

425082v1

HAWAII WATER SERVICE COMPANY, INC.
Lahaina, Maui, Hawaii

HWSC Tariff NO.1
Second Revised Title Sheet

HAWAII WATER SERVICE COMPANY, INC.
KA`ANAPALI DIVISION
RULES AND REGULATIONS
GOVERNING WATER SERVICE TO CONSUMERS
AND WATER RATE SCHEDULES

Issued: March 14, 2012

Effective: March 19, 2012

By: Thomas Smegal III, Vice President-Regulatory

TABLE OF CONTENTS

	<u>Page</u>
Foreword	3
 <u>RULE</u>	
I	Definitions 4
II	General Conditions 5
III	Conservation Measures and Interruption of Water Supply 6
IV	Elevation Agreement, Pressure Conditions 8
V	Application for Water Service and Service Connection 8A
VI	Connection and Cut-offs 9
VII	Meter Reading and Rendering of Bills 12
VIII	Payment of Bills 13
IX	Non-Registering Meters 13
X	Meter Tests and Adjustment of Bills for Meter Inaccuracy 13
XI	Discontinuation of Water Service 14
XII	Restoration of Water Service 15
XIII	Company's Equipment on Consumer's Premises 16
XIV	Damage and Accessibility to Company's Property, Meter Damaged by Hot Water 16
XV	Relief Valves 17

<u>RULE</u>		<u>Page</u>
XVI	Ingress to and Egress from Consumer's Premises	17
XVII	Responsibility for Water Receiving Equipment	17
XVIII	Abatement of Noises	18
XIX	Electrical Grounding	18
XX	Consumer's Pumping Installations	19
XXI	Cross-Connections and Backflow Protection	20
XXII	Automatic Fire sprinkler Service	23
XXIII	Use of and Damage to Fire Hydrants, Change in Hydrant Location, Responsibility for Maintenance and Operation of Private Hydrants	24
XXIV	Refrigeration and Air Conditioning Equipment	26
XXV	Resale of Water	27
XXVI	Power Cost Charge	28
XXVII	Contribution in Aid of Construction Fee (Facilities Charges)	29
XXVIII	System Extensions	34
XXIX	Water Requirements	41
XXX	Severability	44
XXXI	Penalties	44
Water Rate Schedules		45
Exhibit A		46

CHECK LIST SHEET

<u>Sheet</u>	<u>Revision</u>
1	Second
2	Third
2A	Second
2B	Second
3	Second
4	First
5	Second
6	Third
7	Second
8	Second
8A	Original
9	Second
10	First
11	First
12	Third
13	Second
14	Second
15	Third
16	First
17	First
18	First
19	First
20	First
21	First
22	First
23	First
24	First
25	First
26	First
27	Second
28	Fourth
29	Third
30	Third
31	Third

HAWAII WATER SERVICE COMPANY, INC.
Lahaina, Maui, Hawaii

HWSC Tariff No. 1
Third Revised Sheet 2B

CHECK LIST SHEET

<u>Sheet</u>	<u>Revision</u>
32	Third
33	Third
34	Second
35	Second
36	Second
37	Second
38	Second
39	Second
40	Second
41	Second
42	Second
43	Third
43A	Second
44	Second
45	Fifth

Issued: October 18, 2016

Effective: October 18, 2016

By: Paul Townsley, Vice President-Regulatory

F O R E W O R D

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

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

Consumers are advised to obtain information from the Company on the availability of water, pressure conditions to assure satisfactory service, and other pertinent data.

RULE I

DEFINITIONS

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

1. The word "COMPANY" shall mean the Hawaii Water Service Company, Inc., a Hawaii corporation.

2. The word "CONSUMER" shall mean the person, firm, corporation, association, or governmental department, whether owner or tenant, whose name appears on the records of the Company as the party responsible and liable for receiving water service from the Company.

3. The term "SERVICE CONNECTION" shall mean the main tap, pipe, fittings, and valves, from the water main to and including the meter.

4. The term "COST OF SERVICE CONNECTION" shall mean the sum of the cost of the labor, materials, transportation, equipment, and road repair, if any, and other incidental charges necessary for the complete installation of a service connection, but excluding the cost of the meter.

5. The term "CONSUMER'S SUPPLY PIPE" shall mean the pipe extending from the consumer's end of the "Service Connection."

6. The word "MAIN" or "MAIN PIPE" shall mean the Company's supply or distribution pipe to which service connections are made.

7. The term "COMPANY WATER SYSTEM" shall mean the water system constructed, owned, operated, and maintained by the Company.

(Continued)

RULE II

GENERAL CONDITIONS

1. Any prospective consumer whose premises are within service limits established by the Company and adjacent to a distributing main, where pressure conditions permit, may obtain water service provided that the Company has a sufficient water supply developed for domestic use and for fire protection to take on new or additional service without detriment to those already served. The consumer shall be responsible for providing separate systems for potable and non-potable water uses within its premises when required by the Company.

2. Where an extension of mains is necessary or where large quantities of water are required or a substantial investment is necessary to provide service, the consumer will be informed by the Company as to the conditions and charges to be made for the particular area and situation in question before water service may be approved.

3. All water supplied by the Company will be measured by means of suitable meters registering in gallons. When it is impractical to meter the service, a flat rate may be charged. The amounts to be paid for water and water service shall be in accordance with the rates on file with the Public utilities Commission of the State of Hawaii. The Company will determine the location and size of all meters and service

connections to its system. All service connections shall become the property of the Company for operation and maintenance after installation and new connections or disconnections may be made thereto by the Company at any time.

4. The Company shall provide services to the area shown on the map attached hereto as Exhibit A.

5. A contribution in aid of construction may be required as a condition to receiving service in accordance with Rule XXVII.

6. Fire hydrants and necessary pipelines and appurtenances shall be installed by the developer in residential, business, industrial, apartment, duplex, commercial, airport, and hotel districts as required by the Company for adequate fire protection. The Maui County Water System Standards shall be used as a guide in designing mains for fire flow requirements.

7. The developer shall install, in accordance with these Rules and Regulations, the specifications of the Company and the Maui County Water System Standards, and pay for the water system required for the development.

RULE III

CONSERVATION MEASURES AND INTERRUPTION OF WATER SUPPLY

1. The Company will exercise reasonable diligence and care to deliver an adequate supply of water to the consumer and to avoid shortages or interruptions in water service and to maintain pressure in its water mains, but will not be liable

for any interruption, shortage, insufficiency of supply, lack of pressure, or any loss or damage occasioned thereby.

2. Whenever, in the Company's opinion, special conservation measures are advisable in order to forestall water shortage and a consequent emergency, the Company may restrict the use of water by any reasonable method of control.

3. The Company reserves the right at any and all times to shut off water from the mains without notice for the purpose of making repairs, extensions, alterations, or for other reasons related to the operation of water service and will not be responsible nor liable for any property loss or damage incurred by the consumer due to such interruption of service. Except in case of emergency repairs, the Company shall use its best efforts to give the customer at least 24 hours notice before shutting off service. Consumers depending upon a continuous supply of water shall provide emergency water storage and any check valves, backflow preventers or other devices necessary for the protection of plumbing or fixtures against failure of the pressure or supply of water in the Company's mains. Repairs or improvements will be prosecuted as rapidly as practicable and, insofar as practicable, at such times as will cause the least inconvenience to the consumer.

