

In the Matter of the Application of)
 KAUPULEHU WASTE WATER COMPANY)
 For Approval to Change its Rates.)

ATTEST: A True Copy
LEATRICE G. ASAH
Clerk, Public Utilities
Commission, State of Hawaii.

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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)	
KAUPULEHU WASTE WATER COMPANY)	Docket No. 01-0275
For Approval to Change its Rates.)	Decision and Order No. 19812
<hr/>	

DECISION AND ORDER

I.

Introduction

A.

The parties in this docket are KAUPULEHU WASTE WATER COMPANY (KWWC), a Hawaii limited partnership, and the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy (Consumer Advocate). KWWC's general partner is Kaupulehu Utility Corporation, a Hawaii corporation. Its limited partner is Kaupulehu Makai Venture, a California general partnership. KWWC's affiliates include the: (1) Hualalai Development Company; (2) Hualalai Realty, Inc.; and (3) Four Seasons Resort Hualalai.

B.

KWWC holds a commission-issued certificate of public convenience and necessity to provide wastewater services within the Kaupulehu service area, on the island of Hawaii.¹ KWWC's wastewater system currently consists of a sewage treatment plant,

¹See Docket No. 95-0278: (1) Order No. 15334, filed on January 24, 1997; (2) Order No. 14979, filed on September 9, 1996; and (3) Decision and Order No. 14760, filed on July 1, 1996.

administrative office, two injection wells, four sewage pump stations, various force and gravity main sewer lines, and other equipment. It processes wastewater for residential, condominium, hotel, and commercial/office customers.

Kaupulehu Water Company provides water service to KWWC's customers. All of KWWC's condominium, hotel, and commercial/office units have separate meters, which allow KWWC, for billing purposes, to measure water that is not discharged into KWWC's wastewater system.² Conversely, only three single-family residential units currently have separate meters installed.³ KWWC's treatment plant does not meter influent. Effluent, waste leaving KWWC's wastewater system, is metered.

C.

In accordance with Docket No. 95-0278, KWWC's authorized rate design is as follows:

1. Monthly Standby Charge

<u>Customer Class</u>	<u>Authorized Charge</u>
Residential and Condo	\$25 per dwelling unit.
Hotel	\$16 per hotel room.
Commercial	\$25 per commercial toilet.

²Throughout this proceeding, KWWC characterizes this type of water as "water that is not capable of being treated in its system."

³Of these three-single family residential units, "only one of the lots has a home that is built and occupied."

2. Monthly Water Consumption Charge

\$3.95 per thousand gallons (TG).

3. Rule XXVI: Automatic Power Cost Adjustment Charge

KWWC's tariff Rule XXVI provides for periodic adjustments in KWWC's rates based on the cost of electricity.

KWWC's rates are based on an electricity cost of \$0.61605 per TG. When the electricity cost per TG is more or less than \$0.61605, Rule XXVI provides for a corresponding increase or decrease in KWWC's rates, adjusted every four months.

D.

By amended application filed on November 27, 2001, KWWC seeks commission approval to change its wastewater rates.⁴ KWWC makes its request in accordance with Hawaii Revised Statutes §§ 269-12, 269-16, and Hawaii Administrative Rules § 6-61-88.

⁴KWWC initially filed its application on August 16, 2001. The Consumer Advocate, by its initial position statement, filed on September 10, 2001, concluded that KWWC's filing was incomplete.

Accordingly, by Order No. 18900, filed on September 17, 2001, the commission: (1) rejected KWWC's initial application as incomplete; and (2) instructed KWWC to promptly file an amended, completed application. On November 27, 2001, KWWC filed its amended application. The Consumer Advocate, in its amended position statement, filed on December 17, 2001, continued to express its uncertainty and confusion with KWWC's amended application and its prayer for relief. Nonetheless, the Consumer Advocate stated that it did not object to the completeness of KWWC's amended application.

In an effort to better understand KWWC's amended application, the commission, on January 8, 2002, issued information requests to KWWC. On January 29, 2002, KWWC submitted its responses to the information requests.

By Order No. 19202, filed on February 14, 2002, the commission: (1) held that the filing date of KWWC's amended, completed application was January 29, 2002; and (2) directed the parties to commence with the discovery process forthwith, pending the submission of the parties' stipulated prehearing order.

Copies of the initial and amended applications were served upon the Consumer Advocate.

