,916)	\$ (74,963)	\$ (65,195)
32	subtotal	\$ 300,190	\$ 291,985	\$ 276,367	\$ 365,152	\$ 282,445	\$ 307,988
33	In 2025 Dollars						
34	Source of Supply	\$ -	\$ 156	\$ 400	\$ -	\$ 8	\$ 136
35	Pumping	\$ 1,034	\$ 6,402	\$ 703	\$ 12,223	\$ 19,675	\$ 10,867
36	Treatment and Disposal	\$ 180,790	\$ 171,408	\$ 195,378	\$ 210,912	\$ 190,493	\$ 198,927
37	Transmission & Distribution	\$ 9,375	\$ 7,545	\$ 7,969	\$ 10,896	\$ 26,754	\$ 15,206
38	A&G	\$ 283,379	\$ 256,145	\$ 219,258	\$ 280,785	\$ 173,293	\$ 224,445
39	Mileage	\$ 24,037	\$ 39,055	\$ 35,676	\$ 27,267	\$ 31,871	\$ 31,605
40	less chemicals	\$ (59,183)	\$ (46,683)	\$ (49,442)	\$ (53,447)	\$ (43,352)	\$ (48,747)
41	less materials & supplies	\$ (21,202)	\$ (35,015)	\$ (21,391)	\$ (16,082)	\$ (17,504)	\$ (18,325)
42	less waste disposal	\$ (47,985)	\$ (44,455)	\$ (65,180)	\$ (71,329)	\$ (79,962)	\$ (72,157)
43	Total	\$ 370,246	\$ 354,557	\$ 323,370	\$ 401,224	\$ 301,278	\$ 341,957

Hawaii Water Service Company
Rents
Test Year Ending December 31, 2025

Line
No.

		2018	2019	2020	2021	2022	2023	Test Year Jan 1, 2025 to Dec 31, 2025
1	Description							
2	Waikoloa Office	\$ 13,183	\$ 11,046	\$ 16,146	\$ 15,313	\$ 14,126	\$ 15,997	\$ 5,735
3	Total	\$ 13,183	\$ 11,046	\$ 16,146	\$ 15,313	\$ 14,126	\$ 15,997	\$ 5,735
	Hawaii Water General Office Rent (Waikoloa Office)	Monthly Base Rent	Months Effective in Test Year	Annual Base Rent	Monthly CAM* Rate [\$ / sf]	SQ. Feet	GET	Test Year Rent
1	Feb 1, 2024 - Jan 31, 2025	\$ 5,144	1	\$ 5,144			4.7120%	\$ 5,386
2	Feb 1, 2025 - Jan 31, 2026	\$ 5,247	11	\$ 57,712			4.7120%	\$ 60,432
3	Common Area Maintenance (throughout)	\$ 1,953	12	\$ 23,436	\$ 0.93	2100	4.7120%	\$ 24,540
4	Total Waikoloa Office Rent							\$ 90,358
5	4-Factor Allocation to Waikoloa Sewer							6.35%
6	Rent Allocation to Waikoloa Sewer							\$ 5,735

Hawaii Water Service Company
Insurance Expenses
Test Year Ending December 31, 2025

Line
No.

1	Description		2019	2020	2021	2022	2023	Test Year Jan 1, 2025 to Dec 31, 2025
2	Direct Charge to Waikoloa Sewer							
3	Liability Insurance - General, Auto, Umbrella, and etc	see (1) below	\$ (13,483)	\$ 4,302	\$ (4,466)	\$ (3,986)	\$ 406	
4	subtotal		\$ (13,483)	\$ 4,302	\$ (4,466)	\$ (3,986)	\$ 406	\$ -
5	Allocated From HWSC to Waikoloa Sewer							
6	Liability Insurance - General, Auto, Umbrella, and etc		\$ (4,225)	\$ 1,127	\$ (1,282)	\$ (936)	\$ (6,125)	
7	subtotal		\$ (4,225)	\$ 1,127	\$ (1,282)	\$ (936)	\$ (6,125)	\$ -
8	Direct and Allocated Insurance							
9	Liability Insurance - General, Auto, Umbrella, and etc		\$ (17,707)	\$ 5,429	\$ (5,748)	\$ (4,921)	\$ (5,718)	\$ 11,998
10	Total		\$ (17,707)	\$ 5,429	\$ (5,748)	\$ (4,921)	\$ (5,718)	\$ 11,998
11	(1) Test year expense based on Marsh Insurance quotation and allocated to Waikoloa Sewer using a four-factor allocation methodology							
12	Total Company Ins. Quote	\$ 6,496,151						
13	4-factor allocation to Hawaii	2.91%						
14	4-factor allocation to Waikoloa Sewer	6.35%						
	Total (12 x 13 x 14)	\$ 11,998						