4. The Company will not be liable or responsible for any damage to person or property caused by spigots, faucets, valves and other equipment that may be open when water is turned on at the meter, either when turned on originally or when turned on after a temporary shutdown.

5. As a condition to providing service to a new development, the Company may require the developer to record against the property to be served a Declaration of Covenants, Conditions and Restriction ("CC&Rs") that contains conservation measures and water usage restrictions, including, without limitation, landscaping and irrigation requirements, limitations on water usage for landscaping purposes, the right of the Company to require installation of dual water meters to measure and restrict landscaping water usage, the imposition of additional contributions in aid of construction if water usage exceeds the amounts on which the original contributions in aid of construction were based, and other remedies for failing to comply with such CC&Rs.

RULE IV

ELEVATION AGREEMENT, PRESSURE CONDITIONS

1. Where property is situated at such an elevation that it cannot be assured of a dependable supply or of adequate service from the Company's distribution system, the consumer, in consideration of connection with the Company's system, must agree to accept such water service as the Company is able to render from its existing facilities and to install if necessary, and maintain at his expense a tank and pump of suitable design and of sufficient capacity to furnish and adequate and dependable supply of water. When required by the Company the consumer shall install an air gap or other protective devices between the consumer's supply pipe and the service connection. The consumer shall execute a written release in favor of the Company for all claims on account of any inadequacy in the Company's system or inadequacy of water supply to the consumer.

2. When the pressure of the Company's supply fluctuates or is higher than that for which individual fixtures are designed, the consumer shall protect such fixtures by installing and maintaining pressure reducing and relief valves. The Company will not be liable for damage due to pressure conditions or caused by or arising from the failure or defective condition of such pressure regulators and relief valves or for damage that may occur through the installation, maintenance, or use of such equipment.

3. The Company will not accept responsibility to maintain pressure in its water mains.

RULE V

APPLICATION FOR WATER SERVICE AND
SERVICE CONNECTION

1. Each prospective consumer may be required to sign the standard application form for the water service desired, assuming responsibility for the payment of future charges for water service at the designated location, before water is turned on for any use whatever. The consumer signing the application form shall be held liable for the payment of all charges for water and water service at the designated location. Owners of residences where tenants or lessees request service will be required to also sign the standard application form and will be responsible for payment of bills if the tenant defaults. An applicant for service may be required to establish or re-establish credit in accordance with these Rules and Regulations. A deposit may be required in connection with service in accordance with paragraphs 2 or 4 of this Rule.

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

3. Charges will begin when the water service is established and will continue until due notification from the consumer or until

discontinued by the Company for failure of the consumer to comply with the Rules and Regulations.

4. When an application for water service is made by a consumer who was responsible for and failed to pay all bills previously rendered, regardless of location or time incurred, the Company may refuse to furnish water service to such applicant until the outstanding bills are paid. Further, in this case, the Company may charge a deposit equal to three months estimated billing. Such deposit shall be held for the benefit of consumer, with interest accruing at the rate of 2% per annum simple interest. The deposit with interest shall be refunded within 30 days after twelve (12) months of timely payment or with the final bill, whichever comes first.

5. A consumer taking possession of property and using water without having made application for the transfer of water service shall be held liable for the water delivered from the date of the last recorded meter reading. If proper application for transfer is not made, and accumulated bills for water service are not paid upon presentation, the water service may be discontinued five business days after written notice is given to the user.

RULE VI

CONNECTIONS AND CUT-OFFS

1. Installation. When the application for a service connection has been approved, such connection will be installed by the Company at the expense of the applicant and thereafter will be maintained by the Company at its expense. There shall be one meter for each service connection, unless the Company, because of operating necessity, installs two or more meters in parallel. All meters will be sealed by the Company before installation and no seal shall be altered or broken except by one of its authorized employees.

2. Deposit. A deposit at least equal to the Company's estimate of the cost of the service connection may be required of the applicant before the connection is installed. If the actual cost of the connection is in excess of the deposit, the applicant will be billed and shall pay for the difference. If the actual cost is less than the deposit, the applicant will be refunded the difference. Installation cost shall be based on the cost of installation as established by the Company. In the event a meter box larger than the standard

household type is required, the consumer shall be responsible for construction of the meter box in accordance with the Company's standards.

3. Consumer's Supply Pipe. The consumer shall install and connect at his expense his supply pipe to the shut-off valve installed by the Company. The consumer's supply pipe shall at all times remain the sole property of the consumer, who shall be responsible for its maintenance and repair. If the consumer's supply pipe is installed before the service connection is set, the Company will not be responsible for the connection to it.

4. Connection to Main. Only employees of the Company will be allowed to connect or disconnect the service connection to or from the Company's main.

5. Compensation. Employees of the Company are strictly forbidden to demand or accept personal compensation for services rendered.

6. Pipe Through Wall. Where the applicant requires his supply pipe extended through a wall, he shall provide the entranceway through such wall and be responsible for the service connection. The Company will not be responsible for any damage caused by leakage through or inside such entranceway.

7. Location of Service Connection or Main. No service connection or water main will be installed by the Company in any private road, lane, street, alley, court or place, unless the Company is given proper easements or other rights satisfactory to the Company for the main or service connection.

8. Location of Meters. All meters shall be installed in locations approved by the Company. The stopcock before the meter is installed for the sole use of employees of the Company.

9. Change in Location or Size of Service Connection. When the proper size of service connection for any premises has been determined and the installation has been

(Continued)

Issued: April 20, 2005

Effective: April 22, 2005

By Francis S. Ferraro, Vice President

made, the Company has fulfilled its obligations insofar as the size of the service and the location thereof are concerned. If thereafter the consumer desires a change in size of the service connection or a change in the location thereof, he shall bear all costs of such change.

10. Shut-Off Valve. A readily accessible shut-off valve controlling all outlets will be installed by the Company at the expense of the consumer on his supply pipe at a location to be determined by the Company. If a replacement of the shut-off valve is necessary, it shall be paid for by the consumer.

11. Alteration to Water System. All work and materials in connection with the change in location or elevation of any part of the existing water system made necessary by the new service connection shall be at the expense of the applicant.

12. Contours or Elevations. When required by the Company, contours or elevations shall be furnished by the applicant, based upon U.S.C.G.S. or County of Maui Datum.

13. Size of Meter and Service Connection. The Company will determine the location and size of all meters and service connections to its system.

14. For all applications to change from flat rate to metered service, the cost of such change shall be paid for by the applicant with a deposit as hereinabove set forth in paragraph 2 on deposits.

15. Water Service.

(a) Consumers who are delinquent for thirty (30) days shall be shut off, and if the privilege is a metered one the meter may be removed and service not resumed until all back charges, deposit and a facilities reserve charge in accordance with Rule XXVII is paid.

(b) Privileges may be granted only to owners of property or to those having leases with at least a one-year term.

(Continued)

Issued: April 20, 2005

Effective: April 22, 2005

By Francis S. Ferraro, Vice President

16. Check Valve. A check valve shall be installed by the Company after the shut-off valve and paid for by the consumer. The consumer shall test, inspect and make necessary repairs and replacements at the consumer's expense to keep the check valve in good working condition. The Company shall have access to make periodic inspection of such devices.

