





(2) the consumer Advocate, at its option, may submit its proposed refund plan by the same date, in the event that a refund plan is not jointly submitted by the Parties. Thereafter, the commission approved several requests for extensions of time by WHSC, ultimately until December 12, 2008, to comply with Ordering Paragraph No. 2 of the commission's Order.<sup>3</sup>

On December 11, 2008, the Parties timely filed their Joint Refund Proposal for the commission's review and approval.<sup>4</sup> The Parties, in recommending that the commission approve the Joint Refund Proposal, state that they "propose a method of determining the amount of the refund that is consistent with the Commission's directive and attempts to take into account the unique circumstances of the case and to balance the interests of WHSC and its ratepayers."<sup>5</sup>

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<sup>3</sup>See Commission's letter, dated November 7, 2008; Order Approving Extension of Time, filed on November 18, 2008; and Order Approving Extension of Time, filed on December 8, 2008.

<sup>4</sup>WHSC and Consumer Advocate's Joint Refund Proposal; and Exhibits A - E, filed on December 11, 2008 (collectively, "Joint Refund Proposal"). The Parties' joint exhibits are attached to this Order.

<sup>5</sup>Joint Refund Proposal, at 1. The Parties submit their Joint Refund Proposal subject to certain conditions, which include: (1) preserving their respective rights to appeal; and (2) their agreement that the Joint Refund Proposal shall not have any collateral estoppel, res judicata, or other precedential effect in any other docket or proceeding. See Joint Refund Proposal, Section III.D, Conditions to Submission, at 13-14.

## II.

### Discussion

The commission, in its Order, stated:

The commission intends to approve an acceptable refund plan, whether such a plan is proposed by WHSC, the Consumer Advocate, jointly by WHSC and the Consumer Advocate, or issued on its own by the commission. In this regard, the commission reiterates or states as follows:

1. WHSC shall meet and confer with the Consumer Advocate for the purpose of discussing and reaching consensus on a refund plan "that is fair and equitable to the utility and its ratepayers, which allows utility services to continue. This allowance for mitigation is consistent with the spirit and intent of Chapter 269, HRS, and the commission's ratemaking function of making pragmatic adjustments called for by the particular circumstances, such as the unique circumstances noted by the commission herein." In effect, reaching agreement on a refund plan that is consistent with the public interest of "ensur[ing] the financial viability and ability of WHSC to continue providing wastewater utility service within the Waikoloa Village service area, without interruption" is strongly encouraged by the commission. As part of this collaborative process, WHSC shall promptly provide the Consumer Advocate with the necessary information and data to reach consensus on a refund plan that is consistent with the public interest.

2. By November 5, 2008, WHSC shall, individually or jointly with the Consumer Advocate, submit a refund plan for the commission's review and approval. The refund plan submitted must: (A) calculate the amount of the refund for the period between November 7, 2001, the effective date of WHSC's interim rate for the 2001 test year, and January 9, 2008, the effective date of WHSC's interim rate for the 2006 test year, with interest at the utility's authorized rate of return; and (B) include the repayment terms. The Consumer Advocate, at its option, may also submit its proposed refund plan by the same date, in the event that a refund plan is not jointly submitted by the Parties.

3. By October 27, 2008, WHSC shall also respond to the attached information requests. The requested information and data will enable the commission to calculate and issue its own refund plan in the event that the refund plan submitted by the same date is not approved by the commission. The Parties are forewarned that any refund plan that is developed and issued by the commission on its own motion will, in all likelihood, provide minimal allowance for mitigation.

Order, at 16-17 (footnotes, text, and citations therein omitted).<sup>6</sup>

Here, the Parties propose a total refund of \$145,858, with "each of WHSC's 1235 remaining equivalent residential customers [of record as of December 2003] receiv[ing] a credit in the amount of \$118.10 ( $\$145,858/1235$ )."<sup>7</sup> The Parties explain their methodology in reaching agreement on this \$145,858 amount as follows:

1. "The Parties propose that the amount to be refunded to WHSC's customers be equal to the amount by which WHSC's net operating income exceeded its authorized 10% rate of return during the period from January 1, 2001 (the start of the test year for this docket) through December 31, 2007[,]" with interest at its authorized rate of return of ten percent.<sup>8</sup>

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<sup>6</sup>On October 27, 2008, WHSC filed its responses to the commission's information requests, in compliance with Ordering Paragraph No. 3 of the commission's Order.

<sup>7</sup>Joint Refund Proposal, at 9. The term "equivalent residential customers," as used by the Parties in their Joint Refund Proposal, is synonymous with the "equivalent residential unit" criteria set forth in WHSC's tariff rate schedule.

<sup>8</sup>Joint Refund Proposal, at 4-5 (footnote and text therein omitted). The Parties based WHSC's results of operation for the years 2001 through 2007 on the wastewater utility's actual results reported on its annual financial reports on file with

In reaching agreement on this methodology, the Parties note that "over the seven year period of 2001 through 2007, WHSC's overall rate [of] return was less than 10%, and it had a negative rate of return in two of those years. However, in an effort to resolve this matter, WHSC has agreed to refund an amount by which its net operating income exceeded its allowed 10% rate of return in 2001, 2002 and 2003 with interest at 10%. This results in a refund of \$145,858[.]"<sup>9</sup>

2. During this seven-year period, WHSC received earnings in excess of the ten percent authorized rate of return in three years (2001, 2002, and 2003), as follows:

2001	\$12,914	13.16%
2002	\$53,118	22.00%
2003	<u>\$25,944</u>	15.25%
	\$91,976	

3. Thus, the refund amount of \$145,858, inclusive of interest, is calculated as follows:

	<u>Earnings in</u> <u>Excess of 10%</u>	<u>Interest</u> <u>at 10%</u>	<u>Total</u> <u>Refund</u>
2001	\$12,914	\$1,291	
2002	\$53,118	\$6,603	
2003	\$25,944	\$9,198	
2004		\$9,198	
2005		\$9,198	
2006		\$9,198	
2007		<u>\$9,198</u>	
	\$91,976	+ \$53,887	= \$145,858*

\*Rounded for the purpose of calculating a whole amount (\$118.10) for distribution to each qualified equivalent residential customer.

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the commission, with certain adjustments deemed appropriate by the Parties for ratemaking purposes. See Joint Refund Proposal, Section III.B, Details of Operating Results, at 6-9.

<sup>9</sup>Joint Refund Proposal, at 5.

4. "The number of equivalent residential customers as of December 2003, the last year in which WHSC had 'overearnings', was 1301. Of the 1301 equivalent residential customers of record as of December 2003, 66 are no longer customers of WHSC. Therefore, the Parties propose that each of WHSC's 1235 remaining equivalent residential customers receive a credit in the amount of \$118.10 ( $\$145,858/1235$ )."<sup>10</sup>

On balance, the commission finds that the Parties' Joint Refund Proposal appears fair and equitable to WHSC and its ratepayers by seeking to ensure the financial viability of WHSC's operations, thereby allowing wastewater utility services to continue within WHSC's service territory, without interruption.<sup>11</sup> The refund amount (\$148,858) is based on WHSC's total earnings (\$91,976) for the three-year period (2001 - 2003) during which the wastewater utility generated revenues in excess of its authorized rate of return, plus interest calculated at WHSC's authorized rate of return (\$53,887). The refund of

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<sup>10</sup>Joint Refund Proposal, at 9.

<sup>11</sup>The commission notes that on August 14, 2008, the commission approved, subject to certain conditions, the sale of WHSC's stock to Hawaii Water Service Company, Inc. ("HWSCI"). In re Waikoloa Water Co., Inc., Waikoloa Sanitary Sewer Co., Inc., Waikoloa Resort Util., Inc., and Hawaii Water Serv. Co., Inc., Docket No. 2008-0018, Decision and Order, filed on August 20, 2008; and Order Granting Division of Consumer Advocacy's Motion for Clarification and/or Modification of the Commission's Decision and Order Issued on August 20, 2008 in the Above Docketed Matter, filed on September 24, 2008. A motion for clarification and/or modification was subsequently filed by WHSC and the other applicants, including HWSCI.

HWSCI, a wholly-owned subsidiary of California Water Service Group, also provides, on the island of Maui: (1) potable water service to resort and residential developments in Kaanapali; and (2) wastewater collection and treatment services in Pukalani.

the "overearnings" is consistent with ratemaking principles, and the inclusion and calculation of interest is consistent with HRS § 269-16(d). The commission also recognizes that WHSC has incurred costs as the appellant in this proceeding and upon remand to the commission, which are not necessarily included in the regulatory commission expense amounts previously approved by the commission in this ratemaking proceeding. In addition, WHSC will not be unjustly enriched by retaining the refunds for the former sixty-six equivalent residential customers; instead, such proceeds are being apportioned to the other 1,235 remaining equivalent residential customers of record as of December 2003. Moreover, the Joint Refund Proposal, including the amount of the refund, reflects the consensus of the Consumer Advocate,<sup>12</sup> and provides a measure of finality to this proceeding.

Furthermore, as noted by the Parties:

1. The proposed refund sufficiently addresses the Consumer Advocate's concern that by retaining the income tax gross-up amounts WHSC collected as contributions-in-aid-of-construction, WHSC received a "windfall" at the ratepayers' expense. "At the same time, the ratepayers [will] not be unjustly enriched through refunds of excessive amounts."<sup>13</sup>

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<sup>12</sup>HRS § 269-51 provides in pertinent part that "[t]he consumer advocate shall represent, protect, and advance the interests of all consumers, including small businesses, of utility services."

<sup>13</sup>Joint Refund Proposal, at 13.

2. WHSC estimates that a refund based solely on the revenues associated with the different monthly standby rates for the period between November 7, 2001 and January 9, 2008, with interest, is in excess of \$800,000.<sup>14</sup> Conversely, WHSC's total revenues are less than \$800,000, and the rates approved by the commission in WHSC's most recent rate case is projected to result in a net operating income of less than \$80,000 per year.

Under this scenario, "[r]equiring WHSC to refund such an amount [i.e., in excess of \$800,000,] would have a negative impact on WHSC's financial resources and seriously impair WHSC's ability to support the Company's basic utility operations, maintain facilities, and make needed improvements, and would deny WHSC an opportunity to earn a reasonable return on investment for a substantial length of time."<sup>15</sup>

3. The affected customers that are entitled to a refund are based on the customers of record as of December 2003, which is the last year during which WHSC generated an annual earning in excess of its authorized rate of return. Such customers will receive "a credit against [their] billings

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<sup>14</sup>The commission, in its pertinent orders, identified the applicable refund period as between November 7, 2001, the effective date of WHSC's interim rate for the 2001 test year, and January 9, 2008, the effective date of WHSC's interim rate for the 2006 test year. Nonetheless, the Joint Refund Proposal "is intended to cover the entire period of November 1, 2001 through December 31, 2007." Joint Refund Proposal, at 4 n.17. This resulting net reduction of approximately three days, the commission finds, is reasonable under the circumstances of reaching a fair and equitable compromise.

<sup>15</sup>Joint Refund Proposal, at 13.

[in the amount of \$118.10,] until the credit has been fully utilized."<sup>16</sup> The Parties, in support of their proposed allocation, reason:

First, WHSC does not have forwarding addresses of customers who no longer receive service and have moved out of the Company's service territory during the 2001 through 2007 period at issue. Therefore, WHSC is unable to render a refund payment to the customers who are no longer WHSC's customers. Second, the rates charged during the period from 2001 through 2007 did not result in WHSC exceeding its 10% authorized rate of return from 2004 to-date. Therefore, customers who first came on line in 2004 and beyond never 'overpaid' and should not receive a refund. Third, with respect to the remaining customers, it would be burdensome and difficult to calculate the exact amount due to each customer since such calculation would require a review of each customer's monthly billing and payments for each year in which a refund is to be provided. Since the difference in the number of customers between 2001, 2002 and 2003 is relatively small, as shown on **Exhibit D**, attached hereto, the Parties believe that an individually calculated refund amount would not vary significantly from the amount that results from the proposed method of refund described herein. Finally, the Parties believe that refunding different amounts to different customers as a result of the amounts actually paid by each customer during the period is likely to cause customer confusion. Therefore, the Parties propose to credit each of the 1235 customers as of December 2003 who are still customers of the company in the amount of \$118.10 towards their monthly bill.

Joint Refund Proposal, at 9-10 (boldface in original).

In sum, the commission approves as reasonable the Parties' Joint Refund Proposal.

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<sup>16</sup>Joint Refund Proposal, at 9.

III.

Orders

THE COMMISSION ORDERS:

1. The Parties' Joint Refund Proposal, filed on December 11, 2008, is approved. WHSC shall: (A) implement the approved Joint Refund Plan as soon as practicable; and (B) file for purposes of confirmation, written proof of the implementation and completion of the approved Joint Refund Plan, within five days of the completion of said plan.

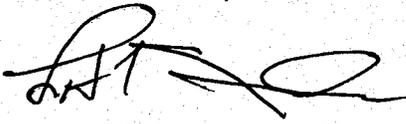
2. This docket is closed unless ordered otherwise by the commission.

DONE at Honolulu, Hawaii DEC 30 2008.