Hawaii Water Service Company
Regulatory Expenses
Test Year Ending December 31, 2025

Line No.

1		Test
2	Description	Year
3	PREPARATION AND FILING	
4	Regulatory Labor	\$ 2,133
5	Legal	\$ 5,645
6	Consultant	\$ 28,361
7	Other non-labor	\$ 470
8	subotal	\$ 36,609
9	DISCOVERY AND SETTLEMENT	
10	Regulatory Labor	\$ 3,732
11	Legal	\$ 13,173
12	Consultant	\$ 5,739
13	Travel	\$ 1,039
14	Other non-labor	\$ 470
15	subotal	\$ 24,154
16	HEARINGS AND BRIEFING	
17	Regulatory Labor	\$ 1,600
18	Legal	\$ 6,586
19	Consultant	\$ 2,870
20	Travel	\$ 881
21	Other non-labor	\$ 470
22	subotal	\$ 12,407
23	Total	\$ 73,170
24	Amortization Period	4
25	Test Year expense (Ln23/Ln24)	\$ 18,293

Hawaii Water Service Company
Regulatory Expenses
Test Year Ending December 31, 2025

Line
No.

1	Description	2019	2020	2021	2022	2023	Test Year Jan 1, 2025 to Dec 31, 2025
2	Direct Charge to Waikoloa Sewer						
3	Regulatory Expense	\$ 36,321	\$ 30,427	\$ 22,358	\$ 22,175	\$ 14,949	\$ 18,293
4	subtotal	\$ 36,321	\$ 30,427	\$ 22,358	\$ 22,175	\$ 14,949	\$ 18,293
5	Allocated From HWSC to Waikoloa Sewer						
6	Regulatory Expense	\$ 153	\$ 2,972	\$ 1,506	\$ 1,045	\$ 438	
7	subtotal	\$ 153	\$ 2,972	\$ 1,506	\$ 1,045	\$ 438	\$ -
8	Direct and Allocated Regulatory						
9	Regulatory Expense	\$ 36,473	\$ 33,399	\$ 23,864	\$ 23,220	\$ 15,388	\$ 18,293
10	Total	\$ 36,473	\$ 33,399	\$ 23,864	\$ 23,220	\$ 15,388	\$ 18,293

Hawaii Water Service Company
General & Administrative Expenses
Test Year Ending December 31, 2025

Line
No.

1	Description	2019	2020	2021	2022	2023	Test Year Jan 1, 2025 to Dec 31, 2025
2	Direct Charge to Waikoloa Sewer						
3	Office Supplies	\$ 7,867	\$ 6,293	\$ 3,980	\$ 6,713	\$ 6,144	\$ 5,612
4	Misc G&A	\$ 581	\$ 2,810	\$ 130	\$ 53,388	\$ 126	\$ 17,881
5	subtotal	\$ 8,447	\$ 9,102	\$ 4,109	\$ 60,101	\$ 6,269	\$ 23,493
6	Allocated from HWSC to Waikoloa Sewer						
7	Office Supplies	\$ 21,050	\$ 21,802	\$ 29,392	\$ 34,338	\$ 14,092	\$ 25,941
8	Misc G&A	\$ 9,169	\$ 3,001	\$ 4,654	\$ 6,229	\$ 2,307	\$ 4,397
9	subtotal	\$ 30,218	\$ 24,803	\$ 34,047	\$ 40,567	\$ 16,399	\$ 30,337
10	Direct and Allocated General & Administrative						
11	Office Supplies	\$ 28,916	\$ 28,094	\$ 33,372	\$ 41,051	\$ 20,236	\$ 31,553
12	Misc G&A	\$ 9,750	\$ 5,811	\$ 4,784	\$ 59,617	\$ 2,433	\$ 22,278
13	Total General & Administrative	\$ 38,666	\$ 33,905	\$ 38,156	\$ 100,667	\$ 22,668	\$ 53,830
14	In 2025 Dollars						
15	Office Supplies	\$ 35,664	\$ 34,115	\$ 39,048	\$ 45,106	\$ 21,585	\$ 35,246
16	Misc G&A	\$ 12,025	\$ 7,056	\$ 5,598	\$ 65,506	\$ 2,595	\$ 24,566
17	Total	\$ 47,689	\$ 41,171	\$ 44,645	\$ 110,612	\$ 24,180	\$ 59,812