RULE VII

METER READING AND RENDERING OF BILLS

1. All water supplied by the Company will be measured by means of suitable meters registering in gallons.

2. Meters are read and bills are rendered monthly or bimonthly at the option of the Company. Special readings will be made when necessary for closing of accounts or for other reasons. If a meter cannot be read, an estimated bill will be rendered, said bill to be calculated whenever possible on prior consumption.

3. Closing bills for short periods of time since the last meter reading date will ordinarily be determined by the amount of water actually used, as indicated by the meter reading, plus a proration of the service charge. In prorating service charges, a billing month shall be considered to be thirty (30) days.

RULE VIII

PAYMENT OF BILLS

1. Bills. All bills shall be due and payable upon deposit in the United States mail, receipt by the consumer, or upon other presentation to the consumer. Payment shall be made in cash, at the office of the company, or by personal check, cashier's check, or money order, in person or by U.S. mail, at the office of the Company or, at the Company's option, to duly authorized collectors of the Company. Payment may also be made by credit or debit card or by automatic payment service. In the case of payment by credit or debit card, any applicable transaction and processing fees charged by the credit / debit card company will be paid by the customer.

2. Late Payment and Reconnection Charges. If the charges payable hereunder by the consumer are not paid within 30 days after presentation or deposit in the United States mail, there may be added as a late payment charge an amount equal to one percent (1%) per month of the unpaid balance. In addition, if any bill is not paid within thirty (30) days after presentation or deposit in the United States mail, the water service shall be subject to discontinuance in accordance with Rule XI.1. Customers who become delinquent and cause their water to be cut off shall pay a charge of Fifty and No/100 Dollars (\$50.00) to cover costs of cutting off and turning on water before service will be resumed.

RULE IX

NON-REGISTERING METERS

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

RULE X

METER TESTS AND ADJUSTMENT OF BILLS
FOR METER INACCURACY

1. Meter Tests. Any consumer who, for any reason, doubts the accuracy of the meter serving his premises may request a test of the meter. The consumer, if he so requests,

will be notified as to the time of the test and may witness the test if he so desires. No charge will be made for meter tests if the meter is inaccurate. The consumer will be charged the actual costs connected with such test if the meter is accurate within range of plus or minus five percent (5%).

2. Adjustment of Bills for Meter Inaccuracy. If, as the result of the test, the meter is found to register more than five percent (5%) fast under conditions of normal operation, the Company will refund to the consumer the overcharge based on past consumption, for a period not exceeding six (6) months unless it can be proved that the error was due to some cause, the date of which can be fixed. In this latter case, the overcharge shall be computed back to, but not beyond, such date.

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

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

RULE XI

DISCONTINUATION OF WATER SERVICE

Water service may be discontinued for reasons as follows:

1. Nonpayment of Bills. If any bill is not paid within thirty (30) days after the mailing or presentation thereof to the consumer, the Company may discontinue service after it has made a reasonable attempt to collect payment and has given the consumer written notice that the consumer has at least fifteen (15) business days within which to settle the consumer's account or have service discontinued.

2. Noncompliance With the Company's Rules and Regulations. If the consumer fails to comply with any of these Rules and Regulations, or tampers with the service facilities

(Continued)

of the Company, the Company will have the right to discontinue the service.

3. Consumer About to Vacate Premises. Each consumer about to vacate any premises supplied with water by the Company shall give notice of his intention to vacate at least fifteen (15) days prior thereto, specifying the date service is desired to be discontinued, otherwise he shall be held responsible for all water service furnished to such premises until the Company has received such notice of discontinuance. Before buildings are demolished, the Company should be notified so the service connection can be closed.

4. Unauthorized Use of Water. The Company will refuse or discontinue water service to any premises if necessary, without giving notice, to protect itself against fraud, abuse, or unauthorized use of water.

5. Wasteful use of Water. Where negligent or wasteful use of water exists on premises, the Company may discontinue service if such conditions are not corrected days after giving the consumer written notice of intent to do so.

RULE XII

RESTORATION OF WATER SERVICE

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

RULE XIII

COMPANY'S EQUIPMENT ON CONSUMER'S PREMISES

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

RULE XIV

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

1. Any damage to water mains, service connections, valves, fire hydrants, or other property of the Company shall be paid for by the person or organization responsible for the damage.

2. The consumer shall be liable for any damage to a meter or other equipment or property of the Company caused by the consumer or his tenants, agents, employees, contractors, licensees or permittees, on the consumer's premises, and the Company shall be promptly reimbursed by the consumer for any such damage upon presentation of a bill therefor. In the event settlement for such damages is not promptly made, the Company reserves the right to discontinue water service to such premises.

3. When a meter is found to have been damaged by hot water or steam emanating from the premises served, the consumer shall pay for all costs required to repair the meter.

4. No obstruction shall be placed on or around any water meter, fire hydrant, or valve so as to render it inaccessible.

(Continued)

Issued: April 20, 2005

Effective: April 22, 2005

By Francis S. Ferraro, Vice President

RULE XV

RELIEF VALVES

Wherever a check valve or pressure reducing valve is installed on the consumer's cold water supply line between the main and a hot water storage tank and/or heater, there shall be installed on the consumer's hot water distributing system a suitable pressure relief valve.

RULE XVI

INGRESS TO AND EGRESS FROM CONSUMER'S PREMISES

Any officer or employee of the Company shall have the right of ingress to and egress from the consumer's premises at all reasonable hours for any purpose reasonably connected with the furnishing of water or other service to said premises and the exercise of any and all rights secured to it by law or these Rules and Regulations. In case any such officer or employee is refused admittance to any premises, or being admitted shall be hindered or prevented from making such inspection, the Company may cause the water to be turned off from said premises after giving twenty-four (24) hours' notice to the owner or occupant of said premises of its intention to do so.

RULE XVII

RESPONSIBILITY FOR WATER RECEIVING EQUIPMENT

1. The consumer shall at his own risk and expense furnish, install and keep in good and safe condition all equipment that may be required for receiving, controlling, applying and utilizing water, and the Company will not be responsible for any loss or damage cause by the improper installation of such equipment, or the negligence, want of proper care, or wrongful act of the consumer or of any of his tenants, agents, employees, contractors, licensees or permittees in installing, maintaining, using, operating or interfering with any such equipment.

(Continued)

Issued: April 20, 2005

Effective: April 22, 2005

By Francis S. Ferraro, Vice President

2. Water service may be discontinued to any consumer whose water system includes plumbing fixtures, or water containers in any form, or of any use, which in the opinion of the Company may endanger the Company's water supply from a public health standpoint.. Any such discontinuation of service shall continue until objectionable installations have been corrected, the Company has been assured that the objectionable uses and practices will not be resumed, and all reconnection fees have been paid.

3. The Company will not be responsible for damage to property caused by spigots, faucets, valves and other equipment that may be open when water is turned on at the meter, either when turned on originally or when turned on after a temporary shutdown.