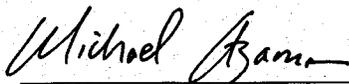
PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

By   
Carlito P. Caliboso, Chairman

By (EXCUSED)  
John E. Cole, Commissioner

By   
Leslie H. Kondo, Commissioner

APPROVED AS TO FORM:

  
Michael Azama  
Commission Counsel

00-0440.laa

WEST HAWAII SEWER COMPANY  
RATE OF RETURN

	Actual Adjusted Results of Operations						
	2007	2006	2005	2004	2003	2002	2001
<b>Sewer Revenues</b>							
Flat Rate Revenues	\$ 463,575	\$ 442,937	\$ 431,513	\$ 423,975	\$ 422,539	\$ 415,214	\$ 296,312
Measured Revenues	324,885	297,738	305,373	286,796	305,426	309,995	326,216
Other Revenues	6,390	4,847	5,768	1,826	2,832	2,286	2,708
	<u>\$ 794,850</u>	<u>\$ 745,522</u>	<u>\$ 742,654</u>	<u>\$ 712,597</u>	<u>\$ 730,797</u>	<u>\$ 727,495</u>	<u>\$ 625,236</u>
<b>Operating Expenses:</b>							
Salaries & Wages (includes G&A Salaries)	\$ 437,183	\$ 355,716	\$ 378,804	\$ 386,198	\$ 325,603	\$ 289,322	\$ 280,763
Purchased Power	29,766	29,120	24,549	23,952	35,800	32,994	35,955
Fuel for Power Production	33,825	23,474	23,947	16,413	12,978	14,016	15,162
Chemicals	9,457	16,470	13,502	12,971	19,119	21,349	18,870
Materials & Supplies	69,841	55,240	67,175	38,926	34,071	41,702	26,353
Rental of Equipment	21,921	13,920	22,579	12,210	8,751	9,279	5,555
Contractual Service - Acct	10,392	10,068	9,768	9,480	9,384	9,288	9,108
Contractual Service - Legal	13,871	12,364	8,519	8,613	1,281	102	1,931
Contractual Service - Mgmt	20,160	19,308	18,732	18,096	17,916	17,748	16,248
Contractual Service - Other	59,024 *	1,007	500	0	0	0	0
Rental of Building	7,020	7,020	7,020	5,855	7,020	7,020	6,251
Insurance - General Liability	2,834	1,848	5,104	5,276	5,506	3,977	5,651
Insurance - Property Insurance	22,633	4,503	5,234	6,664	7,527	6,175	5,656
Amortization of Rate Case			15,481	15,481	15,481	15,481	15,481
Miscellaneous Expense							
Equipment Operating Leases	9,273	14,566	11,664	11,881	8,593	7,278	5,049
Office Supplies & Misc General	1,117	971	2,765	1,928	1,560	1,182	890
Miscellaneous General Expenses	1,180	1,734	2,105	1,465	1,369	1,897	862
Collection-Contractual Services	-	-	2,582	-	-	-	-
Treat & Disp Maint-Contracts		7,058	15,416	6,753	11,718	3,001	2,606
Treat & Disp-Contract Svcs	32,145	2,082	12,598	1,119	452	401	1,225
Collection-Contractual Services	-	-	477	-	-	74	-
Transportation				1,281	450	754	681
Treat & Disp Maint-Expenses	13,471	78	12,224	15,904	10,603	5,177	2,782
Treat & Disp-Contract Svcs	6,599	299	2,152	1,087	209	241	193
Total Miscellaneous	<u>63,785</u>	<u>26,788</u>	<u>61,984</u>	<u>41,419</u>	<u>34,954</u>	<u>20,006</u>	<u>14,288</u>
Total Operating Expenses	<u>\$ 801,712</u>	<u>\$ 576,846</u>	<u>\$ 662,899</u>	<u>\$ 601,554</u>	<u>\$ 535,391</u>	<u>\$ 488,459</u>	<u>\$ 457,272</u>
Taxes Other Than Income Taxes	50,751	47,602	47,418	45,499	46,661	46,451	39,921
Depreciation	82,726	76,290	56,529	50,671	47,052	52,675	59,607
Total Expenses	<u>\$ 935,189</u>	<u>\$ 700,738</u>	<u>\$ 766,846</u>	<u>\$ 697,724</u>	<u>\$ 629,104</u>	<u>\$ 587,584</u>	<u>\$ 556,800</u>
Net Income before Income Taxes	(140,339)	44,784	(24,192)	14,873	101,693	139,911	68,436
Income Taxes	0	(9,564)	0	(2,787)	(26,296)	(42,515)	(14,693)
Net Income after Income Taxes	<u>\$ (140,339)</u>	<u>\$ 35,221</u>	<u>\$ (24,192)</u>	<u>\$ 12,086</u>	<u>\$ 75,397</u>	<u>\$ 97,396</u>	<u>\$ 53,743</u>
<b>Average Depreciated Rate Base</b>	\$ 624,847	\$ 634,471	\$ 477,009	\$ 495,302	\$ 494,523	\$ 442,776	\$ 408,282
<b>Rate of Return</b>	-22.46%	5.55%	-5.07%	2.44%	15.25%	22.00%	13.16%
<b>Computation of Refund:</b>							
Actual Adjusted Net Income (Loss) After Taxes	\$ (140,339)	\$ 35,221	\$ (24,192)	\$ 12,086	\$ 75,397	\$ 97,396	\$ 53,743
Projected Net Income After Taxes (10% of Rate Base)	62,485	63,447	47,701	49,530	49,452	44,278	40,828
Over (Under) Earnings	<u>\$ (202,824)</u>	<u>\$ (28,227)</u>	<u>\$ (71,893)</u>	<u>\$ (37,444)</u>	<u>\$ 25,944</u>	<u>\$ 53,119</u>	<u>\$ 12,915</u>
<b>Reconciliation to Expenses per PUC Annual F/S</b>							
Normalized/Adjusted Operating Expenses	\$ 801,712	\$ 576,846	\$ 662,899	\$ 601,554	\$ 535,391	\$ 488,459	\$ 457,272
Amortization of rate case expense not on F/S			(15,481)	(15,481)	(15,481)	(15,481)	(15,481)
Removal of real property tax payment footing error on PUC Annual F/S				(1,370)			1,330
Removal of DOH NOV settlement				39,794			
Removal of deferred costs to process 2001 rate case			137,937				
Removal of legal fees to file appeal of 2001 rate case		10,610					
Rounding	1	(1)	(1)	(2)		(1)	1
Per PUC Annual F/S	<u>\$ 801,713</u>	<u>\$ 587,455</u>	<u>\$ 785,354</u>	<u>\$ 624,495</u>	<u>\$ 519,910</u>	<u>\$ 472,977</u>	<u>\$ 443,122</u>

WEST HAWAII SEWER COMPANY  
Income Tax Computation

Income Tax Calculation		2007		2006		2005		2004		2003		2002		2001	
Net Income			(140,339)		44,784		(24,192)		14,873		101,693		139,911		68,436
Amortization of CIAC			0		0		0		0		0		0		0
State Tax			(3,623)		(3,348)		0		(655)		(5,258)		(7,704)		(3,445)
			(143,962)		41,436		(24,192)		14,219		96,434		132,207		64,991
<b>STATE</b>															
UP TO \$25,000	4.4%	0	0	25,000	1,100	0	0	14,875	655	25,000	1,100	25,000	1,100	25,000	1,100
OVER \$25,000 - \$100,000	5.4%	0	0	41,635	2,248	0	0	0	0	75,000	4,050	75,000	4,050	43,435	2,345
OVER \$100,000	6.4%	0	0	0	0	0	0	0	0	1,693	108	39,911	2,554	0	0
			0	66,635	3,348	0	0	14,875	655	101,693	5,258	139,911	7,704	68,435	3,445
<b>FEDERAL</b>															
UP TO \$50,000	15.0%		0	41,436	6,215		0	14,219	2,133	50,000	7,500	50,000	7,500	50,000	7,500
OVER \$50,000 - \$75,000	25.0%		0	0	0		0	0	0	25,000	6,250	25,000	6,250	14,990	3,748
OVER \$75,000 - \$100,000	34.0%	0	0	0	0	0	0	0	0	21,435	7,288	25,000	8,500	0	0
OVER \$100,000 - \$335,000	39.0%	0	0	0	0	0	0	0	0	0	0	32,206	12,560	0	0
OVER \$335,000 - \$10,000,000	34.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	41,436	6,215	0	0	14,219	2,133	96,435	21,038	132,206	34,810	64,990	11,248
<b>TOTAL TAX PROVISION:</b>			<b>0</b>		<b>9,564</b>		<b>0</b>		<b>2,787</b>		<b>26,296</b>		<b>42,515</b>		<b>14,693</b>

WEST HAWAII SEWER COMPANY  
DEPRECIATED RATE BASE

	2007	2006	2,005	2004	2003	2002	2001
Utility Plant in Service	\$ 3,887,924	\$ 3,841,368	\$ 3,821,285	\$ 3,789,379	\$ 3,715,950	\$ 3,676,686	\$ 3,647,832
Less Accumulated Depreciation	(1,603,275)	(1,495,284)	(1,389,466)	(1,322,946)	(1,223,750)	(1,123,553)	(1,017,078)
Net Plant in Service	<u>\$ 2,284,650</u>	<u>\$ 2,346,085</u>	<u>\$ 2,431,819</u>	<u>\$ 2,466,434</u>	<u>\$ 2,492,200</u>	<u>\$ 2,553,134</u>	<u>\$ 2,630,755</u>
Deductions:							
Contribution in Aid of Construction	\$ 1,347,995	\$ 1,393,366	\$ 1,662,042	\$ 1,712,376	\$ 1,762,710	\$ 1,813,044	\$ 1,863,378
Deferred Income Taxes	309,284	295,632	275,912	236,270	207,029	264,158	320,984
Deferred HI Capital Goods Excise Tax Credit	69,333	70,685	72,098	72,615	72,554	73,861	76,216
Subtotal	<u>\$ 1,726,611</u>	<u>\$ 1,759,684</u>	<u>\$ 2,010,051</u>	<u>\$ 2,021,261</u>	<u>\$ 2,042,292</u>	<u>\$ 2,151,062</u>	<u>\$ 2,260,579</u>
Depreciated Rate Before Working Cash	<u>\$ 558,038</u>	<u>\$ 586,401</u>	<u>\$ 421,768</u>	<u>\$ 445,172</u>	<u>\$ 449,907</u>	<u>\$ 402,071</u>	<u>\$ 370,176</u>
Working Cash	66,809	48,071	55,242	50,129	44,616	40,705	38,106
Depreciated Rate Base	<u>\$ 624,847</u>	<u>\$ 634,471</u>	<u>\$ 477,009</u>	<u>\$ 495,302</u>	<u>\$ 494,523</u>	<u>\$ 442,776</u>	<u>\$ 408,282</u>

WEST HAWAII SEWER COMPANY  
Average Unamortized  
Year End Balance of  
Contribution in Aid of Construction

System No.	Description	Date In Service	Est Useful Life	CIAC net of tax	CIAC Tax Gross up	CIAC Total	Total Amort 12/31/2000	Unamort 12/31/2000	Total Amort 12/31/2001	Unamort 12/31/2001	Total Amort 12/31/2002	Unamort 12/31/2002
<b>Collection Sewers-Force</b>												
17000	Sewer Lines (Dedicated) Schuler	5/14/1993	50	(\$147,288)	(\$87,644)	(\$234,932)	\$22,584	(\$212,348)	\$27,282	(\$207,650)	\$31,981	(\$202,951)
17001	Sewer Lines (Dedicated) Kekumu I & II	4/4/1996	50	(\$34,888)	(\$21,654)	(\$56,542)	\$3,314	(\$53,228)	\$4,445	(\$52,097)	\$5,576	(\$50,966)
17084	Sewer Lines (Dedicated) Kekumu III	1/1/1997	50	(\$75,132)	\$0	(\$75,132)	\$6,011	(\$69,121)	\$7,513	(\$67,619)	\$9,016	(\$66,116)
	Subtotal			(257,308)	(\$109,298)	(\$366,606)	\$31,909	(\$334,697)	\$39,241	(\$327,365)	\$46,573	(\$320,033)
<b>Collection Sewers-Gravity</b>												
17085	Sewer Transmission Line	1/1/1974	50	(\$871,886)	\$0	(\$871,886)	\$470,818	(\$401,068)	\$488,256	(\$383,630)	\$505,694	(\$366,192)
<b>T&amp;D Equipment</b>												
17086	Treatment Plant-Original	1/1/1974	50	(\$27,009)	\$0	(\$27,009)	\$14,585	(\$12,424)	\$15,125	(\$11,884)	\$15,665	(\$11,344)
17087	Utility Plant Donated	10/31/1978	50	(\$1,319)	\$0	(\$1,319)	\$585	(\$734)	\$611	(\$708)	\$638	(\$681)
17009	Jaeger Pump	3/1/1977	10	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17088	ISCO 158OR Refrig Sampler	12/31/1981	12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17089	Shelter for ICSO Sampler	12/31/1981	12	(\$2,005)	\$0	(\$2,005)	\$2,005	\$0	\$2,005	\$0	\$2,005	\$0
	Subtotal			(\$30,333)	\$0	(\$30,333)	\$17,175	(\$13,158)	\$17,741	(\$12,592)	\$18,308	(\$12,025)
<b>CIAC Fees</b>												
	Villas	1/1/1979	50	(\$11,600)	\$0	(\$11,600)	\$5,104	(\$6,496)	\$5,336	(\$6,264)	\$5,568	(\$6,032)
	Paniolo Club	1/1/1980	50	(\$4,466)	\$0	(\$4,466)	\$1,876	(\$2,590)	\$1,965	(\$2,501)	\$2,054	(\$2,412)
	Fairway Terrace	1/1/1990	50	(\$86,842)	(\$53,158)	(\$140,000)	\$19,105	(\$120,895)	\$21,905	(\$118,095)	\$24,705	(\$115,295)
	Waikoloa Hills	1/1/1990	50	(\$11,910)	(\$7,290)	(\$19,200)	\$2,620	(\$16,580)	\$3,004	(\$16,196)	\$3,388	(\$15,812)
	Waikoloa Greens	8/1/1991	50	(\$97,759)	(\$59,841)	(\$157,600)	\$18,411	(\$139,189)	\$21,563	(\$136,037)	\$24,715	(\$132,885)
	Waikoloa Fairways	12/1/1991	50	(\$50,616)	(\$30,984)	(\$81,600)	\$9,195	(\$72,405)	\$10,827	(\$70,773)	\$12,459	(\$69,141)
	Villages @ Waikoloa Elima Lani	1/1/1992	50	(\$46,895)	(\$28,705)	(\$75,600)	\$8,441	(\$67,159)	\$9,953	(\$65,647)	\$11,465	(\$64,135)
	Paniolo Estates PH-1	7/1/1992	50	(\$43,917)	(\$26,883)	(\$70,800)	\$7,466	(\$63,334)	\$8,882	(\$61,918)	\$10,298	(\$60,502)
	Waikoloa Elem School	9/1/1994	50	(\$97,232)	(\$59,518)	(\$156,750)	\$12,316	(\$144,434)	\$15,451	(\$141,299)	\$18,586	(\$138,164)
	Kekumu I	9/1/1994	50	(\$76,560)	(\$10,935)	(\$87,495)	\$2,263	(\$85,232)	\$4,013	(\$83,482)	\$5,763	(\$81,732)
	Kekumu II	10/1/1995	50	(\$41,470)	(\$5,923)	(\$47,393)	\$1,016	(\$46,377)	\$1,964	(\$45,429)	\$2,912	(\$44,481)
	Kekumu III	1/1/1997	50	(\$31,900)	(\$4,556)	(\$36,456)	\$596	(\$35,860)	\$1,325	(\$35,131)	\$2,054	(\$34,402)
	Fire Station	11/1/1997	50	(\$10,150)	\$0	(\$10,150)	\$643	(\$9,507)	\$846	(\$9,304)	\$1,049	(\$9,101)
	US Post Office	6/19/1999	23	(\$6,844)	\$0	(\$6,844)	\$446	(\$6,398)	\$744	(\$6,100)	\$1,041	(\$5,803)
	Subtotal			(\$618,161)	(\$287,793)	(\$905,954)	\$89,499	(\$816,455)	\$107,779	(\$798,175)	\$126,058	(\$779,896)
	Misc difference			\$0			\$12,730	\$12,730	\$12,730	\$12,730	\$12,730	\$12,730
	Rounding			\$3	(\$1)	\$2	(\$1)	\$1	(\$1)	\$1	(\$1)	\$1
CIAC excluding excluding Waikoloa Heights income tax gross-up CIAC				(\$1,777,685)	(\$397,092)	(\$2,174,777)	\$622,130	(\$1,552,647)	\$665,746	(\$1,509,031)	\$709,362	(\$1,465,415)
Waikoloa Heights-income tax portion of tariff per Dkt 00-0440 D&O				0	\$ (335,898)	(\$335,898)	\$0	(\$335,898)	\$6,718	(\$329,180)	\$13,436	(\$322,462)
<b>Adjusted Balance per 00-0440 D&amp;O 23939</b>				<b>(1,777,685)</b>	<b>\$ (732,990)</b>	<b>(\$2,510,675)</b>	<b>\$622,130</b>	<b>\$ (1,888,545)</b>	<b># \$ 672,464</b>	<b>\$ (1,838,211)</b>	<b>\$ 722,798</b>	<b>\$ (1,787,877)</b>

