

HAWAIIAN BEACHES WATER COMPANY, INC.
PAHOA, HAWAII

HBWC Tariff No.1
Original Title Page

HAWAIIAN BEACHES WATER COMPANY, INC.

RULES, REGULATIONS, AND RATES

FOR WATER SERVICE

P.O. BOX 22

PAHOA, HAWAII 96778

Issued: June 28, 2007

Effective: July 1, 2007

By: Katherine M. Prescott,
President

Decision and Order No. 23469
and Order No. 23513

HAWAIIAN BEACHES WATER COMPANY, INC.
PAHOA, HAWAII

HBWC Tariff No. 1
Third Revised Sheet 1
Cancels Second Revised Sheet 1

CHECK LIST SHEET

Sheet

Revision

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Issued: April 29, 2014

Effective: May 1, 2014

By: Katherine M. Drago,
President

Proposed Decision and Order 32004,
filed April 4, 2014 and Decision and
Order 32040, filed April 25, 2014,
Docket No. 2013-0203

HAWAIIAN BEACHES WATER COMPANY, INC.
PAHOA, HAWAII

HBWC Tariff No. 1
Third Revised Sheet 2
Cancels Second Revised Sheet 2

CHECK LIST SHEET

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F O R E W O R D

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

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

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

It is the Company's objective to deliver potable water to Customers at a minimum cost consistent with the Company receiving a reasonable rate of return after recovery of its reasonable operating expenses. As such, the Company will comply with the U.S.E.P.A. Safe Drinking Water Act and all State Department of Health drinking water program requirements.

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SYMBOLS

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

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

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RULES AND REGULATIONS - PART I

RULES OF ADMINISTRATIVE PRACTICE AND PROCEDURE

RULE I - PUBLIC INFORMATION

1. The public may obtain information from the Company by inquiring at the Company's office located in Hawaiian Beaches, Pahoa, Hawaii. Copies of rules and regulations shall be made available to the public at a price of \$10.00 to cover mailing and reproduction costs. Submittals or requests shall be made by addressing the same to:

Hawaiian Beaches Water Company, Inc.
P. O. Box 22
Pahoa, Hawaii 96778

2. In all matters concerning the affairs of the Company, any person affected by any action of the Company or by any action of the employees or agents of the Company shall write a letter to the Company, addressed to the President, stating the Customer's grievance and the relief sought. The matter will then be put on the agenda for the next normally scheduled Board of Directors meeting to provide the Customer with assurance as to when the grievance will be heard..

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RULES AND REGULATIONS - PART II

RULES AND REGULATIONS FOR WATER SERVICE
CONNECTIONS WITH THE AREA SERVICED BY THE COMPANY AND
PROVIDING PENALTIES FOR THE VIOLATION THEREOF

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 Hawaiian Beaches Water Company, Inc. and its successors or assigns.
2. The term "COST OF SERVICE CONNECTION" shall mean the sum of the direct cost of the labor, materials, equipment, and road repair, if any, and other incidental charges necessary for the complete installation of a service connection, including the cost of a meter.
3. The word "CUSTOMER" shall mean the person or persons, firm, corporation, association, or governmental department whether owner or tenant, whose name appears on the records of the Company as the party receiving water service and is responsible and liable for payment of the charges for services provided by the Company.
4. The term "CUSTOMER'S SUPPLY PIPE" shall mean the pipe extending from the Customer's end of the service connection.
5. The words "DISTRIBUTION FACILITIES" shall mean that part of the Company's water system contained within and/or adjacent to the subdivision or development to be served by the Company.

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

7. The word "SERVICE" shall include connections for potable water.

8. The term "SERVICE CONNECTION" shall mean the main tap, pipe fittings, meter and valve or meter spacer and valve from the water main to and including the shut-off valve on the Customer's side of the meter or meter spacer.

RULE II - GENERAL CONDITIONS

1. Any prospective Customer whose premises lies within the areas covered by the Company's Certificate of Public Convenience and Necessity("CPCN") for water service issued by the Public Utilities Commission (as described in Exhibit "A" hereto), may, upon compliance with these Rules and Regulations, obtain water service from the Company provided that the Company has sufficient water supply developed for domestic use, fire protection, and non-potable requirements to take on new or additional service without detriment to those already served.

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 Customer must agree to the Company's conditions and charges for such service before water Service will be approved.

3. The amounts to be paid for Service shall be in accordance with the rates on file with the Public Utilities Commission of the State of Hawaii (the "Commission"). The Company will be applying to the Commission for water Service rate increases from time to time to cover any and all costs, including without limitation, costs of (a) operations; (b) initial capital and plant improvements; (c) future capital and plant improvements; (d) improvements required for compliance with applicable county, state, federal and agency environmental and other laws and regulations; and (e) other reasonable and appropriate items as authorized by the Commission.

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4. It is the goal of the Company to have all water supplied by the Company will be measured by means of suitable meters registering in gallons. Until meters are installed for all existing and future Customers, or when it is impractical to meter the service, a flat rate may be charged.

5. 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 any new connections or disconnections may be made thereto by the Company at any time.

6. Application for Service and Service Connection shall be made in accordance with Rule V of these Rules and Regulations. All persons or entities using the Company's system, irrespective of whether or not they have signed an application for Service, shall comply with the Rules and Regulations and the rate schedule of the Company. The application for Service is merely a request for Service and does not bind the Company to serve except under certain conditions and provisions of these Rules and Regulations.