RULE XVIII

ABATEMENT OF NOISES

Where it has been determined that noises emanating from a consumer's premises are caused by plumbing fixtures or other equipment attached to water pipes and such noises are being transmitted through the water pipes and causing annoyance to other consumers, the Company may issue a notice in writing to the offending consumer or to the owner of such premises, or to his agent, giving thirty (30) days within which to correct or to remove the cause of complaint. Failure on the part of such consumer, owner, or person responsible to correct or remove the cause of the noise will be sufficient reason for discontinuance of water service to the consumer until such time as the condition complained of has been remedied.

RULE XIX

ELECTRICAL GROUNDING

1. Protective grounding of alternating current secondary distribution circuits made to the water system shall be subject to the following conditions:

(a) The grounding installation shall conform in all details with the National Electrical Code of the National Board

(Continued)

Issued: April 20, 2005

Effective: April 22, 2005

By Francis S. Ferraro, Vice President

of Fire Underwriters and with the County Building Code. The Company shall not be responsible for any damage or injury caused by any electrical grounding.

(b) The installation of the bonding jumper around the meter shall be the responsibility of the installer of the grounding connection. The bonding jumper may be installed in such a manner as not to interfere with the installation or removal of any of the Company's facilities.

2. No grounding of direct current system to any portion of the water system shall be permitted.

3. No grounding other than as provided in paragraph 1(a) and (b) hereof shall be made to any portion of the water system without the Company's written approval.

4. The Company will not be responsible for the maintaining of a continuous metallic water piping system and reserves the right, without liability to public utility electric companies, electric consumers, or any other agency or individual, to create a physical break in its service connections and mains, or to incorporate nonmetallic pipes and appurtenances in its system and to make joints of any materials, without regard to their efficiency as conductors of electricity and without giving notice.

5. Whenever grounding fault occurs and causes electrical current to flow into the pipeline system, the consumer shall have the corrections made immediately and shall pay for any damages attributable to such grounding fault. Corrections not made will be subject to discontinuance of water service.

RULE XX

CONSUMER'S PUMPING INSTALLATIONS

1. Consumers shall not be permitted to install or operate pumps pumping water directly from the mains of the Company's system except in cases approved in writing. No such approval will be given in cases where it is the opinion of the Company that such an installation and the operation thereof may

(Continued)

Issued: April 20, 2005

Effective: April 22, 2005

By Francis S. Ferraro, Vice President

adversely affect the water service extended by the Company to other consumers.

2. Approvals given by the Company under this section will be qualified by clauses making them revocable upon sixty (60) days' notice during which period the consumer, if he desires to continue the operation of the pump, shall eliminate the objectionable features causing the giving of such notice.

3. No pump shall be equipped with a direct water supply connection for priming purposes except with the written permission of the Company.

RULE XXI

CROSS-CONNECTIONS AND BACKFLOW PROTECTION

1. Prohibition of certain Connections and Installations. In order to provide proper sanitary protection to the Company's water supply and to comply with the applicable regulations of the United States Public Health Service and of the State Department of Health, as adopted or amended from time to time, the Company will require that following the effective date of these Rules and Regulations no cross-connections, with other water supplies, or other physical connections, shall exist, or be installed, located, maintained or operated which could permit backflow or contaminated water or any other dangerous, impure, unsanitary, or unpotable substance from the consumer's premises into the Company's water supply system, except as provided below:

(a) Cross-Connections With Other Water Supplies. Owners (or operators) of presently existing water supplies which are in active use and cross-connected to the Company's system will be required to secure permits for the continuance of such cross-connections. Permits will be granted on a provisional basis, renewable yearly, under the following conditions:

(i) Where such water supplies are regularly examined by the Company, or other agencies satisfactory to the

(Continued)

Issued: April 20, 2005

Effective: April 22, 2005

By Francis S. Ferraro, Vice President

Company, and are approved by the Company as acceptable, safe and sanitary and continue as such at all times while the connections are in existence.

(ii) Where such water supplies do not meet the requirements of (i) above, are not normally under pressure and are maintained solely for fire fighting purposes, and where adequate protection against backflow to the Company's water system is provided by mechanical or other methods of devices satisfactory to the Company.

(iii) The Company may waive the requirement of a permit and allow cross-connections to be continued or established if the connections are with water supplies defined as primary or community supplies by the State Department of Health and approved by the Company and the State Department of Health as acceptable, safe and sanitary supplies.

(b) Other Physical Connections. Other physical connections may be permitted if, in the judgment of the Company, adequate protection can be provided for the water supply of the Company against backflow by the installation of mechanical, or other methods or devices approved by the Company and installed, maintained and operated by the consumer in a manner satisfactory to the Company at all times; provided, however, that the Company may require the consumer to eliminate or rearrange designated plumbing or piping connections or fixtures, or to install a backflow device at the meter or other location subject to the approval of the Company, as an added safety measure in addition to any and all other backflow protection required or provided by mechanical, or other methods or devices, whenever (i) the consumer is engaged in the handling of dangerous or corrosive liquids or industrial or process waters, highly contaminated water or sewage, or is engaged in the medical or dental treatment of person who might have diseases transmittable by water, or whenever (ii) in the judgment of the Company there exists a danger of backflow into the Company's mains because of the possibility of unauthorized connections being created through noncompliance or inadvertence on account of the complexity of the system or systems or because of failure by the consumer to provide adequately

(Continued)

Issued: April 20, 2005

Effective: April 22, 2005

By Francis S. Ferraro, Vice President

qualified personnel and supervision for maintenance and extension of the consumer's piping system or systems, or for any other sufficient reason or cause.

2. Separate Pressure System. The Company will require the installation of mechanical or other methods or devices on the consumer's side of the meter to prevent backflow whenever the consumer maintains a separate pressure system or a separate storage facility, or in any way increases the pressures of the water within his premises above the pressure furnished by the Company or has such equipment devices or arrangement of piping, storage or industrial methods or processes that might under certain conditions raise the. pressure of the water within his premises above the pressure of the water in the mains of the Company. Plans for such installations must be approved by the Company.

3. Pressure Regulation Required of Consumer. As a protection to the consumer's plumbing system, a suitable pressure relief valve must be installed and maintained by him at his expense when backflow devices are installed on the consumer's side of the meter.

4. Location and Inspection Protective Devices. Any device installed for the prevention of backflow as may be required under these Rules and Regulations, shall, unless the Company approves otherwise in writing, be located above ground and in such manner as to be safe from flooding or submergence in water or other liquids, properly protected from external damage, freely accessible and with adequate working room for inspections, testing and repairing.

All such devices shall be tested at least once every four (4) months and inspected internally not less than once annually. Repairs, replacement of parts, etc., shall be made whenever necessary at the expense of the consumer. Making of tests and annual inspections shall be the responsibility of the consumer and shall be made by the consumer or other qualified person or persons in accordance with methods acceptable to the Company. Records of tests and inspections shall be made on forms prescribed by the Company and a copy of such records shall be furnished to the Company. Failure of the consumer to make the proper tests and submission of records may, at the

(Continued)

Issued: April 20, 2005

Effective: April 22, 2005

By Francis S. Ferraro, Vice President

option of the Company, result in the Company's making the tests, needed repairs and replacements and charging the costs thereof to the consumer.

