RULE NO. 1

DEFINITIONS

Advance: (Advance for Construction)
The amount of money paid to the Company for construction which may be subject to refund in whole or in part.

Billing Period:
The time interval between two consecutive meter readings taken or estimates made for billing purposes.

Cogeneration Facility:
A small power production facility or a qualifying facility under Subchapter 2 of the PUC's regulations and Subpart 2 of the regulations of the United States Federal Energy Regulatory Commission regarding qualifying cogeneration and small power production facilities, 18 C.F.R. Part 292.

Commercial Service:
Electric service to a customer service location at other than residential rate schedules.

Commission:
The Public Utilities Commission of the State of Hawaii.

Company:
Kauai Island Utility Cooperative.

Connected Load:
The sum of the rated capacities of all the customer's equipment that can be connected to the Company's service at one time. In determining capacity, one KVA will be considered equivalent to one KW of capacity for rating purpose.

Contribution: (Contribution in Aid of Construction)
Money, property or services contributed to the Company for construction which is not subject to refund or reimbursement in whole or in part.
RULE NO. 1 (Continued)

DEFINITIONS

Customer:
The person, group of persons, firm, corporation, association, institution, governmental agency or civic body, in whose name electric service is rendered (regardless of the actual identity of the user of the service) as stated on the application, contract or agreement for service or, in the absence of an instrument, by acceptance of service or by the receipt and payment of bills for service issued in the customer's name.

Customer's Installation:
The service entrance equipment, wiring, appliances, and equipment of any kind or nature, owned by the customer, and located on the customer's side of the point of delivery.

Date of Presentation:
The date on which a bill or notice is postmarked, if mailed, or the date of delivery to the customer by other means.

Electric Plant:
Includes all real estate, fixtures and property owned, controlled, operated, or managed in connection with or to facilitate the production, generation, transmission, delivery or furnishing of electricity for light, heat or power or other electric end-uses.

Establishment of Service:
Service to a new service address.

 Interruption of Service:
Any disturbance of the electric service where power to customers is interrupted for any reason for any length of time.

Limitation of Service:
The limiting of single phase (120/240 volt) or network (120/208 volt) service by use of a voltage-and/or current-limiting device.

Line Extension:
All facilities excluding line transformers, service connection, and meters, required to extend electric service from the Company's existing facilities to the customer's point of delivery.

Master Metering:
Service to multi-family accommodations, hotel, commercial, or industrial customers through one meter on a single premise where the individual tenants are not submetered.
RULE NO. 1 (Continued)

DEFINITIONS

Mailed:
A notice or other communication will be considered "mailed" when it is deposited in any United States post office box addressed to the customer with postage prepaid.

Meter:
Any device or instrument that measures or registers or records the integral of an electrical quantity with respect to time.

Net Energy Metering:
Measurement of the difference between (1) the electricity supplied through the electric grid, and (2) the electricity generated by a customer and fed back to the electric grid.

Past Due Bill:
Bills not paid within 25 days after date of presentation.

Permanent Service:
Service which is of a permanent and established character.

Point of Delivery:
The point where the Company's conductors are connected to those of the customer regardless of the location of the meters and transformers.

Premises:
A piece of land or real estate, including buildings and other appurtenances thereon.

Pull Box:
An enclosure for joining conductors and facilities for pulling conductors into place. The term as used in the tariff includes "splice cans," "manholes," "handholes" and "switchboard pull sections".

Re-establishment of Service:
Service to a pre-existing service address.

Reconnection of Service:
Service to a service address disconnected or limited for non-payment.

Residential Service:
Electric service to a single family dwelling metered and billed separately by the Company, unless otherwise provided for in these rules.
RULE NO. 1 (Continued)

DEFINITIONS

Separate Premises:
Two or more parcels of land and buildings thereon where the lands are not adjoining land, regardless of whether owned, leased or used by the same person.

Single Family Dwelling:
In addition to the usual single family home residence owned, leased or rented by the occupant, single units, or individual units in apartment buildings, co-ops, or condominiums will be considered as single family dwellings if they each contain all facilities, including a kitchen or kitchenette with range or hotplate, refrigerator, sink and bathroom facilities, for full housekeeping by the occupant, under the individual control of the occupant.

System Peak Demand:
The maximum firm usage during a calendar period.

Tariff:
The entire body of rates, charges, definitions and rules including those services contained in special contracts and supplemental tariffs adopted and filed by the Company as set forth herein and authorized by the Public Utilities Commission.

Termination of Service:
The discontinuance of service to a customer.

Temporary Service:
Services for enterprises or activities which are short-term in nature or of limited duration or whose permanency is yet unknown.

NOTE: (Abbreviations Used)
Their meaning, shall be as follows:

- HP ......................................................... Horsepower
- KW ........................................................ Kilowatt
- KWH....................................................... Kilowatthour
- KV ............................................................ Kilovolt
- KVA.......................................................... Kilovoltampere
- KVAR ......................................................... Kilovar
- KVARH..................................................... Kilovarhour