Hawaii Water Service Company
Customer Accounts Expenses
Test Year Ending December 31, 2025

Line
No.

1	Description	2019	2020	2021	2022	2023	Test Year Jan 1, 2025 to Dec 31, 2025
2	Direct Charge to Waikoloa Sewer						
3	Customer Accounts Exp.	\$ 9,218	\$ 22,323	\$ 4,287	\$ 5,683	\$ (2,865)	\$ 2,369
4	subtotal	\$ 9,218	\$ 22,323	\$ 4,287	\$ 5,683	\$ (2,865)	\$ 2,369
5	less uncollectible	\$ 546	\$ 12,724	\$ 2,349	\$ 5,672	\$ (2,865)	\$ 1,719
6	subtotal	\$ 8,671	\$ 9,600	\$ 1,938	\$ 11	\$ -	\$ 1,719
7	Allocated From HWSC to Waikoloa Sewer						
8	Customer Accounts Exp.	\$ 11,790	\$ 8,465	\$ 5,464	\$ 4,805	\$ 4,896	\$ 5,055
9	subtotal	\$ 11,790	\$ 8,465	\$ 5,464	\$ 4,805	\$ 4,896	\$ 5,055
10	Direct and Allocated Customer Accounts						
11	Customer Accounts Exp.	\$ 21,008	\$ 30,788	\$ 9,752	\$ 10,489	\$ 2,031	\$ 7,424
12	Total Customer Accounts	\$ 21,008	\$ 30,788	\$ 9,752	\$ 10,489	\$ 2,031	\$ 7,424
13	In 2025 Dollars						
14	Customer Accounts Exp.	\$ 25,911	\$ 37,386	\$ 11,410	\$ 11,525	\$ 2,167	\$ 8,367
15	add estimated uncollectible for test year						\$ 1,719
16	Total	\$ 25,911	\$ 37,386	\$ 11,410	\$ 11,525	\$ 2,167	\$ 10,086

Hawaii Water Service Company
Taxes Other Than Income Taxes
Test Year Ending December 31, 2025

Line No.		Revenues at Present Rates	Revenues at Proposed Rates	Tax Rates	Taxes at Present Rates	Taxes at Proposed Rates
1						
2						
3	Revenue Taxes					
4						
5	Public Company Service Tax	\$ 2,243,994	\$ 3,486,014	5.885%	\$ 132,059	\$ 205,152
6	(Pursuant to HRS § 239)					
7	Public Utility Fee	\$ 2,243,994	\$ 3,486,014	0.500%	\$ 11,220	\$ 17,430
8	(Pursuant to HRS § 269-30)					
9	Total Revenue Taxes				\$ 143,279	\$ 222,582
10	Total Taxes Other Than Income Taxes				\$ 143,279	\$ 222,582

Hawaii Water Service Company
Income Tax Expense
Test Year Ending December 31, 2025

