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PUBLIC UTILITIES COMMISSION

Annual Report of

Industry Type Electric

Period Ending 12/31/16

Initials ✓

Maui Electric Company, Limited

State exact corporate name of respondent

210 Kamehameha Avenue, Kahului, HI 96732

Address of Respondent's Principal Business Office

To the

Public Utilities Commission

State of Hawaii

For the year ending

December 31, 2016

Approved Annual Report
for
Electric Utilities

Revised Form
Approved by Public Utilities Commission

FERC FORM NO. 1/3-Q:
REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER

IDENTIFICATION

01 Exact Legal Name of Respondent	02 Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	End of 2016/Q4

03 Previous Name and Date of Change *(if name changed during year)*
/ /

04 Address of Principal Office at End of Period *(Street, City, State, Zip Code)*
210 Kamehameha Avenue, Kahului, HI 96732

05 Name of Contact Person	06 Title of Contact Person
Patsy Nanbu	Assistant Treasurer

07 Address of Contact Person *(Street, City, State, Zip Code)*
900 Richards Street, Honolulu, HI 96813

08 Telephone of Contact Person, *Including Area Code*	09 This Report Is	10 Date of Report *(Mo, Da, Yr)*
(808) 543-7424	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016

ANNUAL CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

01 Name	03 Signature	04 Date Signed *(Mo, Da, Yr)*
Patsy Nanbu	Patsy Nanbu	/ /
02 Title: Assistant Treasurer		

Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

LIST OF SCHEDULES (Electric Utility)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
1	General Information	101	
2	Control Over Respondent	102	
3	Corporations Controlled by Respondent	103	NA
4	Officers	104	
5	Directors	105	
6	Information on Formula Rates	106(a)(b)	NA
7	Important Changes During the Year	108-109	
8	Comparative Balance Sheet	110-113	
9	Statement of Income for the Year	114-117	
10	Statement of Retained Earnings for the Year	118-119	
11	Statement of Cash Flows	120-121	
12	Notes to Financial Statements	122-123	
13	Statement of Accum Comp Income, Comp Income, and Hedging Activities	122(a)(b)	
14	Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep	200-201	
15	Nuclear Fuel Materials	202-203	NA
16	Electric Plant in Service	204-207	
17	Electric Plant Leased to Others	213	NA
18	Electric Plant Held for Future Use	214	
19	Construction Work in Progress-Electric	216	
20	Accumulated Provision for Depreciation of Electric Utility Plant	219	
21	Investment of Subsidiary Companies	224-225	NA
22	Materials and Supplies	227	
23	Allowances	228(ab)-229(ab)	NA
24	Extraordinary Property Losses	230	NA
25	Unrecovered Plant and Regulatory Study Costs	230	NA
26	Transmission Service and Generation Interconnection Study Costs	231	
27	Other Regulatory Assets	232	
28	Miscellaneous Deferred Debits	233	
29	Accumulated Deferred Income Taxes	234	NA
30	Capital Stock	250-251	
31	Other Paid-in Capital	253	NA
32	Capital Stock Expense	254	
33	Long-Term Debt	256-257	
34	Reconciliation of Reported Net Income with Taxable Inc for Fed Inc Tax	261	
35	Taxes Accrued, Prepaid and Charged During the Year	262-263	
36	Accumulated Deferred Investment Tax Credits	266-267	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

LIST OF SCHEDULES (Electric Utility) (continued)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
37	Other Deferred Credits	269	
38	Accumulated Deferred Income Taxes-Accelerated Amortization Property	272-273	NA
39	Accumulated Deferred Income Taxes-Other Property	274-275	
40	Accumulated Deferred Income Taxes-Other	276-277	
41	Other Regulatory Liabilities	278	
42	Electric Operating Revenues	300-301	
43	Regional Transmission Service Revenues (Account 457.1)	302	NA
44	Sales of Electricity by Rate Schedules	304	
45	Sales for Resale	310-311	NA
46	Electric Operation and Maintenance Expenses	320-323	
47	Purchased Power	326-327	
48	Transmission of Electricity for Others	328-330	NA
49	Transmission of Electricity by ISO/RTOs	331	NA
50	Transmission of Electricity by Others	332	NA
51	Miscellaneous General Expenses-Electric	335	
52	Depreciation and Amortization of Electric Plant	336-337	
53	Regulatory Commission Expenses	350-351	
54	Research, Development and Demonstration Activities	352-353	
55	Distribution of Salaries and Wages	354-355	
56	Common Utility Plant and Expenses	356	NA
57	Amounts included in ISO/RTO Settlement Statements	397	NA
58	Purchase and Sale of Ancillary Services	398	NA
59	Monthly Transmission System Peak Load	400	
60	Monthly ISO/RTO Transmission System Peak Load	400a	NA
61	Electric Energy Account	401	
62	Monthly Peaks and Output	401	
63	Steam Electric Generating Plant Statistics	402-403	
64	Hydroelectric Generating Plant Statistics	406-407	NA
65	Pumped Storage Generating Plant Statistics	408-409	NA
66	Generating Plant Statistics Pages	410-411	

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MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

LIST OF SCHEDULES (Electric Utility) (continued)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
67	Transmission Line Statistics Pages	422-423	
68	Transmission Lines Added During the Year	424-425	NA
69	Substations	426-427	
70	Transactions with Associated (Affiliated) Companies	429	
71	Footnote Data	450	
	Stockholders' Reports Check appropriate box: [ ] Two copies will be submitted [ ] No annual report to stockholders is prepared		

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

GENERAL INFORMATION

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

Sharon M. Suzuki, President
210 Kamehameha Avenue
Kahului, HI 96732

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

Respondent was incorporated on April 28, 1921 and is validly existing as a corporation under the laws of the State of Hawaii.

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

None

4. State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.

Electric Utility - Class "A"

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

(1) [ ] Yes...Enter the date when such independent accountant was initially engaged:
(2) [X] No

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

CONTROL OVER RESPONDENT

1. If any corporation, business trust, or similar organization or a combination of such organizations jointly held control over the repondent at the end of the year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiearies for whom trust was maintained, and purpose of the trust.

The respondent has been a wholly-owned subsidiary of Hawaiian Electric Company, Inc., since November 1, 1968.

Effective July 1, 1983, Hawaiian Electric Company, Inc., became a wholly-owned subsidiary of Hawaiian Electric Industries, Inc.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

OFFICERS

1. Report below the name, title and salary for each executive officer whose salary is $50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.
2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)
1	1. OFFICERS		
2	President	Sharon M. Suzuki	
3	Financial Vice President	Tayne S. Y. Sekimura	
4	Vice President	Darcy L. Endo-Omoto	
5	Vice President and Secretary	Susan A. Li	
6	Vice President	Joseph P. Viola	
7	Treasurer	Lorie Ann Nagata	
8	Assistant Treasurer	Patsy H. Nanbu	
9	Assistant Treasurer	Paul Franklin	
10	Assistant Secretary	Cyd Kau'i Awai-Dickson	
11	Assistant Secretary	Julie R. Smolinski	
12			
13	2. CHANGES DURING THE YEAR		
14	SEE FOOTNOTE		
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FOOTNOTE DATA

Schedule Page: 104 Line No.: 14 Column: a

Effective June 3, 2016, Paul Franklin was appointed as Assistant Treasurer.

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

DIRECTORS

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.
2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.

Line No.	Name (and Title) of Director (a)	Principal Business Address (b)
1	1. DIRECTORS	
2	Alan M. Oshima (Chairman)	Honolulu, Hawaii
3	Sharon M. Suzuki	Kahului, Hawaii
4	Constance H. Lau	Honolulu, Hawaii
5	Tayne S. Y. Sekimura	Honolulu, Hawaii
6		
7	2. EXECUTIVE COMMITTEE	
8	None.	
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Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

IMPORTANT CHANGES DURING THE QUARTER/YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 104 or 105 of the Annual Report Form No. 1, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. (Reserved.)
12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.
13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

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SEE PAGE 109 FOR REQUIRED INFORMATION.

Line No.	Important Changes During the Quarter/Year
1	None
2	None
3	None
4	None
5	None
6	None
7	None
8	None
9	See 2016 10-K pages 114-122, "Note 4 Electric utility segment - Commitments and contingencies".
10	None
11	(Reserved)
12	None
13	See "Officers" and "Directors" on pages 104 and 105, respectively.
14	Not applicable

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	**UTILITY PLANT**			
2	Utility Plant (101-106, 114)	200-201	1,114,287,913	1,082,225,191
3	Construction Work in Progress (107)	200-201	19,037,710	15,874,504
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		1,133,325,623	1,098,099,695
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	509,745,467	493,964,938
6	Net Utility Plant (Enter Total of line 4 less 5)		623,580,156	604,134,757
7	Nuclear Fuel in Process of Ref., Conv.,Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		0	0
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0
14	Net Utility Plant (Enter Total of lines 6 and 13)		623,580,156	604,134,757
15	Utility Plant Adjustments (116)		0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	**OTHER PROPERTY AND INVESTMENTS**			
18	Nonutility Property (121)		1,559,128	1,559,128
19	(Less) Accum. Prov. for Depr. and Amort. (122)		27,272	27,272
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	0	0
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other Investments (124)		0	0
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		0	0
29	Special Funds (Non Major Only) (129)		0	0
30	Long-Term Portion of Derivative Assets (175)		0	0
31	Long-Term Portion of Derivative Assets – Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		1,531,856	1,531,856
33	**CURRENT AND ACCRUED ASSETS**			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		2,043,595	5,380,481
36	Special Deposits (132-134)		0	0
37	Working Fund (135)		4,250	4,250
38	Temporary Cash Investments (136)		0	0
39	Notes Receivable (141)		393,286	454,310
40	Customer Accounts Receivable (142)		17,311,426	18,833,777
41	Other Accounts Receivable (143)		2,123,321	1,291,215
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		175,588	193,863
43	Notes Receivable from Associated Companies (145)		10,000,000	7,500,000
44	Accounts Receivable from Assoc. Companies (146)		708,113	834,273
45	Fuel Stock (151)	227	10,962,262	13,450,863
46	Fuel Stock Expenses Undistributed (152)	227	0	0
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	16,257,962	16,459,768
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	0	0

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MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS) Continued

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	113,089	183,719
55	Gas Stored Underground - Current (164.1)		0	0
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
57	Prepayments (165)		1,645,771	1,670,043
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		0	0
60	Rents Receivable (172)		0	0
61	Accrued Utility Revenues (173)		12,314,187	11,905,544
62	Miscellaneous Current and Accrued Assets (174)		533,600	624,700
63	Derivative Instrument Assets (175)		0	0
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
65	Derivative Instrument Assets - Hedges (176)		0	0
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176		0	0
67	Total Current and Accrued Assets (Lines 34 through 66)		74,235,274	78,399,080
68	**DEFERRED DEBITS**			
69	Unamortized Debt Expenses (181)		913,847	1,105,490
70	Extraordinary Property Losses (182.1)	230a	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b	0	0
72	Other Regulatory Assets (182.3)	232	110,687,845	105,095,255
73	Prelim. Survey and Investigation Charges (Electric) (183)		0	0
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)		0	0
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)		2,532,143	1,967,215
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	9,369,244	10,296,405
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
81	Unamortized Loss on Reaquired Debt (189)		0	0
82	Accumulated Deferred Income Taxes (190)	234	0	0
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		123,503,079	118,464,365
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		822,850,365	802,530,058

Name of Respondent	This Report is:	Date of Report (mo, da, yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	end of 2016/Q4

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	16,875,730	16,875,730
3	Preferred Stock Issued (204)	250-251	5,000,000	5,000,000
4	Capital Stock Subscribed (202, 205)		0	0
5	Stock Liability for Conversion (203, 206)		0	0
6	Premium on Capital Stock (207)		93,506,400	93,506,400
7	Other Paid-In Capital (208-211)	253	0	0
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254b	154,238	153,666
11	Retained Earnings (215, 215.1, 216)	118-119	149,141,231	153,266,179
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
13	(Less) Reaquired Capital Stock (217)	250-251	0	0
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	184,901	230,582
16	Total Proprietary Capital (lines 2 through 15)		264,554,024	268,725,225
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	0	0
19	(Less) Reaquired Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	10,000,000	10,000,000
21	Other Long-Term Debt (224)	256-257	181,000,000	181,000,000
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		0	0
24	Total Long-Term Debt (lines 18 through 23)		191,000,000	191,000,000
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		0	0
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		0	0
29	Accumulated Provision for Pensions and Benefits (228.3)		80,332,586	74,121,248
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		0	0
35	Total Other Noncurrent Liabilities (lines 26 through 34)		80,332,586	74,121,248
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		13,318,589	12,513,400
39	Notes Payable to Associated Companies (233)		0	0
40	Accounts Payable to Associated Companies (234)		4,971,489	4,865,138
41	Customer Deposits (235)		2,994,620	3,791,387
42	Taxes Accrued (236)	262-263	25,386,671	29,325,193
43	Interest Accrued (237)		2,802,140	3,033,748
44	Dividends Declared (238)		79,407	79,417
45	Matured Long-Term Debt (239)		0	0

Name of Respondent	This Report is:	Date of Report (mo, da, yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [x] An Original (2) [ ] A Resubmission	12/31/2016	end of 2016/Q4

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		0	0
48	Miscellaneous Current and Accrued Liabilities (242)		4,465,398	5,437,446
49	Obligations Under Capital Leases-Current (243)		0	0
50	Derivative Instrument Liabilities (244)		0	0
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0
52	Derivative Instrument Liabilities - Hedges (245)		0	0
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	0
54	Total Current and Accrued Liabilities (lines 37 through 53)		54,018,314	59,045,729
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		6,800,833	5,899,694
57	Accumulated Deferred Investment Tax Credits (255)	266-267	15,123,025	14,729,836
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	105,782,737	98,822,053
60	Other Regulatory Liabilities (254)	278	4,327,618	2,481,219
61	Unamortized Gain on Reaquired Debt (257)		0	0
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	0	0
63	Accum. Deferred Income Taxes-Other Property (282)		62,523,025	55,341,205
64	Accum. Deferred Income Taxes-Other (283)		38,388,203	32,363,849
65	Total Deferred Credits (lines 56 through 64)		232,945,441	209,637,856
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		822,850,365	802,530,058

FOOTNOTE DATA

Schedule Page: 112 Line No.: 59 Column: c

Line 59 columns (c) and (d) includes $97,870,216 and $91,061,643 at December 31, 2016 and December 31, 2015, respectively, of Contributions in Aid of Construction as prescribed by NARUC System of Accounts and authorized by the Hawaii Public Utilities Commission.