7. Billing, payment of bills, and late payment charges for Service shall be in accordance with Rules VII and VIII of these Rules and Regulations.

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 Customer and to avoid shortages or interruptions in water Service, but will not be liable for any interruption, shortage, insufficiency of supply, 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 advise the Customer of any reasonable restriction of water to be made (and the anticipated duration of the restriction), followed by restricting the use of water by any reasonable method of control. The foregoing is true notwithstanding any agreements made by the Company related to the amount of water that might be available to an individual owner or Customer. In determining the priorities in restricting the use of water, the health and safety of the public shall be given first consideration over other uses.

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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 and will not be responsible nor liable for any property damage or loss incurred by the Customer due to such interruption of Service. Except in the case of emergency repairs, the Company shall use its best efforts to give the customer at least 24 hours notice before shutting off service. Customers depending upon a continuous supply of water shall provide emergency water storage and any check valves or other devices necessary for the protection of plumbing or fixtures against failure of the pressure or supply of water in the Company's mains. Repairs or improvements will be prosecuted as rapidly as practicable and, insofar as practicable, at such times as will cause the least inconvenience to the customer.

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. The Company will not be liable for temporary colored or turbid water conditions caused by emergency repair of water mains or other events beyond the Company's control.

RULE IV
ELEVATION AGREEMENT, PRESSURE CONTROLS

1. The Company will make every effort to maintain even pressure but will not accept responsibility for increases or decreases in pressure in its water mains.

2. 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 Customer, 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 an adequate and dependable supply of water. When required by the Company, the Customer shall install an air gap or other protective devices between the Customer's supply pipe and the service connection. The Customer 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 Customer.

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3. When the pressure of the Company's supply is higher than that for which individual fixtures are designed, the Customer shall protect such fixtures by installing and maintaining, at the customer's cost, 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.

RULE V - APPLICATION FOR
WATER SERVICE

1. Each prospective Customer shall be required to sign a standard application form for water Service, assuming responsibility for the payment of future charges for Service at the designated location before water is turned on for any use whatever. A sample standard application form is attached hereto as Exhibit B. The Customer signing the application form shall be held liable for the payment of all charges for Service at the designated location. Service may be granted to property owners or to those having long term leases (leases with a one (1) year or longer term). Service may be provided to tenants of any lessee or owner if the lessee or owner guarantees the tenant's service charges. If a tenant who is responsible for and fails to pay water bills rendered, the lessor or the property owner shall pay such bills, and in the event of his failure to do so, the Company may refuse to water Service until the outstanding bills are paid.

2. An advance deposit equal to the Company's estimate of two months' water charges may be required of tenants, lessees and purchasers of property under an agreement of sale. When the Customer vacates the property and a new Customer takes possession or acquires a legal interest in the property, whichever first occurs, the advance deposit will be returned less all unpaid or outstanding water charges. The deposit shall be subject to the provisions set forth in paragraph 4 of this Rule.

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3. Charges will begin when the Service is established and will continue until due notification from the Customer or until discontinued by the Company for failure of the Customer to comply with these Rules and Regulations.

4. When an application for Service is made by a Customer who was responsible for and failed to pay all water bills previously rendered, regardless of location or time incurred, the Company may refuse to furnish Service to such applicant until the outstanding bills are paid. Further, in this case, the Company may charge a deposit equal to two months estimated billing. Such deposit shall be held for the benefit of the Customer, with interest accruing at the rate of 1% compounded annually. The deposit with interest shall be refunded within 30 days after the final bill is paid or twelve (12) months of timely payment, whichever comes first.

5. A Customer taking possession of property and using water without having made application for the transfer of Service shall be held liable for the water delivered from the date of his taking possession or acquiring a legal interest in the property, whichever first occurs. If proper application for transfer is not made and accumulated bills for water Service are not paid on presentation, the Service may be discontinued five (5) calendar days after the date of written notice to the Customer.

RULE VI - NEW SERVICE CONNECTIONS

1. Installation. When the application for Service has been approved, a Service 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 more. 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. Ownership of Service Connections. All Service Connections shall become the property of the Company for its operation and maintenance after installation, and new connections or disconnections may be made thereto by the Company at any time.

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3. Deposits/Charges. A Customer shall pay to the Company a Service Connection charge as stated in the Company's Approved Rate Schedule for all new Service Connections.

4. Customer's Supply Pipe. The Customer shall install and connect at his expense his supply pipe to the shut-off valve or outlet installed by the Company. The Customer's supply pipe shall at all times remain the sole property of the Customer, who shall be responsible for its maintenance and repair. If the Customer's supply pipe is installed before the Service Connection is set, the Company will make the connection to it; provided, however, it is requested by the Customer prior to the installation of the Service Connection.

5. 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.

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

7. Pipe through Wall. Where the applicant requires his supply pipe extended through a wall, he shall provide the entrance-way 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 entrance-way.

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8. Location of Service Connection or Main. The Company will determine the location, size, and types of all meters and Service Connections to its system. No Service Connection or water main will be installed by the Company in any private road, lane, street, alley, court or place, until such private streets are open to the public and brought to proper grade and the Company is given proper easements or other rights satisfactory to the Company for the main or Service Connection. Otherwise, an applicant desiring water service must extend his supply pipe to the nearest street on which the Company's main exists.