5. Affidavit of Compliance. Upon request of the Company, the consumer shall present an affidavit either certifying to the fact that there are no connections or other installations of the type prohibited in paragraph 1 of this section on his premises or describing in detail all nonconforming connections or installations.

6. Conformance with Laws and Ordinances. The several conditions relative to the installation and maintenance of cross-connections and other physical connections referred to in this section shall be subject to change to meet changing requirements of the state and federal health authorities and of the County Building Code.

7. Discontinuance of Water Service for Noncompliance. Failure on the part of the consumer to comply with the Company's requirements relative to cross-connections and backflow protection will be sufficient reason for discontinuing water service until such time as the requirements have been met.

RULE XXII

AUTOMATIC FIRE SPRINKLER SERVICE

1. Automatic fire sprinkler service will be furnished only where adequate provision is made to prevent diversion of water through such service to other purposes. The fire service connection will be installed by the Company and shall be paid for by the consumer in accordance with the provisions for the installation of new service connections. After the water is turned on, the Company assumes no liability for damage of any kind whatsoever that may occur to the premises served, regardless of cause.

2. No charge will be made for water used through such connection for fire protection purposes but any water lost through leakage or use in violation of the conditions contained herein shall be paid for by the consumer at the regular

(Continued)

Issued: April 20, 2005

Effective: April 22, 2005

By Francis S. Ferraro, Vice President

schedule of water rates and charges. The Company may disconnect and remove the said service connection if water is used for other than fire protection purposes or if leaks are not corrected. Whenever such disconnection is in effect, the Company shall not be held in any way liable for loss or damage sustained due to such condition.

3. Service charges will be in accordance with the rates established by the Company from time to time.

4. All automatic fire sprinkler services may be metered with a detector check valve and a by-pass meter of a type approved by the Company. The meter and the meter box required therefor shall be furnished by the consumer. All service connections shall become the property of the consumer after installation.

5. Such fire service devices shall be maintained by the consumer. The Company shall be provided access for periodic inspection and testing of such devices.

RULE XXIII

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

1. Use of Fire Hydrant. Any use of a fire hydrant or tampering therewith or the taking of water therefrom for purposes other than fire protection by person other than authorized employees of the Fire Department or of the Company is prohibited, except upon prior application to and written permit by the Company. The Fire Department shall have the prior right to use any hydrant at any time and shall have the authority to remove peremptorily, if necessary in case of fire, any connection that may be made to a hydrant under a permit issued by the Company. The use of any hydrant under a permit and the connections thereto shall be subject to the direction and approval of the Company. The consumer shall not use hydrant main line valves to control flows.

2. Application for Permit. Application for a permit for the use of a fire hydrant for purpose other than

(Continued)

Issued: April 20, 2005

Effective: April 22, 2005

By Francis S. Ferraro, Vice President

fire protection shall be made in writing to the Company and when required, shall be accompanied by a deposit in cash. It shall be nontransferable and shall be shown upon demand by the permittee, its agents or employees. The Company reserves the right to reject any application, to refuse to issue any permit and to revoke any permit at any time. The Company also reserves the right to perform for the permittee at his expense the work of installing and removing the connections and of operating the hydrant. No permit will be issued unless the permittee agrees to notify the Company as soon as the use of the hydrant is finished. In the event that a permit shall be revoked, the use of the hydrant thereunder shall cease immediately and all connections thereto shall be properly removed forthwith. The Company will inspect each hydrant which has been used under a permit, and all costs of repairs which the Company may adjudge to be due to such use and the cost of inspection shall be paid for by the permittee. All water drawn from a hydrant under permit shall be metered or estimated as to quantity in a manner satisfactory to the Company and shall be paid for by the permittee at the current water rates. The permittee shall pay all of the costs of connecting to and disconnecting from the hydrant.

3. Hydrant Wrenches. Only regulation fire hydrant wrenches which shall have been approved by the Company shall be used for the operation of fire hydrants. The use of any other type of wrench or operating device shall not be permitted. The permit will be revoked if other than approved regulation fire hydrant wrenches are used.

4. Damage to Hydrant or Property. The permittee shall report promptly any defect in or damage to the hydrant. The cost of any damage to property or of any injury to persons resulting from the use of the hydrant shall be paid for by the permittee. The Company will not be held responsible for any damage to property or injury to persons arising from the use of any hydrant for any cause whatsoever. Any damage to fire hydrants shall be paid by the person or organization responsible for the damage.

5. Change in Hydrant Location. The Company will, if it approves the request for a change in location of a hydrant, change such location provided the cost of all labor,

(Continued)

Issued: April 20, 2005

Effective: April 22, 2005

By Francis S. Ferraro, Vice President

material, equipment and all other charges are paid by the person requesting such change.

6. Maintenance of Private Hydrants. The consumer shall at his expense test periodically upon prior approval of the Company, and keep in good and safe working condition including proper maintenance all private hydrants under his control and not under the jurisdiction of the Company. The Company will not be responsible for any loss or damage caused by any hydrant for any cause whatsoever.

RULE XXIV

REFRIGERATION AND AIR CONDITIONING EQUIPMENT

1. No new installation or replacement installation of refrigeration or air conditioning equipment requiring the use of water from the public water system shall be made on any premises until a permit authorizing such installation has been issued by the Company. Before a permit is issued the owner shall inform the Company in writing of the make, type, horsepower and tonnage of installation, the minimum and maximum water requirements, the name and address of the applicant, the location of the premises where the unit is to be installed, and such additional information regarding the proposed installation as may be required by the Company.

2. Any water-using unit of refrigeration or air conditioning equipment of small size shall be equipped with an automatic water regulating device and/or water conserving device which will limit the total flow of water to six (6) gallons per minute momentary actual load or two (2) gallons per minute per ton of refrigeration, whichever is the less, and which will automatically stop the flow of water when the unit stops.

3. Any large size water-using unit of refrigeration or air conditioning equipment shall be equipped with a water conserving device which will (a) limit the flow of water to not more than 0.2 gallons per minute per ton of refrigeration, actual load and (b) automatically stop the flow of water when the unit is shut down.

(Continued)

Issued: April 20, 2005

Effective: April 22, 2005

By Francis S. Ferraro, Vice President

4. For the purpose of these regulations a unit of less than five (5) tons rated capacity shall be considered a small unit.

5. Where several units serve the same premises, their combined capacity shall be considered to be the capacity of the unit.

6. All installation of water-using refrigeration and air conditioning equipment, regardless of capacity, which are to be served by the public water system must conform with all other applicable Rules and Regulations.

RULE XXV

RESALE OF WATER

Unless specifically agreed upon, the consumer shall not resell any water received by him from the Company.

HAWAII WATER SERVICE COMPANY, INC.
Lahaina, Maui, Hawaii

HWSC Tariff NO.1
Fourth Revised Sheet 28

RULE XXVI

POWER COST CHARGE

In addition to the monthly stand-by charge and monthly quantity charge, there shall be a Power Cost Charge per 1,000 gallons of metered water usage per month. The amount of the Power Cost Charge shall be calculated as follows:

Electric Power Cost Per Thousand Gallons =
Previous Month's unit cost of electricity (\$/kWh)
Times 4.5784 [kWh/thousand gallons] (pump efficiency factor)
Times 1.068205 (Public service company tax and PUC fee)

Issued: October 18, 2016

Effective: October 18, 2016

By: Paul Townsley, Vice President-Regulatory

RULE XXVII

CONTRIBUTION IN AID OF CONSTRUCTION FEE
(FACILITIES CHARGES)

1. As a condition of receiving service or substantially increasing water consumption to new or substantially modified facilities, developer and commercial applicants shall be required to pay a contribution in aid of construction to the Company, which shall be non-refundable except as provided in this Rule.