Average unamortized CIAC

\$ (1,863,378)

\$ (1,813,044)

CIAC for Dkt 05-0329

(\$1,840,325) (422,208) (\$2,262,533)

WEST HAWAII SEWER COMPANY  
Average Unamortized  
Year End Balance of  
Contribution in Aid of Construction

System No.	Description	Date In Service	Est Useful Life	CIAC net of tax	CIAC Tax Gross up	CIAC Total	Total Amort 12/31/2003	Unamort 12/31/2003	Total Amort 12/31/2004	Unamort 12/31/2004	Total Amort 12/31/2005	Unamort 12/31/2005	Total Amort 12/31/2006	Unamort 12/31/2006	Total Amort 12/31/2007	Unamort 12/31/2007
<b>Collection Sewers-Force</b>																
17000	Sewer Lines (Dedicated) Schuler	5/14/1993	50	(\$147,288)	(\$87,644)	(\$234,932)	\$36,680	(\$198,252)	\$41,378	(\$193,554)	\$46,077	(\$188,855)	\$50,776	(\$184,156)	\$55,474	(\$179,458)
17001	Sewer Lines (Dedicated) Kekumu I & II	4/4/1996	50	(\$34,888)	(\$21,654)	(\$56,542)	\$6,707	(\$49,835)	\$7,838	(\$48,704)	\$8,969	(\$47,573)	\$10,099	(\$46,443)	\$11,230	(\$45,312)
17084	Sewer Lines (Dedicated) Kekumu III	1/1/1997	50	(\$75,132)	\$0	(\$75,132)	\$10,518	(\$64,614)	\$12,021	(\$63,111)	\$13,524	(\$61,608)	\$15,026	(\$60,106)	\$16,529	(\$58,603)
	Subtotal			(\$257,308)	(\$109,298)	(\$366,606)	\$53,905	(\$312,701)	\$61,237	(\$305,369)	\$68,569	(\$298,037)	\$75,901	(\$290,705)	\$83,233	(\$283,373)
<b>Collection Sewers-Gravity</b>																
17085	Sewer Transmission Line	1/1/1974	50	(\$871,886)	\$0	(\$871,886)	\$523,132	(\$348,754)	\$540,569	(\$331,317)	\$558,007	(\$313,879)	\$575,445	(\$296,441)	\$592,882	(\$279,004)
<b>T&amp;D Equipment</b>																
17086	Treatment Plant-Original	1/1/1974	50	(\$27,009)	\$0	(\$27,009)	\$16,205	(\$10,804)	\$16,746	(\$10,263)	\$17,286	(\$9,723)	\$17,826	(\$9,183)	\$18,366	(\$8,643)
17087	Utility Plant Donated	10/31/1978	50	(\$1,319)	\$0	(\$1,319)	\$664	(\$655)	\$690	(\$629)	\$717	(\$602)	\$743	(\$576)	\$769	(\$550)
17009	Jaeger Pump	3/1/1977	10	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17088	ISCO 158OR Refrig Sampler	12/31/1981	12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17089	Shelter for ISCO Sampler	12/31/1981	12	(\$2,005)	\$0	(\$2,005)	\$2,005	\$0	\$2,005	\$0	\$2,005	\$0	\$2,005	\$0	\$2,005	\$0
	Subtotal			(\$30,333)	\$0	(\$30,333)	\$18,874	(\$11,459)	\$19,441	(\$10,892)	\$20,007	(\$10,326)	\$20,574	(\$9,759)	\$21,141	(\$9,192)
<b>CIAC Fees</b>																
	Villas	1/1/1979	50	(\$11,600)	\$0	(\$11,600)	\$5,800	(\$5,800)	\$6,032	(\$5,568)	\$6,264	(\$5,336)	\$6,496	(\$5,104)	\$6,728	(\$4,872)
	Paniolo Club	1/1/1980	50	(\$4,466)	\$0	(\$4,466)	\$2,144	(\$2,322)	\$2,233	(\$2,233)	\$2,322	(\$2,144)	\$2,412	(\$2,054)	\$2,501	(\$1,965)
	Fairway Terrace	1/1/1990	50	(\$86,842)	(\$53,158)	(\$140,000)	\$27,505	(\$112,495)	\$30,305	(\$109,695)	\$33,105	(\$106,895)	\$35,905	(\$104,095)	\$38,705	(\$101,295)
	Waikoloa Hills	1/1/1990	50	(\$11,910)	(\$7,290)	(\$19,200)	\$3,772	(\$15,428)	\$4,156	(\$15,044)	\$4,540	(\$14,660)	\$4,924	(\$14,276)	\$5,308	(\$13,892)
	Waikoloa Greens	8/1/1991	50	(\$97,759)	(\$59,841)	(\$157,600)	\$27,867	(\$129,733)	\$31,019	(\$126,581)	\$34,171	(\$123,429)	\$37,323	(\$120,277)	\$40,475	(\$117,125)
	Waikoloa Fairways	12/1/1991	50	(\$50,616)	(\$30,984)	(\$81,600)	\$14,091	(\$67,509)	\$15,723	(\$65,877)	\$17,355	(\$64,245)	\$18,987	(\$62,613)	\$20,619	(\$60,981)
	Villages @ Waikoloa Elima Lani	1/1/1992	50	(\$46,895)	(\$28,705)	(\$75,600)	\$12,977	(\$62,623)	\$14,489	(\$61,111)	\$16,001	(\$59,599)	\$17,513	(\$58,087)	\$19,025	(\$56,575)
	Paniolo Estates PH-1	7/1/1992	50	(\$43,917)	(\$26,883)	(\$70,800)	\$11,714	(\$59,086)	\$13,130	(\$57,670)	\$14,546	(\$56,254)	\$15,962	(\$54,838)	\$17,378	(\$53,422)
	Waikoloa Elem School	9/1/1994	50	(\$97,232)	(\$59,518)	(\$156,750)	\$21,721	(\$135,029)	\$24,856	(\$131,894)	\$27,991	(\$128,759)	\$31,126	(\$125,624)	\$34,261	(\$122,489)
	Kekumu I	9/1/1994	50	(\$76,560)	(\$10,935)	(\$87,495)	\$7,513	(\$79,982)	\$9,263	(\$78,232)	\$11,013	(\$76,483)	\$12,762	(\$74,733)	\$14,512	(\$72,983)
	Kekumu II	10/1/1995	50	(\$41,470)	(\$5,923)	(\$47,393)	\$3,860	(\$43,533)	\$4,807	(\$42,586)	\$5,755	(\$41,638)	\$6,703	(\$40,690)	\$7,651	(\$39,742)
	Kekumu III	1/1/1997	50	(\$31,900)	(\$4,556)	(\$36,456)	\$2,783	(\$33,673)	\$3,512	(\$32,944)	\$4,242	(\$32,214)	\$4,971	(\$31,485)	\$5,700	(\$30,756)
	Fire Station	11/1/1997	50	(\$10,150)	\$0	(\$10,150)	\$1,252	(\$8,898)	\$1,455	(\$8,695)	\$1,658	(\$8,492)	\$1,861	(\$8,289)	\$2,064	(\$8,086)
	US Post Office	6/19/1999	23	(\$6,844)	\$0	(\$6,844)	\$1,339	(\$5,505)	\$1,637	(\$5,207)	\$1,934	(\$4,910)	\$2,232	(\$4,612)	\$2,529	(\$4,315)
	Subtotal			(\$618,161)	(\$287,793)	(\$905,954)	\$144,338	(\$761,616)	\$162,618	(\$743,336)	\$180,898	(\$725,056)	\$199,177	(\$706,777)	\$217,457	(\$688,497)
	Misc difference			\$0	\$0	\$0	\$12,730	\$12,730	\$12,730	\$12,730	\$12,730	\$12,730	\$12,730	\$12,730	\$12,730	\$12,730
	Rounding			\$3	(\$1)	\$2	(\$1)	\$1	(\$1)	\$1	(\$1)	\$1	\$0	\$2	\$0	\$2
	CIAC excluding excluding Waikoloa Heights income tax gross-up CIAC			(\$1,777,685)	(\$397,092)	(\$2,174,777)	\$752,978	(\$1,421,799)	\$796,594	(\$1,378,183)	\$840,210	(\$1,334,567)	\$883,828	(\$1,290,949)	\$927,444	(\$1,247,333)
	Waikoloa Heights-income tax portion of tariff per Dkt 00-0440 D&O			\$0	(\$335,898)	(\$335,898)	\$20,154	(\$315,744)	\$26,872	(\$309,026)	\$33,590	(\$302,308)	\$40,308	(\$295,590)	\$47,026	(\$288,872)
	<b>Adjusted Balance per 00-0440 D&amp;O 23939</b>			<b>(\$1,777,685)</b>	<b>(\$732,990)</b>	<b>(\$2,510,675)</b>	<b>\$773,132</b>	<b>(\$1,737,543)</b>	<b>\$823,466</b>	<b>(\$1,687,209)</b>	<b>\$873,800</b>	<b>(\$1,636,875)</b>	<b>\$924,135</b>	<b>(\$1,586,540)</b>	<b>\$974,469</b>	<b>(\$1,536,206)</b>
	Average unamortized CIAC							\$ (1,762,710)		\$ (1,712,376)		\$ (1,662,042)		\$ (1,611,707)		\$ (1,561,373)
	CIAC for Dkt 05-0329			(\$1,840,325)	(422,208)	(\$2,262,533)					\$846,480	(\$1,416,053)	\$891,853	(\$1,370,680)	\$937,224	(\$1,325,309)
													\$ (1,393,366)		\$ (1,347,995)	

WEST HAWAII SEWER COMPANY  
AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION

System No.	Description	Date In Service	Estimated Useful Life	Balance at 12/31/2000			Balance at 12/31/2001			Balance at 12/31/2002			Balance at 12/31/2003		
				Net of Tax	Tax	Total	Net of Tax	Tax	Total	Net of Tax	Tax	Total	Net of Tax	Tax	Total
<b>Collection Sewers-Force</b>															
17000	Sewer Lines (Dedicated) Schuler	5/14/1993	50	(\$22,584)	\$ -	(\$22,584)	(\$25,529)	\$ (1,753)	(\$27,282)	(\$28,475)	\$ (3,506)	(\$31,981)	(\$31,421)	\$ (5,259)	(\$36,680)
17001	Sewer Lines (Dedicated) Kekumu I & II	4/4/1996	50	(\$3,314)	\$ -	(\$3,314)	(\$4,012)	\$ (433)	(\$4,445)	(\$4,710)	\$ (866)	(\$5,576)	(\$5,408)	\$ (1,299)	(\$6,707)
17084	Sewer Lines (Dedicated) Kekumu III	1/1/1997	50	(\$6,011)	\$ -	(\$6,011)	(\$7,513)	\$ -	(\$7,513)	(\$9,016)	\$ -	(\$9,016)	(\$10,518)	\$ -	(\$10,518)
	Subtotal			(\$31,909)	\$0	(\$31,909)	(\$37,055)	(\$2,186)	(\$39,241)	(\$42,201)	(\$4,372)	(\$46,573)	(\$47,347)	(\$6,558)	(\$53,905)
<b>Collection Sewers-Gravity</b>															
17085	Sewer Transmission Line	1/1/1974	50	(\$470,818)	\$ -	(\$470,818)	(\$488,256)	\$ -	(\$488,256)	(\$505,694)	\$ -	(\$505,694)	(\$523,132)	\$ -	(\$523,132)
<b>T&amp;D Equipment</b>															
17086	Treatment Plant-Original	1/1/1974	50	(\$14,585)	\$ -	(\$14,585)	(\$15,125)	\$ -	(\$15,125)	(\$15,665)	\$ -	(\$15,665)	(\$16,205)	\$ -	(\$16,205)
17087	Utility Plant Donated	10/31/1978	50	(\$585)	\$ -	(\$585)	(\$611)	\$ -	(\$611)	(\$638)	\$ -	(\$638)	(\$664)	\$ -	(\$664)
17009	Jaeger Pump	3/1/1977	10	\$0	\$ -	\$0	\$0	\$ -	\$0	\$0	\$ -	\$0	\$0	\$ -	\$0
17088	ISCO 158OR Refrig Sampler	12/31/1981	12	\$0	\$ -	\$0	\$0	\$ -	\$0	\$0	\$ -	\$0	\$0	\$ -	\$0
17089	Shelter for ICSSO Sampler	12/31/1981	12	(\$2,005)	\$ -	(\$2,005)	(\$2,005)	\$ -	(\$2,005)	(\$2,005)	\$ -	(\$2,005)	(\$2,005)	\$ -	(\$2,005)
	Subtotal			(\$17,175)	\$0	(\$17,175)	(\$17,741)	\$0	(\$17,741)	(\$18,308)	\$0	(\$18,308)	(\$18,874)	\$0	(\$18,874)
<b>CIAC Fees</b>															
Villas		1/1/1979	50	(\$5,104)	\$ -	(\$5,104)	(\$5,336)	\$ -	(\$5,336)	(\$5,568)	\$ -	(\$5,568)	(\$5,800)	\$ -	(\$5,800)
Paniolo Club		1/1/1980	50	(\$1,876)	\$ -	(\$1,876)	(\$1,965)	\$ -	(\$1,965)	(\$2,054)	\$ -	(\$2,054)	(\$2,144)	\$ -	(\$2,144)
Fairway Terrace		1/1/1990	50	(\$19,105)	\$ -	(\$19,105)	(\$20,842)	\$ (1,063)	(\$21,905)	(\$22,579)	\$ (2,126)	(\$24,705)	(\$24,316)	\$ (3,189)	(\$27,505)
Waikoloa Hills		1/1/1990	50	(\$2,620)	\$ -	(\$2,620)	(\$2,858)	\$ (146)	(\$3,004)	(\$3,097)	\$ (292)	(\$3,388)	(\$3,335)	\$ (437)	(\$3,772)
Waikoloa Greens		8/1/1991	50	(\$18,411)	\$ -	(\$18,411)	(\$20,366)	\$ (1,197)	(\$21,563)	(\$22,322)	\$ (2,394)	(\$24,715)	(\$24,277)	\$ (3,590)	(\$27,867)
Waikoloa Fairways		12/1/1991	50	(\$9,195)	\$ -	(\$9,195)	(\$10,208)	\$ (620)	(\$10,827)	(\$11,220)	\$ (1,239)	(\$12,459)	(\$12,232)	\$ (1,859)	(\$14,091)
Villages @ Waikoloa Elima Lani		1/1/1992	50	(\$8,441)	\$ -	(\$8,441)	(\$9,379)	\$ (574)	(\$9,953)	(\$10,317)	\$ (1,148)	(\$11,465)	(\$11,255)	\$ (1,722)	(\$12,977)
Paniolo Estates PH-I		7/1/1992	50	(\$7,466)	\$ -	(\$7,466)	(\$8,344)	\$ (538)	(\$8,882)	(\$9,223)	\$ (1,075)	(\$10,298)	(\$10,101)	\$ (1,613)	(\$11,714)
Waikoloa Elem School		9/1/1994	50	(\$12,316)	\$ -	(\$12,316)	(\$14,261)	\$ (1,190)	(\$15,451)	(\$16,205)	\$ (2,381)	(\$18,586)	(\$18,150)	\$ (3,571)	(\$21,721)
Kekumu I		9/1/1994	50	(\$2,263)	\$ -	(\$2,263)	(\$3,794)	\$ (219)	(\$4,013)	(\$5,325)	\$ (437)	(\$5,763)	(\$6,857)	\$ (656)	(\$7,513)
Kekumu II		10/1/1995	50	(\$1,016)	\$ -	(\$1,016)	(\$1,845)	\$ (118)	(\$1,964)	(\$2,675)	\$ (237)	(\$2,912)	(\$3,504)	\$ (355)	(\$3,860)
Kekumu III		1/1/1997	50	(\$596)	\$ -	(\$596)	(\$1,234)	\$ (91)	(\$1,325)	(\$1,872)	\$ (182)	(\$2,054)	(\$2,510)	\$ (273)	(\$2,783)
Fire Station		11/1/1997	50	(\$643)	\$ -	(\$643)	(\$846)	\$ -	(\$846)	(\$1,049)	\$ -	(\$1,049)	(\$1,252)	\$ -	(\$1,252)
US Post Office		6/19/1999	23	(\$446)	\$ -	(\$446)	(\$744)	\$ -	(\$744)	(\$1,041)	\$ -	(\$1,041)	(\$1,339)	\$ -	(\$1,339)
	Subtotal			(\$89,499)	\$0	(\$89,499)	(\$102,023)	(\$5,756)	(\$107,779)	(\$114,547)	(\$11,512)	(\$126,058)	(\$127,071)	(\$17,268)	(\$144,338)
Miscellaneous Difference				(\$12,730)		(\$12,730)	(\$12,730)		(\$12,730)	(\$12,730)		(\$12,730)	(\$12,730)		(\$12,730)
Rounding				\$1		\$1	\$1		\$1	\$1		\$1	\$1		\$1
Subtotal before Waikoloa Heights Tax Gross up				(\$622,130)	\$0	(\$622,130)	(\$657,804)	(\$7,942)	(\$665,746)	(\$693,478)	(\$15,884)	(\$709,362)	(\$729,153)	(\$23,825)	(\$752,978)
Waikoloa Heights Tax Gross Up				\$ -	\$ -	\$ -		(\$6,718)	(\$6,718)		(\$13,436)	(\$13,436)		(\$20,154)	(\$20,154)
<b>Total per 00-0440</b>				<b>(\$622,130)</b>	<b>\$ -</b>	<b>(\$622,130)</b>	<b>(\$657,804)</b>	<b>\$ (14,660)</b>	<b>(\$672,464)</b>	<b>(\$693,478)</b>	<b>\$ (29,320)</b>	<b>(\$722,798)</b>	<b>(\$729,153)</b>	<b>\$ (43,979)</b>	<b>(\$773,132)</b>
Total per 05-0329															

WEST HAWAII SEWER COMPANY  
AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION

System No.	Description	Date In Service	Estimated Useful Life	Balance at 12/31/2004			Balance at 12/31/2005			Balance at 12/31/2006			Balance at 12/31/2007		
				Net of Tax	Tax	Total	Net of Tax	Tax	Total	Net of Tax	Tax	Total	Net of Tax	Tax	Total
<b>Collection Sewers-Force</b>															
17000	Sewer Lines (Dedicated) Schuler	5/14/1993	50	(\$34,367)	\$ (7,012)	(\$41,378)	(\$37,313)	\$ (8,764)	(\$46,077)	(\$40,258)	\$ (10,517)	(\$50,776)	(\$43,204)	\$ (12,270)	(\$55,474)
17001	Sewer Lines (Dedicated) Kekumu I & II	4/4/1996	50	(\$6,105)	\$ (1,732)	(\$7,838)	(\$6,803)	\$ (2,165)	(\$8,969)	(\$7,501)	\$ (2,598)	(\$10,099)	(\$8,199)	\$ (3,032)	(\$11,230)
17084	Sewer Lines (Dedicated) Kekumu III	1/1/1997	50	(\$12,021)	\$ -	(\$12,021)	(\$13,524)	\$ -	(\$13,524)	(\$15,026)	\$ -	(\$15,026)	(\$16,529)	\$ -	(\$16,529)
	Subtotal			(\$52,493)	(\$8,744)	(\$61,237)	(\$57,639)	(\$10,930)	(\$68,569)	(\$62,786)	(\$13,116)	(\$75,901)	(\$67,932)	(\$15,302)	(\$83,233)
<b>Collection Sewers-Gravity</b>															
17085	Sewer Transmission Line	1/1/1974	50	(\$540,569)	\$ -	(\$540,569)	(\$558,007)	\$ -	(\$558,007)	(\$575,445)	\$ -	(\$575,445)	(\$592,882)	\$ -	(\$592,882)
<b>T&amp;D Equipment</b>															
17086	Treatment Plant-Original	1/1/1974	50	(\$16,746)	\$ -	(\$16,746)	(\$17,286)	\$ -	(\$17,286)	(\$17,826)	\$ -	(\$17,826)	(\$18,366)	\$ -	(\$18,366)
17087	Utility Plant Donated	10/31/1978	50	(\$690)	\$ -	(\$690)	(\$717)	\$ -	(\$717)	(\$743)	\$ -	(\$743)	(\$769)	\$ -	(\$769)
17009	Jaeger Pump	3/1/1977	10	\$0	\$ -	\$0	\$0	\$ -	\$0	\$0	\$ -	\$0	\$0	\$ -	\$0
17088	ISCO 158OR Refrig Sampler	12/31/1981	12	\$0	\$ -	\$0	\$0	\$ -	\$0	\$0	\$ -	\$0	\$0	\$ -	\$0
17089	Shelter for ICSO Sampler	12/31/1981	12	(\$2,005)	\$ -	(\$2,005)	(\$2,005)	\$ -	(\$2,005)	(\$2,005)	\$ -	(\$2,005)	(\$2,005)	\$ -	(\$2,005)
	Subtotal			(\$19,441)	\$0	(\$19,441)	(\$20,007)	\$0	(\$20,007)	(\$20,574)	\$0	(\$20,574)	(\$21,141)	\$0	(\$21,141)
<b>CIAC Fees</b>															
	Villas	1/1/1979	50	(\$6,032)	\$ -	(\$6,032)	(\$6,264)	\$ -	(\$6,264)	(\$6,496)	\$ -	(\$6,496)	(\$6,728)	\$ -	(\$6,728)
	Paniolo Club	1/1/1980	50	(\$2,233)	\$ -	(\$2,233)	(\$2,322)	\$ -	(\$2,322)	(\$2,412)	\$ -	(\$2,412)	(\$2,501)	\$ -	(\$2,501)
	Fairway Terrace	1/1/1990	50	(\$26,053)	\$ (4,253)	(\$30,305)	(\$27,789)	\$ (5,316)	(\$33,105)	(\$29,526)	\$ (6,379)	(\$35,905)	(\$31,263)	\$ (7,442)	(\$38,705)
	Waikoloa Hills	1/1/1990	50	(\$3,573)	\$ (583)	(\$4,156)	(\$3,811)	\$ (729)	(\$4,540)	(\$4,049)	\$ (875)	(\$4,924)	(\$4,288)	\$ (1,021)	(\$5,308)
	Waikoloa Greens	8/1/1991	50	(\$26,232)	\$ (4,787)	(\$31,019)	(\$28,187)	\$ (5,984)	(\$34,171)	(\$30,142)	\$ (7,181)	(\$37,323)	(\$32,098)	\$ (8,378)	(\$40,475)
	Waikoloa Fairways	12/1/1991	50	(\$13,245)	\$ (2,479)	(\$15,723)	(\$14,257)	\$ (3,098)	(\$17,355)	(\$15,269)	\$ (3,718)	(\$18,987)	(\$16,281)	\$ (4,338)	(\$20,619)
	Villages @ Waikoloa Elima Lani	1/1/1992	50	(\$12,193)	\$ (2,296)	(\$14,489)	(\$13,131)	\$ (2,871)	(\$16,001)	(\$14,069)	\$ (3,445)	(\$17,513)	(\$15,006)	\$ (4,019)	(\$19,025)
	Paniolo Estates PH-1	7/1/1992	50	(\$10,979)	\$ (2,151)	(\$13,130)	(\$11,858)	\$ (2,688)	(\$14,546)	(\$12,736)	\$ (3,226)	(\$15,962)	(\$13,614)	\$ (3,764)	(\$17,378)
	Waikoloa Elem School	9/1/1994	50	(\$20,095)	\$ (4,761)	(\$24,856)	(\$22,039)	\$ (5,952)	(\$27,991)	(\$23,984)	\$ (7,142)	(\$31,126)	(\$25,929)	\$ (8,333)	(\$34,261)
	Kekumu I	9/1/1994	50	(\$8,388)	\$ (875)	(\$9,263)	(\$9,919)	\$ (1,094)	(\$11,013)	(\$11,450)	\$ (1,312)	(\$12,762)	(\$12,981)	\$ (1,531)	(\$14,512)
	Kekumu II	10/1/1995	50	(\$4,334)	\$ (474)	(\$4,807)	(\$5,163)	\$ (592)	(\$5,755)	(\$5,992)	\$ (711)	(\$6,703)	(\$6,822)	\$ (829)	(\$7,651)
	Kekumu III	1/1/1997	50	(\$3,148)	\$ (364)	(\$3,512)	(\$3,786)	\$ (456)	(\$4,242)	(\$4,424)	\$ (547)	(\$4,971)	(\$5,062)	\$ (638)	(\$5,700)
	Fire Station	11/1/1997	50	(\$1,455)	\$ -	(\$1,455)	(\$1,658)	\$ -	(\$1,658)	(\$1,861)	\$ -	(\$1,861)	(\$2,064)	\$ -	(\$2,064)
	US Post Office	6/19/1999	23	(\$1,637)	\$ -	(\$1,637)	(\$1,934)	\$ -	(\$1,934)	(\$2,232)	\$ -	(\$2,232)	(\$2,529)	\$ -	(\$2,529)
	Subtotal			(\$139,595)	(\$23,023)	(\$162,618)	(\$152,118)	(\$28,779)	(\$180,898)	(\$164,642)	(\$34,535)	(\$199,177)	(\$177,166)	(\$40,291)	(\$217,457)
	Miscellaneous Difference			(\$12,730)		(\$12,730)	(12,730)		(12,730)	(12,730)		(12,730)	(\$12,730)		(\$12,730)
	Rounding			\$1		\$1	1		1	0		0	\$0		\$0
	Subtotal before Waikoloa Heights Tax Gross up			(\$764,827)	(\$31,767)	(\$796,594)	(\$800,501)	(\$39,709)	(\$840,210)	(\$836,177)	(\$47,651)	(\$883,828)	(\$871,851)	(\$55,593)	(\$927,444)
	Waikoloa Heights Tax Gross Up				(\$26,872)	(\$26,872)		(\$33,590)	(\$33,590)		(\$40,308)	(\$40,308)		(\$47,026)	(\$47,026)
	Total per 00-0440			(\$764,827)	(\$58,639)	(\$823,466)	(\$800,501)	(\$73,299)	(\$873,800)	(\$836,177)	(\$87,959)	(\$924,135)	(\$871,851)	(\$102,618)	(\$974,469)
	Total per 05-0329						(\$804,260)	(\$42,221)	(\$846,480)	(\$841,188)	(\$50,665)	(\$891,853)	(\$878,115)	(\$59,109)	(\$937,224)

WEST HAWAII SEWER COMPANY  
Amortization of Contribution in Aid of Construction  
Excluding Income Tax Payments Made Pursuant to WHSC's CIAC Tariff