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

STATEMENT OF INCOME

Quarterly
1. Report in column (c) the current year to date balance. Column (c) equals the total of adding the data in column (g) plus the data in column (i) plus the data in column (k). Report in column (d) similar data for the previous year. This information is reported in the annual filing only.
2. Enter in column (e) the balance for the reporting quarter and in column (f) the balance for the same three month period for the prior year.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in column (k) the quarter to date amounts for other utility function for the current year quarter.
4. Report in column (h) the quarter to date amounts for electric utility function; in column (j) the quarter to date amounts for gas utility, and in column (l) the quarter to date amounts for other utility function for the prior year quarter.
5. If additional columns are needed, place them in a footnote.

Annual or Quarterly if applicable
5. Do not report fourth quarter data in columns (e) and (f)
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility columnin a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	308,587,550	345,487,562		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	191,925,685	226,429,263		
5	Maintenance Expenses (402)	320-323	21,426,864	18,400,154		
6	Depreciation Expense (403)	336-337	24,790,472	24,026,224		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337				
8	Amort. & Depl. of Utility Plant (404-405)	336-337				
9	Amort. of Utility Plant Acq. Adj. (406)	336-337				
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)					
13	(Less) Regulatory Credits (407.4)					
14	Taxes Other Than Income Taxes (408.1)	262-263	29,226,892	32,695,744		
15	Income Taxes - Federal (409.1)	262-263				
16	- Other (409.1)	262-263	431,605	-116,113		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	13,219,621	14,271,522		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277				
19	Investment Tax Credit Adj. - Net (411.4)	266	-6,469	33,045		
20	(Less) Gains from Disp. of Utility Plant (411.6)		1,612,397	1,578,021		
21	Losses from Disp. of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)					
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)					
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		279,402,273	314,161,818		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27		29,185,277	31,325,744		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

STATEMENT OF INCOME FOR THE YEAR (Continued)

9. Use page 122 for important notes regarding the statement of income for any account thereof.
10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
11 Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purches, and a summary of the adjustments made to balance sheet, income, and expense accounts.
12. If any notes appearing in the report to stokholders are applicable to the Statement of Income, such notes may be included at page 122.
13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year to Date (in dollars) (g)	Previous Year to Date (in dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)	
						1
308,587,550	345,487,562					2
						3
191,925,685	226,429,263					4
21,426,864	18,400,154					5
24,790,472	24,026,224					6
						7
						8
						9
						10
						11
						12
						13
29,226,892	32,695,744					14
						15
431,605	-116,113					16
13,219,621	14,271,522					17
						18
-6,469	33,045					19
1,612,397	1,578,021					20
						21
						22
						23
						24
279,402,273	314,161,818					25
29,185,277	31,325,744					26

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

STATEMENT OF INCOME FOR THE YEAR (continued)

Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL Current Year (c)	TOTAL Previous Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
27	Net Utility Operating Income (Carried forward from page 114)		29,185,277	31,325,744		
28	Other Income and Deductions					
29	Other Income					
30	Nonutilty Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)					
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)					
33	Revenues From Nonutility Operations (417)					
34	(Less) Expenses of Nonutility Operations (417.1)		4,278	4,692		
35	Nonoperating Rental Income (418)					
36	Equity in Earnings of Subsidiary Companies (418.1)	119				
37	Interest and Dividend Income (419)		135,339	77,065		
38	Allowance for Other Funds Used During Construction (419.1)		900,672	683,032		
39	Miscellaneous Nonoperating Income (421)		573,659	434,938		
40	Gain on Disposition of Property (421.1)					
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		1,605,392	1,190,343		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)					
44	Miscellaneous Amortization (425)		10,060	75,895		
45	Donations (426.1)		50,457	52,167		
46	Life Insurance (426.2)					
47	Penalties (426.3)		4,500	11,910		
48	Exp. for Certain Civic, Political & Related Activities (426.4)		3,192	2,159		
49	Other Deductions (426.5)		2,838	726,634		
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		71,047	868,765		
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	3,240	5,875		
53	Income Taxes-Federal (409.2)	262-263				
54	Income Taxes-Other (409.2)	262-263	-138	-321,721		
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	15,650	-130,021		
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277				
57	Investment Tax Credit Adj.-Net (411.5)					
58	(Less) Investment Tax Credits (420)					
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		18,752	-445,867		
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		1,515,593	767,445		
61	Interest Charges					
62	Interest on Long-Term Debt (427)		8,395,697	8,224,839		
63	Amort. of Debt Disc. and Expense (428)		484,106	491,705		
64	Amortization of Loss on Reaquired Debt (428.1)					
65	(Less) Amort. of Premium on Debt-Credit (429)					
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)					
67	Interest on Debt to Assoc. Companies (430)		650,000	673,593		
68	Other Interest Expense (431)		20,022	432,254		
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		365,715	274,728		
70	Net Interest Charges (Total of lines 62 thru 69)		9,184,110	9,547,663		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		21,516,760	22,545,526		
72	Extraordinary Items					
73	Extraordinary Income (434)					
74	(Less) Extraordinary Deductions (435)					
75	Net Extraordinary Items (Total of line 73 less line 74)					
76	Income Taxes-Federal and Other (409.3)	262-263				
77	Extraordinary Items After Taxes (line 75 less line 76)					
78	Net Income (Total of line 71 and 77)		21,516,760	22,545,526		

FOOTNOTE DATA

Schedule Page: 114 Line No.: 20 Column: h

Line 20 column (c) & (g) includes the following items which do not fit into the prescribed format:

2015	Year to Date (c) & (g)
Amortization of:	
Contributions in Aid of Construction	$ (1,907,533)
Investment Income Differential	10,662
Regulatory Assets	318,849
	$ (1,578,022)

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		153,266,179	146,276,579
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4				
5				
6				
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10				
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		21,516,760	22,545,527
17	Appropriations of Retained Earnings (Acct. 436)			
18				
19				
20				
21				
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
24			-381,240	(381,240)
25				
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)		-381,240	(381,240)
30	Dividends Declared-Common Stock (Account 438)			
31			-25,260,468	(15,174,687)
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-25,260,468	(15,174,687)
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		149,141,231	153,266,179
	APPROPRIATED RETAINED EARNINGS (Account 215)			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
39				
40				
41				
42				
43				
44				
45	TOTAL Appropriated Retained Earnings (Account 215)			
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)			
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)			
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)			
48	TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)		149,141,231	153,266,179
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account			
	Report only on an Annual Basis, no Quarterly			
49	Balance-Beginning of Year (Debit or Credit)			
50	Equity in Earnings for Year (Credit) (Account 418.1)			
51	(Less) Dividends Received (Debit)			
52				
53	Balance-End of Year (Total lines 49 thru 52)			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

STATEMENT OF CASH FLOWS

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 78(c) on page 117)	21,516,760	22,545,527
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	23,178,074	22,448,202
5	Amortization of Other	2,139,171	2,137,529
6	Impairment of Utility Assets		724,164
7	Other	-426,643	-254,781
8	Deferred Income Taxes (Net)	12,661,612	13,706,563
9	Investment Tax Credit Adjustment (Net)	-6,469	33,045
10	Net (Increase) Decrease in Receivables	1,365,705	10,385,097
11	Net (Increase) Decrease in Inventory	2,761,037	5,068,086
12	Net (Increase) Decrease in Allowances Inventory		
13	Net Increase (Decrease) in Payables and Accrued Expenses	-1,134,861	-5,378,581
14	Net (Increase) Decrease in Other Regulatory Assets	-868,954	104,285
15	Net Increase (Decrease) in Other Regulatory Liabilities	1,222,293	-381,601
16	(Less) Allowance for Other Funds Used During Construction	900,672	683,032
17	(Less) Undistributed Earnings from Subsidiary Companies		
18	Other (provide details in footnote):		
19	Changes in other assets and liabilities	-7,141,118	-10,305,988
20			
21			
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	54,365,935	60,148,515
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-32,667,864	-34,578,044
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction		-683,032
31	Other (provide details in footnote):		
32	Contributions in Aid of Construction	3,077,413	2,124,194
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-29,590,451	-31,770,818
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)	30,848	83,838
38			
39	Investments in and Advances to Assoc. and Subsidiary Companies	-2,500,000	-7,500,000
40	Contributions and Advances from Assoc. and Subsidiary Companies		
41	Disposition of Investments in (and Advances to)		
42	Associated and Subsidiary Companies		
43			
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

STATEMENT OF CASH FLOWS

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper: and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
46	Loans Made or Purchased		
47	Collections on Loans		
48			
49	Net (Increase) Decrease in Receivables		
50	Net (Increase) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Other (provide details in footnote):		
54			
55			
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	-32,059,603	-39,186,980
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)		5,000,000
62	Preferred Stock		
63	Common Stock		
64	Other (provide details in footnote):		
65			
66	Net Increase in Short-Term Debt (c)		
67	Other (provide details in footnote):		
68			
69			
70	Cash Provided by Outside Sources (Total 61 thru 69)		5,000,000
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)		
74	Preferred Stock		
75	Common Stock		
76	Other (provide details in footnote):		
77	Debt Issuing Costs	-1,500	-54,260
78	Net Decrease in Short-Term Debt (c)		-5,600,000
79			
80	Dividends on Preferred Stock	-381,250	-381,250
81	Dividends on Common Stock	-25,260,468	-15,174,687
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	-25,643,218	-16,210,197
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	-3,336,886	4,751,338
87			
88	Cash and Cash Equivalents at Beginning of Period	5,384,731	633,393
89			
90	Cash and Cash Equivalents at End of period	2,047,845	5,384,731

Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein..
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

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SEE PAGE 123 FOR REQUIRED INFORMATION.

Notes to Consolidated Financial Statements

1 · Summary of significant accounting policies

General

Hawaiian Electric and its wholly-owned operating subsidiaries, Hawaii Electric Light Company, Inc. (Hawaii Electric Light) and Maui Electric Company, Limited (Maui Electric), are regulated public electric utilities (collectively, the Utilities) in the business of generating, purchasing, transmitting, distributing and selling electric energy on all major islands in Hawaii other than Kauai. Hawaiian Electric also owns Renewable Hawaii, Inc. (RHI), Uluwehiokama Biofuels Corp. (UBC) and HECO Capital Trust III.

Basis of presentation. In preparing the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP), management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses. Actual results could differ significantly from those estimates.

Material estimates that are particularly susceptible to significant change include the amounts reported for property, plant and equipment; pension and other postretirement benefit obligations; contingencies and litigation; income taxes; regulatory assets and liabilities; and electric utility revenues.

Consolidation. The consolidated financial statements include the accounts of Hawaiian Electric and its subsidiaries. The consolidated financial statements exclude subsidiaries which are variable interest entities (VIEs) when the Utilities are not the primary beneficiaries. Investments in companies over which the Utilities have the ability to exercise significant influence, but not control, are accounted for using the equity method.