9. Location of Service Connections.

A. Service Connections may be installed within either the Company's roadway easement or the applicant's property.

B. In the event the Company finds it necessary or finds it in the best interest of the Company to relocate a Service Connection serving a Customer, the Company will, at no cost to the Customer, revise or extend the Customer's piping to conform to the new location.

10. Change in Location or Size of Service Connection.

A. When the proper size of Service Connection for any premises has been determined and the installation has been made, the Company has fulfilled its obligations insofar as the size of the Service and the location thereof are concerned. If thereafter the Customer desires a change in size of the service connection or a change in location thereof, he shall bear all costs of such change.

B. In the event the Company determines that an increase in size of Service Connection is required because flow rates exceed meter designs, the Customer will be required to pay for the cost of the proper sized service connection. If an application for the larger size Service Connection is not made within 30 days after notification in writing from the Company, the Customer's Service may be discontinued.

11. Shut-Off Valve. A readily accessible shut-off valve controlling all outlets will be installed by the Company at the expense of the Customer 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 Customer.

12. Alteration of the Company 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.

13. Contours or Elevations. When required by the Company, contours or elevations shall be furnished by the applicant based upon U.S. Coast and Geodetic Survey Datum or the County of Hawaii Datum.

14. Boundary Location. An applicant for Service shall indicate his boundary before installation of any Service Connection and any relocation of Service Connections due to a discrepancy in boundary location shall be at the expense of the applicant.

RULE VII - RENDERING OF BILLS

1. Bills will be rendered monthly until such time that the Company determines there is a need to change the billing frequency. When meter service is implemented, meters will be read and bills rendered monthly, or according to the billing frequency determined by the Company. Special readings will be made when necessary for closing of accounts or for other reasons. If a Customer's meter cannot be read, the Company may prepare and the Customer shall pay an estimated billing, measured on the basis of the Customer's daily prorata usage, averaged over the previous three billing cycles, multiplied by the number of days for which Service was provided since the last billing.

2. For the purpose of computing charges, all meters serving the Customer's premises shall be considered separately, and the readings thereof shall not be combined except in cases where the Company, because of operating necessity, installs two or more meters in parallel to serve the same Customer's supply pipe. For the purposes of billing, multi-family projects will be sent one bill per Service Connection regardless of the number of multi-family residences served by that Service Connection.

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RULE VIII - PAYMENT OF BILLS; INACCURACIES OF METER

1. All bills shall be due and payable upon deposit in the United States mail or upon other presentation to the Customer. Payment shall be made by mail (to the address provided by the Company on the bill itself) or at the office of the Company or, at the Company's option, to duly authorized collectors of the Company. All unpaid Customer balances over 30 days old are subject to interest of one percent (1%) per month until paid plus a one time late charge equal to five percent (5%) of the unpaid amount as partial compensation for the administrative costs in initiating action to collect the unpaid amounts.

2. If any bill is not paid within sixty (60) days after presentation or deposit in the United States mail, Service to the Customer shall be subject to discontinuance in accordance with Rule X, and a reconnection charge as stated in the Company's Approved Rate Schedule will be required in addition to payment of the amount due and payable in order to re-establish water Service. Also, the Company may require the customer to put up a deposit subject to Rule IV.

3. The Customer shall submit any dispute regarding the charges appearing on the bill to the Company in writing no later than twenty (20) days following the Company's deposit of the bill in the United States mail or presentation to the customer. The Company shall furnish a written response regarding its investigation and determination as to the correctness of or any adjustments to the bill within fifteen (15) days of its receipt of the written dispute. The customer may pay the disputed bill under protest within the time required by this Rule to avoid discontinuation of Service, in which event the dispute may be submitted to the Hawaii Public Utilities Commission (465 South King Street, #103, Honolulu, Hawaii 96813, Phone: (808) 586-2020) for final determination.

4. If a meter fails to register due to any cause except the non-use of water, an average bill using the last three billing periods determined in accordance with paragraph 1 of Rule VIII 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.

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5. Any Customer who, for any reason, doubts the accuracy of the meter serving his premises may request a test of the meter. The Customer, 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 Customer will be charged the actual costs connected with such test if the meter is accurate within range of plus or minus two percent (2%) for small meters (5/8" and 3/4") and plus or minus five percent (5%) for large meters (1" and larger).

6. If, as a result of the test, the meter is found to register more than two percent (2%) fast for small meters or five percent (5%) fast for large meters under conditions of normal operation, the Company will refund to the Customer the overcharge based on past consumption, for a period not exceeding six 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.

7. If, as a result of the test, the meter is found to register more than two percent (2%) slow for small meters or five percent (5%) slow for large meters under conditions of normal operation, the Company will bill the Customer the undercharge based on past consumption, for a period not exceeding six 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.

8. Any bill for which a bank check written in payment has been dishonored will be due and payable immediately upon written notice to the customer by the Company of the check's dishonorment. Within 5 days of issuance of written notice, the full amount of the bill must be paid in cash at the Company's office, along with a service charge plus any applicable bank charges as contained in the Company's Approved Rate Schedule. Should the Customer fail to make payment on the dishonored check, the Company may discontinue service under Rule X, with the sixty day period running from the date that the original bill was mailed or presented to the Customer.