System No.	Description	Date In Service	Est Useful Life	CIAC net of tax		Accum	Amort	Accum	Amort	Accum	Amort	Accum
				12/31/2005	12/31/2006	Amort 12/31/2000	Expense 2001	Amort 12/31/2001	Expense 2002	Amort 12/31/2002	Expense 2003	Amort 12/31/2003
<b>Collection Sewers-Force</b>												
17000	Sewer Lines (Dedicated) Schuler	5/14/1993	50	(\$147,288)	(\$147,288)	(\$22,584)	(\$2,946)	(\$25,529)	(\$2,946)	(\$28,475)	(\$2,946)	(\$31,421)
17001	Sewer Lines (Dedicated) Kekumu I & II	4/4/1996	50	(34,888)	(34,888)	(3,314)	(698)	(\$4,012)	(\$698)	(\$4,710)	(\$698)	(\$5,408)
17084	Sewer Lines (Dedicated) Kekumu III	1/1/1997	50	(75,132)	(75,132)	(6,011)	(1,503)	(\$7,513)	(\$1,503)	(\$9,016)	(\$1,503)	(\$10,518)
	Subtotal			(257,308)	(257,308)	(31,909)	(5,146)	(37,055)	(5,146)	(42,201)	(5,146)	(47,347)
<b>Collection Sewers-Gravity</b>												
17085	Sewer Transmission Line	1/1/1974	50	(871,886)	(871,886)	(470,818)	(17,438)	(\$488,256)	(\$17,438)	(\$505,694)	(\$17,438)	(\$523,132)
<b>T&amp;D Equipment</b>												
17086	Treatment Plant-Original	1/1/1974	50	(27,009)	(27,009)	(14,585)	(540)	(\$15,125)	(\$540)	(\$15,665)	(\$540)	(\$16,205)
17087	Utility Plant Donated	10/31/1978	50	(1,319)	(1,319)	(585)	(26)	(\$611)	(\$26)	(\$638)	(\$26)	(\$664)
17009	Jaeger Pump	3/1/1977	10	0	0	0	0	\$0	\$0	\$0	\$0	\$0
17088	ISCO 158OR Refrig Sampler	12/31/1981	12	0	0	0	0	\$0	\$0	\$0	\$0	\$0
17089	Shelter for ICSO Sampler	12/31/1981	12	(2,005)	(2,005)	(2,005)	0	(\$2,005)	\$0	(\$2,005)	\$0	(\$2,005)
	Subtotal			(30,333)	(30,333)	(17,175)	(567)	(17,741)	(567)	(18,308)	(567)	(18,874)
<b>CIAC Fees</b>												
	Villas	1/1/1979	50	(11,600)	(11,600)	(5,104)	(232)	(\$5,336)	(\$232)	(\$5,568)	(\$232)	(\$5,800)
	Paniolo Club	1/1/1980	50	(4,466)	(4,466)	(1,876)	(89)	(\$1,965)	(\$89)	(\$2,054)	(\$89)	(\$2,144)
	Fairway Terrace	1/1/1990	50	(86,842)	(86,842)	(19,105)	(1,737)	(\$20,842)	(\$1,737)	(\$22,579)	(\$1,737)	(\$24,316)
	Waikoloa Hills	1/1/1990	50	(11,910)	(11,910)	(2,620)	(238)	(\$2,858)	(\$238)	(\$3,097)	(\$238)	(\$3,335)
	Waikoloa Greens	8/1/1991	50	(97,759)	(97,759)	(18,411)	(1,955)	(\$20,366)	(\$1,955)	(\$22,322)	(\$1,955)	(\$24,277)
	Waikoloa Fairways	12/1/1991	50	(50,616)	(50,616)	(9,195)	(1,012)	(\$10,208)	(\$1,012)	(\$11,220)	(\$1,012)	(\$12,232)
	Villages @ Waikoloa Elima Lani	1/1/1992	50	(46,895)	(46,895)	(8,441)	(938)	(\$9,379)	(\$938)	(\$10,317)	(\$938)	(\$11,255)
	Paniolo Estates PH-I	7/1/1992	50	(43,917)	(43,917)	(7,466)	(878)	(\$8,344)	(\$878)	(\$9,223)	(\$878)	(\$10,101)
	Waikoloa Elem School	9/1/1994	50	(97,232)	(97,232)	(12,316)	(1,945)	(\$14,261)	(\$1,945)	(\$16,205)	(\$1,945)	(\$18,150)
	Kekumu I	9/1/1994	50	(76,560)	(76,560)	(2,263)	(1,531)	(\$3,794)	(\$1,531)	(\$5,325)	(\$1,531)	(\$6,857)
	Kekumu II	10/1/1995	50	(41,470)	(41,470)	(1,016)	(829)	(\$1,845)	(\$829)	(\$2,675)	(\$829)	(\$3,504)
	Kekumu III	1/1/1997	50	(31,900)	(31,900)	(596)	(638)	(\$1,234)	(\$638)	(\$1,872)	(\$638)	(\$2,510)
	Fire Station	11/1/1997	50	(10,150)	(10,150)	(643)	(203)	(\$846)	(\$203)	(\$1,049)	(\$203)	(\$1,252)
	US Post Office	6/19/1999	23	(6,844)	(6,844)	(446)	(298)	(\$744)	(\$298)	(\$1,041)	(\$298)	(\$1,339)
	Subtotal			(618,161)	(618,161)	(89,499)	(12,524)	(102,023)	(12,524)	(114,547)	(12,524)	(127,071)
	Misc difference**					(12,730)		(12,730)		(12,730)		(12,730)
	Rounding			3	(3)	1		1		1		1
CIAC excluding income tax portion of tariff per Dkt 00-0440 D&O				<u>(\$1,777,685)</u>	<u>(\$1,777,688)</u>	<u>(\$622,130)</u>	<u>(\$35,674)</u>	<u>(\$657,804)</u>	<u>(\$35,674)</u>	<u>(\$693,478)</u>	<u>(\$35,674)</u>	<u>(\$729,153)</u>
Adjustment to include 17th Fairways Villas 2004* 50				(62,640)	(62,640)							
CIAC excluding income tax portion of tariff per Dkt 05-0329 D&O				<u>(\$1,840,325)</u>	<u>(\$1,840,328)</u>							

WEST HAWAII SEWER COMPANY  
Amortization of Contribution in Aid of Construction  
Excluding Income Tax Payments Made Pursuant to WHSC's CIAC Tariff

System No.	Description	Date In Service	Est Useful Life	CIAC net of tax		Amort Expense	Accum Amort						
				12/31/2005	12/31/2006	2004	12/31/2004	2005	12/31/2005	2006	12/31/2006	2007	12/31/2007
<b>Collection Sewers-Force</b>													
17000	Sewer Lines (Dedicated) Schuler	5/14/1993	50	(\$147,288)	(\$147,288)	(\$2,946)	(\$34,367)	(\$2,946)	(\$37,313)	(\$2,946)	(\$40,258)	(\$2,946)	(\$43,204)
17001	Sewer Lines (Dedicated) Kekumu I & II	4/4/1996	50	(34,888)	(34,888)	(\$698)	(\$6,105)	(\$698)	(\$6,803)	(\$698)	(\$7,501)	(\$698)	(\$8,199)
17084	Sewer Lines (Dedicated) Kekumu III	1/1/1997	50	(75,132)	(75,132)	(\$1,503)	(\$12,021)	(\$1,503)	(\$13,524)	(\$1,503)	(\$15,026)	(\$1,503)	(\$16,529)
	Subtotal			(257,308)	(257,308)	(5,146)	(52,493)	(5,146)	(57,639)	(5,146)	(62,786)	(5,146)	(67,932)
<b>Collection Sewers-Gravity</b>													
17085	Sewer Transmission Line	1/1/1974	50	(871,886)	(871,886)	(\$17,438)	(\$540,569)	(\$17,438)	(\$558,007)	(\$17,438)	(\$575,445)	(\$17,438)	(\$592,882)
<b>T&amp;D Equipment</b>													
17086	Treatment Plant-Original	1/1/1974	50	(27,009)	(27,009)	(\$540)	(\$16,746)	(\$540)	(\$17,286)	(\$540)	(\$17,826)	(\$540)	(\$18,366)
17087	Utility Plant Donated	10/31/1978	50	(1,319)	(1,319)	(\$26)	(\$690)	(\$26)	(\$717)	(\$26)	(\$743)	(\$26)	(\$769)
17009	Jaeger Pump	3/1/1977	10	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17088	ISCO 158OR Refrig Sampler	12/31/1981	12	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17089	Shelter for ICSO Sampler	12/31/1981	12	(2,005)	(2,005)	\$0	(\$2,005)	\$0	(\$2,005)	\$0	(\$2,005)	\$0	(\$2,005)
	Subtotal			(30,333)	(30,333)	(567)	(19,441)	(567)	(20,007)	(567)	(20,574)	(567)	(21,141)
<b>CIAC Fees</b>													
	Villas	1/1/1979	50	(11,600)	(11,600)	(\$232)	(\$6,032)	(\$232)	(\$6,264)	(\$232)	(\$6,496)	(\$232)	(\$6,728)
	Paniolo Club	1/1/1980	50	(4,466)	(4,466)	(\$89)	(\$2,233)	(\$89)	(\$2,322)	(\$89)	(\$2,412)	(\$89)	(\$2,501)
	Fairway Terrace	1/1/1990	50	(86,842)	(86,842)	(\$1,737)	(\$26,053)	(\$1,737)	(\$27,789)	(\$1,737)	(\$29,526)	(\$1,737)	(\$31,263)
	Waikoloa Hills	1/1/1990	50	(11,910)	(11,910)	(\$238)	(\$3,573)	(\$238)	(\$3,811)	(\$238)	(\$4,049)	(\$238)	(\$4,288)
	Waikoloa Greens	8/1/1991	50	(97,759)	(97,759)	(\$1,955)	(\$26,232)	(\$1,955)	(\$28,187)	(\$1,955)	(\$30,142)	(\$1,955)	(\$32,098)
	Waikoloa Fairways	12/1/1991	50	(50,616)	(50,616)	(\$1,012)	(\$13,245)	(\$1,012)	(\$14,257)	(\$1,012)	(\$15,269)	(\$1,012)	(\$16,281)
	Villages @ Waikoloa Elima Lani	1/1/1992	50	(46,895)	(46,895)	(\$938)	(\$12,193)	(\$938)	(\$13,131)	(\$938)	(\$14,069)	(\$938)	(\$15,006)
	Paniolo Estates PH-I	7/1/1992	50	(43,917)	(43,917)	(\$878)	(\$10,979)	(\$878)	(\$11,858)	(\$878)	(\$12,736)	(\$878)	(\$13,614)
	Waikoloa Elem School	9/1/1994	50	(97,232)	(97,232)	(\$1,945)	(\$20,095)	(\$1,945)	(\$22,039)	(\$1,945)	(\$23,984)	(\$1,945)	(\$25,929)
	Kekumu I	9/1/1994	50	(76,560)	(76,560)	(\$1,531)	(\$8,388)	(\$1,531)	(\$9,919)	(\$1,531)	(\$11,450)	(\$1,531)	(\$12,981)
	Kekumu II	10/1/1995	50	(41,470)	(41,470)	(\$829)	(\$4,334)	(\$829)	(\$5,163)	(\$829)	(\$5,992)	(\$829)	(\$6,822)
	Kekumu III	1/1/1997	50	(31,900)	(31,900)	(\$638)	(\$3,148)	(\$638)	(\$3,786)	(\$638)	(\$4,424)	(\$638)	(\$5,062)
	Fire Station	11/1/1997	50	(10,150)	(10,150)	(\$203)	(\$1,455)	(\$203)	(\$1,658)	(\$203)	(\$1,861)	(\$203)	(\$2,064)
	US Post Office	6/19/1999	23	(6,844)	(6,844)	(\$298)	(\$1,637)	(\$298)	(\$1,934)	(\$298)	(\$2,232)	(\$298)	(\$2,529)
	Subtotal			(618,161)	(618,161)	(12,524)	(139,595)	(12,524)	(152,118)	(12,524)	(164,642)	(12,524)	(177,166)
	Misc difference**						(12,730)		(12,730)		(12,730)		(12,730)
	Rounding			3	(3)		1		1		0		0
<b>CIAC excluding income tax portion of tariff per Dkt 00-0440 D&amp;O</b>				<u>(\$1,777,685)</u>	<u>(\$1,777,688)</u>	<u>(\$35,674)</u>	<u>(\$764,827)</u>	<u>(\$35,674)</u>	<u>(\$800,501)</u>	<u>(\$35,674)</u>	<u>(\$836,177)</u>	<u>(\$35,674)</u>	<u>(\$871,851)</u>
	Adjustment to include 17th Fairways Villas	2004*	50	(62,640)	(62,640)	\$ (1,253)	(\$1,253)	\$ (1,253)	(\$3,758)	\$ (1,253)	(\$5,011)	\$ (1,253)	(\$6,264)
<b>CIAC excluding income tax portion of tariff per Dkt 05-0329 D&amp;O</b>				<u>(\$1,840,325)</u>	<u>(\$1,840,328)</u>	<u>(\$36,927)</u>	<u>(\$766,080)</u>	<u>(\$36,927)</u>	<u>(\$804,260)</u>	<u>(\$36,927)</u>	<u>(\$841,188)</u>	<u>(\$36,927)</u>	<u>(\$878,115)</u>

WEST HAWAII SEWER COMPANY  
Amortization of Contributions in Aid of Construction  
Income Tax Payments Made Pursuant to WHSC's CIAC Tariff