Regulation by the Public Utilities Commission of the State of Hawaii (PUC). The Utilities are regulated by the PUC and account for the effects of regulation under FASB ASC Topic 980, "Regulated Operations." As a result, the actions of regulators can affect the timing of recognition of revenues, expenses, assets and liabilities. Management believes the Utilities' operations currently satisfy the ASC Topic 980 criteria. If events or circumstances should change so that those criteria are no longer satisfied, the Utilities expect that their regulatory assets, net of regulatory liabilities, would be charged to the statement of income in the period of discontinuance.

Cash and cash equivalents. The Utilities consider cash on hand, deposits in banks, money market accounts, certificates of deposit, short-term commercial paper of non-affiliates and liquid investments (with original maturities of three months or less) to be cash and cash equivalents.

Accounts receivable. Accounts receivable are recorded at the invoiced amount. The Utilities generally assess a late payment charge on balances unpaid from the previous month. The allowance for doubtful accounts is the Utilities' best estimate of the amount of probable credit losses in the Utilities existing accounts receivable. At December 31, 2016 and 2015, the allowance for customer accounts receivable, accrued unbilled revenues and other accounts receivable was $1.1 million and $1.7 million, respectively.

Equity method. Investments in up to 50%-owned affiliates over which the Utilities have the ability to exercise significant influence over the operating and financing policies and investments in unconsolidated subsidiaries (e.g. HECO Capital Trust III) are accounted for under the equity method, whereby the investment is carried at cost, plus (or minus) the equity in undistributed earnings (or losses) and minus distributions since acquisition. Equity in earnings or losses is reflected in operating revenues. Equity method investments are also evaluated for OTTI.

Property, plant and equipment. Property, plant and equipment are reported at cost. Self-constructed electric utility plant includes engineering, supervision, administrative and general costs and an allowance for the cost of funds used during the construction period. These costs are recorded in construction in progress and are transferred to utility plant when construction is completed and the facilities are either placed in service or become useful for public utility purposes. Costs for betterments that make utility plant more useful, more efficient, of greater durability or of greater capacity are also capitalized. Upon the retirement or sale of electric utility plant, generally no gain or loss is recognized. The cost of the plant retired is charged to accumulated depreciation. Amounts collected from customers for cost of removal (expected to exceed salvage value in the future) are included in regulatory liabilities.

Depreciation. Depreciation is computed primarily using the straight-line method over the estimated lives of the assets being depreciated. Electric utility plant additions in the current year are depreciated beginning January 1 of the following year in accordance with rate-making. Electric utility plant has lives ranging from 20 to 88 years for production plant, from 25 to 65 years for transmission and distribution plant and from 5 to 65 years for general plant. The Utilities' composite annual depreciation rate, which includes a component for cost of removal, was 3.2%, 3.2% and 3.1% in 2016, 2015 and 2014, respectively.

Leases. The Utilities have entered into lease agreements for the use of equipment and office space. The provisions of some of the lease agreements contain renewal options.

The Utilities' operating lease expense was $10 million, $9 million and $9 million in 2016, 2015 and 2014, respectively. The Utilities' future minimum lease payments are as follows:

(in millions)	Hawaiian Electric
2017	$ 6
2018	4
2019	4
2020	3
2021	3
Thereafter	4
	$ 24

Retirement benefits. Pension and other postretirement benefit costs are charged primarily to expense and electric utility plant. Funding for the Utilities' qualified pension plans (Plans) is based on actuarial assumptions adopted by the Pension Investment Committee administering the Plans on the advice of an enrolled actuary. The participating employers contribute amounts to a master pension trust for the Plans in accordance with the funding requirements of the Employee Retirement Income Security Act of 1974, as amended (ERISA), including changes promulgated by the Pension Protection Act of 2006, and considering the deductibility of contributions under the Internal Revenue Code. The Utilities generally fund at least the net periodic pension cost during the year, subject to limits and targeted funded status as determined with the consulting actuary. Under a pension tracking mechanism approved by the Public Utilities Commission of the State of Hawaii (PUC), the Utilities generally will make contributions to the pension fund at the greater of the minimum level required under the law or net periodic pension cost.

Certain health care and/or life insurance benefits are provided to eligible retired employees and the employees' beneficiaries and covered dependents. The Utilities generally fund the net periodic postretirement benefit costs other than pensions (except for executive life) and the amortization of the regulatory asset for postretirement benefits other than pensions (OPEB), while maximizing the use of the most tax advantaged funding vehicles, subject to cash flow requirements and reviews of the funded status with the consulting actuary. The Utilities must fund OPEB costs as specified in the OPEB tracking mechanisms, which were approved by the PUC. Future decisions in rate cases could further impact funding amounts.

The Utilities recognize on their respective balance sheets the funded status of their defined benefit pension and other postretirement benefit plans, as adjusted by the impact of decisions of the PUC.

Environmental expenditures. The Utilities are subject to numerous federal and state environmental statutes and regulations. In general, environmental contamination treatment costs are charged to expense. Environmental costs are capitalized if the costs extend the life, increase the capacity, or improve the safety or efficiency of property; the costs mitigate or prevent future environmental contamination; or the costs are incurred in preparing the property for sale. Environmental costs are either capitalized or charged to expense when environmental assessments and/or remedial efforts are probable and the cost can be reasonably estimated.

Financing costs. Financing costs related to the registration and sale of common stock are recorded in shareholders' equity.

The Utilities use the straight-line method, which approximates the effective interest method, to amortize long-term debt financing costs and premiums or discounts over the term of the related debt. Unamortized financing costs and premiums or discounts on the Utilities' long-term debt retired prior to maturity are classified as regulatory assets (costs and premiums) or liabilities (discounts) and

are amortized on a straight-line basis over the remaining original term of the retired debt. The method and periods for amortizing financing costs, premiums and discounts, including the treatment of these items when long-term debt is retired prior to maturity, have been established by the PUC as part of the rate-making process.

The Utilities use the straight-line method to amortize the fees and related costs paid to secure a firm commitment under their line-of-credit arrangements.

Contributions in aid of construction. The Utilities receive contributions from customers for special construction requirements. As directed by the PUC, contributions are amortized on a straight-line basis over 30 to 55 years as an offset against depreciation expense.

Electric utility revenues. Electric utility revenues are based on rates authorized by the PUC. Revenues related to electric service are generally recorded when service is rendered and include revenues applicable to energy consumed in the accounting period but not yet billed to the customers. Under decoupling, electric utility revenues also incorporate: (1) monthly revenue balancing account (RBA) revenues or refunds for the difference between PUC-approved target revenues and recorded adjusted revenues, which delinks revenues from kilowatthour sales, (2) rate adjustment mechanism (RAM) revenues for escalation in certain operation and maintenance (O&M) expenses and rate base changes and (3) an earnings sharing mechanism, which reduces revenues between rate cases in the event the utility's ratemaking return on average common equity (ROACE) exceeds the ROACE allowed in its most recent rate case. Under the decoupling tariff approved in 2011, the prior year accrued RBA revenues (regulatory asset) and the annual RAM amount are billed from June 1 of each year through May 31 of the following year, which is within 24 months following the end of the year in which they are recorded as required by the accounting standard for alternative revenue programs. See *"Decoupling"* discussion in Note 3.

The rate schedules of the Utilities include energy cost adjustment clauses (ECACs) under which electric rates are adjusted for changes in the weighted-average price paid for fuel oil and certain components of purchased power, and the relative amounts of company-generated power and purchased power. The rate schedules also include purchased power adjustment clauses (PPACs) under which the remaining purchase power expenses are recovered through surcharge mechanisms. The amounts collected through the ECACs and PPACs are required to be reconciled quarterly.

The Utilities' revenues include amounts for various Hawaii state revenue taxes. Revenue taxes are generally recorded as an expense in the year the related revenues are recognized. However, the Utilities' revenue tax payments to the taxing authorities are based on the prior year's billed revenues (in the case of public service company taxes and PUC fees) or on the current year's cash collections from electric sales (in the case of franchise taxes). For 2016, 2015 and 2014, the Utilities included approximately $187 million, $209 million and $267 million, respectively, of revenue taxes in "revenues" and in "taxes, other than income taxes" expense.

Power purchase agreements. If a power purchase agreement (PPA) falls within the scope of ASC Topic 840, "Leases," and results in the classification of the agreement as a capital lease, the Utilities would recognize a capital asset and a lease obligation. Currently, none of the PPAs are required to be recorded as a capital lease.

The Utilities evaluate PPAs to determine if the PPAs are VIEs, if the Utilities are primary beneficiaries and if consolidation is required. See Note 4.

Repairs and maintenance costs. Repairs and maintenance costs for overhauls of generating units are generally expensed as they are incurred.

Allowance for funds used during construction (AFUDC). AFUDC is an accounting practice whereby the costs of debt and equity funds used to finance plant construction are credited on the statement of income and charged to construction in progress on the balance sheet. If a project under construction is delayed for an extended period of time, AFUDC on the delayed project may be stopped after assessing the causes of the delay and probability of recovery.

The weighted-average AFUDC rate was 7.6% in 2016, 7.6% in 2015 and 7.7% in 2014, and reflected quarterly compounding.

Income taxes. Deferred income tax assets and liabilities are established for the temporary differences between the financial reporting bases and the tax bases of the Utilities' assets and liabilities at federal and state tax rates expected to be in effect when such deferred tax assets or liabilities are realized or settled. The ultimate realization of deferred tax assets is dependent upon the generation of future

taxable income during the periods in which those temporary differences become deductible. Valuation allowances are established when necessary to reduce deferred income tax assets to the amount expected to be realized.

The Utilities' investment tax credits are deferred and amortized over the estimated useful lives of the properties to which the credits relate, in accordance with Accounting Standards Codification (ASC) Topic 980, "Regulated Operations."

The Utilities are included in the consolidated income tax returns of HEI. However, income tax expense has been computed for financial statement purposes as if the Utilities filed separate consolidated Hawaiian Electric income tax returns.

Governmental tax authorities could challenge a tax return position taken by management. If the Utilities' position does not prevail, the Utilities' results of operations and financial condition may be adversely affected as the related deferred or current income tax asset might be impaired and charged to expense or an unanticipated tax liability might be incurred.

The Utilities use a "more-likely-than-not" recognition threshold and measurement standard for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

Fair value measurements. Fair value estimates are estimates of the price that would be received to sell an asset, or paid upon the transfer of a liability, in an orderly transaction between market participants at the measurement date. The fair value estimates are generally determined based on assumptions that market participants would use in pricing the asset or liability and are based on market data obtained from independent sources. However, in certain cases, the Utilities use their own assumptions about market participant assumptions based on the best information available in the circumstances. These valuations are estimates at a specific point in time, based on relevant market information, information about the financial instrument and judgments regarding future expected loss experience, economic conditions, risk characteristics of various financial instruments and other factors. These estimates do not reflect any premium or discount that could result if the Utilities were to sell its entire holdings of a particular financial instrument at one time. Because no active trading market exists for a portion of the Utilities' financial instruments, fair value estimates cannot be determined with precision. Changes in the underlying assumptions used, including discount rates and estimates of future cash flows, could significantly affect the estimates. In addition, the tax ramifications related to the realization of the unrealized gains and losses could have a significant effect on fair value estimates, but have not been considered in making such estimates.

The Utilities group their financial assets measured at fair value in three levels outlined as follows:

Level 1: Inputs to the valuation methodology are quoted prices, unadjusted, for identical assets or liabilities in active markets. A quoted price in an active market provides the most reliable evidence of fair value and is used to measure fair value whenever available.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; inputs to the valuation methodology include quoted prices for identical or similar assets or liabilities in markets that are not active; or inputs to the valuation methodology that are derived principally from or can be corroborated by observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Level 3 assets and liabilities include financial instruments whose value is determined using discounted cash flow methodologies, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

Classification in the hierarchy is based upon the lowest level input that is significant to the fair value measurement of the asset or liability. For instruments classified in Level 1 and 2 where inputs are primarily based upon observable market data, there is less judgment applied in arriving at the fair value. For instruments classified in Level 3, management judgment is more significant due to the lack of observable market data.

The Utilities review and update the fair value hierarchy classifications on a quarterly basis. Changes from one quarter to the next related to the observability of inputs in fair value measurements may result in a reclassification between the fair value hierarchy levels and are recognized based on period-end balances.

Impairment of long-lived assets and long-lived assets to be disposed of. The Utilities review long-lived assets and certain identifiable intangibles for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell.

Recent accounting pronouncements.

Revenues from contracts with customers. In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers: (Topic 606)." The core principle of the guidance in ASU No. 2014-09 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should: (1) identify the contract/s with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when, or as, the entity satisfies a performance obligation. ASU No. 2014-09 also requires disclosure of the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

As of December 31, 2016, the Utilities have identified its revenue streams from, and performance obligations to, customers, and are currently evaluating the impacts of the new guidance on its ability to recognize revenue for certain contracts where there is uncertainty regarding collection and accounting for contributions in aid of construction.