Line No.			At Present Rates	At Proposed Rates
1	Total Revenues		\$ 2,243,994	\$ 3,486,014
2	Total Operations & Maintenance Expenses		\$ 1,411,948	\$ 1,411,948
3	Depreciation		\$ 798,821	\$ 798,821
4	Amortization		\$ -	\$ -
5	Taxes Other than Income Taxes		\$ 143,279	\$ 222,582
6	Total Operating Expenses		\$ 2,354,049	\$ 2,433,352
7	Operating Income before Income Taxes		\$ (110,055)	\$ 1,052,662
8	Interest Expenses		\$ 124,031	\$ 124,031
9	State taxable Income		\$ (234,085)	\$ 928,632
10	State income Tax	Less:		
11	less than \$25K	Tax Rates 4.4000%	\$ -	\$ 1,100
12	Over \$25K, but less than \$100K	5.4000%	\$ -	\$ 4,050
13	Over \$100K	6.4000%	\$ -	\$ 53,032
14	Less Hawaii Capital Goods Excise Tax Credit		\$ -	\$ (40,304)
15	Federal taxable income		\$ (234,085)	\$ 910,753
16	Federal income tax			
17	Over \$1	21.0%	\$ -	\$ 191,258
18	Less DTL Amortization Amount			\$ (896)
19	Total Federal and State income taxes		\$ -	\$ 208,241
20	Effective Tax Rate		0.000%	22.424%
21	State		0.000%	1.925%
22	Federal		0.0000%	21.0000%

Hawaii Water Service Company
Results of Operations for Recorded 2023 at Present and Proposed Rates
Test Year Ending December 31, 2025

Line No.	(1) Pro Forma for Year Ended December 31, 2023 Present Rates	(2) Proposed Increase	(3) Proposed Rates
1			
2			
3			
4 Single-family	\$ 366,865	\$ 207,526	\$ 574,392
5 Multi-family	\$ 1,500,820	\$ 925,458	\$ 2,426,277
6 Commercial	\$ 86,042	\$ 93,120	\$ 179,162
7 Public Authority	\$ 86,186	\$ 28,176	\$ 114,362
8 Other	\$ 12,300	\$ (12,300)	\$ -
9 Power Charge Cost	\$ 205,898	\$ (14,078)	\$ 191,820
10 Total Operating Revenues	\$ 2,258,111	\$ 1,227,902	\$ 3,486,014
11 Labor Expenses	\$ 529,620	\$ -	\$ 529,620
12 Fuel & Power	\$ 181,870	\$ -	\$ 181,870
13 Chemicals	\$ 43,846	\$ -	\$ 43,846
14 Materials & Supplies	\$ 16,436	\$ -	\$ 16,436
15 Waste/Sludge Disposal	\$ 65,195	\$ -	\$ 65,195
16 Affiliated Charges	\$ 102,803	\$ -	\$ 102,803
17 Professional and Outside Services	\$ 9,283	\$ -	\$ 9,283
18 Repairs & Maintenance	\$ 307,988	\$ -	\$ 307,988
19 Rental Expenses	\$ 5,735	\$ -	\$ 5,735
20 Insurance Expenses	\$ 11,998	\$ -	\$ 11,998
21 Regulatory Expenses	\$ 18,293	\$ -	\$ 18,293
22 General & Administrative Expenses	\$ 53,830	\$ -	\$ 53,830
23 Customer Accounts Expenses	\$ 7,424	\$ -	\$ 7,424
24 Water Consumption License Fee	\$ -	\$ -	\$ -
25 Total O&M Expenses	\$ 1,354,322	\$ -	\$ 1,354,322
26 Taxes Other than Income Taxes	\$ 166,714	\$ -	\$ 166,714
27 Depreciation	\$ 599,109	\$ -	\$ 599,109
28 Amortization	\$ -	\$ -	\$ -
29 Income Taxes	\$ 9,221	\$ 336,445	\$ 345,666
30 Diff. due to changing factors		\$ -	\$ -
31 Total Operating Expenses	\$ 2,129,366	\$ 336,445	\$ 2,465,811
32 Operating Income	\$ 128,746	\$ 891,457	\$ 1,020,203
33 Rate Base	\$ 7,706,383	\$ -	\$ 7,706,383
34 Return on Rate Base	1.67%		13.24%

HAWAII WATER SERVICE COMPANY
PROJECTED RATE OF RETURN

Line
No.