			Stipulation Balance at 12/31/2000	Less Taxes Paid	CIAC Tax Gross Up	Balance @ 2000	Balance @		Balance @		Balance @	
							2001	2001	2002	2002	2003	2003
<b>Collection Sewers Force</b>												
17000 Sewer Lines (Dedicated) Schuler	5/14/1993	50	\$ 87,644		\$ 87,644	\$ 0	\$ (1,753)	\$ (1,753)	\$ (1,753)	\$ (3,506)	\$ (1,753)	\$ (5,259)
17001 Sewer Lines (Dedicated) Kekumu I & II	4/4/1996	50	21,654		21,654	0	(433)	(433)	(433)	(866)	(433)	(1,299)
Sewer Lines (Dedicated) Kekumu III	1/1/1997	50			-							
			<u>\$ 109,298</u>		<u>\$ 109,298</u>	<u>\$ 0</u>	<u>\$ (2,186)</u>	<u>\$ (2,186)</u>	<u>\$ (2,186)</u>	<u>\$ (4,372)</u>	<u>\$ (2,186)</u>	<u>\$ (6,558)</u>
<b>Collection Sewers Gravity</b>												
17085 Sewer Transmission Line	1/1/1974	50			\$ -	\$ -						
<b>T&amp;D Equipment</b>												
17086 Treatment Plant-Original	1/1/1974	50			\$ -	\$ -						
17087 Utility Plant Donated	10/31/1978	50			-	-						
17089 Shelter for ICSO Sampler Rounding	12/31/1981	12			-	-						
			<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>						
<b>CIAC Fees</b>												
Villas	1/1/1979	50			\$ -	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Paniolo Club	1/1/1980	50			-	0	-	-	-	-	-	-
Fairway Terrace	1/1/1990	50	53,158		53,158	0	(1,063)	(1,063)	(1,063)	(2,126)	(1,063)	(3,189)
Waikoloa Hills	1/1/1990	50	7,290		7,290	0	(146)	(146)	(146)	(292)	(146)	(437)
Waikoloa Greens	8/1/1991	50	59,841		59,841	0	(1,197)	(1,197)	(1,197)	(2,394)	(1,197)	(3,590)
Waikoloa Fairways	12/1/1991	50	30,984		30,984	0	(620)	(620)	(620)	(1,239)	(620)	(1,859)
Villages @ Waikoloa Elima Lani	1/1/1992	50	28,705		28,705	0	(574)	(574)	(574)	(1,148)	(574)	(1,722)
Paniolo Estates PH-1	7/1/1992	50	26,883		26,883	0	(538)	(538)	(538)	(1,075)	(538)	(1,613)
Waikoloa Elementary School	9/1/1994	50	59,518		59,518	0	(1,190)	(1,190)	(1,190)	(2,381)	(1,190)	(3,571)
Kekumu I	9/1/1994	50	10,935		10,935	0	(219)	(219)	(219)	(437)	(219)	(656)
Kekumu II	10/1/1995	50	5,923		5,923	0	(118)	(118)	(118)	(237)	(118)	(355)
Kekumu III	1/1/1997	50	4,556		4,556	0	(91)	(91)	(91)	(182)	(91)	(273)
Fire Station	11/1/1997	50			-							
U. S. Post Office	6/19/1999	23			-							
Rounding			1		1							
			<u>\$ 287,794</u>	<u>\$ -</u>	<u>\$ 287,794</u>	<u>\$ (5,756)</u>	<u>\$ (5,756)</u>	<u>\$ (5,756)</u>	<u>\$ (11,512)</u>	<u>\$ (5,756)</u>	<u>\$ (17,268)</u>	
Subtotal			<u>\$ 397,092</u>	<u>\$ -</u>	<u>\$ 397,092</u>	<u>\$ (7,942)</u>	<u>\$ (7,942)</u>	<u>\$ (7,942)</u>	<u>\$ (15,884)</u>	<u>\$ (7,942)</u>	<u>\$ (23,825)</u>	
Waikoloa Heights - recorded as deferred credit		50	335,898		335,898	0	(6,718)	(6,718)	(6,718)	(13,436)	(6,718)	(20,154)
Total at issue in Docket No. 00-0440			<u>\$ 732,990</u>	<u>\$ -</u>	<u>\$ 732,990</u>	<u>\$ (14,660)</u>	<u>\$ (14,660)</u>	<u>\$ (14,660)</u>	<u>\$ (29,320)</u>	<u>\$ (14,660)</u>	<u>\$ (43,979)</u>	
<b>Tax on add'l CIAC for Kekumu projects to reflect amounts per WHSC's CIAC tariff</b>												
Kekumu I		50			\$ 12,825	\$ (257)	(257)	(257)	(257)	(513)	(257)	(770)
Kekumu II		50			6,947	(139)	(139)	(139)	(139)	(278)	(139)	(417)
Kekumu III		50			5,344	(107)	(107)	(107)	(107)	(214)	(107)	(321)
					<u>\$ 25,116</u>	<u>\$ (502)</u>	<u>\$ (502)</u>	<u>\$ (502)</u>	<u>\$ (1,005)</u>	<u>\$ (502)</u>	<u>\$ (1,507)</u>	
Total Amortization for Dkt 05-0329					<u>\$ 422,208</u>	<u>\$ (8,444)</u>	<u>\$ (8,444)</u>	<u>\$ (8,444)</u>	<u>\$ (16,888)</u>	<u>\$ (8,444)</u>	<u>\$ (25,332)</u>	

WEST HAWAII SEWER COMPANY  
Amortization of Contributions in Aid of Construction  
Income Tax Payments Made Pursuant to WHSC's CIAC Tariff

			Stipulation Balance at 12/31/2000	Less Taxes Paid	CIAC Tax		Balance @		Balance @		Balance @		Balance @	
					Gross Up	2004	2004	2005	2005	2006	2006	2007	2007	
<b>Collection Sewers Force</b>														
17000 Sewer Lines (Dedicated) Schuler	5/14/1993	50	\$ 87,644		\$ 87,644	\$ (1,753)	\$ (7,012)	\$ (1,753)	\$ (8,764)	\$ (1,753)	\$ (10,517)	\$ (1,753)	\$ (12,270)	
17001 Sewer Lines (Dedicated) Kekumu I & II	4/4/1996	50	21,654		21,654	\$ (433)	\$ (1,732)	\$ (433)	\$ (2,165)	\$ (433)	\$ (2,598)	\$ (433)	\$ (3,032)	
Sewer Lines (Dedicated) Kekumu III	1/1/1997	50			-									
			<u>\$ 109,298</u>		<u>\$ 109,298</u>	<u>\$ (2,186)</u>	<u>\$ (8,744)</u>	<u>\$ (2,186)</u>	<u>\$ (10,930)</u>	<u>\$ (2,186)</u>	<u>\$ (13,116)</u>	<u>\$ (2,186)</u>	<u>\$ (15,302)</u>	
<b>Collection Sewers Gravity</b>														
17085 Sewer Transmission Line	1/1/1974	50			\$ -									
<b>T&amp;D Equipment</b>														
17086 Treatment Plant-Original	1/1/1974	50			\$ -									
17087 Utility Plant Donated	10/31/1978	50			-									
17089 Shelter for ICSO Sampler Rounding	12/31/1981	12			-									
			<u>\$ -</u>		<u>\$ -</u>									
<b>CIAC Fees</b>														
Villas	1/1/1979	50			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Paniolo Club	1/1/1980	50			-	-	-	-	-	-	-	-	-	-
Fairway Terrace	1/1/1990	50	53,158		53,158	\$ (1,063)	\$ (4,253)	\$ (1,063)	\$ (5,316)	\$ (1,063)	\$ (6,379)	\$ (1,063)	\$ (7,442)	
Waikoloa Hills	1/1/1990	50	7,290		7,290	\$ (146)	\$ (583)	\$ (146)	\$ (729)	\$ (146)	\$ (875)	\$ (146)	\$ (1,021)	
Waikoloa Greens	8/1/1991	50	59,841		59,841	\$ (1,197)	\$ (4,787)	\$ (1,197)	\$ (5,984)	\$ (1,197)	\$ (7,181)	\$ (1,197)	\$ (8,378)	
Waikoloa Fairways	12/1/1991	50	30,984		30,984	\$ (620)	\$ (2,479)	\$ (620)	\$ (3,098)	\$ (620)	\$ (3,718)	\$ (620)	\$ (4,338)	
Villages @ Waikoloa Elima Lani	1/1/1992	50	28,705		28,705	\$ (574)	\$ (2,296)	\$ (574)	\$ (2,871)	\$ (574)	\$ (3,445)	\$ (574)	\$ (4,019)	
Paniolo Estates PH-1	7/1/1992	50	26,883		26,883	\$ (538)	\$ (2,151)	\$ (538)	\$ (2,688)	\$ (538)	\$ (3,226)	\$ (538)	\$ (3,764)	
Waikoloa Elementary School	9/1/1994	50	59,518		59,518	\$ (1,190)	\$ (4,761)	\$ (1,190)	\$ (5,952)	\$ (1,190)	\$ (7,142)	\$ (1,190)	\$ (8,333)	
Kekumu I	9/1/1994	50	10,935		10,935	\$ (219)	\$ (875)	\$ (219)	\$ (1,094)	\$ (219)	\$ (1,312)	\$ (219)	\$ (1,531)	
Kekumu II	10/1/1995	50	5,923		5,923	\$ (118)	\$ (474)	\$ (118)	\$ (582)	\$ (118)	\$ (711)	\$ (118)	\$ (829)	
Kekumu III	1/1/1997	50	4,556		4,556	\$ (91)	\$ (364)	\$ (91)	\$ (456)	\$ (91)	\$ (547)	\$ (91)	\$ (638)	
Fire Station	11/1/1997	50			-									
U. S. Post Office	6/19/1999	23			-									
Rounding				1			1							
			<u>\$ 287,794</u>	<u>\$ -</u>	<u>\$ 287,794</u>	<u>\$ (5,756)</u>	<u>\$ (23,023)</u>	<u>\$ (5,756)</u>	<u>\$ (28,779)</u>	<u>\$ (5,756)</u>	<u>\$ (34,535)</u>	<u>\$ (5,756)</u>	<u>\$ (40,291)</u>	
Subtotal			<u>\$ 397,092</u>	<u>\$ -</u>	<u>\$ 397,092</u>	<u>\$ (7,942)</u>	<u>\$ (31,767)</u>	<u>\$ (7,942)</u>	<u>\$ (39,709)</u>	<u>\$ (7,942)</u>	<u>\$ (47,651)</u>	<u>\$ (7,942)</u>	<u>\$ (55,593)</u>	
Waikoloa Heights - recorded as deferred credit		50	335,898		335,898	\$ (6,718)	\$ (26,872)	\$ (6,718)	\$ (33,590)	\$ (6,718)	\$ (40,308)	\$ (6,718)	\$ (47,026)	
Total at issue in Docket No. 00-0440			<u>\$ 732,990</u>	<u>\$ -</u>	<u>\$ 732,990</u>	<u>\$ (14,660)</u>	<u>\$ (58,639)</u>	<u>\$ (14,660)</u>	<u>\$ (73,299)</u>	<u>\$ (14,660)</u>	<u>\$ (87,959)</u>	<u>\$ (14,660)</u>	<u>\$ (102,618)</u>	
<b>Tax on add'l CIAC for Kekumu projects to reflect amounts per WHSC's CIAC tariff</b>														
Kekumu I		50			\$ 12,825	\$ (257)	\$ (1,026)	\$ (257)	\$ (1,283)	\$ (257)	\$ (1,539)	\$ (257)	\$ (1,796)	
Kekumu II		50			6,947	\$ (139)	\$ (556)	\$ (139)	\$ (695)	\$ (139)	\$ (834)	\$ (139)	\$ (973)	
Kekumu III		50			5,344	\$ (107)	\$ (428)	\$ (107)	\$ (534)	\$ (107)	\$ (641)	\$ (107)	\$ (748)	
					<u>\$ 25,116</u>	<u>\$ (502)</u>	<u>\$ (2,009)</u>	<u>\$ (502)</u>	<u>\$ (2,512)</u>	<u>\$ (502)</u>	<u>\$ (3,014)</u>	<u>\$ (502)</u>	<u>\$ (3,516)</u>	
Total Amortization for Dkt 05-0329					<u>\$ 422,208</u>	<u>\$ (8,444)</u>	<u>\$ (33,777)</u>	<u>\$ (8,444)</u>	<u>\$ (42,221)</u>	<u>\$ (8,444)</u>	<u>\$ (50,665)</u>	<u>\$ (8,444)</u>	<u>\$ (59,109)</u>	

WEST HAWAII SEWER COMPANY  
Net Plant In Service  
and  
Accumulated DIT

	Bal @ 2000	Est 2001 Deprn Exp	Act 2001 Deprn Exp	Est Bal @ 2001	Actual Bal @ 2001	2002 Deprn Exp	Bal @ 2002	2003 Deprn Exp	Bal @ 2003	2004 Deprn Exp	Bal @ 2004	Adj Bal @ 2004*	2005 Deprn Exp	Bal @ 2005	2006 Deprn Exp	Bal @ 2006	2007 Deprn Exp	Bal @ 2007
plant in service	\$ 3,636,757			\$ 3,665,929	\$ 3,658,907		\$ 3,694,465		\$ 3,737,434		\$ 3,841,324	\$ 3,803,910		\$ 3,838,659		\$ 3,844,077		\$ 3,931,771
accumulated depreciation	\$ (962,107)	\$ (108,486)	\$ (109,941)	\$ (1,070,593)	\$ (1,072,048)	\$ (103,009)	\$ (1,175,057)	\$ (97,386)	\$ (1,272,443)	\$ (101,005)	\$ (1,373,448)	\$ (1,336,034)	\$ (106,863)	\$ (1,442,897)	\$ (104,773)	\$ (1,547,670)	\$ (111,209)	\$ (1,658,879)
net plant in service	\$ 2,674,650			\$ 2,595,336	\$ 2,586,859		\$ 2,519,408		\$ 2,464,991		\$ 2,467,876	\$ 2,467,876		\$ 2,395,762		\$ 2,296,407		\$ 2,272,892
Average PIS				\$ 3,651,343	\$ 3,647,832		\$ 3,676,686		\$ 3,715,950		\$ 3,789,379			\$ 3,821,285		\$ 3,841,368		\$ 3,887,924
Average Accum Deprn				\$ (1,016,350)	\$ (1,017,078)		\$ (1,123,553)		\$ (1,223,750)		\$ (1,322,946)			\$ (1,389,466)		\$ (1,495,284)		\$ (1,603,275)
Less Amortization of CIAC		\$ 50,334	\$ 50,334			\$ 50,334		\$ 50,334		\$ 50,334			\$ 50,334		\$ 28,483		\$ 28,483	
Net Depreciation Expense		\$ (58,152)	\$ (59,607)			\$ (52,675)		\$ (47,052)		\$ (50,671)			\$ (56,529)		\$ (76,290)		\$ (82,726)	
Deprn Exp per F/S			\$ 76,565			\$ 69,633		\$ 64,011		\$ 67,630			\$ 73,487		\$ 71,397		\$ 77,834	
Diff between above and F/S			\$ (16,958)			\$ (16,958)		\$ (16,959)		\$ (16,959)			\$ (16,958)		\$ 4,893		\$ 4,892	

1 The difference of \$16,958 is the sum of the \$14,660 plus the \$2,298 differences.

The \$14,660 difference between refund schedule and the amounts reported on the Company's annual financial statement is due to the \$14,660 amortization of the \$732,990 income tax gross up adjustment to the CIAC balances. The \$2,298 difference is due to the amortization of the \$114,944 adjustment to the CIAC net of tax amounts received for the Kekumu I, II and III projects as follows:

Kekumu I	\$ 58,695	50 yr pd	\$ 1,174
Kekumu II	\$ 31,793	50 yr pd	\$ 635
Kekumu III	\$ 24,456	50 yr pd	\$ 489
	\$ 114,944		\$ 2,298

note: WHSC adjusted the ledger total of \$3,838,659 for an additional \$28,841 for the A-plant Railer that presumably was acquired on 12/31/05. However, the ledger details indicated that on 12/31/04 there as a cost of \$29,221.02 for the A-plant trailer. Thus, although the total shown on this schedule agrees with the PUC annual report, the amount has been excluded for this computation since the asset was not reflected in the fixed asset balances for subsequent years and appears to be duplicative of the amounts shown in 2004

\* Reflects removal of \$37,414 for two assets that appeared to have been disposed in July 2005 (i.e., the \$32236 for the sludge truck equipment Acct 17111 and \$5,178 for the A-plant restroom Acct 17018.