The Utilities plan to adopt ASU No. 2014-09 (and subsequently issued revenue-related ASUs, as applicable) in the first quarter of 2018, but has not determined the method of adoption (full or modified retrospective application). The Utilities expect to present more revenue disclosures, but the full impact of adoption of ASU No. 2014-09 on its results of operations, financial condition and liquidity cannot be determined until its evaluation process is complete.

Going concern. In August 2014, the FASB issued ASU No. 2014-15, "Presentation of Financial Statements-Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern," which requires management to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued. Disclosure is required if there is substantial doubt about the entity's ability to continue as a going concern.

The Utilities adopted ASU No. 2014-15 for 2016 and interim periods going forward. Since management has concluded that there are no conditions or events that raise substantial doubt about Utilities' ability to continue as a going concern, there was no impact on Hawaiian Electric's consolidated financial statements.

Extraordinary and unusual items. In January 2015, the FASB issued ASU No. 2015-01, "Income Statement - Extraordinary and Unusual Items (Subtopic 225-20): Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items," which removes the concept of extraordinary items from U.S. GAAP and eliminates the requirement for extraordinary items to be separately presented in the statement of income.

The Utilities adopted ASU 2015-01 prospectively on January 1, 2016 and the adoption did not have a material impact on Hawaiian Electric's consolidated financial statements.

Consolidation. In February 2015, the FASB issued ASU No. 2015-02, "Consolidation (Topic 810): Amendments to the Consolidation Analysis," which modifies the requirements of consolidation with respect to limited partnerships, entities that are similar in nature to limited partnerships or are VIEs. The amended guidance (1) modifies the evaluation of whether limited partnerships and similar legal entities are VIEs or voting interest entities; (2) eliminates the presumption that a general partner should consolidate a limited partnership; (3) changes the analysis related to the evaluation of servicing fees and excludes servicing fees that are deemed commensurate with the level of service required from the determination of the primary beneficiary; (4) clarifies certain consideration related to the consolidation analysis when performing a related party assessment; and (5) provides a scope exception from consolidation guidance for reporting entities that are required to comply with or operate in accordance with requirements that are

similar to those in Rule 2a-7 of the Investment Bank Act of 1940 for registered money market funds.

The Utilities retrospectively adopted ASU No. 2015-02 in the first quarter 2016 and the adoption did not have a material impact on Hawaiian Electric's consolidated financial statements.

Debt issuance costs. In April 2015, the FASB issued ASU No. 2015-03, "Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs," which requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts.

The Utilities retrospectively adopted ASU No. 2015-03 in the first quarter 2016 and the adoption did not have a material impact on Hawaiian Electric's consolidated financial statements.

The table below summarizes the impact to the prior period financial statements of the adoption of ASU No. 2015-03:

(in thousands)	As previously filed	Adjustment from adoption of ASU No. 2015-03	As currently reported
December 31, 2015			
Hawaiian Electric Consolidated Balance Sheet			
Unamortized debt expense	8,341	(7,844)	497
Total other long-term assets	908,327	(7,844)	900,483
Total assets and Total capitalization and liabilities	5,680,054	(7,844)	5,672,210
Long-term debt, net	1,286,546	(7,844)	1,278,702
Total capitalization	3,049,164	(7,844)	3,041,320
Note 3 - Hawaiian Electric Consolidating Balance Sheet			
Hawaiian Electric (parent only)			
Unamortized debt expense	5,742	(5,383)	359
Total other long-term assets	662,430	(5,383)	657,047
Total assets and Total capitalization and liabilities	4,481,558	(5,383)	4,476,175
Long-term debt, net	880,546	(5,383)	875,163
Total capitalization	2,631,164	(5,383)	2,625,781
Hawaii Electric Light			
Unamortized debt expense	1,494	(1,420)	74
Total other long-term assets	130,749	(1,420)	129,329
Total assets and Total capitalization and liabilities	955,935	(1,420)	954,515
Long-term debt, net	215,000	(1,420)	213,580
Total capitalization	514,702	(1,420)	513,282
Maui Electric			
Unamortized debt expense	1,105	(1,041)	64
Total other long-term assets	115,148	(1,041)	114,107
Total assets and Total capitalization and liabilities	831,201	(1,041)	830,160
Long-term debt, net	191,000	(1,041)	189,959
Total capitalization	459,725	(1,041)	458,684

Financial instruments. In January 2016, the FASB issued ASU No. 2016-01, "Financial Instruments-Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities," which, among other things:

- Requires equity investments (except those accounted for under the equity method of accounting, or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income.
- Requires public business entities to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes.

- Requires separate presentation of financial assets and financial liabilities by measurement category and form of financial asset (i.e., securities or loans and receivables).

- Eliminates the requirement for public business entities to disclose the method(s) and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost.

The Utilities plan to adopt ASU No. 2016-01 in the first quarter of 2018 and has not yet determined the impact of adoption.

Leases. In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)," which requires that lessees recognize a liability to make lease payments (the lease liability) and a right-of-use asset, representing its right to use the underlying asset for the lease term, for all leases (except short-term leases) at the commencement date.

The Utilities plans to adopt ASU 2016-02 in the first quarter of 2019 (using a modified retrospective transition approach for leases existing at, or entered into after, January 1, 2017) and has not yet determined the impact of adoption.

Cash Flows. In August 2016, the FASB issued ASU No. 2016-15, "Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments," which provides guidance on eight specific cash flow issues - debt prepayment or debt extinguishment costs, settlement of zero-coupon debt instruments or other debt instruments with coupon interest rates that are insignificant in relation to the effective interest rate of the borrowing; contingent consideration payments made after a business combination, proceeds from the settlement of insurance claims, proceeds from the settlement of corporate-owned life insurance policies (including bank-owned life insurance policies), distributions received from equity method investees, beneficial interests in securitization transactions; and separately identifiable cash flows and application of the predominance principle.

The Utilities plan to adopt ASU 2016-15 in the first quarter of 2018 using a retrospective transition method and has not yet determined the impact of adoption.

Intra-entity transfers of assets other than inventory. In October 2016, the FASB issued ASU No. 2016-16, "Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory," which changes current guidance that prohibits the recognition of current and deferred income taxes for an intra-entity asset transfer until the asset has been sold to an outside party by requiring the recognition of the income tax consequences of such transfer when it occurs.

The Utilities plans to adopt ASU 2016-16 in the first quarter of 2018 using a modified retrospective transition method and believes the impact of adoption will be immaterial to Hawaiian Electric's consolidated financial statements.

Restricted cash. In November 2016, the FASB issued ASU No. 2016-18, "Statement of Cash Flows (Topic 230): Restricted Cash," which requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents.

The Utilities plan to adopt ASU 2016-18 in the first quarter of 2018 using a retrospective transition method and believes the impact of adoption will not be material to Hawaiian Electric's consolidated statements of cash flows.

Reclassifications. Reclassifications made to prior years' financial statements to conform to the 2016 presentation did not affect previously reported results of operations and include additional detail of noncash items in operating activities on the Hawaiian Electric's Consolidated Statements of Cash Flows.

2 · Termination of proposed merger and other matters

On December 3, 2014, HEI, NextEra Energy, Inc. (NEE) and two subsidiaries of NEE entered into an Agreement and Plan of Merger (the Merger Agreement), under which Hawaiian Electric was to become a subsidiary of NEE.

The closing of the Merger was subject to various conditions, including receipt of regulatory approval from the PUC. In January 2015, NEE and Hawaiian Electric filed an application with the PUC requesting approval of the proposed Merger. On July 15, 2016, the PUC dismissed the application without prejudice.

On July 16, 2016, NEE terminated the Merger Agreement. Pursuant to the terms of the Merger Agreement, on July 19, 2016, NEE paid HEI a $90 million termination fee and $5 million for the reimbursement of expenses associated with the transaction. In 2016, the HEI recognized $60 million of net income ($2 million of net loss in each of the first and second quarters and $64 million of net income in the third quarter), comprised of the termination fee ($55 million), reimbursements of expenses from NEE and insurance ($3 million), and additional tax benefits on the previously non-tax-deductible merger- and spin-off-related expenses incurred through June 30, 2016 ($8 million), less merger- and spin-off-related expenses incurred in 2016 ($6 million) (all net of tax impacts). In 2015, the HEI recognized $16 million of merger- and spin-off-related expenses ($5 million in the first quarter, $7 million in the second quarter and $2 million in each of the third and fourth quarters), net of tax impacts. In 2014, the HEI recognized merger- and spin-off-related expenses of $5 million, net of tax impacts, primarily in the fourth quarter. The Spin-Off of ASB Hawaii was cancelled as it was cross-conditioned on the merger consummation.

In May 2016, the Utilities had filed an application for approval of an LNG supply and transport agreement and LNG-related capital equipment and two related applications, which applications were conditioned on the PUC's approval of the proposed Merger. Subsequently, the Utilities terminated the agreement and withdrew the three applications. In 2016, Hawaiian Electric recognized expenses related to the terminated LNG agreement of $1 million, net of tax benefits, in each of the first and second quarters.

Litigation. HEI and its subsidiaries are subject to various legal proceedings that arise from time to time. Some of these proceedings may seek relief or damages in amounts that may be substantial. Because these proceedings are complex, many years may pass before they are resolved, and it is not feasible to predict their outcomes. Some of these proceedings involve claims HEI and Hawaiian Electric believe may be covered by insurance, and HEI and Hawaiian Electric have advised their insurance carriers accordingly.

3 - Other Notes

Regulatory assets and liabilities. Regulatory assets represent deferred costs and accrued decoupling revenues which are expected to be fully recovered through rates over PUC-authorized periods. Generally, the Utilities do not earn a return on their regulatory assets; however, they have been allowed to recover interest on certain regulatory assets and to include certain regulatory assets in rate base. Regulatory liabilities represent amounts included in rates and collected from ratepayers for costs expected to be incurred in the future. For example, the regulatory liability for cost of removal in excess of salvage value represents amounts that have been collected from ratepayers for costs that are expected to be incurred in the future to retire utility plant. Generally, the Utilities include regulatory liabilities in rate base or are required to apply interest to certain regulatory liabilities. In the table below, noted in parentheses are the original PUC authorized amortization or recovery periods and, if different, the remaining amortization or recovery periods as of December 31, 2016 are noted.

Regulatory assets were as follows:

December 31	2016	2015
(in thousands)		
Retirement benefit plans (balance primarily varies with plans' funded statuses)	$ 745,367	$ 679,766
Income taxes, net (1 to 55 years)	90,100	88,039
Decoupling revenue balancing account and RAM regulatory asset (1 to 2 years)	73,485	74,462
Unamortized expense and premiums on retired debt and equity issuances (19 to 30 years; 6 to 18 years remaining)	12,299	14,089
Vacation earned, but not yet taken (1 year)	10,970	10,420
Other (1 to 50 years; 1 to 46 years remaining)	25,230	29,955
	$ 957,451	$ 896,731
Included in:		
Current assets	$ 66,032	$ 72,231
Long-term assets	891,419	824,500
	$ 957,451	$ 896,731

Regulatory liabilities were as follows:

December 31	2016	2015
(in thousands)		
Cost of removal in excess of salvage value (1 to 60 years)	$ 394,072	$ 357,825
Retirement benefit plans (5 years beginning with respective utility's next rate case)	10,824	9,835
Other (5 years; 1 to 2 years remaining)	5,797	3,883
	$ 410,693	$ 371,543
Included in:		
Current liabilities	$ 3,762	$ 2,204
Long-term liabilities	406,931	369,339
	$ 410,693	$ 371,543

The regulatory asset and liability relating to retirement benefit plans was recorded as a result of pension and OPEB tracking mechanisms adopted by the PUC in rate case decisions for the Utilities in 2007 (see Note 7).

Major customers. The Utilities received 11% ($226 million), 11% ($265 million) and 12% ($350 million) of their operating revenues from the sale of electricity to various federal government agencies in 2016, 2015 and 2014, respectively.

Cumulative preferred stock: The following series of cumulative preferred stock are redeemable only at the option of the respective company at the following prices in the event of voluntary liquidation or redemption:

December 31, 2016	Voluntary liquidation price	Redemption
Series		
C, D, E, H, J and K (Hawaiian Electric)	$ 20	$ 21
I (Hawaiian Electric)	20	20
G (Hawaii Electric Light)	100	100
H (Maui Electric)	100	100

Hawaiian Electric is obligated to make dividend, redemption and liquidation payments on the preferred stock of each of its subsidiaries if the respective subsidiary is unable to make such payments, but this obligation is subordinated to Hawaiian Electric's obligation to make payments on its own preferred stock.