2. Contribution in aid of construction payments are used by the Company for the purpose of expanding the capacity of the water system, including, without limitation:

- (a) Construction of new wells or increasing the capacity of existing wells;
- (b) Construction of new reservoirs;
- (c) Construction of new primary transmission system or improvements to increase the capacity or efficiency of the existing primary transmission system;
- (d) Construction of water treatment facilities;
- (e) Related improvements intended to increase the capacity, efficiency or quality of the primary water system; and
- (f) Increased capacity or improved service of electrical systems required for Items 2a-e above.

3. New facilities shall mean premises or facilities that have not been connected to the Company's water system.

4. Substantially modified facilities shall mean premises or facilities to which any material change is made in the size of the premises or facilities, or in the character or extent of any commercial activities conducted at the premises or facilities, that results in an estimated increase in annual average water usage by the customer in excess of 300 gallons per day.

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

6. The contribution in aid of construction shall be equal to an equivalent per gallon charge, calculated as follows:

(a) If the Company has no excess capacity available at the time a request for service or substantial modification is made, the contribution in aid of construction payment shall be based on the Company's good faith estimate, based on engineering and construction analyses, of the anticipated total cost to construct the next capacity addition which will most reasonably satisfy the projected capacity requirements for up to ten (10) years in the future and is calculated as follows:

Applicant's Estimated Daily Gallons for Proposed or Existing Development	X	Actual Cost to Construct Additional Capacity
<hr/>		
Total Daily Gallons Constructed in Capacity Addition		

As an example, if the Company adds 20,000 gallons in daily capacity to its facilities at a cost of \$180,000 and applicant requires 10,000 gallons in daily capacity, applicant will pay the Company a contribution in aid of construction payment of \$90,000.

(b) If the Company has excess capacity available at the time the request for service is made, the applicant shall pay a contribution in aid of construction payment as follows:

Estimated Daily Gallons for Proposed or Existing Development	X	Cost per Gallon per Company's Latest Capacity Addition	X	CPI in year of contribution payment CPI for base year (last capacity addition)
--	---	---	---	--

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

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

7. The contribution in aid of construction shall be calculated on the basis of the Company's estimate of (a) the consumer's annual average water consumption, in the case of new facilities, or (b) the customer's increased water consumption, above historical trends in the case of substantially modified facilities.

8. Notwithstanding anything contained herein to the contrary, an additional contribution in aid of construction may be required from customers whose water consumption results in an increase in annual average water usage in excess of the greater of 300 gallons per day or 20% over the annual average water consumption that was utilized in calculating the contribution in aid of construction initially paid by a developer in the case of new or modified facilities pursuant to paragraph 6.

9. The guidelines set forth in Rule XXIX are currently being used by the Company to estimate water consumption. Those guidelines are approximate and each development will be evaluated based on design and other factors that influence water consumption rates.

10. The contribution in aid of construction ("CIAC") for new facilities shall be estimated at the time that an Applicant makes a request of the Company for a "will serve" letter. A subsequently issued "will serve" letter will only state the Company's ability and willingness to supply the Applicant with the requested service, conditioned upon the Applicant's execution of an Extension Agreement within a specified period of time, payment of the CIAC, and construction of or contribution to the cost of any special facilities required to serve the Applicant that are not paid for with CIAC. The total CIAC fee to be paid will be dependent on the calculation of the CIAC fee in accordance with this Rule at the time that payment is tendered. CIAC shall be payable, in full, upon execution of an Extension Agreement. If full CIAC is not paid upon execution of the Extension Agreement, the Extension Agreement and the "will serve" letter shall be null and void. Any Extension Agreement signed by the Company shall not be binding until payment is received.

11. The contribution in aid of construction for substantially modified facilities shall be payable (a) within thirty (30) days after the customer receives a building permit, or (b) as of the date upon which the customer increases water usage as a result of the modification if the customer fails to provide the company with prior written notice of the modification.

12. Any will-serve agreement entered into after March 19, 2012 shall automatically terminate if the Applicant does not execute an Extension Agreement and satisfy all other conditions contained in the will-serve agreement within the time set forth in the will-serve agreement. In addition, any Extension Agreement entered into after March 19, 2012 shall automatically terminate if the Applicant has not completed construction of the project for which service was requested within one year after the date of the Extension Agreement, or such longer or shorter time as may be set forth in the Extension Agreement. The Company may agree to extend this date if facilities constructed or to be constructed with the CIAC are not required by another user. In the event of such termination of either the will-serve agreement or the Extension Agreement: (a) the Company's commitment to reserve capacity for the applicant shall be null and void; and (b) if the applicant subsequently requests service for the same property, applicant will be required to sign a new will-serve agreement and a new Extension Agreement under which the contribution-in-aid of construction will be recalculated based on the cost of facilities required to serve applicant and applicant will receive a credit in the amount of the unreimbursed balance of the contribution in aid of construction

previously paid. In the event of such termination, the Company shall have no obligation to reimburse the applicant for any contribution in aid of construction paid by the applicant. However, the Company will reimburse the applicant for all or a part of the contribution in aid of construction paid by the applicant if (i) such funds have not yet been used or committed and are not required to complete construction of the facilities for which they were collected, or (ii) to the extent that the Company has received contributions in aid of construction from another applicant who will utilize the capacity originally reserved for the applicant.

13. In lieu of requiring an applicant to pay a contribution in aid of construction pursuant to this Rule, the Company may, in its discretion, allow an applicant to contribute to or construct facilities that are required to serve the applicant's project pursuant to Rule XXVIII, System Extensions. Such facilities may include those described in Section 2 of this Rule. Further, in addition to requiring an applicant to pay a contribution in aid of construction pursuant to this Rule, the Company may require an applicant to construct or contribute to the cost of constructing special facilities that are required to serve the Applicant pursuant to Rule XXVIII to the extent that the cost of such facilities is not included in the contribution in aid of construction.

14. Section 12 of this Rule shall not apply to any applicant who has entered into a will-serve agreement or extension agreement before March 19, 2012. Section 6 of this Rule shall not apply to any applicant who has entered a will-serve agreement or extension agreement before March 19, 2012, except to the extent that the terms of such agreement are consistent with the terms of Section 6.

RULE XXVIII

SYSTEM EXTENSIONS

1. Extensions of mains from the Company water system to serve new customers, and connections to main extensions with respect to which customer contributions were made, shall be made under the provisions of this rule. In addition, the Company may, in its discretion, allow an applicant to contribute to or construct additional facilities that are required to serve the applicant's project pursuant to this Rule XXVIII in lieu of, or in addition to, requiring the applicant to pay a contribution in aid of construction pursuant to this Rule XXVII. As used in this Rule XXVIII, an "extension" shall include any such additional facilities. An extension contract shall be executed by the Company and the applicant before the Company commences construction work on an extension or, if an extension has been constructed by applicant, before the facilities comprising the extension are transferred to the Company.