On May 8, 2002, the commission held a public hearing on KWWC's amended application at the Kona International Airport's training room, island of Hawaii.⁵ Representatives from KWWC and the Consumer Advocate appeared and submitted their written testimonies. No ratepayers appeared or testified. Also, no ratepayers submitted any written comments to the commission.

On May 31, 2002, KWWC filed its responses to the Consumer Advocate's information requests.

On June 14, 2002, the Consumer Advocate filed its proposed prehearing order, and on June 18, 2002, KWWC submitted its written response to the Consumer Advocate's proposal. Because of the parties' disagreements over the procedural schedule and issues, a status conference was held at the commission's office on June 20, 2002. As a result thereof, the commission, on June 25, 2002, issued Prehearing Order No. 19432.

On July 12, 2002, KWWC submitted its responses to the Consumer Advocate's supplemental information requests. On August 9, 2002, the Consumer Advocate submitted its direct testimony and exhibits. On September 25, 2002, KWWC submitted its rebuttal testimony. On November 8, 2002: (1) KWWC submitted its responses to the Consumer Advocate's rebuttal information requests; and (2) the parties submitted their written stipulation in lieu of evidentiary hearing (stipulation).

⁵A notice of the public hearing was published statewide on April 16, 23, and 30, 2002, and May 7, 2002. See the commission's letters, dated March 21 and April 1, 2002. In addition, KWWC notified its customers in writing of the public hearing. See KWWC's letter, dated April 11, 2002.

On November 12, 2002, the parties' representatives appeared as scheduled at the prehearing conference, held at the commission's office. As a result thereof, the commission, on November 13, 2002, issued Order No. 19769, which: (1) canceled the evidentiary hearing, scheduled for November 19; and (2) reserved the commission's right to issue clarifying information requests, if necessary.

On November 15, 2002, KWWC filed its responses to the commission's clarifying information requests. In its responses, KWWC: (1) corrected the calculations for taxes other than income taxes and rate of return; and (2) attached a corrected version of its results of operation schedule.

The instant decision and order addresses the parties' stipulation, as corrected by KWWC.

II.

KWWC's Prayer for Relief

KWWC utilizes a 2002 calendar test year.

A.

Rate Restructuring

KWWC seeks to restructure its rates by making certain changes to its monthly standby charge, monthly water consumption charge, and electricity charge. Specifically, KWWC seeks the following changes:

1. Monthly Standby Charge

<u>Customer Class</u>	<u>Authorized Charge</u>	<u>Proposed Charge</u>
Residential and Condo Units	\$25 per dwelling unit.	\$25 for each toilet, up to a maximum charge of 2 toilets per unit.

<u>Customer Class</u>	<u>Authorized Charge</u>	<u>Proposed Charge</u>
Hotel	\$16 per hotel room.	\$25 for each toilet.
Commercial	\$25 per commercial toilet.	\$25 for each toilet in a commercial or office unit.*

*No change in the monthly standby charge is proposed.⁶ Rather, KWWC proposes adding more specific language to the tariff.

2. Monthly Water Consumption Charge

KWWC does not propose any changes to the current monthly charge of \$3.95 per TG.

KWWC does, however, seek to revise its tariff "so that the water consumption charge will not be assessed for water that is not capable of being treated in KWWC's system such as water used for landscaping irrigation, dust control and cooling towers." Also, water used for swimming pools and "water features."

For customers who do not presently have a separate meter installed to measure water that is not capable of being treated in KWWC's system, "the consumption charge would be based on ten percent (10%) of total metered water consumption for such customer until such time as a separate meter is installed by [KWWC] or the customer."

3. Rule XXVI: Automatic Power Cost Adjustment Charge

KWWC's rates are based on an electricity cost of \$0.61605 per TG.

KWWC seeks to revise its tariff Rule XXVI by revising the electricity cost used to compute the automatic power cost adjustment charge to \$0.94255 per TG. This amount, KWWC states, more closely approximates its current cost under the 2002 test year.

⁶As set forth in the stipulation, "[t]he monthly standby charge for commercial units would remain unchanged at \$25.00 for each toilet in a commercial or office unit."

B.

KWWC's Rationale

In support of its proposed restructuring of the monthly standby charges, KWWC states:

1. The present per unit or per room assessment for the monthly standby charges "does not take into account the fact that hotel suites and condominium and residential units may have multiple toilets which [affect] the burden place on [KWWC's] system."
2. To address this concern, KWWC proposes to base its standby charge "primarily on the number of toilets in hotel rooms and condominium and residential units (up to a maximum of two toilets for each condominium or residential dwelling unit)[.]"