Related-party transactions. HEI charged the Utilities $6.5 million, $6.5 million and $7.0 million for general management and administrative services in 2016, 2015 and 2014, respectively. The amounts charged by HEI to its subsidiaries for services provided by HEI employees are allocated primarily on the basis of time expended in providing such services.

Hawaiian Electric's short-term borrowings totaled nil at December 31, 2016 and 2015. The interest charged on short-term borrowings from HEI is based on the lower of HEI's or Hawaiian Electric's effective weighted average short-term external borrowing rate. If both HEI and Hawaiian Electric do not have short-term external borrowings, the interest is based on the average of the effective rate for 30-day dealer-placed commercial paper quoted by the Wall Street Journal plus 0.15%..

Borrowings among the Utilities are eliminated in consolidation. Interest charged by HEI to Hawaiian Electric was $0.04 million in 2016 and nil in each of 2015 and 2014..

Commitments and contingencies.

Fuel contracts. The Utilities have contractual agreements to purchase minimum quantities of low sulfur fuel oil (LSFO), medium sulfur fuel oil (MSFO), diesel fuel and biodiesel for multi-year periods, some through December 2019. Fossil fuel prices are tied to the market prices of crude oil and petroleum products in the Far East and U.S. West Coast and the biodiesel price is tied to the market prices of animal fat feedstocks in the U.S. West Coast and U.S. Midwest. Based on the average price per barrel as of December 31, 2016, the estimated cost of minimum purchases under the fuel supply contracts is $125 million in 2017, $119 million in 2018 and $119 million in 2019. The actual cost of purchases in 2017 and future years could vary substantially from this estimate of minimum

purchases as a result of changes in market prices, quantities actually purchased, entry into new supply contracts and/or other factors. The Utilities purchased $0.4 billion, $0.6 billion and $1.1 billion of fuel under contractual agreements in 2016, 2015 and 2014, respectively.

On February 18, 2016, the Companies signed two fuel supply contracts with Chevron Products Company (Chevron) for: (1) Oahu's LSFO and diesel (for purposes of blending with LSFO) to meet the Environmental Protection Agency's Mercury and Air Toxic Standards; and (2) MSFO, diesel and ultra-low sulfur diesel for Oahu, Maui, Molokai and the island of Hawaii. The contract began on January 1, 2017, terminates on December 31, 2019, and may automatically renew for annual terms thereafter unless terminated earlier by either party. Both of these fuel contracts were recently assigned to Island Energy Services, LLC, a subsidiary of One Rock Capital Partners, L.P., who purchased Chevron's Hawaii assets on November 1, 2016. Both of these fuel contracts replace prior fuel supply contracts with Chevron and Par Hawaii Refining, LLC (Par), which both expired on December 31, 2016.

Hawaii Electric Light also signed a contract with Chevron, now Island Energy Services, LLC, for terminalling services in Hilo, Hawaii for 2017 through 2019. The terminalling services were provided by Chevron as part of the fuel supply contract but as mentioned above, that contract expired December 31, 2016. Now Hilo terminalling services are contracted in a stand-alone contract.

The PUC approved all of the contracts with Chevron, now Island Energy Services, LLC. All of the costs incurred under these contracts are included in the Utilities' respective Energy Cost Adjustment Clauses (ECACs) to the extent such costs are not recovered through the base rates.

Hawaiian Electric also has three contracts for biodiesel. Two of the contracts are with Pacific Biodiesel Technologies, LLC (PBT) and one contingency contract is in place with REG Marketing & Logistics, LLC (REG). PBT has agreed to supply biodiesel to Hawaiian Electric's Campbell Industrial Park (CIP) generating facility through November 2017. The Company intends to seek a one-year extension of this contract through 2018. While fuel is delivered to CIP, the contract provides that biodiesel can be trucked to the Honolulu International Airport Emergency Facility and to any other generating facility on Oahu owned by Hawaiian Electric. Hawaiian Electric intends to shift the biodiesel supply to Schofield generating station when that new facility comes online and as long as the PBT contract remains in effect. PBT also has a spot buy contract with Hawaiian Electric to purchase additional quantities of biodiesel at or below the price of diesel. Very few purchases of "at parity" biodiesel have been purchased, however the contract remains in effect and was recently extended through June 2018.

Hawaiian Electric also has a contingency contract with REG. REG will supply biodiesel in the event PBT is unable to supply quantities above the contract maximum volume, should something unexpected occur. Hawaiian Electric did not purchase any biofuel from REG during 2016. Regardless of no purchases, Hawaiian Electric secured a one-year extension of this contract through November 2017.

The costs incurred under the Utilities' biodiesel contracts are included in their respective ECACs, to the extent such costs are not recovered through the Utilities' base rates.

The energy charge for energy purchased from Kalaeloa Partners, L.P. (Kalaeloa) under Hawaiian Electric's purchase power agreement (PPA) with Kalaeloa is based in part on the price Kalaeloa pays PAR (formerly known as Hawaii Independent Energy, LLC) for LSFO in a fuel contract between the two parties.

Hawaiian Electric and Kalaeloa are currently in negotiations to address the PPA term that ended on May 23, 2016. The PPA automatically extends on a month-to-month basis as long as the parties are still negotiating in good faith. The month-to-month term extensions shall end 60 days after either party notifies the other in writing that negotiations have terminated. On August 1, 2016, Hawaiian Electric and Kalaeloa entered into an agreement that neither party will give written notice of termination of the PPA prior to October 31, 2017. This agreement complements continued negotiations between the parties and accounts for time needed for PUC approval of a negotiated resolution.

The costs incurred for LSFO under Hawaiian Electric's fuel contract with Kalaeloa is included in Hawaiian Electric's ECAC, to the extent such costs are not recovered through base rates.

Power purchase agreements. As of December 31, 2016, the Utilities had five firm capacity PPAs for a total of 551 megawatts

(MW) of firm capacity. Purchases from these five independent power producers (IPPs) and all other IPPs totaled $0.6 billion, $0.6 billion and $0.7 billion for 2016, 2015 and 2014, respectively. The PUC allows rate recovery for energy and firm capacity payments to IPPs under these agreements. Assuming that each of the agreements remains in place for its current term (and as amended) and the minimum availability criteria in the PPAs are met, aggregate minimum fixed capacity charges are expected to be approximately $0.1 billion per year for 2017 through 2021 and a total of $0.4 billion in the period from 2022 through 2033.

In general, the Utilities base their payments under the PPAs upon available capacity and actually supplied energy and they are generally not required to make payments for capacity if the contracted capacity is not available, and payments are reduced, under certain conditions, if available capacity drops below contracted levels. In general, the payment rates for capacity have been predetermined for the terms of the agreements. Energy payments will vary over the terms of the agreements. The Utilities pass on changes in the fuel component of the energy charges to customers through the ECAC in their rate schedules. The Utilities do not operate, or participate in the operation of, any of the facilities that provide power under the agreements. Title to the facilities does not pass to Hawaiian Electric or its subsidiaries upon expiration of the agreements, and the agreements do not contain bargain purchase options for the facilities.

Purchase power adjustment clause. The PUC has approved purchased power adjustment clauses (PPACs) for the Utilities. Purchased power capacity, O&M and other non-energy costs previously recovered through base rates are now recovered in the PPACs and, subject to approval by the PUC, such costs resulting from new purchased power agreements can be added to the PPACs outside of a rate case. Purchased energy costs continue to be recovered through the ECAC to the extent they are not recovered through base rates.

AES Hawaii, Inc. Under a PPA entered into in March 1988, as amended (through Amendment No. 2), for a period of 30 years beginning September 1992, Hawaiian Electric agreed to purchase 180 MW of firm capacity from AES Hawaii. In August 2012, Hawaiian Electric filed an application with the PUC seeking an exemption from the PUC's Competitive Bidding Framework to negotiate an amendment to the PPA to purchase 186 MW of firm capacity, and amend the energy pricing formula in the PPA. The PUC approved the exemption in April 2013, but Hawaiian Electric and AES Hawaii were not able to reach agreement on an amendment. In June 2015, AES Hawaii filed an arbitration demand regarding a dispute about whether Hawaiian Electric was obligated to buy up to 9 MW of additional capacity based on a 1992 letter. Hawaiian Electric responded to the arbitration demand and, in October 2015, AES Hawaii and Hawaiian Electric entered into a Settlement Agreement to stay the arbitration proceeding. The Settlement Agreement included certain conditions precedent which, if satisfied would have released the parties from the claims under the arbitration proceeding. Among the conditions precedent was the successful negotiation of an amendment to the existing purchase power agreement and PUC approval of such amendment.

In November 2015, Hawaiian Electric entered into Amendment No. 3 to the PPA, subject to PUC approval. The arbitration proceeding was stayed to allow for the PUC approval proceeding to proceed. In January 2017, the PUC denied Hawaiian Electric's request to approve Amendment No. 3 to the PPA. Approval of Amendment No. 3 would have satisfied the final condition for effectiveness of the Settlement Agreement and resolved AES Hawaii's claims. Following the PUC's decision, the parties have agreed to extend the stay of the arbitration proceedings for an additional four months, to allow the parties to discuss possible alternative settlement structures.

Hu Honua Bioenergy, LLC. In May 2012, Hawaii Electric Light signed a PPA, which the PUC approved in December 2013, with Hu Honua Bioenergy, LLC (Hu Honua) for 21.5 MW of renewable, dispatchable firm capacity fueled by locally grown biomass from a facility on the island of Hawaii. Per the terms of the PPA, the Hu Honua plant was scheduled to be in service in 2016. However, Hu Honua encountered construction delays, failed to meet its current obligations under the PPA and failed to provide adequate assurances that it could perform or had the financial means to perform. Hawaii Electric Light terminated the PPA on March 1, 2016. Hawaii Electric Light and Hu Honua were in discussions regarding the possibility of reinstating the PPA under revised terms and conditions. However, on November 30, 2016, Hu Honua filed a civil complaint in the United States District Court for the District of Hawaii which included claims purportedly arising out of the termination of Hu Honua's PPA. The complaint named HEI, Hawaiian Electric and Hawaii Electric Light as defendants. HEI, Hawaiian Electric and Hawaii Electric believe the allegations in the complaint are without merit and intend to defend these lawsuits vigorously.

Liquefied natural gas. On May 18, 2016, Hawaiian Electric and Fortis Hawaii Energy Inc. (Fortis Hawaii), an affiliate of Fortis, Inc. (Fortis), entered into a Fuel Supply Agreement (FSA) whereby Fortis Hawaii intended to sell to Hawaiian Electric liquefied natural gas (LNG) to be produced from the LNG facilities on Tilbury Island in Delta, British Columbia, Canada. Pursuant to the FSA,

Fortis Hawaii had arranged, or planned to arrange, for the transportation of gas for delivery to, and liquefaction at, the Tilbury LNG facilities, including with respect to the transport and delivery of LNG across a jetty at such facilities, for the purchase and storage of LNG at such LNG facilities and for the transportation of LNG to delivery points in Hawaii for the benefit of Hawaiian Electric and its subsidiaries. The FSA was subject to approval by the PUC and to the satisfaction of certain conditions precedent, including the consummation of the merger between HEI and NEE. On July 16, 2016, pursuant to the terms of the Merger Agreement, NEE terminated the Merger Agreement. Accordingly, on July 19, 2016, Hawaiian Electric provided notice of termination of the FSA to Fortis Hawaii, effective immediately, and withdrew the application for PUC approval of the FSA, which included a request for approval to commit approximately $341 million to convert existing generating units to use natural gas, and to commit approximately $117 million for containers to support LNG. In addition, on July 19, 2016, Hawaiian Electric withdrew its applications to the PUC for a waiver from the competitive bidding process to allow Hawaiian Electric to construct a modern, efficient, combined cycle generation system at the Kahe power plant that would utilize LNG and to commit $859 million for such project. Hawaiian Electric will continue to evaluate all options to modernize generation using a cleaner fuel to bring price stability and support adding renewable energy for its customers.

Utility projects. Many public utility projects require PUC approval and various permits from other governmental agencies. Difficulties in obtaining, or the inability to obtain, the necessary approvals or permits can result in significantly increased project costs or even cancellation of projects. In the event a project does not proceed, or if it becomes probable the PUC will disallow cost recovery for all or part of a project, or if PUC imposed caps on project costs are exceeded, project costs may need to be written off in amounts that could result in significant reductions in Hawaiian Electric's consolidated net income.