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RULE IX - ADJUSTMENT OF BILLS FOR
UNDETECTED LEAKS AND UNFORESEEN DAMAGES

1. The Company may reduce high water bills caused by undetected leaks in the Customer's supply pipe by one half of the excess over Customer's normal bill based on the previous six months' average. Adjustments will also be allowed where the high water bill was caused by some unforeseen circumstance such as a storm, flood, explosion, fire and others.
2. Adjustment will be allowed only if the Customer exercises diligence in repairing the leak within the period of one week after knowledge of leakage.
3. No adjustments will be made for leakage due to faulty plumbing fixtures and exposed water lines within his property.
4. Before adjustment is made under this Rule, the owner shall first request an adjustment and submit substantiating data to warrant such an adjustment if required by the Company. The Company shall make their determination based on the data presented and any other evidence as collected by the Company, if necessary.

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RULE X - DISCONTINUATION OF WATER SERVICE

Water Service may be discontinued for reasons as follows:

1. Nonpayment of Bills. Water service may be discontinued for nonpayment of a bill within sixty (60) days after the mailing or presentation thereof to the Customer. The Company may disconnect Service after it has made a reasonable attempt to collect payment and has given the Customer written notice that the Customer has five (5) business days within which to settle the Customer's account or have service discontinued.
2. Non-compliance with the Company's Rules and Regulations. If the Customer fails to comply with any of these Rules and Regulations and such failure shall continue for thirty (30) days following notice by the Company, or the Customer tampers with the Service facilities, the Company will have the right to discontinue the Service.
3. Customer about to Vacate Premises. Each Customer about to vacate any premises supplied with water by the Company shall give notice of his intention to vacate prior thereto, specifying the person who shall thereafter be responsible for future bills and if such party is someone other than the property owner or long term lessee of the premises shall furnish the Company with an application for service signed by such person, otherwise he shall be held responsible for all water service furnished to such premises until the Company has received such notice and application.
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 any premises, the Company may discontinue the service if such conditions are not corrected within five (5) days after giving the Customer written notice of intent to do so.

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6. Refusal to Furnish Service. The Company may refuse to furnish Service, and may discontinue the service to any premises, where the demands of the Customer will result in inadequate water Service to others.

7. Protection of System. Unless otherwise stated or unless termination without notice is necessary to protect against a condition determined by the Company to be hazardous or to prevent an abuse of Service that adversely affects the Company system or its service to other customers, a Customer shall be given at least five (5) days written notice prior to termination of Service, and the Customer's Service shall not be discontinued on the day preceding or on which the Company's business office is closed.

8. Voluntary Discontinuance of Service. Upon written notice to the Company, a Customer may voluntarily discontinue or disconnect Service; provided that the Customer pays the Disconnect Fee set forth in the Rate Schedule attached hereto.

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RULE XI - RESTORATION OF WATER SERVICE

1. 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, arrangements must be made to pay all outstanding accounts against the Customer plus the charge for re-installation or reconnections before his water Service will be restored.
2. The Company may from time to time establish a schedule of charges for restoration of water Service based on actual cost of rendering the Service. At present, the standard cost for restoration is shown on the Company's Approved Rate Schedule.
3. If water service was voluntarily disconnected at the request of a Customer, upon written notice to the Company, the Company will reconnect and restore water Service to that Customer's premises. The Customer shall pay the Reconnect Fee set forth in the Rate Schedules attached hereto.

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RULE XII
DAMAGE AND ACCESSIBILITY TO DEPARTMENT'S
PROPERTY, METER DAMAGED BY HOT WATER

1. Any damage to water mains, Service Connections, valves, fire hydrants, or other property of the Company, including consequential damages caused by damage to facilities, shall be paid for by the person or organization responsible for the damage.
2. The Customer shall be liable for any damage to a meter or other equipment or property of the Company caused by the Customer or his tenants, agents, employees, contractors, licensees or permittees, on the Customer's premises, and the Company shall be promptly reimbursed by the Customer for any such damage upon presentation of a bill therefor. In the event settlement for such damages is not promptly made, the Company reserves the right with reasonable notice, except in case of emergency, to discontinue water service to such premises.
3. When a meter or Service Connection is found to have been damaged by hot water or steam emanating from the premises served, the Customer shall pay for all costs of repairs.
4. No obstruction shall be placed on or around any water meter, fire hydrant, or valve so as to render it inaccessible.

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RULE XIII
RELIEF VALVES

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

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RULE XIV
INGRESS AND EGRESS FROM CUSTOMER'S PREMISES

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

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Effective: July 1, 2007

By: Katherine M. Prescott,
President

Decision and Order No. 23469
and Order No. 23513

RULE XV
RESPONSIBILITY FOR WATER RECEIVING EQUIPMENT; COMPANY'S
EQUIPMENT ON CUSTOMER'S PREMISES

1. The Customer shall at his own risk and expense furnish, install, and keep in good and safe condition all equipment that may be required for receiving, controlling, applying and utilizing water, and the Company will not be responsible for any loss or damage caused by the improper installation of such equipment, or the negligence, want of proper care, or wrongful act of the Customer or any of his tenants, agents, employees, contractors, licensees or permittees in installing, maintaining, using, operating or interfering with any such equipment.
2. Water service may be discontinued to any Customer whose water system includes plumbing fixtures, or water containers in any form, Company or of any use which, in the opinion of the Company, may endanger the Company's water supply from a public health standpoint. Any such discontinuation of service shall continue until objectionable installations have been corrected and the Company has been assured that the objectionable uses and practices will not be resumed.
3. The Company will not be responsible for damage to property caused by spigots, faucets, valves and other equipment that may be open when water is turned on at the meter or shut-off valve, either when turned on originally or when turned on after a temporary shutdown.
4. All equipment belonging to the Company and installed upon the Customer's premises for measurement, test, check or any other purpose, shall continue to be the property of the Company, and may be repaired, replaced or removed by the Company at any time without the consent of the Customer. The Customer shall exercise reasonable care to prevent damage to meters and other equipment of the Company upon said premises and shall in no way interfere with the operation of the same.