In support of its proposed restructuring of the monthly water consumption charge, KWWC asserts:

1. Its system currently processes waste water from residential, condominium, hotel, and commercial/office units in the Four Seasons Resort Hualalai.
2. The collection system for the Four Seasons Resort Hualalai that transmits wastewater to KWWC for treatment does not collect water used for certain purposes, such as landscape irrigation, dust control, and cooling towers.

Thus, this portion of the water initially supplied to these units does not require wastewater treatment services from KWWC.

3. Its monthly water consumption charge currently in effect applies in part to water that is not capable of being treated in KWWC's system, resulting in billings to certain customers that may not reflect the actual burden these customers place on KWWC's system.

For example, "for those single-story units that have installed a separate meter to measure the amount of water used for landscape irrigation, it appears that approximately 90% of the total water consumed by these units is used for that purpose, leaving approximately 10% of the total water consumed to be treated in [KWWC's] system."

C.

Revenue Requirement

Based on its proposed rate restructuring, KWWC, in both its initial and amended applications, projected a total revenue requirement of \$529,900 for the 2002 test year.⁷ For the calendar years 1999, 2000, and 2001, KWWC generated operating revenues of \$401,019, \$491,786, and \$370,609, respectively.⁸

III.

Issues

In accordance with Prehearing Order No. 19432, the underlying issue is whether KWWC's proposed change in rates is reasonable. This involves, in turn, a review of the following sub-issues:

- A. Are the proposed tariff, rates, and charges just and reasonable?
- B. Are the revenue forecasts for the 2002 test year at present rates and proposed rates reasonable?
- C. Are the projected operating expenses for the 2002 test year reasonable?

⁷See Exhibit F, column A, to the amended application.

⁸See KWWC's financial statements for the years ended December 31, 1999, 2000, and 2001. The commission takes administrative notice of KWWC's financial statements on file at the commission's office.

According to KWWC, the decrease in operating revenues between 2000 and 2001 was primarily due to refund credits issued to single-family homeowners, in the total sum of approximately \$146,000.

- D. Is the projected rate base for the 2002 test year reasonable, and are the properties included in the rate base used or useful for public utility purposes?
- E. Whether the requested rate of return is fair?

IV.

The Parties' Stipulation

The parties' stipulation resolves all of the foregoing issues. In reaching this agreement, the parties note:

1. They "have stipulated to the rate components discussed in the [stipulation] as being appropriate, without necessarily agreeing on the methodologies or justifications asserted by the other party."
2. The stipulation represents a negotiated compromise for the purpose of simplifying and expediting this proceeding, and "shall not be deemed to be an admission by any party with respect to any of the matters stipulated to herein."
3. The parties agree that the stipulation, taken as a whole and given the evidence in the docket record, "represents a reasonable resolution of the matters compromised therein."
4. The Consumer Advocate does not oppose KWWC's proposed rates, and agrees to the compromised amounts set forth in the stipulation. The parties' settlement is based on KWWC's proposed rate of return being lower than is often allowed in similar proceedings.
5. Each provision of the stipulation is in consideration and support of all other provisions, and is expressly conditioned upon the commission's acceptance of the matters expressed in the stipulation as a whole.

In the event the commission declines to adopt any of the matters agreed to in the stipulation, "the parties shall be free to pursue their respective positions in this proceeding through motions for clarification, reconsideration, or rehearing as to any or all matters" covered by the stipulation.

The parties also state their understanding that "the Commission is not bound by any stipulation between the parties[.]" In this regard, it is well-settled that an agreement between the parties in a rate case cannot bind the commission, as the commission has an independent obligation to set fair and just rates and arrive at its own conclusions. In re Hawaiian Elec. Co., Inc., 5 Haw. App. 445, 698 P.2d 304 (1985). With this mandate, we now proceed to review the justness and reasonableness of the parties' stipulation, taken as a whole.

V.

Operating Revenues

For the test year, the parties stipulate to:

1. The number of customer units located in KWWC's service area: (A) 23 single-family residential units; (B) 125 multi-family, condominium units; (C) the Four Seasons Resort Hualalai; and (D) 10 commercial/office entities.⁹

2. The number of toilets: (A) 46, single-family; (B) 250, multi-family, condominium; (C) 274, the Four Seasons Resort Hualalai; and (D) 147, commercial/office.