Renewable energy project matters. In May 2012, the PUC instituted a proceeding for a competitive bidding process for up to 50 MW of firm renewable geothermal dispatchable energy (Geothermal RFP) on the island of Hawaii, and in July 2012, Hawaii Electric Light filed an application to defer 2012 costs related to the Geothermal RFP. In November 2015, the PUC approved the deferral of $2.1 million of costs related to the Geothermal RFP, and will review the prudency and reasonableness of the deferred costs in the Hawaii Electric Light 2016 test year rate case. In February 2013, Hawaii Electric Light issued the Final Geothermal RFP. Six bids were received, but Hawaii Electric Light notified bidders that none of the submitted bids sufficiently met both the low-cost and technical requirements of the Geothermal RFP. In October 2014, Hawaii Electric Light issued Addendum No. 1 (Best and Final Offer) and Attachment A (Best and Final Offer Bidder's Response Package) directly to five eligible bidders. The submittals received in January 2015 were considered for final selection of one project to proceed with PPA negotiations. In February 2015, Ormat Technologies, Inc. was selected for an award and began PPA negotiations with Hawaii Electric Light. In February 2016, Hawaii Electric Light provided the PUC with a status update notifying the PUC that Ormat Technologies, Inc. had determined the proposed project not to be economically and financially viable, resulting in termination of PPA negotiations. On March 8, 2016, the Independent Observer issued a report on the results of the negotiation phase of the Geothermal RFP.

In February 2016, Huena Power Inc. (Huena) filed with the PUC a Petition for Declaratory Order (which the PUC later dismissed without prejudice) and a Complaint relating to the Geothermal RFP. Hawaii Electric Light filed a motion to dismiss Huena's Petition which was granted on March 28, 2016. Hawaii Electric Light's motion to dismiss Huena's Complaint is still pending. On December 15, 2016, the PUC issued Order No. 34211 in Docket No. 2016-0027 granting Hawaii Electric Light's motion to dismiss Huena's complaint against Hawaii Electric Light with prejudice and closed the geothermal RFP docket.

Enterprise Resource Planning/Enterprise Asset Management (ERP/EAM) Implementation Project. The Utilities submitted their Enterprise Information System Roadmap to the PUC in June 2014 and refiled an application for an ERP/EAM implementation project in July 2014 with an estimated cost of $82.4 million.

In October 2015, the PUC issued a D&O (1) finding that there is a need to replace the Utilities' existing ERP/EAM system, (2) denying the Utilities request to defer the costs for the ERP software purchased in 2012 and (3) deferring any ruling on whether it is reasonable and in the public interest for the Utilities to commence with the project under two options. As a result, the Utilities expensed the ERP software costs of $4.8 million in the third quarter of 2015. In April 2016, the Utilities filed additional information on the costs and benefits of the project and the Consumer Advocate submitted its reply.

On August 11, 2016, the PUC issued a second D&O approving the Utilities' request to commence the ERP/EAM implementation project, subject to certain conditions, including a $77.6 million cap on cost recovery as well as a requirement that the Utilities pass onto customers a minimum of $244 million in savings associated with the system over its 12-year service life. Pursuant to the D&O and subsequent orders, the Utilities will be required to file: the proposed methods of passing on to customers the estimated monetary

savings attributable to the project by March 31, 2017; a bottom-up, low-level analysis of the project's benefits; performance metrics and tracking mechanism for passing the project's benefits on to customers by September 2017; and monthly reports on the status and costs of the project starting February 2017. The project is expected to go-live by October 1, 2018.

Schofield Generating Station Project. In August 2012, the PUC approved a waiver from the competitive bidding framework to allow Hawaiian Electric to negotiate with the U.S. Army for the construction of a 50 MW utility owned and operated firm, renewable and dispatchable generation facility at Schofield Barracks. In September 2015, the PUC approved Hawaiian Electric's application to expend $167 million for the project. In approving the project, the PUC placed a cost cap of $167 million for the project, stated 90% of the cap is allowed for cost recovery through cost recovery mechanisms other than base rates, and stated the $167 million cap will be adjusted downward due to any reduction in the cost of the engine contract due to a reduction in the foreign exchange rate. Hawaiian Electric was required to take all necessary steps to lock in the lowest possible exchange rate. On January 5, 2016, Hawaiian Electric executed a window forward agreement which lowered the cost of the engine contract by $9.7 million, resulting in a revised project cost cap of $157.3 million. Hawaiian Electric has received all of the major permits for the project, including a 35 year site lease from the U.S. Army. Construction of the facility began in October 2016, and the facility is expected to be placed in service in the first quarter of 2018.

Hamakua Energy Partners, L.P. (HEP) Asset Purchase Agreement. Hawaii Electric Light has been purchasing up to 60 MW (net) of firm capacity from HEP under a power purchase agreement (PPA) that expires on December 30, 2030. The HEP plant currently contributes about 23% of the island of Hawaii's generating capacity. On December 22, 2015, Hawaii Electric Light entered into an agreement, subject to PUC approval, to acquire the assets of HEP for approximately $84.5 million. If approved by the PUC, the agreement to purchase the existing HEP generating assets will terminate the existing PPA. The elimination of certain required capacity payments under the PPA is expected to result in lower costs to customers. Additionally, by owning the plant, Hawaii Electric Light will be able to manage HEP's efficient generating units more productively, providing greater flexibility to cycle HEP's generating units to more effectively manage the Hawaii island grid. This increased operational flexibility will be essential to support and facilitate Hawaii Electric Light's efforts to integrate more renewable energy onto the grid.

A decision on an application requesting PUC approval of Hawaii Electric Light's purchase of the HEP Facility is pending.

Environmental regulation. The Utilities are subject to environmental laws and regulations that regulate the operation of existing facilities, the construction and operation of new facilities and the proper cleanup and disposal of hazardous waste and toxic substances. In recent years, legislative, regulatory and governmental activities related to the environment, including proposals and rulemaking under the Clean Air Act and Clean Water Act (CWA), have increased significantly.

Hawaiian Electric, Hawaii Electric Light and Maui Electric, like other utilities, periodically encounter petroleum or other chemical releases into the environment associated with current or previous operations. The Utilities report and take action on these releases when and as required by applicable law and regulations. The Utilities believe the costs of responding to such releases identified to date will not have a material adverse effect, individually or in the aggregate, on Hawaiian Electric's consolidated results of operations, financial condition or liquidity.

Clean Water Act Section 316(b). On August 14, 2014, the EPA published in the Federal Register the final regulations required by section 316(b) of the CWA designed to protect aquatic organisms from adverse impacts associated with existing power plant cooling water intake structures. The regulations were effective October 14, 2014 and apply to the cooling water systems for the steam generating units at three of Hawaiian Electric's power plants on the island of Oahu. The regulations prescribe a process, including a number of required site-specific studies, for states to develop facility-specific entrainment and impingement controls to be incorporated in each facility's National Pollutant Discharge Elimination System (NPDES) permit. These studies must be completed before Hawaiian Electric and the State of Hawaii Department of Health (DOH) can determine what entrainment or impingement controls, if any, might be necessary at the affected facilities to comply with the new 316(b) rule. Hawaiian Electric will work with the DOH to identify the appropriate compliance methods for the 316(b) rule.

Mercury Air Toxics Standards. On February 16, 2012, EPA published the final rule establishing the National Emission Standards for Hazardous Air Pollutants for fossil-fuel fired steam electrical generating units (EGUs) in the Federal Register. The final rule, known as the Mercury and Air Toxics Standards (MATS), applies to the 14 EGUs at Hawaiian Electric's power plants. MATS established the Maximum Achievable Control Technology standards for the control of hazardous air pollutants emissions from new

and existing EGUs. Hawaiian Electric received a one-year extension to comply by April 16, 2016. Hawaiian Electric initially selected a MATS compliance strategy based on switching to lower emission fuels, but has since continued developing and refining its emission control strategy. Hawaiian Electric's liquid oil-fired steam generating units that are subject to the MATS limits are able to comply with the new standards without a significant fuel switch in combination with a suite of operational changes.

Hawaiian Electric has proceeded with the implementation of the MATS Compliance Plan and has met all compliance requirements to date.

1-Hour Sulfur Dioxide National Ambient Air Quality Standard. On August 1, 2015, the EPA published the Data Requirements Rule for the 2010 1-Hour Sulfur Dioxide (SO2) Primary National Ambient Air Quality Standard (NAAQS). Hawaiian Electric is working with the DOH to gather data the EPA requires through the installation and operation of two new 1-hour SO2 air quality monitoring stations on the island of Oahu. This data will be integrated into the DOH's statewide monitoring network and will assist the State's development of its strategy to maintain the NAAQS and comply with the new 1-Hour SO2 Rule in its State Implementation Plan. The two new 1-hour SO2 air quality monitoring stations have been installed and were placed into operation prior to the EPA regulatory deadline of January 1, 2017.

Potential Clean Air Act Enforcement. On July 1, 2013, Hawaii Electric Light and Maui Electric received a letter from the U.S. Department of Justice (DOJ) alleging potential violations of the Prevention of Significant Deterioration and Title V requirements of the Clean Air Act involving the Hill and Kahului Power Plants. In correspondence dated November 4, 2014, the DOJ also identified potential violations by Hawaiian Electric at its Kahe facility and proposed resolving the identified, potential violations by entering into a consent decree pursuant to which the Utilities would install certain pollution controls and pay a penalty. The Utilities continue to negotiate with the DOJ to resolve these issues, but are unable to estimate the amount or effect of a consent decree, if any, at this time.

Former Molokai Electric Company generation site. In 1989, Maui Electric acquired by merger Molokai Electric Company. Molokai Electric Company had sold its former generation site (Site) in 1983, but continued to operate at the Site under a lease until 1985. The EPA has since identified environmental impacts in the subsurface soil at the Site. Although Maui Electric never operated at the Site or owned the Site property, after discussions with the EPA and the DOH Maui Electric agreed to undertake additional investigations at the Site and an adjacent parcel that Molokai Electric Company had used for equipment storage (the Adjacent Parcel) to determine the extent of environmental contamination. A 2011 assessment by a Maui Electric contractor of the Adjacent Parcel identified environmental impacts, including elevated polychlorinated biphenyls (PCBs) in the subsurface soils. In cooperation with the DOH and EPA, Maui Electric is further investigating the Site and the Adjacent Parcel to determine the extent of impacts of PCBs, residual fuel oils, and other subsurface contaminants. Maui Electric has a reserve balance of $3.6 million as of December 31, 2016 for the additional investigation and estimated cleanup costs at the Site and the Adjacent Parcel; however, final costs of remediation will depend on the results of continued investigation.

Pearl Harbor sediment study. In July 2014, the U.S. Navy notified Hawaiian Electric of the Navy's determination that Hawaiian Electric is a Potentially Responsible Party responsible for cleanup of PCB contamination in sediment in the area offshore of the Waiau Power Plant as part of the Pearl Harbor Superfund Site. The Navy has also requested that Hawaiian Electric reimburse the costs incurred by the Navy to date to investigate the area. The Navy has completed a remedial investigation and a feasibility study (FS) for the remediation of contaminated sediment at several locations in Pearl Harbor and issued its Final FS Report on June 29, 2015. On February 2, 2016, the Navy released the Proposed Plan for Pearl Harbor Sediment Remediation and Hawaiian Electric submitted comments. The extent of the contamination, the appropriate remedial measures to address it and Hawaiian Electric's potential responsibility for any associated costs have not been determined.

On March 23, 2015, Hawaiian Electric received a letter from the EPA requesting that Hawaiian Electric submit a work plan to assess potential sources and extent of PCB contamination onshore at the Waiau Power Plant. Hawaiian Electric submitted a sampling and analysis (SAP) work plan to the EPA and the DOH. Onshore sampling at the Waiau Power Plant was completed in two phases in December 2015 and June 2016. The extent of the onshore contamination, the appropriate remedial measures to address it, and any associated costs have not yet been determined.

As of December 31, 2016, the reserve account balance recorded by Hawaiian Electric to address the PCB contamination was $4.1 million. The reserve represents the probable and reasonably estimable cost to complete the onshore and offshore investigations and the remediation of PCB contamination in the offshore sediment. The final remediation costs will depend on the results of the onshore

investigation and assessment of potential source control requirements, as well as the further investigation of contaminated sediment offshore from the Waiau Power Plant.

Global climate change and greenhouse gas emissions reduction. National and international concerns about climate change and the contribution of greenhouse gas (GHG) emissions (including carbon dioxide emissions from the combustion of fossil fuels) to climate change have led to federal legislative and regulatory proposals and action by the State of Hawaii to reduce GHG emissions.