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President

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RULE XVI - ABATEMENT OF NOISES

Where it has been determined the noises emanating from a Customer'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 Customers, the Company may issue a notice in writing to the offending Customer or to the owner of such premises, or to his agent, giving reasonable time within which to correct or to remove the cause of complaint. Failure on the part of such Customer, owner, or person responsible to correct or remove the cause of noise will be sufficient reason for discontinuance of water Service to the Customer until such time as the condition complained of has been remedied.

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President

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RULE XVII - 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 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 shall be installed in such a manner as not to interfere with the installation or removal of any of the Company's facilities.
- (c) Whenever grounding fault occurs and causes electrical current to flow into the pipeline system, the customer shall have the correction made immediately and shall pay for any damages attributable to such grounding fault. Corrections not made will be subject to discontinuance of water service.

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 does not maintain a continuous metallic water piping system and disavows any liability to public utility electric companies, electric customers, or any other agency or individual to maintain or operate such a system or to create a physical break in its Service Connections and mains, or to make joints of any materials, without regard to their efficiency as conductors of electricity and without giving notice.

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By: Katherine M. Prescott,
President

Decision and Order No. 23469
and Order No. 23513

RULE XVIII - CUSTOMER'S PUMPING INSTALLATIONS

1. Customers shall not be permitted to install or operate pumps pumping water directly from the mains of the Company's system except in cases approved by the Company in writing. No such approval will be given in cases where it is the opinion of the Company that such an installation and the operation thereof may adversely affect the water service extended by the Company to other Customers.
2. Approvals given by the Company under this Rule will be qualified by clauses making them revocable upon ninety (90) days' notice during which period the Customer, 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.

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President

Decision and Order No. 23469
and Order No. 23513

RULE XIX
CROSS-CONNECTIONS AND BACKFLOW PROTECTION

1. Prohibition of Certain Conditions 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 no cross-connection with other water supplies, or other physical connections shall exist, or be installed, located, maintained or operated which could permit backflow of contaminated water or any other dangerous, impure, unsanitary, or unpotable substance from the Customer'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:

(1) Where such water supplies are regularly examined by agencies satisfactory to the Company and are approved by the Company as acceptable, safe and sanitary supplies and continue as such at all times while connections are in existence.

(2) Where such water supplies do not meet the requirements of (1) 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 or devices satisfactory to the Company.

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President

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and Order No. 23513

(3) 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 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 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 Customer in a manner satisfactory to the Company at all times; provided, however, that the Company may, in its sole discretion, require the Customer to eliminate or re-arrange designated plumbing or piping connections or fixtures, or to install a backflow device at the meter, meter spacer 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 (1) the Customer is engaged in the handling of dangerous or corrosive liquids or industrial or process waters, highly contaminated water or sewage, or is engaged in the medical or dental treatment of persons who might have diseases transmittable by water, or whenever (2) in the judgment of the Company there exists a danger of backflow into the Company's mains because of the possibility of unauthorized connections being created through non-compliance or inadvertence on account of the complexity of the system or systems or because of failure by the Customer to provide adequately qualified personnel and supervision for maintenance and extension of the Customer's piping system or systems, or for any other sufficient reason or cause.

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and Order No. 23513

2. Separate Pressure System. The Company will require the installation of mechanical, or other, methods or devices on the Customer's side of the meter, meter spacer or other location to prevent backflow whenever the Customer 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 installation must be approved by the Company.

3. Pressure Regulation Required of Customer. As a protection to the Customer'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 Customer's side of the meter, meter spacer or other location approved by the Company.

4. Location and Inspection of 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 a manner as to be safe from flooding or submergence in water or other liquids, properly protected from external damage, freely accessible and with adequate working room for inspections, testing and repairing.

All such devices shall be tested at least once every four months and inspected internally not less than once annually. Repairs, replacement of parts, etc., shall be made whenever necessary at the expense of the Customer. Making of tests and annual inspections shall be the responsibility of the Customer and shall be made by the Customer or other qualified person or persons in accordance with methods acceptable to the Company. Records of tests and inspections shall be made on forms satisfactory to the Company, and a copy of such reports shall be furnished to the Company. Failure of the Customer to make proper tests and submission of records may, at the option of the Company, result in the Company's making tests, needed repairs and replacements and charging the costs thereof to the Customer.

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and Order No. 23513

5. Connection of Irrigation System. In the event the Customer connects an irrigation system to the Company's system, an anti-siphon valve or backflow prevention valve, which provides an air gap when there is no water flow into the irrigation system, shall be installed before the irrigation system begins. Inspection and approval of such devices shall be by the Company. Installation, maintenance and operation shall be by the Customer.

