

SCHEDULE "RSP"
Residential Service

RESIDENTIAL SURGE PROTECTION PILOT PROGRAM

Availability:

Applicable to all residential customers that are being provided residential power service and billed by the Company under Schedule "D". This Schedule "RSP" is available on a pilot basis from April 1, 2007 to March 31, 2010 (pilot program period), and is limited to only the first 100 residential customers per year of each of the 3 years of the pilot program period who are duly selected to participate in the pilot program in accordance with Terms and Conditions No. 1 set forth on Sheet 115. This Schedule "RSP" does not apply where a residence and business are combined.

Rate:

Meter Base Surge Protector (Rental)

One time installation fee: \$40.00*

Monthly meter base rental fee per meter: \$5.00*

Point of Use Surge Protection Devices (Optional to Purchase to Own)

Purchase of each multi-outlet power strip: \$63.00*

Purchase of each single outlet suppressor: \$14.99*

Purchase of each suppressor with phone jack: \$19.99*

*The above-referenced rates, charges and fees are exclusive of applicable taxes and are non-refundable.

Terms and Conditions:

1. The 100 participants per year for each of the 3 years of the pilot program period will be solicited through the Company's external and internal marketing efforts. Interested participants must fully complete and execute (a) an RSP Pilot Program application form attesting, among other things, that he/she is a residential customer currently being provided residential power service under Schedule "D", and (b) an agreement, which includes without limitation indemnification and waiver of liability provisions. The RSP Pilot Program application and agreement form is attached as Exhibit A to this rate schedule. If, in any one year of the 3-year pilot period, more than 100 residential customers indicate an interest in participating in the pilot program, the Company will select only the first 100 participants that have fully completed and duly executed, to the Company's satisfaction, the RSP Pilot Program application and agreement. The Company may, in its discretion, disqualify any residential customer from participating in the pilot program that has not duly completed and executed the RSP Pilot Program application and agreement to the Company's satisfaction. The RSP Pilot Program application and agreement form is merely a request to participate in such pilot program and is not binding until the customer has been selected to participate in the pilot program. In addition, if selected, the application and agreement form does not bind the Company to provide electric service except under conditions and provisions of these tariff rules and rate schedules.

2. A meter base surge protector is a device installed at the service box that fits directly behind the Company's meter. It primarily protects home appliances that are not connected to the outside of the home by a separate non-electric utility wire (e.g., refrigerators and stoves). All meter base surge protectors installed by the Company upon the customer's premise as a result of this pilot program shall continue to be the property of the Company, and may be repaired or replaced by the Company at any time and removed at the termination of this pilot program, the customer's participation in the program, or upon service termination. The customer participating in this pilot program shall exercise reasonable care to prevent the meter base surge protector from being stolen, damaged or destroyed. In the event of loss or damage to the meter base surge protector caused intentionally or arising from neglect, carelessness or misuse by anyone on the customer's premise other than the Company, the cost of necessary repairs or replacement shall be at the expense of the customer. The meter base surge protector will be rented for the monthly charge set forth above and each customer participating in the pilot program will be charged a one-time, per meter, non-refundable installation fee in the amount noted above. The amounts noted above are exclusive of any applicable taxes, and the customer shall be responsible for paying any applicable taxes on said amounts. There will be no additional charge for removing the meter base surge protector. The customer participating in this pilot program shall also be responsible for (a) inspecting the installed meter base surge protector to ensure that the Light Emitting Diode (LED) indicator on such device, if any, is always illuminated, and (b) immediately notifying the Company as soon as such LED indicator is no longer illuminated.

3. A point of use surge protection device is a piece of equipment that protects electronic devices from higher than needed voltage levels. It primarily protects electronic devices (e.g., televisions and computers) from surges that originate from within the home, from the service and from other wires that connect the devices to the outside, such as telephone and cable television connections. Point of use surge protection devices will be offered as an additional surge protection to each customer participating in the pilot program and such customer has the option to either purchase these devices directly at the Company's business offices in Lihue or have such devices delivered to such customer at the time when the Company installs its meter base suppression unit at the applicable rates described above. The manufacturer's limited warranty for the point of use surge protection device(s) purchased by participating customers is limited to only voltage surges with an impulse lasting less than 1/1000th of a second, and exclude(s) temporary over voltages. (See warranty for specific details.) The Company will also not be responsible for any loss or damage occasioned or caused by the negligence, want of proper care or wrongful act of the customer, the customer's agents, employees or licensees in installing and using these point of use surge protection devices.