2. Customer contributions may be either refundable or non-refundable depending on their use. The non-refundable construction cost, for the purposes of this rule, shall be the cost of installing facilities of adequate capacity for the service requested. If the Company, at its option, determines that it is appropriate to install facilities with a larger capacity or resulting in a greater footage of extension than required for the service requested, or if the applicant elects to construct such larger facilities, the oversizing cost, for the purposes of this rule, shall be the difference between the total construction cost of the facilities installed and the non-refundable construction cost. Such oversizing cost shall be subject to refund in accordance with Sections 6(g) and 6(h) of this rule.

3. Ownership, design and construction of facilities shall be in accordance with the following provisions:

- (a) Any facilities installed hereunder shall be the sole property of the Company.
- (b) The size, type, and quality of materials, and their location, shall be specified by the Company, and the actual construction shall be done by the Company or by a contractor acceptable to it.
- (c) When an extension must comply with an ordinance, regulation, or specification of a public authority, the estimated and actual construction costs of the extension shall be based upon the facilities required to comply therewith.

- (d) The Company may, but will not be required to, make extensions under this rule in easements or rights of way where final grades have not been established, or where street grades have not been brought to those established by public authority. If extensions are made when grades have not been established and there is a reasonable probability that the existing grade will be changed, the Company may require that the applicant or applicants for the extension deposit, at the time of execution of the extension contract, the estimated net cost of relocating, raising or lowering facilities upon establishment of final grades. Adjustment of any difference between the amount so deposited and the actual cost of relocating, raising or lowering facilities shall be made within ten days after the Company has ascertained such actual cost. The net deposit representing actual cost is not subject to refund. When such displacements are determined by proper authority not to be required, the entire deposit related to the proposed relocation, raising or lowering shall be refunded.

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

- (a) As part of the application for an extension, the applicant's engineer shall prepare a preliminary sketch and rough estimates of the cost of installation to be contributed by said applicant.
- (b) The Company shall review plans submitted to it within a reasonable time after receipt of such plans, specifications and cost estimates of the proposed extension. If the extension is to include oversizing of facilities for which there will be an oversizing cost, appropriate details shall be set forth in the plans, specifications and cost estimates.
- (c) The applicant shall furnish a map to a suitable scale showing the street and lot layouts and, when requested by the Company, contours or other indication of the relative elevation of the various parts of the area to be developed. If changes are made subsequent to the presentation of this map by the applicant, and these changes require additional expense in revising plans, specifications and cost estimate, the applicant's engineer shall make those changes at no expense to the Company.

5. Timing and adjustment of customer contributions shall be in accordance with the following provisions:

- (a) Unless the applicant for the extension elects to arrange for the installation of the extension himself, as permitted by Section 6(e), the full amount of the required customer contribution will be required by the Company at the time of execution of the extension contract. An acceptable surety bond may, at the sole discretion of the Company, also be acceptable.
- (b) If the applicant for a main extension posts a surety bond in lieu of cash, such surety bond must be replaced with cash not less than ten (10) calendar days before construction is to commence. However, the applicant may be required to deposit sufficient cash to cover the cost of materials before they are ordered by the Company.
- (c) An applicant for an extension who makes a contribution shall be provided with a statement of actual construction cost and oversizing cost showing in reasonable detail the costs incurred for material, labor, any other direct and indirect costs, overheads, and total costs, unit costs or contract costs, whichever are appropriate.
- (d) The statement shall be submitted within a reasonable time after the actual construction costs of the installation have been ascertained by the Company.
- (e) Any difference between the actual construction costs and the total amount of the customer contribution shall be shown as a revision of the amount of the customer contribution and shall be payable by the applicant, or by the Company, as applicable, within thirty (30) days of date of submission of statement.

6. Customer contributions and refunds shall be treated in the following manner:

- (a) Unless the procedure outlined in Section 6(e) is followed, an applicant for an extension to serve a new development, subdivision, tract, housing project, industrial development or organized commercial district, etc., shall be required to pay to the Company, before construction is commenced, a non-refundable contribution equal to the estimated non-refundable construction cost of the extension to be actually installed, from the nearest Company facility at least equal in size or capacity to the main required to serve both the new customer and a reasonable estimate of the potential customers who might be served directly from the main extension without additional extension. The cost of the extension shall include necessary connections, pipes, fittings, valves, valve boxes, meters, meter enclosures, booster stations, pressure regulating stations, and other water system distribution appurtenances and Hawaii and Federal income taxes applicable to the contribution calculated by the full gross up method.
- (b) If special facilities consisting of items not covered by Section 6(a) are required for the service requested, the cost of the special facilities shall be included in the customer contribution.
- (c) In addition to the non-refundable contribution required by Sections 6(a) and 6(b), an applicant for an extension shall be required to advance to the Company the oversizing cost estimated by the Company for the extension deemed to be appropriate by the Company. (This additional contribution shall be refundable in accordance with Sections 6(g) and 6(h) of this rule.)
- (d) A pioneer, for the purposes of this rule, shall be a developer/customer who makes a contribution to pay the oversizing cost of an extension.

- (e) In lieu of providing the customer contribution in accordance with Sections 6(a), 6(b) and 6(c), the applicant for an extension shall be permitted, if deemed to be qualified in the sole judgment of the Company, to construct and install the facilities, or to arrange for their installation. If extension facilities are arranged for by applicant and constructed by others, the extension shall be installed pursuant to competitive bidding procedures unless waived by the Company. The cost, including the cost of inspection and supervision by the Company, shall be paid directly by applicant. The applicant shall provide the Company with a statement of actual construction cost in reasonable detail. The installation shall be in accordance with the plans and specifications submitted by the Company pursuant to Section 4(b). All facilities shall be dedicated to the Company through appropriate deeds, rights of way, easements, bills of sale or other instruments as required upon completion. At the time of dedication, the customer/developer will pay to the Company Hawaii and Federal income taxes calculated by the full gross up method based on the value of the system being dedicated as determined in this section above.
- (f) If a subsequent applicant connects to an extension which was paid for by one or more pioneers, that subsequent applicant shall be required to pay a non-refundable extension refund charge equal to its proportionate share of the oversizing cost of such main extension based on anticipated consumption. Such extension refund charge shall only be assessed to the extent that it is to be paid by the Company to the pioneer or pioneers pursuant to Sections 6(g) and 6(h), or to the extent that the Company has previously reimbursed the pioneer for such oversizing costs.
- (g) A refund of all or part of the refundable customer contribution made by a pioneer shall be made if subsequent applicants are provided service from the extension and pay an extension refund charge based on their proportionate share of the oversizing cost of the extension; provided, however, that such refunds shall be made to a pioneer only after the Company has been reimbursed for any oversizing cost paid by the Company to the applicant. The refunds, if any, shall be made from subsequent extension refund charges covering a proportionate share of the oversizing cost for the extension.