6. Affidavits of Compliance. Upon request of the Company, the Customer shall present an affidavit either certifying to the fact that there are no connections or other installations of the type prohibited in paragraph 1 of this Rule on his premises or describing in detail all non-conformity connections or installations.

7. 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 Rule shall be subject to change to meet changing requirements of the State and Federal health authorities and of the Hawaii County Building Code then in existence.

8. Discontinuance of Water Service for Non-Compliance. Failure on the part of the Customer 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.

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President

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and Order No. 23513

RULE XX - INSTALLATION OF AUTOMATIC FIRE SPRINKLER SERVICE

1. Separate automatic fire sprinkler service may be furnished only where adequate provision is made to prevent diversion of water through such service to other purposes. The fire service connection will be installed by the Company and shall be paid for by the Customer in accordance with the provisions for the installation of new Service Connections. 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 Customer at the regular schedule of water rates and charges. The Company may disconnect and remove the said Service Connection if water is used for other than fire protection purposes or if leaks are not corrected. Whenever such disconnection is in effect, the Company shall not be held in any way liable for loss or damage sustained due to such condition.

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

4. All automatic fire sprinkler services 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 Customer. All Service Connections shall become the property of the Company after installation.

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

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and Order No. 23513

RULE XXI
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 persons 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 pre-emptorally, 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 connection thereto shall be subject to the direction and approval of the Company. The Customer 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 purposes other than fire protection shall be made in writing to the Company and, when required, shall be accompanied by a deposit in cash in an amount determined by the Company to cover the Company's costs associated with the processing of the application and the use to be made of the fire hydrant. It shall be non-transferable and shall be shown upon demand by the permittee, its agents or employees. The Company reserves the right to reject any application, to refuse to issue any permit and to revoke any permit at any time. The Company also reserves the right to perform for the permittee at his expense the work of installing and removing the connections and of operating the hydrant. No permit will be issued unless the permittee agrees to notify the Company as soon as the use of the hydrant is finished. In the event that a permit shall be revoked, the use of the hydrant thereunder shall cease immediately and all connections thereto shall be properly removed forthwith. The Company will inspect each hydrant which has been used under a permit, and all costs of repairs which the Company may adjudge to be due to such use and the cost of inspection shall be paid for by the permittee. All water drawn from a hydrant under permit shall be metered or estimated as to quantity in a manner satisfactory to the Company and shall be paid for by the permittee at the current water rates. The permittee shall pay all of the costs of connecting to and disconnecting from the hydrant, including the cost of meter deposits provided for elsewhere in this Rule.

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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 for 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 hydrant, change such location provided the cost of all labor, material, equipment and all other charges are paid by the person requesting such change.

6. Maintenance of Private Hydrants. The Company will not be responsible for the operations and maintenance of private fire hydrants located within customers' lots(s). The Customer shall, at his expense and upon prior approval of the Company, periodically test 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 XXII - RESALE OF WATER

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

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President

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and Order No. 23513

RULE XXIII
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 Company water system shall be made on any premises until such installation has been authorized in writing by the Company. Before new or replacement installation of such refrigeration or air conditioning equipment is made, 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 6 gallons per minute momentary actual load or 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 water conserving device which will (a) limit the flow of water to not more than 2 gallons per minute per ton of refrigeration, actual load and (b) automatically stop the flow of water when the unit is shut down.
4. For the purpose of these regulations a unit of less than 25 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 installations of water using refrigeration and air conditioning equipment, regardless of capacity, which are to be served by the Company water system must conform with all other applicable Rules and Regulations.
7. Any change in the customer's refrigeration or air conditioning equipment which results in an increase in average water consumption may require a payment of a CIAC Fee per Rule XXV.

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President

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and Order No. 23513

RULE XXIV
SUBDIVISION EXTENSIONS OR CONNECTIONS

Extensions or connections of the water system from the subdivision to the public water system shall be approved by the Company upon determination of the point of adequacy, provided that the Company has a sufficient water supply developed for fire protection, domestic, and irrigation purposes to take on new or additional service without detriment to those already served and the subdivision water system otherwise conforms to these rules and regulations. The subdivider shall install and pay for the subdivision water system and any connections (mains) to the Company's system. All such subdivision water systems shall be designed and located in accordance with these Rules and Regulations and the standards of the Company.

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President

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and Order No. 23513

RULE XXV - CONTRIBUTION IN AID OF CONSTRUCTION FEE
(FACILITIES RESERVE CHARGE)

1. As a condition of receiving new service, or substantially increasing water consumption to substantially modified premises, developers and commercial applicants shall be required to pay a non-refundable contribution in aid of construction to the Company.

2. Contribution in aid of construction payments are used by the Company to reimburse the Company for a portion of the existing infrastructure installed or to install or pay for capacity expansions of the water system, such as new or expanded wells, reservoirs, water treatment facilities and primary transmission lines and related improvements, and improvements required to serve such applicants or customers.

3. The contribution in aid of construction required as a condition of service to a new premises shall be payable only once for the premises, provided that an additional contribution in aid of construction may be required from developers or commercial applicants for premises that are substantially modified. Substantially modified shall mean a change in the character, use, size, or activity of the premises which increases water consumption by twenty percent (20%) or greater of the originally estimated consumption.

4. The contribution in aid of construction shall be equal to an equivalent per gallon charge as included in the Company's approved rates on file with the Commission.