Based on these numbers, the parties stipulate to the following test year operating revenues:

Standby Charge - Residential/	\$ 88,500
Condominium	
Standby Charge - Hotel	\$ 82,200
Standby Charge - Commercial	\$ 44,100
Metered Charges	<u>\$352,340</u>
Total Operating Revenues:	\$567,140

⁹See Exhibit Stip-101, footnote 1, attached to the stipulation.

The respective standby charge revenues are calculated based on the number of toilets per standby category, multiplied by the proposed \$25 monthly standby charge per toilet, on an annual, 12-month test year basis.¹⁰

The revenue for metered charges is based on the total projected wastewater processed by KWWC, originating from the single and multi-family residential units, hotels, and commercial entities, multiplied by the water consumption charge of \$3.95 per TG.¹¹

Upon review, the commission finds reasonable these projected revenue amounts for the test year.

VI.

Miscellaneous Income

The parties stipulate to investment income of \$5,000 for the test year. According to KWWC, this amount represents "the estimated dividends that will be paid to KWWC in test year 2002 from funds invested from time to time in a 'sweep'

¹⁰See Exhibit Stip-101, attached to the stipulation. Hence:

1. The test year standby charge revenue for residential/condominium is calculated as \$88,800 (296 toilets x \$25 x 12 months). However, the parties stipulated to a slightly lower amount, \$88,500.

2. The test year standby charge revenue for hotels is \$82,200 (274 toilets x \$25 x 12 months).

3. The test year standby charge revenue for commercial is \$44,100 (147 toilets x \$25 x 12 months).

¹¹See Exhibit Stip-101, footnote 1, attached to the stipulation. Upon review, it appears that the parties agreed to a lower amount of \$352,340, instead of \$352,523, a reduction of approximately \$183.

account at Bank of Hawaii." The commission finds reasonable the \$5,000 amount for miscellaneous investment income.

VII.

Expenses

KWWC's expenses consist of two categories: (1) operations and maintenance expenses; and (2) taxes other than income taxes.

A.

Operations and Maintenance (O&M)

In general, O&M expenses represent the funds needed to operate and maintain KWWC's wastewater system on a normalized basis, including administrative, technical, and professional support.

KWWC has no employees. Instead, it relies on the contracted services performed by other entities.

The daily operations and maintenance of KWWC's wastewater system is performed by Island Utility Services, Inc., an independent contractor. Hualalai Development Company, an affiliated entity, provides general administrative, bookkeeping, billing, and other related services. The Four Seasons Resort Hualalai provides security services. In addition, local, independent firms provide legal and accounting services.¹²

¹²Expenses for legal and accounting consist of two components: (1) normalized legal and accounting fees; and (2) amortized legal and accounting fees incurred for the instant rate case, aka regulatory commission expense.

The parties stipulate to the following test year O&M expenses:

O&M Expenses

Purchased Power	\$ 71,712
Repairs & Maintenance	\$ 13,535
Operations	\$135,576
Administrative & General	\$ 62,583
Security	\$ 19,000
Legal & Accounting	\$ 21,085
Insurance	\$ 4,581
Miscellaneous	\$ 652
Depreciation	<u>\$ 93,474</u>
Total O&M Expenses	\$422,198

Upon careful review, the commission finds reasonable these stipulated amounts for O&M expenses.

B.

Taxes Other Than Income Taxes

Taxes other than income taxes consist of the: (1) State public service company (PSC) tax, 5.885 per cent; and (2) State public utility fee, 0.5 per cent. The commission finds reasonable KWWC's corrected amount of \$36,212 for taxes other than income taxes under approved rates. This estimate consists of the following amounts:

PSC tax:	\$ 33,376
Public utility fee:	\$ 2,836

VIII.

Rate Base

The parties stipulate to an average test year rate base of \$3,366,119.¹³ KWWC's rate base consists of its net plant-in-service, less deductions for accumulated deferred income tax and the deferred Hawaii capital goods credit, with increases for inventory (materials and supplies) and working cash.

Upon review, the commission finds reasonable the stipulated average test year rate base of \$3,366,119.

IX.

Rate of Return

KWWC's requested rate of return fluctuates throughout this proceeding.

For the test year, KWWC initially identified a rate of return of 1.44 per cent. In its amended application, KWWC revised its requested rate of return to 1.67 per cent. KWWC subsequently changed this amount to 2.39 per cent.¹⁴ Then, in the parties' stipulation, KWWC's rate of return was identified as 3.34 per cent. Later, in response to the commission's clarifying information request, KWWC corrected the rate of return to 3.38 per cent.