- (h) Refunds to pioneers, if any, will be made annually in the first quarter of each applicable year to pioneers on record as of December 31 of the previous year, for a period of ten years following the year that the extension was placed into service. Refunds shall be made without interest. The total refunds which a pioneer may receive shall not exceed the amount of the customer contribution paid by the pioneer.
- (i) All customer contributions and extension refund charges shall include the Hawaii and federal income tax applicable to the contribution calculated at the marginal income tax rate applicable to corporations using a full gross-up method.

7. Any contract entered into under this rule may be assigned, after settlement of actual construction costs, after written notice to the Company by the holder of said contract as shown by the Company's records. Such assignment shall apply only to those refunds which become due more than thirty (30) days after the date of receipt by the Company of the notice of assignment. The Company shall not be required to make any one refund payment under such contract to more than a single assignee.

8. Extension contracts may be terminated as follows: Any contract entered into under Section 6 of this rule may be purchased by the Company and terminated, provided the payment is not in excess of the remaining contract balance.

9. If an applicant constructs or contributes to the cost of construction of facilities pursuant to this Rule, and if the applicant does not use such facilities within the time required under the Extension Agreement, the Company may elect to terminate the Extension Agreement and to use any such facilities to serve other customers. In that event, (a) the Company's commitment to reserve capacity for the applicant shall be null and void; and (b) if the applicant subsequently requests service for the same property, the applicant will be required to sign a new will-serve agreement and a new Extension Agreement, and will receive a credit in the amount of the unreimbursed balance of amounts previously paid by the applicant for facilities to serve such property under this Rule. In the event of such termination, the Company shall have no obligation to reimburse the applicant for any amounts paid by the applicant for such facilities, except for refundable contributions which shall be refunded in accordance with Section 6 of this Rule. However, the Company may, at its discretion, reimburse the applicant for all or a part of the amounts paid by the applicant pursuant to this rule if (i) such funds have not yet been used and are not required to complete construction of the facilities for which they were collected, or (ii) the Company has received funds from another applicant who will utilize the capacity originally reserved for the applicant.

RULE XXIX

WATER REQUIREMENTS

1. General. These standards of planning are not intended to limit the initiative and resourcefulness of the Company in developing water system plans or be viewed as the minimum limits in design criteria. The water system shall be designed to meet the needs of the community for a reasonable number of years in the future.

2. Domestic Consumption Guideline. The guidelines for water consumption which should provide an adequate water system are listed below. These guidelines may be revised by the Company based on variable factors that influence water consumption rates.

DOMESTIC CONSUMPTION GUIDELINE
AVERAGE DAILY DEMAND*

RESIDENTIAL:

Single Family or Duplex	600gals/unit or 3000gals/acre
Multi-Family Low Rise	560gals/unit or 5000gals/acre
Multi-Family High Rise	560 gals/unit
COMMERCIAL	6000gals/acre
Commercial/Industry Mix	140 gals/1000 sq.ft.
Commercial/Residential Mix	140gals/1000 sq.ft.

RESORT (Includes hotel):	350gals/unit or 17000gals/acre
LIGHT INDUSTRY:	6000gals/acre
SCHOOLS, PARKS:	17000gals/acre or 60gals/student
HOSPITAL	1800gals/acre
AGRICULTURAL	5000gals/acre

* Where two or more figures are listed for the same type of use, the daily demand resulting in higher consumption use shall govern the design unless specified otherwise.

3. Fire Flows, Duration and Hydrant Spacing. The fire flows considered as adequate by the Company, subject to the following considerations, are provided in Rule XXVI, paragraph 4:

- (a) For residential areas, required fire flow will depend on the character and congestion of buildings.
- (b) For business, industry, shopping centers, the required flow depends on the bulk, congestion, fire resistance and contents of buildings.

4. System Capacity. The capacity of the distribution system shall deliver the maximum daily demand simultaneously with the required fire flow.

The distribution system shall also deliver the peak hour flow (without fire flow).

5. Demand Factors. The demand factors are as follows:

<u>Maximum Daily Demand</u>	<u>DEMAND FACTORS</u>	<u>MGD</u>
1.5 x Average Day	<u>Peak Hour</u> 3 x Average Day	-

6. Pipeline Sizing.

- (a) Maximum daily flow plus fire flow with a residual pressure of 20 psi at critical fire hydrant.
- (b) Peak hour flow with a minimum residual pressure of 40 psi.
- (c) In determining the carrying capacity of the mains, the "C" values to be applied are:

<u>Diameter</u>	<u>"C"</u>
4", 6"	100
8", 12"	110
16", 20"	120
24" and larger	130

* not for metallic noncement-lined pipe.

- (d) The maximum velocity in mains are as follows:
 - 1. 10 feet per second for distribution mains with fire flow.
 - 2. 20 feet per second for transmission mains without water services or fire flow.
 - 3. 13 feet per second for fire line.
- (e) Unless specified otherwise, maximum static or pumping pressure, whichever is greater, shall not exceed 125 psi.

7. Reservoir Capacity.

- (a) Meet maximum day consumption. Reservoir full at the beginning of the 24-hour period with no source input to the reservoir.
- (b) Meet maximum day rate plus fire flow for duration of fire. Reservoir 3/4 full at start of fire, with credit for incoming flow from pumps, one maximum size pump out of service.
- (c) 1,000 gallons per lot for all areas except agricultural districts which shall be 2,000 gallons per lot (use greater of a,b,c)

Where there are two or more reservoirs serving the same system, the design shall be made on the basis of combined protection provided by all facilities available.

8. Total Pump Capacity. The total pump capacity shall be based on the criteria listed below.

- (a) Meet maximum day demand with an operating time of 16 hours simultaneously with maximum fire flow required independent of the reservoir. The standby unit may be used to determine the total flow required.
- (b) Maximum day demand during duration of fire plus fire demand less 3/4 of reservoir storage.

RULE XXX

SEVERABILITY

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

RULE XXXI

PENALTY

The Company may assess a penalty of FIVE HUNDRED AND NO/100 DOLLARS (\$500.00) on any customer, in lieu of discontinuance of service. Each day in which a violation occurs shall be considered a separate violation and upon five (5) successive days of violation, service will be discontinued in addition to the monetary penalties assessed. Any change in ownership or occupancy of premises shall not be cause for reducing or eliminating these penalties.

HAWAII WATER SERVICE COMPANY, INC.

WATER RATE SCHEDULES

(As Approved by Decision and Order No. 33908, Docket No.2015-0230)

GENERAL USE RATES

Monthly Standby Charges

<u>Meter Size (Inches)</u>	<u>Monthly Charge Per Installed Meter</u>
5/8	\$31.31
3/4	\$31.31
1	\$45.54
1-1/2	\$142.35
2	\$213.54
3	\$825.67
4	\$1,210.03
6	\$4,640.80
8	\$6,804.62

Monthly Water
Consumption Charge Rate

Rate per 1,000 gallons \$3.29

PRIVATE FIRE SERVICE CHARGES

For each connection for automatic fire sprinklers or other private fire protection, there shall be a charge per month based on the size of the connection as follows:

<u>Size of Service</u>	<u>Charge Per Month</u>
Hydrants	\$3.00
Standpipes	\$2.00
Others \$2.50 per month per inch Diameter of feeder main	

Issued: October 18, 2016

Effective: October 18, 2016

By: Paul Townsley, Vice President-Regulatory