In July 2007, the State Legislature passed Act 234, which requires a statewide reduction of GHG emissions by January 1, 2020 to levels at or below the statewide GHG emission levels in 1990. On June 20, 2014, the Governor signed the final regulations required to implement Act 234 (i.e., the final GHG rule), which went into effect on June 30, 2014. In general, Act 234 and the corresponding GHG rule require affected sources (that have the potential to emit GHGs in excess of established thresholds) to reduce their GHG emissions by 16% below 2010 emission levels by 2020. In accordance with the GHG rule, the Utilities submitted their Emissions Reduction Plan (EmRP) to the DOH on June 30, 2015, demonstrating how they will comply. The Utilities have committed to a 16% reduction in GHG emissions company-wide. Pursuant to the State's GHG rule, the DOH will incorporate the proposed facility-specific GHG emission limits into each facility's covered source permit based on the 2020 levels specified in Hawaiian Electric's approved EmRP. The GHG rule also requires affected sources to pay an annual fee that is based on tons per year of GHG emissions starting on the effective date of the regulations. The fee for the Utilities is estimated to be approximately $0.5 million annually. The latest assessment of the proposed federal and final state GHG rules is that the continued growth in renewable power generation will significantly reduce the compliance costs and risk for the Utilities.

As part of a negotiated amendment to the Power Purchase Agreement between Hawaiian Electric and AES Hawaii, Hawaiian Electric planned to include the AES Hawaii facility on Oahu as a partner in the Utilities' EmRP. The PUC denied the amendment to the Power Purchase Agreement in January 2017, however Hawaiian Electric and AES Hawaii continue to consider partnership options in the Utilities' EmRP. Additionally, if the proposed acquisition of the Hamakua Energy Partners (HEP) facility by Hawaii Electric Light is approved by the PUC, the GHG emissions from the HEP facility would need to be addressed in the Utilities' EmRP. Hawaiian Electric will work with the DOH on the timing of the EmRP modifications to address these changes in the partnership, if necessary.

The Utilities have taken, and continue to identify opportunities to take, direct action to reduce GHG emissions from their operations, including supporting DSM programs that foster energy efficiency, using renewable resources for energy production and purchasing power from IPPs generated by renewable resources, burning renewable biodiesel in Hawaiian Electric's Campbell Industrial Park combustion turbine No. 1 (CIP CT-1), using biodiesel for startup and shutdown of selected Maui Electric generating units, and testing biofuel blends in other Hawaiian Electric and Maui Electric generating units. The Utilities will continue to pursue the use of cleaner fuels to replace, at least in part, petroleum. Management is unable to evaluate the ultimate impact on the Utilities' operations of more comprehensive GHG regulations that might be promulgated; however, the various initiatives that the Utilities are pursuing are likely to provide a sound basis for appropriately managing the Utilities' carbon footprint and thereby meet both state and federal GHG reduction goals.

While the timing, extent and ultimate effects of climate change cannot be determined with any certainty, climate change is predicted to result in sea level rise. This effect could potentially result in impacts to coastal and other low-lying areas (where much of the Utilities' electric infrastructure is sited), and result in increased flooding and storm damage due to heavy rainfall, increased rates of beach erosion, saltwater intrusion into freshwater aquifers and terrestrial ecosystems, and higher water tables in low-lying areas. The effects of climate change on the weather (for example, more intense or more frequent rain events, flooding, or hurricanes), sea levels, and freshwater availability and quality have the potential to materially adversely affect the results of operations, financial condition and liquidity of the Utilities. For example, severe weather could cause significant harm to the Utilities' physical facilities.

Asset retirement obligations. AROs represent legal obligations associated with the retirement of certain tangible long-lived assets, are measured as the present value of the projected costs for the future retirement of specific assets and are recognized in the period in which the liability is incurred if a reasonable estimate of fair value can be made. The Utilities' recognition of AROs has no impact on their earnings. The cost of the AROs is recovered over the life of the asset through depreciation. AROs recognized by the Utilities relate to obligations to retire plant and equipment, including removal of asbestos and other hazardous materials.

Hawaiian Electric has recorded estimated AROs related to removing retired generating units at its Honolulu and Waiau power plants. These removal projects are ongoing, with activity and expenditures occurring in partial settlement of these liabilities. Both

removal projects are expected to continue through 2017.

Changes to the ARO liability included in "Other liabilities" on Hawaiian Electric's balance sheet were as follows:

(in thousands)	2016	2015
Balance, January 1	$ 26,848	$ 29,419
Accretion expense	10	24
Liabilities incurred	—	—
Liabilities settled	(1,269)	(2,595)
Revisions in estimated cash flows	—	—
Balance, December 31	$ 25,589	$ 26,848

Decoupling. In 2010, the PUC issued an order approving decoupling, which was implemented by Hawaiian Electric on March 1, 2011, by Hawaii Electric Light on April 9, 2012 and by Maui Electric on May 4, 2012. Decoupling is a regulatory model that is intended to facilitate meeting the State of Hawaii's goals to transition to a clean energy economy and achieve an aggressive renewable portfolio standard. The decoupling model implemented in Hawaii delinks revenues from sales and includes annual rate adjustments for certain O&M expenses and rate base changes. The decoupling mechanism has three components: (1) a sales decoupling component via a revenue balancing account (RBA), (2) a revenue escalation component via a rate adjustment mechanism (RAM) and (3) an earnings sharing mechanism, which would provide for a reduction of revenues between rate cases in the event the utility exceeds the ROACE allowed in its most recent rate case. Decoupling provides for more timely cost recovery and earning on investments. Under the decoupling tariff approved in 2011, the annual RAM is accrued and billed from June 1 of each year through May 31 of the following year.

As part of a January 2013 Settlement Agreement with the Consumer Advocate, which was approved by the PUC, for RAM years 2014 - 2016, Hawaiian Electric was allowed to record RAM revenue beginning on January 1 and to bill such amounts from June 1 of the applicable year through May 31 of the following year (current accrual method). After 2016, the RAM provisions approved in 2011 again apply to Hawaiian Electric. Applying the RAM provisions approved in 2011 again for Hawaiian Electric, is equivalent to a reduction of approximately $14 million in pro forma net earnings for Hawaiian Electric in 2017, assuming all other factors are unchanged.

On May 31, 2013, as provided for in its original order issued in 2010 approving decoupling and citing three years of implementation experience for Hawaiian Electric, the PUC opened an investigative docket to review whether the decoupling mechanisms are functioning as intended, are fair to the Utilities and their ratepayers and are in the public interest. The PUC affirmed its support for the continuation of the sales decoupling (RBA) mechanism and stated its interest in evaluating the RAM to ensure it provides the appropriate balance of risks, costs, incentives and performance requirements, as well as administrative efficiency, and whether the current interest rate applied to the outstanding RBA balance is reasonable. In October 2013, the PUC issued orders that bifurcated the proceeding (into Schedule A and Schedule B issues).

On February 7, 2014, the PUC issued a decision and order (D&O) on the Schedule A issues, which made certain modifications to the decoupling mechanism. Specifically, the D&O required:

- A 90% limitation on the incremental current year Rate Base RAM Adjustment effective with the Utilities' 2014 decoupling filing.
- Effective March 1, 2014, the interest rate to be applied on the outstanding RBA balances to be the short term debt rate used in each Utilities last rate case (ranging from 1.25% to 3.25%), instead of the 6% that had been previously approved.

On March 31, 2015, the PUC issued an Order (the March Order) related to the Schedule B portion of the proceeding to make certain further modifications to the decoupling mechanism, and to establish a briefing schedule with respect to certain issues in the proceeding. The March Order modified the RAM portion of the decoupling mechanism to be capped at the lesser of the RAM Revenue Adjustment as currently determined (adjusted to eliminate the 90% limitation on the current RAM Period Rate Base RAM adjustment that was ordered in the Schedule A portion of the proceeding) and a RAM Revenue Adjustment calculated based on the cumulative annual compounded increase in Gross Domestic Product Price Index (GDPPI) applied to the 2014 annualized target revenues (adjusted for certain items specified in the Order) (the RAM Cap). The 2014 annualized target revenues represent the target revenues from the

last rate case, and RAM revenues, offset by earnings sharing credits, if any, allowed under the decoupling mechanism through the 2014 decoupling filing. The Utilities may apply to the PUC for approval of recovery of revenues for Major Projects (including related baseline projects grouped together for consideration as Major Projects) through the RAM above the RAM cap or outside of the RAM through the Renewable Energy Infrastructure Program (REIP) surcharge or other adjustment mechanism. The RAM was amended on an interim basis pending the outcome of the PUC's review of the Utilities' Power Supply Improvement Plans. The triennial rate case cycle required under the decoupling mechanism continues to serve as the maximum period between the filing of general rate cases, and the amendments to the RAM do not limit or dilute the ordinary opportunities for the Utilities to seek rate relief according to conventional/traditional ratemaking procedures.

In making the modifications to the RAM Adjustment, the PUC stated the changes are designed to provide the PUC with control of and prior regulatory review over substantial additions to baseline projects between rate cases. The modifications do not deprive the Utilities of the opportunity to recover any prudently incurred expenditure or limit orderly recovery for necessary expanded capital programs.

The RBA, which is the sales decoupling component, was retained by the PUC in its March Order, and the PUC made no change in the authorized return on common equity. The PUC stated that performance-based ratemaking is not adopted at this time.

As required by the March Order, the parties filed initial and reply briefs related to the following issues: (1) whether and, if so, how the conventional performance incentive mechanisms proposed in this proceeding should be refined and implemented in this docket; (2) what are the appropriate steps, processes and timing for determining measures to improve the efficiency and effectiveness of the general rate case filing and review process; and (3) what are the appropriate steps, processes and timing to further consider the merits of the proposed changes to the ECAC identified in this proceeding. In identifying the issue on possible changes to the ECAC, the PUC stated that changes to the ECAC should be made with great care to avoid unintended consequences.

In accordance with the March Order, the Utilities and the Consumer Advocate filed on June 15, 2015, their *Joint Proposed Modified REIP Framework/Standards and Guidelines* regarding the eligibility of projects for cost recovery above the RAM Cap through the REIP surcharge. On the same date, the Utilities filed their proposed standards and guidelines on the eligibility of projects for cost recovery through the RAM above the RAM Cap. On June 30, 2015, the Consumer Advocate filed comments on this proposal, and the County of Hawaii filed comments on both the REIP and the RAM above the RAM Cap proposals.

The RAM Cap impacted the Utilities' recovery of capital investments as follows:

- Hawaiian Electric's RAM revenues were limited to the RAM Cap in 2015 and 2016. In October 2015, Hawaiian Electric filed an application to recover the revenue requirements associated with 2015 net plant additions in the amount of $40.3 million and other associated costs for its Underground Cable Program and the 138kV Transmission and 46kV Sub-Transmission Structures Major Baseline Projects through the RAM above the 2015 RAM Cap. In April 2016, Hawaiian Electric modified its October 2015 application to reduce its request to recover revenue requirements associated with 2015 net plant additions from $40.3 million to $35.7 million as a result of the extension of bonus depreciation in 2015. In August 2016, the PUC dismissed Hawaiian Electric's October 2015 above the RAM Cap application because the application did not also request approval of the commitment of capital expenditures. Return on plant additions in excess of the amount provided by the RAM is being requested in the Hawaiian Electric 2017 test year rate case.

- Maui Electric's RAM revenues were limited to the RAM Cap in 2015 and 2016. In October 2015, Maui Electric filed an application to recover the revenue requirements associated with 2015 net plant additions in the amount of $4.3 million and other associated costs for its transmission and distribution and generation plant reliability Major Baseline Project through the RAM above the 2015 RAM Cap. In March 2016, Maui Electric withdrew its October 2015 application. Maui Electric determined that the application was unnecessary because it could recover the revenue requirements associated with its 2015 net plant additions under the RAM Cap due to: (1) the extension of bonus depreciation in 2015 which resulted in an increased level of accumulated deferred income taxes as an offset to 2015 net plant additions; and (2) the recorded amount of net plant additions in 2015 was less than the estimate of net plant additions in the application. In anticipation of having plant additions in 2017 in excess of the amount provided for by the RAM. Maui Electric filed an application in August 2016, to recover the revenue requirements associated with 2017 plant additions for the Kaonoulu and Kuihelani substations in the total amount of $27.2 million and other associated costs through the RAM above the 2017 RAM Cap. In September 2016, the Consumer

Advocate recommended the PUC reject the application, and Maui Electric subsequently objected to that recommendation. Maui Electric is awaiting the PUC's decision.

- Hawaii Electric Light's RAM revenues were not limited to the RAM Cap in 2015 or 2016.

Annual decoupling filings. On May 24, 2016, the PUC approved the annual decoupling filings for Hawaiian Electric and Maui Electric and, as amended on May 19, 2016, for Hawaii Electric Light, to go into effect on June 1, 2016. Annual incremental RAM adjusted revenues were $11.0 million, $2.3 million and $2.4 million for Hawaiian Electric, Hawaii Electric Light and Maui Electric, respectively.

