

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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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.

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