(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		Actual Cost to
Daily Gallons for		Construct Additional
Proposed or Existing	X	Capacity
Development		
<u>Total Daily Gallons</u>		
Constructed in Capacity		
Addition		

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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 Annual Gallons for Proposed or Existing Development	X	Cost/1000 Gallons per Company's Latest Capacity Addition	X	CPI in year of contribution payment <u> </u> CPI for base year (last capacity addition)
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"CPI" shall mean the "Customers' Price Index for all urban Customers, Honolulu, Hawaii, ALL ITEMS", as published by the Bureau of Labor Statistics, United States Department of Labor.

5. The contribution in aid of construction shall be payable (a) on issuance of a "will serve" letter by the Company to the particular applicant for service, or (b) in the situation of substantially modified facilities, upon receipt of a building permit by the applicant to modify its premises.

6. Service shall be denied to or disconnected from applicants who fail to make the contribution in aid of construction payment as described in these rules.

7. In addition to the contribution in aid of construction payments, applicants shall pay to the Company any and all applicable Hawaii general excise tax (any replacement tax) and any other taxes, fees or charges of any kind, if any, applicable to the amount of the contribution in aid of construction payments.

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HAWAIIAN BEACHES WATER COMPANY, INC.
PAHOA, HAWAII

HBWC Tariff No. 1
Original Sheet 39

RULE XXVI - PENALTY

Any Customer violating any of the provisions hereof shall be liable to a suspension or termination of "WATER SERVICE" and such service shall not be renewed until all water rates due, together with costs and expense incurred in connection with such violation, shall have been paid in full.

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President

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RULE XXVII - 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 invalid, the remaining portions of these rules and regulations or the application of these rules and regulations to other persons or circumstances or property shall not be affected. The Company hereby declares that it would have adopted these rules and regulations and each and every rule, section, sentence, clause, or phrase thereof, irrespective of the fact that any one or more other rules, sections, sentences, clauses, or phrases be declared invalid.

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President

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and Order No. 23513

RULE XXVIII

AUTOMATIC POWER COST ADJUSTMENT CLAUSE

Monthly Calculation of APCAC - The Company will calculate the actual cost per kWh for each billing month in accordance with the following calculation. The calculation of the current month Automatic Power Cost Adjustment Clause ("APCAC") rate will be based on the total charge and kWh usage on the current month electric bill(s) from Hawaii Electric Company, Inc. ("HELCO"), the current month customer water usage, and the base per kWh rate of \$0.3907 consistent with the Commission's Proposed Decision and Order 32004 filed on April 4, 2014 ("D&O").

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The procedure for the monthly calculation shall follow the following steps.

SAMPLE CALCULATION

1. Electricity Cost on HELCO invoice(s) for the Current Month	\$ 13,000
2. kWh used as shown on HELCO invoice(s) for the Current Month	<u>31,000</u>
3. Electric Cost Per kWh (Line 1 / Line 2)	\$ 0.4194
4. Base Electric Cost consistent with D&O	<u>\$ 0.3907</u>
5. Increase (Decrease) in Cost per kWh (Line 3 - Line 4)	<u>\$ 0.0287</u>
6. Electric Cost to be Recovered in APCAC (Line 2 * Line 5)	\$ 890
7. Current Month Water Sales in 000 gallons	<u>6,300</u>
8. Electric Cost Per 000 gallons (Line 6 / Line 7)	\$ 0.1413
9. Gross Revenue conversion Factor (1/(1-.06385))	<u>1.068205</u>
10. APCAC Rate per 000 gallons for Current Month (Line 8 * Line 9)	\$ 0.1509

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The monthly APCAC rate on line 10 will be multiplied by the current month water usage on each customer's water bill.

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{00049266-2}

Issued: April 29, 2014

Effective: May 1, 2014

By: Katherine M. Drago,
President

Proposed Decision and Order 32004,
filed April 4, 2014 and Decision and
Order 32040, filed April 25, 2014,
Docket No. 2013-0203

II. Recurring Charges:

Monthly Meter Charges

<u>Size of Meter</u>	<u>Per Meter Per Month</u>
5/8 inch	\$37.00
1 inch	\$43.20

Monthly Water Usage Charge

Monthly Water Usage Charge \$5.11/1,000 gallons[a]

[a] This charge shall be effective upon Commission approval and shall be based on an Automatic Power Cost Adjustment Clause ("APCAC") base rate of \$0.3907 per kilowatt hour ("kWh") (\$104,789 / 268,182 kWh = \$0.3907 per kWh).

III. Automatic Power Cost Adjustment Clause

The above Monthly Water Usage Charge is based on an electric power cost per kWh of \$0.3907. When the electric power cost is more or less than \$0.3907 per kWh, there shall be a corresponding increase or decrease in Monthly Water Usage Charges to customers. The adjustment shall be calculated and included on customers' monthly bills.