The fluctuation in KWWC's requested rate of return represents its acceptance of the percentage figure that results from its restructured rates. Under the circumstances, the

¹³See Exhibit Stip-101, footnote 3, attached to the stipulation.

¹⁴See KWWC's response to CA-IR-30 and KWWC's Exhibit 138.

commission finds reasonable KWWC's rate of return of 3.38 per cent.

X.

Rate Design

KWWC's authorized rate design consists of: (1) a monthly standby charge; and (2) a monthly water consumption charge. See Section I(C), supra.

The parties stipulate to KWWC's restructured rates, as identified in Section II(A)(1) and (2) of this decision and order, supra. The commission finds reasonable KWWC's proposed rate restructuring. The approved, restructured rates provide KWWC with a sufficient level of revenues to sustain its wastewater operations. In addition, the approved adjustment to the monthly water consumption charge benefits KWWC's ratepayers by reducing this consumption charge to the amount of wastewater discharged to KWWC's system.

Consistent with the restructured rates approved by the commission, KWWC should revise its existing Rule XXVI(2)(b), to include the phrase "less the water that is not capable of being treated in the Company's system."¹⁵ Thus, subsection (b) will now state:

. . . (b) the total amount of gallons sold by Kaupulehu Water Company, less the water that is not capable of being treated in the Company's system, expressed in 1000 gallon increments for the same period.

¹⁵See KWWC's Exhibit 135, at page 4.

For Rule XXVI(1), the parties stipulate to an electricity cost of \$0.80353 per TG,¹⁶ which is less than the amount initially requested by KWWC in its amended application. The commission finds reasonable this stipulated amount. KWWC's revised sheets shall include the necessary revisions to its tariff Rule XXVI(1).

XI.

Tariff Changes

The parties agree to certain revisions to KWWC's tariff rules, involving non-rate matters. Specifically, the Consumer Advocate proposes the following revisions, of which KWWC concurs:

1. Insert language in Rule III providing customer notification before service is shut-off.¹⁷
2. For Rule III(2), insert the phrase "related to the operation of the sewer system" to clarify the scope of this provision.
3. For Rule VIII(1), insert the phrase "in person or by U.S. mail" to clarify that KWWC accepts bill payments in person or by United States mail.
4. Include an updated map of KWWC's service area.

Upon review, the commission finds reasonable the parties' agreed-upon revisions to KWWC's tariff rules.

¹⁶See KWWC's response to PUC-IR-203.

¹⁷Specifically, adding the following language to Rule III:

Except in the case of emergency repairs, the Company shall use its best efforts to give the Consumer at least 24 hours notice before shutting off service.

XII.

Ultimate Findings and Conclusions

Upon careful review, the commission finds that the parties' stipulation, as corrected by KWWC, appears just and reasonable. Accordingly, the commission will approve the parties' stipulation, as corrected.

At the same time, the commission makes clear that: (1) the parties' stipulation and other agreements result from arms-length negotiations, involving "give and take" from both sides; and (2) its approval of the stipulation, or of the methodologies used therein, may not be cited as precedent in any future proceeding.

The commission finds and concludes:

1. The operating revenues and operating expenses for the 2002 test year, as set forth in Exhibit A, are reasonable.

2. The use of an average test year rate base is reasonable.

3. The test year average depreciated rate base under approved rates is \$3,366,119.

4. The stipulated rate of return for the test year is 3.38 per cent, which is fair and reasonable.

5. KWWC is entitled to total operating revenues of \$567,140.

6. KWWC's rate restructuring and tariff revisions are reasonable.

7. The commission's issuance of the instant final decision and order renders moot the issuance of an interim decision and order.

XIII.

THE COMMISSION ORDERS:

1. KWWC's request to change its wastewater rates is approved, consistent with the terms of this decision and order.

2. Based on a total revenue requirement of \$567,140, KWWC's restructured rates will produce a rate of return of 3.38 per cent, on the average depreciated rate base for the 2002 test year, as shown on Exhibit A attached hereto.

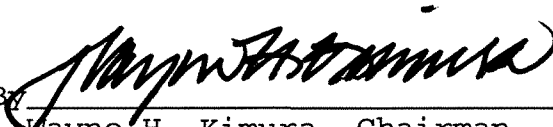
3. The effective date of KWWC's tariff changes and restructured rates is December 6, 2002.