4. A residential customer may terminate participation in the pilot program and return to the regular Schedule "D" at any time without penalty, by providing written notice to the Company. The change shall become effective at the start of the next regular billing period following the date of receipt by the Company of the written notice from the residential customer. If a residential customer elects to discontinue participation in the pilot program, the customer will not be permitted to return to this pilot program.

5. The Company may terminate the pilot program at any time without penalty by providing written notice to the residential customers participating in the pilot program. The change shall become effective at the start of the next regular billing period following the date of the Company's written notice.

6. The Company will have the right to suspend or temporarily interrupt the delivery of electric power service to residential customers participating in this pilot program, whenever the Company shall find it necessary for the purpose of making repairs, changes or improvements to its system including, without limitation, the Company's meter and meter base surge protector. In all such cases, reasonable notice thereof will be given to the residential customer as circumstances permit, and the making of such repairs, changes or improvements will be prosecuted as rapidly as may be practicable, and if practicable, at such time as will cause the least inconvenience to the affected residential customer. The Company will not be liable for interruption to or insufficiency of supply of power service, or for any loss, cost, damage or expense of any nature whatsoever, if such events are caused by accident, storm, fire, strikes, riots, war or any cause not within the Company's control through the exercise of reasonable diligence and care.

7. Service supplied under this rate schedule shall be subject to the existing provisions stated in the Company's Tariff.



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For KIUC Use Only:
Date Received: _____
Initials: _____
Project ID: _____

EXHIBIT A OF SCHEDULE "RSP"
APPLICATION AND AGREEMENT FOR
RESIDENTIAL SURGE PROTECTION PILOT PROGRAM

Customer Name ("Applicant"): _____

KIUC Account Number: _____

Service Address: _____

Mailing Address: _____

Residence Phone: () _____ Alternate Phone: () _____

PERTINENT INFORMATION AND TERMS AND CONDITIONS

1. Participation in this Residential Surge Protection ("RSP") Pilot Program is voluntary and open to all residential customers of Kauai Island Utility Cooperative (the "Company" or "KIUC") that are being provided residential power service and billed by the Company under Schedule "D". This program will be implemented on a pilot basis from February 1, 2007 to January 31, 2010 (pilot program period) and is limited to only the first 100 residential customers for each year of the pilot program period. Interested participants must fully complete and execute this RSP Pilot Program application and agreement form ("Application") attesting, among other things, that he/she is a residential customer currently being provided residential power service under Schedule "D", and also indemnifying, waiving and releasing the Company from liability as set forth below.

2. The meter base surge protector will be Company-owned and rented for the monthly charge set forth in Schedule "RSP" of the Company's Tariff. Each customer participating in the pilot program will be charged a one-time, per meter, non-refundable installation fee to install the meter base surge protector in the amount shown on said Schedule "RSP". All of the applicable rates, charges, and fees shown on said Schedule "RSP" are exclusive of applicable taxes (i.e., the customer shall be responsible to pay for any applicable taxes) and will also be non-refundable.

3. In addition, the following point of use surge protection devices will be offered by the Company as additional surge protection devices: (1) 10 outlet power strip; (2) single outlet suppressor; and (3) suppressor with phone jack. Each customer participating in the pilot program has the option to either purchase these devices directly at the Company's business offices in Lihue or have such devices delivered to such customer at the time when the Company installs its meter base suppression unit: The charges for each of these devices are shown on Schedule "RSP" of the Company's Tariff.

Issued: March 29, 2007
By: Randall J. Hee, P.E., President
and C.E.O.

Effective: April 1, 2007
Decision and Order No. 23317

EXHIBIT A OF SCHEDULE "RSP" (Continued)

4. For more information regarding the above and other specific terms and conditions of this pilot program, please see Schedule "RSP", a copy of which can be obtained either at the Company's office, and any other information and brochures that will be developed and distributed by the Company through its internal and external marketing efforts.