Computation of Deferred Income Tax

	Bal @ 2000	2001 Deprn Exp	Est Bal @ 2001	Actual Bal @ 2001	2002 Deprn Exp	Bal @ 2002	2003 Deprn Exp	Bal @ 2003	2004 Deprn Exp	Bal @ 2004	Adj Bal @ 2004*	2005 Deprn Exp	Bal @ 2005	2006 Deprn Exp	Bal @ 2006	2007 Deprn Exp	Bal @ 2007
Accumulated Book Depreciation						\$ (1,175,057)		\$ (1,272,443)		\$ (1,373,448)	\$ (1,336,034)		\$ (1,442,897)		\$ (1,547,670)		\$ (1,658,879)
Accumulated Tax Depreciation						\$ (1,656,870)		\$ (1,825,386)		\$ (2,001,414)	\$ (1,996,236)		\$ (2,161,738)		\$ (2,306,436)		\$ (2,445,952)
Difference between Book and Tax Accum Deprn						\$ 481,813		\$ 552,943		\$ 627,966	\$ 660,202		\$ 718,841		\$ 758,766		\$ 787,073
Federal Tax Rate						34%		34%		34%	34%		34%		34%		34%
Computed Accumulated DIT			\$ 260,386	\$ 285,083		\$ 163,816		\$ 188,001		\$ 213,508	\$ 224,469		\$ 244,406		\$ 257,980		\$ 267,605
Average Federal ADIT				\$ 272,735		\$ 224,450		\$ 175,909		\$ 200,755			\$ 234,437		\$ 251,193		\$ 262,793
Accumulated Book Depreciation						\$ (1,175,057)		\$ (1,272,443)		\$ (1,373,448)	\$ (1,336,034)		\$ (1,442,897)		\$ (1,547,670)		\$ (1,658,879)
Accumulated Tax Depreciation						\$ (1,656,870)		\$ (1,825,386)		\$ (2,001,414)	\$ (1,996,236)		\$ (2,161,738)		\$ (2,306,436)		\$ (2,445,952)
Difference between Book and Tax Accum Deprn			\$ 765,841	\$ 838,479		\$ 481,813		\$ 552,943		\$ 627,966	\$ 660,202		\$ 718,841		\$ 758,766		\$ 787,073
State Tax Rate			6.015%	6.015%		6.015%		6.015%		6.015%	6.015%		6.015%		6.015%		6.015%
Computed Accumulated DIT			\$ 46,065	\$ 50,435		\$ 28,981		\$ 33,260		\$ 37,772	\$ 39,711		\$ 43,238		\$ 45,640		\$ 47,342
Average Hawaii State ADIT				\$ 48,250		\$ 39,708		\$ 31,120		\$ 35,516			\$ 41,475		\$ 44,439		\$ 46,491
Total Average ADIT				\$ 320,984		\$ 264,158		\$ 207,029		\$ 236,270	\$ -		\$ 275,912		\$ 295,632		\$ 309,284

WEST HAWAII SEWER COMPANY  
STATE CAPITAL GOODS EXCISE TAX CREDIT

	Bal @ 2000	2001 Amort	Est Bal @ 2001	2002 Amort	Bal @ 2002	2003 Amort	Bal @ 2003	2004 Amort	Bal @ 2004	2005 Amort	Bal @ 2005	2006 Amort	Bal @ 2006	2007 Amort	Bal @ 2007
Balance at Year End	\$ 77,760		\$ 74,672		\$ 73,049		\$ 72,058		\$ 73,172		\$ 71,023		\$ 70,347		\$ 68,319
Average			\$ 76,216		\$ 73,861		\$ 72,554		\$ 72,615		\$ 72,098		\$ 70,685		\$ 69,333

## WEST HAWAII SEWER COMPANY REFUND COMPUTATION

	<b>Estimated Earnings in Excess of 10% of Depreciated Rate Base</b>	<b>Cummulative Estimated Earnings in Excess of 10% Depreciated Rate Base</b>	<b>Estimated Annual Interest on Estimated Earnings in Excess of 10% of Depreciated Rate Base</b>	<b>Total Estimated Refund</b>
2001	12,915	12,915	1,291	
2002	53,119	66,033	6,603	
2003	25,944	91,978	9,198	
2004	-	91,978	9,198	
2005	-	91,978	9,198	
2006	-	91,978	9,198	
2007	-	91,978	9,198	
<b>Totals</b>	<b>91,978</b>	<b>91,978</b>	<b>53,884</b>	<b>145,861</b>

WEST HAWAII SEWER COMPANY  
REFUND PER CUSTOMER

Account No.	Customer	2001, 2002 & 2003 ER's	2001, 2002 & 2003 Refund
30125060	WAIKOLOA HIGHLAND ASSOC	17	2,007.76
30126060	WAIKOLOA HIGHLAND ASSOC	17	2,007.76
31000010	PANILO CLUB AOA - PH.I	24	2,834.49
31000020	WAIKOLOA VILLAGE CONDO.	38	4,487.94
31000030	WAIKOLOA VILLAS AOA	104	12,282.78
31000040	WAIKOLOA GARDENS	24	2,834.49
32000010	PANILO CLUB AOA - PH.II	36	4,251.73
32000040	AOA WAIKOLOA HILLS	78	9,212.08
33000040	ELIMA LANI	128	15,117.27
34000040	ELIMA LANI	88	10,393.12
35000040	AOA FAIRWAY TERRACE	72	8,503.46
35040000	WAIKOLOA FAIRWAYS ASSOC	51	6,023.29
36000040	AOA FAIRWAY TERRACE	128	15,117.27
36001000	MENDEZ, WAYNE	1	118.10
36002000	REHM, CRAIG	1	118.10
36003000	FERREIRA, DON	1	118.10
36004000	NAKAMOTO, STANLEY S.	1	118.10
36005000	JORDAN, DEBRA MARIE	1	118.10
36006000	NAUKA, RICHARD	1	118.10
36007000	LIMAHAI, KENDALE	1	118.10
36008000	MORATZ, JEFFREY	1	118.10
36009000	HAHLBECK, WARREN J.	1	118.10
36010000	GUERPO, TERESITA	1	118.10
36012000	RUIZ, GREGORY A.	1	118.10
36014000	DORER, DONALD	1	118.10
36015000	MARQUEZ, MAILE	1	118.10
36016000	DELA CRUZ, ROMEO	1	118.10
36017000	ENRIQUEZ, ERNESTO	1	118.10
36020000	VIERRA, MAUREEN	1	118.10
36021000	ARIBAL, ANITA	1	118.10
36023000	NAKAMURA, KURT	1	118.10
36024000	NAHOOIKA, DIANE	1	118.10
36027000	LUCZAK, CLIFFORD	1	118.10
36029000	DUHAYLONGSOD, CIRIACO	1	118.10
36030000	COLOMA, ROLANDO B.	1	118.10
36034000	KANIHO SR., MICHAEL K.	1	118.10
36035000	HEWINES, CAMERON	1	118.10
36036000	BALSIMO, SCOTT	1	118.10
36038000	MICHALSKE, DENNIS	1	118.10
36040000	CACERES, DOIRON K.	1	118.10
36041000	KOJIS, RICHARD	1	118.10
36042000	AKAU, SOLOMON K.	1	118.10
36043000	KAHIHIKOLO, MICHAEL D.	1	118.10
36044000	AWANA, ERIK N.	1	118.10
36045000	ROOT, SHELLEY	1	118.10
36046000	SMITH, TERRY GLEN	1	118.10
36047000	SALAZAR, MURRAY	1	118.10
36049000	SANCHEZ, MICHAEL	1	118.10
36050000	KIKAU, DAVID	1	118.10
36051000	TASAKA, CLYDE	1	118.10
36052000	PALOS, JOHN	1	118.10
36054000	RUDDLE, GENIE	1	118.10
36056000	ATSUMI, TAMAR	1	118.10
36059000	GONZALES, RONALD	1	118.10
36060000	FRANC, DAVID	1	118.10
36061000	TOTTEN, JOHN	1	118.10
36062000	GACAYAN, KARL L.	1	118.10
36064000	LAPINID, FLOYD	1	118.10
36065000	LLAGUNO, ERNESTO	1	118.10
36066000	BETER JR., GABRIEL M.	1	118.10
36067000	CALAPRE, REBECCA	1	118.10
36070000	IWAMOTO, EDWIN	1	118.10
36072000	SAMPSON, JON	1	118.10
36073000	VEA, MONTY W.	1	118.10
36075000	JOST, FAWN	1	118.10
36079000	MAHARAJ, SOM	1	118.10
36080000	KING, MICHAEL	1	118.10
36081000	THATCHER, DOUG	1	118.10
36083000	CROZIER, SCOTT	1	118.10
36084000	CRAIG, NICHOLAS D.	1	118.10
36085000	KAHALEWAI, ABBEY	1	118.10
36086000	ALVARICO-BROWN, TONI	1	118.10
36090000	DECKER, ROBERT	1	118.10
36091000	ABRAHAM, ROBERT	1	118.10

WEST HAWAII SEWER COMPANY  
REFUND PER CUSTOMER

36092000	KANEKOA, SAMUEL	1	118.10
36093000	KIN IN, RANEE	1	118.10
36094000	KAMEOKA, MICHAEL	1	118.10
36095000	PELFREY, KEOKI	1	118.10
36096000	JAMESON, ELAINE	1	118.10
36100000	IJIMA, LESLIE	1	118.10
36101000	SUMIC, KELVIN W.	1	118.10
36102000	RODRIGUES, RAFAEL	1	118.10
36104000	KOBAYASHI, KEITH A.	1	118.10
36105000	SORIANO, JUDY	1	118.10
36106000	ONTIVEROS, JASON	1	118.10
36108000	LICOAN, NORMA	1	118.10
36109000	ALONZO, ANCELMO	1	118.10
36110000	LINDSEY, MELISSA K.M.	1	118.10
36113000	LERBACK, KIMO	1	118.10
36115000	DELARIES, ROXANNE	1	118.10
36116001	CORREIA, RALPH	1	118.10
36118000	GARCIA, GERMAN	1	118.10
36119000	TAKUSHI, ABRAHAM	1	118.10
36120000	SAVELLA, ELMO	1	118.10
36121000	CANARIO, GARY	1	118.10
36123000	ADAMS, JANICE	1	118.10
36124000	LORANCE, JEFFREY W.	1	118.10
36125001	FRANCIS, STACIE K.	1	118.10
36128000	PIRA, REYNALDO	1	118.10
36129000	RIVERA, GLENN	1	118.10
36130000	ELLIOTT, JAN-MARIE	1	118.10
36133000	ALASKA, MARIETA V.	1	118.10
36135000	BROWN, BOBBY D.	1	118.10
36138000	MC CONNEL, JEFFREY C.	1	118.10
36139000	SHAFFER, WADE T.	1	118.10
36142000	MOKUAHI, GABRIEL	1	118.10
36144000	CORTES, PRECILIANO	1	118.10
36145000	MARIOTTI, LOVELYN K.	1	118.10
36147000	CARLOS, RUDY	1	118.10
36148000	UNDERWOOD, TRUDY	1	118.10
36149000	PLOSKI, ROBERT	1	118.10
36152000	DOWNEY, JOYETTA	1	118.10
36154000	ARAUJO, MARK	1	118.10
36155000	DEMATTOS, SANCIE	1	118.10
36157000	HOEFLING, TANA	1	118.10
36158000	SOARES, MONICA	1	118.10
36159000	SOLIDAY, DAN	1	118.10
36160000	BRIGHT, ANDREW	1	118.10
36161000	CAZIMERO, KELSEY	1	118.10
36162000	REEVES, ARTHUR W.	1	118.10
36165000	CASTRO, BONIFACIO L.	1	118.10
36166000	ABLAO, DANIEL	1	118.10
36167000	FRENCH, TOM	1	118.10
36168000	KURTH, ROBERT	1	118.10
36169000	CASTRO, JAIME	1	118.10
36170000	COVEY, WILLIAM	1	118.10
36171000	SALMO, EDWARD	1	118.10
36172000	ENRIQUEZ, TONY	1	118.10
36174000	SALSEDO, CHERIE-DEE	1	118.10
36175000	SHROPSHIRE, ROBERT	1	118.10
36176000	KING, PATRICK	1	118.10
38000040	GREENS AT WAIKOLOA AOA0	197	23,266.42
39000040	KEKUMI I	48	5,668.97
39251000	SOH-WAIKOLOA SCHOOL	17	2,007.76
39252100	SOH-KEKUMU II	26	3,070.69
39253100	SOH-KEKUMU III	20	2,362.07
39254000	COH-WAIKOLOA FIRE DEPT.	2	236.21
39282000	USPS-NEW PO WAIKOLOA	2	236.21

**Total Refund**

**145,858.00**

ER's	1,235
Total ER's at the End of the Period	1,300
Percentage of Customers Receiving Refunds	95.00%