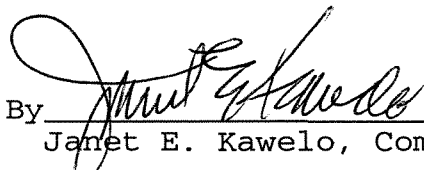
4. KWWC shall file with the commission revised tariff sheets and rate schedules that appropriately reflect the tariff changes and restructured rates approved by this decision and order. KWWC's revised tariff sheets and rate schedules shall be filed with the commission and served on the Consumer Advocate by December 3, 2002, for the commission's review and approval.

5. The issuance of the instant decision and order renders moot the issuance of an interim decision and order.

DONE at Honolulu, Hawaii this 22nd day of November,
2002.


PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Wayne H. Kimura, Chairman

By 
Janet E. Kawelo, Commissioner

By (RECUSED)
Gregg J. Kinkley, Commissioner

APPROVED AS TO FORM:


Michael Azama
Commission Counsel

01-0275.sl1

Kaupulehu Waste Water Company
Revenue Requirements
Test Year Ending December 31, 2002

	<u>Approved Rates</u>
Metered Charges	352,340
Standby - Hotel	82,200
Standby - Residential	88,500
Standby - Commercial	44,100
Total Operating Revenues	<u>567,140</u>
 Purchased Power	 71,712
Repairs & Maintenance	13,535
Operational Expenses	135,576
Administrative & General	62,583
Security	19,000
Legal & Accounting	21,085
Insurance	4,581
Miscellaneous	652
Depreciation	93,474
Total O&M Expenses	<u>422,198</u>
 Miscellaneous Income	
Investment Income	5,000
 Taxes Other Than Income Taxes	 36,212
Income Taxes	-
Total Operating Expenses	<u>453,410</u>
 Operating Income	 <u>113,730</u>
 Average Rate Base	 <u>3,366,119</u>
 Return on Rate Base	 <u>3.38%</u>

**Kaupulehu Waste Water Company
Taxes Other Than Income Taxes
Test Year Ending December 31, 2002**

		<u>Approved Rates</u>
<u>Revenue Taxes:</u>		
Public Service Company Tax	5.885%	33,376
PUC Fee	0.5%	<u>2,836</u>
Total Taxes Other Than Income Taxes		<u><u>36,212</u></u>

Kaupulehu Waste Water Company
Average Rate Base
Test Year Ending December 31, 2002

	<u>12/31/01</u>	<u>12/31/02</u>	
Plant In Service	4,607,348	4,607,348	
Less: Accumulated Depreciation	<u>522,797</u>	<u>616,272</u>	
Net Plant-in-Service	4,084,551	3,991,076	
Deduct:			
Accumulated Deferred Income Tax	568,691	643,017	
Deferred Hi Cap Goods Credit	<u>104,437</u>	<u>102,033</u>	
Total Deductions	673,128	745,050	
Add:			
Material & Supply Inventory	<u>10,000</u>	<u>10,000</u>	
Total Additions	10,000	10,000	
Depreciation Rate Base Before Working Cash	3,421,423	3,256,026	
Average			3,338,725
Working Cash			<u>27,394</u>
Total Average Rate Base			<u><u>3,366,119</u></u>

**Kaupulehu Waste Water Company
Working Cash Calculation
Test Year Ending December 31, 2002**

Operating Expenses	
Purchased Power	71,712
Repairs & Maintenance	13,535
Operational Expenses	135,576
Administrative & General	62,583
Security	19,000
Legal & Accounting	21,085
Insurance	4,581
Miscellaneous	<u>652</u>
Total O&M Expenses	328,724
Number of months in a year	12
Working Cash	<u><u>27,394</u></u>

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Decision and Order No.19812 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
DIVISION OF CONSUMER ADVOCACY
P. O. Box 541
Honolulu, HI 96809

ROBERT E. STRAND, ESQ.
DUANE R. MIYASHIRO, ESQ.
CARLSMITH BALL LLP
Pacific Tower, Suite 2200
1001 Bishop Street
Honolulu, HI 96813

RYUICHIRO KANAIZUMI
DENISE HILL
KAUPULEHU WASTE WATER COMPANY
P. O. Box 5560
Kailua-Kona, HI 96745

Catherine Sakata
for Karen Higashi

DATED: November 22, 2002