AGREEMENT

By signing this Application, Applicant agrees to the following:

1. Applicant shall abide by the Company's Tariff on file with the Hawaii Public Utilities Commission including, without limitation, the terms and conditions noted above and as stated in Schedule "RSP".
2. Unless otherwise set forth in the Company's Tariff, Applicant agrees to indemnify, defend and hold the Company, its employees, agents and independent contractors harmless from and against any and all injury, loss, damage or liability (or any claims in respect to the foregoing), costs or expenses (including reasonable attorneys' fees and court costs) arising directly or indirectly from the installation, use, maintenance, repair or removal of the surge protector and other protection devices installed or purchased by the Company as part of this pilot program, except to the extent attributable to the grossly negligent or intentional act or omission of the Company, its employees, agents or independent contractors. Applicant hereby waives and releases any and all claims that he or she may have against the Company, its employees, agents and independent contractors pursuant to the above.
3. Applicant agrees that neither he/she nor any person acting on Applicant's behalf shall install, repair, remove, service or otherwise tamper with the meter base surge protector or any related Company-owned equipment, and that Applicant's premises shall at all times be properly grounded according to the National Electric Code. Applicant also agrees to (a) inspect the installed meter base surge protector to ensure that the Light Emitting Diode ("LED") indicator on such device, if any, is always illuminated, and (b) immediately notify the Company as soon as such LED indicator is no longer illuminated.
4. Consistent with Rule No. 14G. of the Company's Tariff, the Company shall have the right of ingress to and egress from a participating customer's premises at all reasonable hours for any purposes reasonably connected with the furnishing of services under the pilot program and the exercise of any and all rights secured to it by law or the Tariff. If this right is impaired by any locked gates, doors or other facilities or mechanism, the customer shall furnish, at the customer's expense, a company lockset or padlock or lockbox combination.
5. Applicant understands and agrees that all of the surge protection device(s) offered as part of this pilot program:
 - (a) must be properly installed to protect connected equipment or appliances from surges entering Applicant's residence through telephone lines, cable television, outside antenna wires and other means not mentioned herein;
 - (b) will not protect against direct or indirect high energy lightning strikes beyond the manufacturer's rated energy absorption level, and, in that connection, Applicant agrees that the Company is not responsible for any damage from weather or lightning related incidences; and
 - (c) is covered solely by the applicable manufacturer's limited warranty, and that the Company makes no representation or warranty whatsoever, either express or implied, of merchantability and/or fitness for a particular purpose.

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EXHIBIT A OF SCHEDULE "RSP" (Continued)

6. Applicant understands and agrees that the meter base surge protector offered as part of this pilot program:

(a) is an integral part of the electric meter, and thus can only be installed and removed by qualified Company employees;

(b) is strictly a power line surge suppressor, and as such, will not protect household electrical devices from additional surges that originate from within the home through other sources such as telephone and cable television connections, antennas, and satellite dishes; and

(c) is covered solely by the applicable manufacturer's limited warranty, and that the Company makes no representation or warranty whatsoever, either express or implied, of merchantability and/or fitness for a particular purpose.

7. If any portion of this Application is not completed and executed to the Company's satisfaction, the Company may, in its discretion, disqualify Applicant from participating in this pilot program.

The undersigned hereby agrees and acknowledges the above. The undersigned further attests that he or she is a residential customer under Schedule "D" and is applying to the Company to participate in the RSP Pilot Program at the above location, and, in consideration of participating in such pilot program, agrees to pay all charges arising out of the service provided under Schedule "RSP" and to abide by all terms, conditions, and provisions of the Company's Tariff, as the same may be amended from time to time.

Dated

Signature

Printed Name

_____ (Applicant's initials, if not interested in purchasing point of use surge protection devices). Applicant is aware and acknowledges that although the Company is offering optional point of use surge protection devices, Applicant has decided not to exercise his or her option to purchase such devices from the Company as part of this pilot program.

_____ (Applicant's initials). Applicant has received and acknowledges reading a copy of the manufacturer's limited warranty for the meter base surge protector.