{00049266-2}

Issued: April 29, 2014

Effective: May 1, 2014

By: Katherine M. Drago,
President

Proposed Decision and Order 32004,
filed April 4, 2014 and Decision and
Order 32040, filed April 25, 2014,
Docket No. 2013-0203

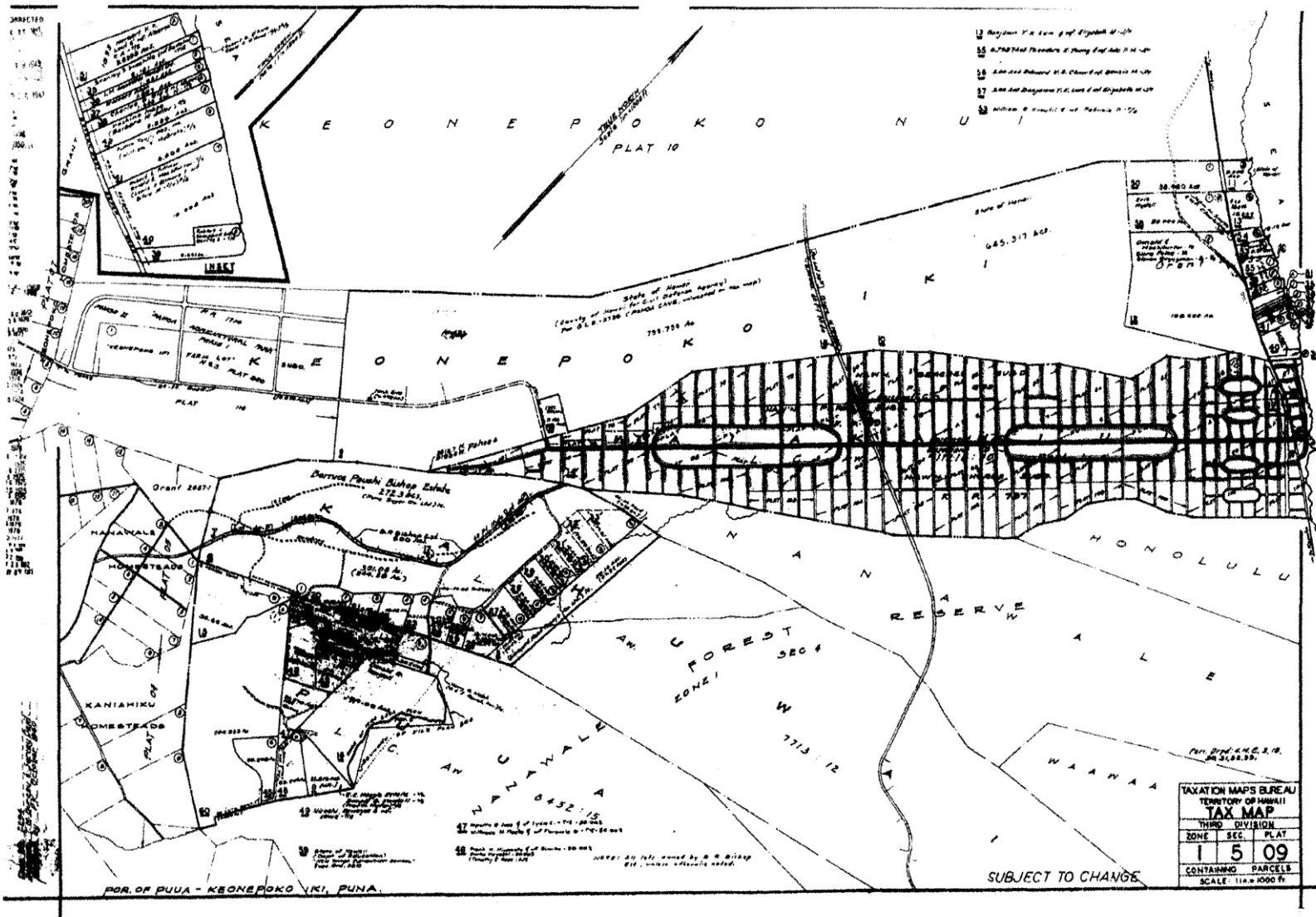


EXHIBIT A

Issued: June 28, 2007

Effective: July 1, 2007

By: Katherine M. Prescott,
President

Decision and Order No. 23469
and Order No. 23513

HAWAIIAN BEACHES WATER COMPANY, INC.

**P.O. Box 22
Pahoa, HI 96778
TEL. (808) FAX (808)**

APPLICATION FOR WATER SERVICE

LOCATION: _____ LOT NO.: _____ TMK: _____

The undersigned hereby applies to Hawaiian Beaches Water Company, Inc. (Company) for water service at the above location, pending and subject to approval by the Company. In consideration of the installation of service and meter at the above-referenced location, if this Application is approved, the undersigned agrees to pay all charges incurred upon such location for such water service and to abide by all rules, regulations and provisions of the Company relating to water service and/or rates. The water commitment for above mentioned property is _____ gallons per day. Upon the sale of the above mentioned property, the owner/applicant shall be held liable for all water consumed until the Company is notified of the appropriate ownership changes in writing.

Date of Application: _____

Applicant's Name: _____

Owner's Name: _____

By Authorized Agent: _____

The following meter size is requested: ____ 5/8 inch ____ 1 inch ____ Other

Send bill as follows:

Name: _____
(Print Name)

Address: _____

Telephone: _____

Date: _____
(Applicant's Signature)

Date: _____
(Approved / Facilities Manager)

For HBWC Use Only

Installation Charge: \$ _____ Check No. _____

Size: _____ Serial No.: _____ Date Installed: _____

Initial Reading: _____ T.M.K. _____ Zone: _____

Static Pressure Reading: _____

Water Commitment: (gallons per day) _____ gallons

Approved: _____ Date: _____

EXHIBIT B

Issued: June 28, 2007

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President

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and Order No. 23513