	<i>PRO FORMA AVERAGE CAPITAL</i>			<i>RATE OF</i>
	<i>AMOUNT</i>	<i>RATIO</i>	<i>EFF. RATE</i>	<i>RETURN</i>
1				
2				
3				
4	<u><i>Estimated Average Rate of Return</i></u>			
5	Long-Term Debt	\$ 4,907,396	46.60%	5.42%
6	Common Stock	5,623,497	53.40%	10.27%
7		10,530,893	100.00%	8.01%

Hawaii Water Service Company
Phase In
Test Year Ending December 31, 2025

Line No.	Revenue Requirement	Present Rates	Incremental	Proposed Rates	% Increase
1					
2	No Phase-in		\$ -		#DIV/0!
3	Year 1 (2023)	\$ -	\$ -	\$ -	#DIV/0!
4	Year 2 (2024)	\$ -	\$ -	\$ -	#DIV/0!

See Exhibit WU-T-604-WHSC sponsored by Witness Greg Shimansky for Phase In calculations

Hawaii Water Service Company
Rate Design
Test Year Ending December 31, 2025

Line
No.

1	Revenue Requirement	Split	Present Revenue	Incremental	Proposed Revenue Split	Proposed Revenue	+/- Rev. Req.
2	Fixed	76.4%	\$ 1,567,395	\$ 948,621	76.4%	\$ 2,516,016	\$ -
3	Metered	23.6%	\$ 484,779	\$ 293,398	23.6%	\$ 778,177	\$ -
4	Power Cost Charge		\$ 191,820	\$ -		\$ 191,820	
5	Total	100.0%	\$ 2,243,994	\$ 1,242,020		\$ 3,486,014	\$ -

	Revenue
6 Non-PCC Revenue	\$ 3,294,193

7	Fixed Revenue	Present Rates	Proposed Rates	Present Customer Count (Units)	Proposed Customer Count (Units)	Present Revenue	Proposed Revenue
8	Number of Services						
9	Residential	\$ 73.84	\$ 118.52	317	317	\$ 280,873	\$ 450,863
10	Multi-Family	\$ 73.84	\$ 118.52	1,345	1,345	\$ 1,191,716	\$ 1,912,969
11	Business	\$ 73.84	\$ 118.52	85	85	\$ 75,313	\$ 120,894
12	Public Authority	\$ 73.84	\$ 118.52	22	22	\$ 19,493	\$ 31,290
13	Total			1,769	1,769	\$ 1,567,395	\$ 2,516,016

14	Metered Revenue	\$ 778,177
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15	Quantity Revenue	Present Rates	Proposed Rates	Present [TG]	Proposed [TG]	Present Revenue	Proposed Revenue
16	Residential	\$ 2.0437	\$ 3.2806	37,654	37,654	\$ 76,954	\$ 123,528
17	Multi-Family	\$ 2.0437	\$ 3.2806	156,468	156,468	\$ 319,774	\$ 513,309
18	Business	\$ 2.0437	\$ 3.2806	17,761	17,761	\$ 36,299	\$ 58,268
19	Public Authority	\$ 2.0437	\$ 3.2806	25,322	25,322	\$ 51,751	\$ 83,072
20	Total			237,206	237,206	484,779	778,177

21	Power Cost Charge	Present	Proposed
22	Electricity Cost [\$]	\$ 180,308	\$ 180,308
23	Billed Sewer Flows [TG]	237,206	237,206
24	Power Cost Charge [\$ / TG]	\$ 0.8087	\$ 0.8087
25	Revenue	\$ 191,820	\$ 191,820

26	Bill Impact	Present	Proposed	Difference
27	Monthly Billed Sewer Flows	11	11	
28	Stand-by Charge	\$ 73.84	\$ 118.52	\$ 44.69
29	Quantity Charge	\$ 22.83	\$ 36.64	\$ 13.82
30	PCC	\$ 9.03	\$ 9.03	\$ -
31	Total	\$ 105.70	\$ 164.20	\$ 58.50