West Hawaii Sewer Company  
Customers of Record  
2001, 2002, 2003, and 2008

Account No.	Customer	ER's
30125060	WAIKOLOA HIGHLAND ASSOC	17
30125160	WAIKOLOA HIGHLAND ASSOC	
30126060	WAIKOLOA HIGHLAND ASSOC	17
30126160	WAIKOLOA HIGHLAND ASSOC	
31000010	PANILO CLUB AOA - PH.I	24
31000020	WAIKOLOA VILLAGE CONDO.	38
31000030	WAIKOLOA VILLAS AOA	104
31000040	WAIKOLOA GARDENS	24
32000010	PANILO CLUB AOA - PH.II	36
32000040	AOA WAIKOLOA HILLS	78
32000140	AOA WAIKOLOA HILLS	
33000040	ELIMA LANI	128
33000140	ELIMA LANI	
34000040	ELIMA LANI	88
34000140	ELIMA LANI	
35000040	AOA FAIRWAY TERRACE	72
35000140	AOA FAIRWAY TERRACE	
35040000	WAIKOLOA FAIRWAYS ASSOC	51
35140000	WAIKOLOA FAIRWAYS ASSOC	
36000040	AOA FAIRWAY TERRACE	128
36000140	AOA FAIRWAY TERRACE	
36001000	MENDEZ, WAYNE	1
36002000	REHM, CRAIG	1
36003000	FERREIRA, DON	1
36004000	NAKAMOTO, STANLEY S.	1
36005000	JORDAN, DEBRA MARIE	1
36006000	NAUKA, RICHARD	1
36007000	LIMAHAI, KENDALE	1
36008000	MORATZ, JEFFREY	1
36009000	HAHLBECK, WARREN J.	1
36010000	GUERPO, TERESITA	1
36012000	RUIZ, GREGORY A.	1
36014000	DORER, DONALD	1
36015000	MARQUEZ, MAILE	1
36016000	DELA CRUZ, ROMEO	1
36017000	ENRIQUEZ, ERNESTO	1
36020000	VIERRA, MAUREEN	1
36021000	ARIBAL, ANITA	1
36023000	NAKAMURA, KURT	1
36024000	NAHOOIKAIKA, DIANE	1
36027000	LUCZAK, CLIFFORD	1
36029000	DUHAYLONGSOD, CIRIACO	1
36030000	COLOMA, ROLANDO B.	1
36034000	KANIHO SR., MICHAEL K.	1
36035000	HEWINES, CAMERON	1
36036000	BALSIMO, SCOTT	1
36038000	MICHALSKE, DENNIS	1
36040000	CACERES, DOIRON K.	1
36041000	KOJIS, RICHARD	1
36042000	AKAU, SOLOMON K.	1
36043000	KAHIHIKOLO, MICHAEL D.	1
36044000	AWANA, ERIK N.	1
36045000	ROOT, SHELLEY	1
36046000	SMITH, TERRY GLEN	1
36047000	SALAZAR, MURRAY	1
36049000	SANCHEZ, MICHAEL	1
36050000	KIKAU, DAVID	1
36051000	TASAKA, CLYDE	1
36052000	PALOS, JOHN	1
36054000	RUDDLE, GENIE	1
36056000	ATSUMI, TAMAR	1
36059000	GONZALES, RONALD	1
36060000	FRANC, DAVID	1
36061000	TOTTEN, JOHN	1

West Hawaii Sewer Company  
Customers of Record  
2001, 2002, 2003, and 2008

Account No.	Customer	ER's
36062000	GACAYAN, KARL L.	1
36064000	LAPINID, FLOYD	1
36065000	LLAGUNO, ERNESTO	1
36066000	BETER JR., GABRIEL M.	1
36067000	CALAPRE, REBECCA	1
36070000	IWAMOTO, EDWIN	1
36072000	SAMPSON, JON	1
36073000	VEA, MONTY W.	1
36075000	JOST, FAWN	1
36076000	TOM, JOHN KEOLA K.W.	1
36079000	MAHARAJ, SOM	1
36080000	KING, MICHAEL	1
36081000	THATCHER, DOUG	1
36083000	CROZIER, SCOTT	1
36084000	CRAIG, NICHOLAS D.	1
36085000	KAHALEWAI, ABBEY	1
36086000	ALVARICO-BROWN, TONI	1
36090000	DECKER, ROBERT	1
36091000	ABRAHAM, ROBERT	1
36092000	KANEKOA, SAMUEL	1
36093000	KIN IN, RANEE	1
36094000	KAMEOKA, MICHAEL	1
36095000	PELFREY, KEOKI	1
36096000	JAMESON, ELAINE	1
36100000	IJIMA, LESLIE	1
36101000	SUMIC, KELVIN W.	1
36102000	RODRIGUES, RAFAEL	1
36104000	KOBAYASHI, KEITH A.	1
36105000	SORIANO, JUDY	1
36106000	ONTIVEROS, JASON	1
36108000	LICOAN, NORMA	1
36109000	ALONZO, ANCELMO	1
36110000	LINDSEY, MELISSA K.M.	1
36113000	LERBACK, KIMO	1
36115000	DELARIES, ROXANNE	1
36116001	CORREIA, RALPH	1
36118000	GARCIA, GERMAN	1
36119000	TAKUSHI, ABRAHAM	1
36120000	SAVELLA, ELMO	1
36121000	CANARIO, GARY	1
36123000	ADAMS, JANICE	1
36124000	LORANCE, JEFFREY W.	1
36125001	FRANCIS, STACIE K.	1
36128000	PIRA, REYNALDO	1
36129000	RIVERA, GLENN	1
36130000	ELLIOTT, JAN-MARIE	1
36133000	ALASKA, MARIETA V.	1
36135000	BROWN, BOBBY D.	1
36138000	MC CONNEL, JEFFREY C.	1
36139000	SHAFFER, WADE T.	1
36142000	MOKUAHI, GABRIEL	1
36144000	CORTES, PRECILIANO	1
36145000	MARIOTTI, LOVELYN K.	1
36147000	CARLOS, RUDY	1
36148000	UNDERWOOD, TRUDY	1
36149000	PLOSKI, ROBERT	1
36152000	DOWNEY, JOYETTA	1
36154000	ARAUJO, MARK	1
36155000	DEMATTOS, SANCIE	1
36157000	HOEFLING, TANA	1
36158000	SOARES, MONICA	1
36159000	SOLIDAY, DAN	1
36160000	BRIGHT, ANDREW	1
36161000	CAZIMERO, KELSEY	1

**West Hawaii Sewer Company  
Customers of Record  
2001, 2002, 2003, and 2008**

<u>Account No.</u>	<u>Customer</u>	<u>ER's</u>
36162000	REEVES, ARTHUR W.	1
36165000	CASTRO, BONIFACIO L.	1
36166000	ABLAO, DANIEL	1
36167000	FRENCH, TOM	1
36168000	KURTH, ROBERT	1
36169000	CASTRO, JAIME	1
36170000	COVEY, WILLIAM	1
36171000	SALMO, EDWARD	1
36172000	ENRIQUEZ, TONY	1
36174000	SALSEDO, CHERIE-DEE	1
36175000	SHROPSHIRE, ROBERT	1
36176000	KING, PATRICK	1
38000040	GREENS AT WAIKOLOA AOA	197
38000140	GREENS AT WAIKOLOA AOA	
39000040	KEKUMI I	48
39000140	KEKUMI I	
39251000	SOH-WAIKOLOA SCHOOL	17
39251100	SOH-WAIKOLOA SCHOOL	
39252100	SOH-KEKUMU II	26
39253100	SOH-KEKUMU III	20
39254000	COH-WAIKOLOA FIRE DEPT.	2
39282000	USPS-NEW PO WAIKOLOA	2
Subtotal Equivalent Residential Units		1236

**West Hawaii Sewer Company  
Customers of Record  
2002, 2003, and 2008**

36026000	ZIMMERMAN, LEDESMA	1
36032000	BABITS, STEPHEN T.	1
36055000	JONES, MICHAEL A.	1
36107000	SALVADOR, SAMUEL R.	1
36141000	GOUGE, VICTOR	1
36156000	HALL, DENNIS KEITH	1
36164000	VOELLER, RAMONA	1
Subtotal Equivalent Residential Units		7

**West Hawaii Sewer Company  
Customers of Record  
2003 and 2008**

36018000	CHRISTIANSEN, MARK	1
36031000	BRINK, JAN R.	1
36053000	ROSE, GREGORY	1
36088000	WINDSOR, DANNY	1
36114000	ANDREWS, EDUARDO	1
36131000	WIBERG, MATTHEW	1
Subtotal Equivalent Residential Units		6

Total Equivalent Residential Units		1249
Average Equivalent Residential Units 2001-2003		1300
Percentage of 2001-2003 Customers (ER's) as at 8/31/08		96.08%

WEST HAWAII SEWER COMPANY  
Impact on the Results of Operation  
Based on Order 23939 Fixed Charge Rates

	2007	2006	2005	2004	2003	2002	2001
<b>Sewer Revenues</b>							
Flat Rate Revenues	\$ 341,831	\$ 326,743	\$ 318,279	\$ 312,636	\$ 312,196	\$ 311,916	\$ 287,904
Measured Revenues	324,885	297,738	305,373	286,796	305,426	309,995	326,216
<b>Total Sewer Revenues</b>	<b>\$ 666,716</b>	<b>\$ 624,481</b>	<b>\$ 623,652</b>	<b>\$ 599,432</b>	<b>\$ 617,622</b>	<b>\$ 621,911</b>	<b>\$ 614,120</b>
<b>Operating Expenses:</b>							
Salaries & Wages (includes G&A Salaries)	\$ 437,183	\$ 355,716	\$ 378,804	\$ 386,198	\$ 325,603	\$ 289,322	\$ 280,763
Purchased Power	29,766	29,120	24,549	23,952	35,800	32,994	35,955
Fuel for Power Production	33,825	23,474	23,947	16,413	12,978	14,016	15,162
Chemicals	9,457	16,470	13,502	12,971	19,119	21,349	18,870
Materials & Supplies	69,841	55,240	67,175	38,926	34,071	41,702	26,353
Rental of Equipment	21,921	13,920	22,579	12,210	8,751	9,279	5,555
Contractual Service - Acct	10,392	10,068	9,768	9,480	9,384	9,288	9,108
Contractual Service - Legal	13,871	12,364	8,519	8,613	1,281	102	1,931
Contractual Service - Mgmt	20,160	19,308	18,732	18,096	17,916	17,748	16,248
Contractual Service - Other	59,024 *	1,007	500	0	0	0	0
Rental of Building	7,020	7,020	7,020	5,855	7,020	7,020	6,251
Insurance - General Liability	2,834	1,848	5,104	5,276	5,506	3,977	5,651
Insurance - Property Insurance	22,633	4,503	5,234	6,664	7,527	6,175	5,656
Amortization of Rate Case			15,481	15,481	15,481	15,481	15,481
Miscellaneous Expense							
Equipment Operating Leases	9,273	14,566	11,664	11,881	8,593	7,278	5,049
Office Supplies & Misc General	1,117	971	2,765	1,928	1,560	1,182	890
Miscellaneous General Expenses	1,180	1,734	2,105	1,465	1,369	1,897	862
Collection-Contractual Services	-	-	2,582	-	-	-	-
Treat & Disp Maint-Contracts	-	7,058	15,416	6,753	11,718	3,001	2,606
Treat & Disp-Contract Svcs	32,145	2,082	12,598	1,119	452	401	1,225
Collection-Contractual Services	-	-	477	-	-	74	-
Transportation	-	-	-	1,281	450	754	681
Treat & Disp Maint-Expenses	13,471	78	12,224	15,904	10,603	5,177	2,782
Treat & Disp-Contract Svcs	6,599	299	2,152	1,087	209	241	193
<b>Total Miscellaneous</b>	<b>63,785</b>	<b>26,788</b>	<b>61,984</b>	<b>41,419</b>	<b>34,954</b>	<b>20,006</b>	<b>14,288</b>
<b>Total Operating Expenses</b>	<b>\$ 801,712</b>	<b>\$ 576,846</b>	<b>\$ 662,899</b>	<b>\$ 601,554</b>	<b>\$ 535,391</b>	<b>\$ 488,459</b>	<b>\$ 457,272</b>
Taxes Other Than Income Taxes	42,570	39,873	39,820	38,274	39,435	39,709	39,212
Depreciation	82,726	76,290	56,529	50,671	47,052	52,675	59,607
<b>Total Expenses</b>	<b>\$ 927,008</b>	<b>\$ 693,009</b>	<b>\$ 759,248</b>	<b>\$ 690,498</b>	<b>\$ 621,878</b>	<b>\$ 580,843</b>	<b>\$ 556,090</b>
Net Income before Income Taxes	(260,292)	(68,528)	(135,596)	(91,066)	(4,256)	41,068	58,030
Income Taxes	0	0	0	0	0	(7,833)	(11,670)
<b>Net Income after Income Taxes</b>	<b>\$ (260,292)</b>	<b>\$ (68,528)</b>	<b>\$ (135,596)</b>	<b>\$ (91,066)</b>	<b>\$ (4,256)</b>	<b>\$ 33,236</b>	<b>\$ 46,360</b>
<b>Average Depreciated Rate Base</b>	<b>\$ 624,847</b>	<b>\$ 634,471</b>	<b>\$ 477,009</b>	<b>\$ 495,302</b>	<b>\$ 494,523</b>	<b>\$ 442,776</b>	<b>\$ 408,282</b>
<b>Rate of Return</b>	<b>-41.66%</b>	<b>-10.80%</b>	<b>-28.43%</b>	<b>-18.39%</b>	<b>-0.86%</b>	<b>7.51%</b>	<b>11.35%</b>
<b>Computation of Refund:</b>							
Actual Adjusted Net Income (Loss) After Taxes	\$ (260,292)	\$ (68,528)	\$ (135,596)	\$ (91,066)	\$ (4,256)	\$ 33,236	\$ 46,360
Projected Net Income After Taxes (10% of Rate Base)	62,485	63,447	47,701	49,530	49,452	44,278	40,828
<b>Over (Under) Earnings</b>	<b>\$ (322,777)</b>	<b>\$ (131,975)</b>	<b>\$ (183,297)</b>	<b>\$ (140,596)</b>	<b>\$ (53,708)</b>	<b>\$ (11,042)</b>	<b>\$ 5,532</b>
<b>Reconciliation to Expenses per PUC Annual F/S</b>							
Normalized/Adjusted Operating Expenses	\$ 801,712	\$ 576,846	\$ 662,899	\$ 601,554	\$ 535,391	\$ 488,459	\$ 457,272
Amortization of rate case expense not on F/S			(15,481)	(15,481)	(15,481)	(15,481)	(15,481)
Removal of real property tax payment							1,330
footing error on PUC Annual F/S				(1,370)			
Removal of DOH NOV settlement				39,795			
Removal of deferred costs to process 2001 rate case			137,937				
Removal of legal fees to file appeal of 2001 rate case		10,610					
Rounding	1	(1)	(1)	(3)		(1)	1
<b>Per PUC Annual F/S</b>	<b>\$ 801,713</b>	<b>\$ 587,455</b>	<b>\$ 785,354</b>	<b>\$ 624,495</b>	<b>\$ 519,910</b>	<b>\$ 472,977</b>	<b>\$ 443,122</b>

CERTIFICATE OF SERVICE

The foregoing order was served on the date of filing by mail, postage prepaid, and properly addressed to the following parties:

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

BRUCE D. VOSS, ESQ.  
LORI N. TANIGAWA, ESQ.  
BAYS, DEEVER, LUNG, ROSE & HOLMA  
Alii Place, 16<sup>th</sup> Floor  
1099 Alakea Street  
Honolulu, HI 96813

Counsel for Applicant WEST HAWAII SEWER COMPANY

ROBERT S. SPETICH, GENERAL MANAGER  
WEST HAWAII SEWER COMPANY  
150 Waikoloa Beach Drive  
Waikoloa, HI 96738-5703