Hawaiian Telcom. The Utilities each have separate agreements for the joint ownership and maintenance of utility poles with Hawaiian Telcom, Inc. (Hawaiian Telcom), the respective county or counties in which each utility operates and other third parties, such as the State of Hawaii. The agreements set forth various circumstances requiring pole removal/installation/replacement and the sharing of costs among the joint pole owners. The agreements allow for the cost of work done by one joint pole owner to be shared by the other joint pole owners based on the apportionment of costs in the agreements. The Utilities have maintained, replaced and installed the majority of the jointly-owned poles in each of the respective service territories, and have billed the other joint pole owners for their respective share of the costs. The counties and the State have been fully reimbursing the Utilities for their share of the costs. However, Hawaiian Telcom has been delinquent in reimbursing the Utilities for its share of the costs.

Hawaiian Electric has initiated a dispute resolution process to collect the unpaid amounts from Hawaiian Telcom is proceeding as specified by the joint pole agreement. For Hawaii Electric Light, the agreement does not specify an alternative dispute resolution process, and thus a complaint for payment was filed with the Circuit Court in June 2016. Maui Electric has not yet commenced any legal action to recover the delinquent amounts. As of December 31, 2016, total receivables under the joint pole agreement, including interest, from Hawaiian Telcom are $21.3 million ($14.2 million at Hawaiian Electric, $5.7 million at Hawaii Electric Light, and $1.4 million at Maui Electric). Management expects to prevail on these claims but has reserved for the accrued interest on the receivables.

April 2014 regulatory orders. In April 2014, the PUC issued four orders that collectively address certain key policy, resource planning and operational issues for the Utilities. The Utilities addressed these orders as follows:

Integrated Resource Planning. The PUC did not accept the Utilities' Integrated Resource Plan and Action Plans submission, and, in lieu of an approved plan, has commenced other initiatives to enable resource planning. The PUC directed each of Hawaiian Electric and Maui Electric to file their respective Power Supply Improvement Plans (PSIPs), which they did in August 2014. The PUC also provided its inclinations on the future of Hawaii's electric utilities in an exhibit to the order. The exhibit provides the PUC's perspectives on the vision, business strategies and regulatory policy changes required to align the Utilities' business model with customers' interests and the state's public policy goals.

Reliability Standards Working Group. The PUC ordered the Utilities to take timely actions intended to lower energy costs, improve system reliability and address emerging challenges to integrate additional renewable energy. In addition to the PSIPs mentioned above, the PUC ordered certain filing requirements which include the following:

- Distributed Generation Interconnection Plan - the Utilities' Plan was filed in August 2014.
- Plan to implement an on-going distribution circuit monitoring program to measure real-time voltage and other power quality parameters - the Utilities' Plan was filed in June 2014.
- Action Plan for improving efficiencies in the interconnection requirements studies - the Utilities' Plan was filed in May 2014.
- The Utilities are to file monthly reports providing details about interconnection requirements studies.
- Integrated interconnection queue for each distribution circuit for each island grid - the Utilities' integrated interconnection queue plan was filed in August 2014 and the integrated interconnection queues were implemented in January 2015.

The PUC also stated it would be opening new dockets to address (1) reliability standards, (2) the technical, economic and policy

issues associated with distributed energy resources (see "Distributed Energy Resources (DER) Investigative Proceeding" below) and (3) the Hawaii electricity reliability administrator, which is a third party position which the legislature has authorized the PUC to create by contract to provide support for the PUC in developing and periodically updating local grid reliability standards and procedures and interconnection requirements and overseeing grid access and operation.

Policy Statement and Order Regarding Demand Response Programs. The PUC provided guidance concerning the objectives and goals for demand response programs, and ordered the Utilities to develop an integrated Demand Response (DR) Portfolio Plan that will enhance system operations and reduce costs to customers. The Utilities' Plan was filed in July 2014. Subsequently, the Utilities submitted status updates and an update and supplemental report to the Plan. On July 28, 2015, the PUC issued an order appointing a special adviser to guide, monitor, and review the Utility's Plan design and implementation. On December 30, 2015, the Utilities filed applications with the PUC for approval of their proposed DR Portfolio Tariff Structure, Reporting Schedule and Cost Recovery of Program Costs. The Utilities filed an update to the DR Portfolio proceeding on February 10, 2017. In the DRMS proceeding, the Parties filed Statements of Position in December 2016 and are awaiting a PUC decision.

Review of PSIPs. Collectively, the PUC's April 2014 resource planning orders confirm the energy policy and operational priorities that will guide the Utilities' strategies and plans going forward.

PSIPs for Hawaiian Electric, Maui Electric and Hawaii Electric Light were filed in August 2014. The PSIPs each include a tactical plan to transform how electric utility services will be offered to meet customer needs and produce higher levels of renewable energy. Each plan contains a diversified mix of technologies, including significant distributed and utility-scale renewable resources, that is expected to result, on a consolidated basis, in over 65% of the Utilities' energy being produced from renewable resources by 2030. Under these plans, the Utilities will support sustainable growth of private rooftop solar, expand use of energy storage systems, empower customers by developing smart grids, offer new products and services to customers (e.g., community solar, microgrids and voluntary "demand response" programs), switch from high-priced oil to lower cost liquefied natural gas, retire higher-cost, less efficient existing oil-based steam generators and lower full service residential customer bills in real dollars.

In November 2015, the PUC issued an order in the proceeding to review the PSIPs filed. The order provided observations and concerns on the PSIPs submitted. As required by the order, the Utilities submitted a Proposed Revision Plan in November 2015, which included a schedule and a work plan to supplement, amend and update the PSIPs in order to address the PUC's observations and concerns, and submitted updated PSIPs on April 1, 2016. The parties and participants filed comments on the Utilities Proposed Revision Plan in January 2016. The updated PSIPs, filed on April 1, 2016, provide the Utilities' assumptions, analyses and plans to achieve 100% renewable energy using a diverse mix of energy resources by 2045.

As required by the PUC, on December 23, 2016, the Utilities filed their PSIP Update Report: December 2016. The updated plans describe greater and faster expansion of the Utilities' renewable energy portfolio than in the plans filed in April 2016 and emphasize work that is in progress or planned over the next five years on each of the five islands the Utilities serve. The final step in the procedural schedule was the filing of the parties and participants' respective statements of position in February 2017.

Distributed Energy Resources (DER) Investigative Proceeding. In March 2015, the PUC issued an order to address DER issues.

On June 29, 2015, the Utilities submitted their final Statement of Position in the DER proceeding, which included:

(1) new pricing provisions for future private rooftop photovoltaic (PV) systems,

(2) technical standards for advanced inverters,

(3) new options for customers including battery-equipped private rooftop PV systems,

(4) a pilot time-of-use rate,

(5) an improved method of calculating the amount of private rooftop PV that can be safely installed, and

(6) a streamlined and standardized PV application process.

On October 12, 2015, the PUC issued a D&O establishing DER reforms that: (1) promote rapid adoption of the next generation of solar PV and other distributed energy technologies; (2) encourage more competitive pricing of distributed energy resource systems; (3) lower overall energy supply costs for all customers; and (4) help to manage DER in terms of each island's limited grid capacity.

The D&O approved a customer self-supply tariff and a customer grid supply tariff to govern customer generators connected to the Utilities' systems. These tariffs replace the Net Energy Metering (NEM) program.

In June 2016, the PUC approved the Utilities Advanced Inverter Test Plan and the Utilities submitted the results of the testing to the PUC.

Pursuant to a PUC order, in October 2016, the Utilities submitted tariffs for a Residential Interim Time of Use program, which is limited to 2 years and 5,000 customers. The primary objective is to encourage more efficient use of the electric system and enable more cost-effective integration of renewable energy by shifting customer load from the system's higher cost, peak demand period to the mid-day period when relatively inexpensive renewable resources are abundant.

The DER Phase 2 of this proceeding is focused on further developing competitive markets for distributed energy resources, including storage. On December 9, 2016, the PUC issued an Order, establishing the statement of issues and procedural schedule to govern Phase 2 of this proceeding. Technical track issues, including DER integration analyses and revisions to interconnection standards, will be addressed before the end of 2017. More complex market issues will be addressed in late 2018.

Derivative financial instrument. On January 5, 2016, Hawaiian Electric executed a window forward agreement to hedge the foreign currency risk associated with the anticipated purchase of engines from a European manufacturer to be included as part of the Schofield generating station. This window forward agreement has been designated as a cash flow hedge under which a single guaranteed exchange rate agreed upon on a certain date for future currency transactions scheduled to occur on specific dates with a "window" or range of plus/minus 30 days. Unrealized gains are recorded at fair value as assets in "other current assets," and unrealized losses are recorded at fair value as liabilities in "other current liabilities," both for the period they are outstanding. For this window forward agreement, the effective portion is reported as a component of accumulated other comprehensive income until reclassified into net income consistent with any gains or losses recognized on the engines. The generating station is expected to be placed in service in the first quarter of 2018.

December 31	2016	
(dollars in thousands)	Notional amount	Fair value
Window forward contract	$ 20,734	$ (743)

Consolidating financial information. Hawaiian Electric is not required to provide separate financial statements or other disclosures concerning Hawaii Electric Light and Maui Electric to holders of the 2004 Debentures issued by Hawaii Electric Light and Maui Electric to HECO Capital Trust III (Trust III) since all of their voting capital stock is owned, and their obligations with respect to these securities have been fully and unconditionally guaranteed, on a subordinated basis, by Hawaiian Electric. Consolidating information is provided below for Hawaiian Electric and each of its subsidiaries for the periods ended and as of the dates indicated.

Hawaiian Electric also unconditionally guarantees Hawaii Electric Light's and Maui Electric's obligations (a) to the State of Hawaii for the repayment of principal and interest on Special Purpose Revenue Bonds issued for the benefit of Hawaii Electric Light and Maui Electric, (b) under their respective private placement note agreements and the Hawaii Electric Light notes and Maui Electric notes issued thereunder (see Hawaiian Electric and Subsidiaries' Consolidated Statements of Capitalization) and (c) relating to the trust preferred securities of Trust III (see Note 4). Hawaiian Electric is also obligated, after the satisfaction of its obligations on its own preferred stock, to make dividend, redemption and liquidation payments on Hawaii Electric Light's and Maui Electric's preferred stock if the respective subsidiary is unable to make such payments.

Consolidating statement of income
Year ended December 31, 2016

(in thousands)	Hawaiian	Hawaii Electric Light	Maui	Other	Consolidating		Hawaiian Electric Consolidated
Revenues	$ 1,474,384	311,385	308,705	—	(106)	[1]	$ 2,094,368
Expenses							
Fuel oil	305,359	55,094	94,251	—	—		454,704
Purchased power	431,009	81,018	50,713	—	—		562,740
Other operation and maintenance	273,176	63,897	68,460	—	—		405,533
Depreciation	126,086	37,797	23,178	—	—		187,061
Taxes, other than income taxes	141,615	29,017	29,230	—	—		199,862
Total expenses	1,277,245	266,823	265,832	—	—		1,809,900
Operating income	197,139	44,562	42,873	—	(106)		284,468
Allowance for equity funds used during construction	6,659	765	901	—	—		8,325
Equity in earnings of subsidiaries	42,391	—	—	—	(42,391)	[2]	—
Interest expense and other charges, net	(45,839)	(11,555)	(9,536)	—	106	[1]	(66,824)
Allowance for borrowed funds used during construction	2,484	294	366	—	—		3,144
Income before income taxes	202,834	34,066	34,604	—	(42,391)		229,113
Income taxes	59,437	12,277	13,087	—	—		84,801
Net income	143,397	21,789	21,517	—	(42,391)		144,312
Preferred stock dividends of subsidiaries	—	534	381	—	—		915
Net income attributable to Hawaiian Electric	143,397	21,255	21,136	—	(42,391)		143,397
Preferred stock dividends of Hawaiian Electric	1,080	—	—	—	—		1,080
Net income for common stock	$ 142,317	21,255	21,136	—	(42,391)		$ 142,317

Consolidating statement of comprehensive income

Year ended December 31, 2016

(in thousands)	Hawaiian	Hawaii Electric Light	Maui	Other	Consolidating	Hawaiian Electric Consolidated
Net income for common stock	$ 142,317	21,255	21,136	—	(42,391)	$ 142,317
Other comprehensive income (loss), net of taxes:						
Derivatives qualified as cash flow hedges:						
Effective portion of foreign currency hedge net unrealized losses arising during the period, net of tax benefits	(281)	—	—	—	—	(281)
Less: reclassification adjustment to net income, net of taxes	(173)	—	—	—	—	(173)
Retirement benefit plans:						
Net losses arising during the period, net of tax benefits	(42,631)	(5,141)	(5,447)	—	10,588 [1]	(42,631)
Less: amortization of prior service credit and net losses recognized during the period in net periodic benefit cost, net of tax benefits	13,254	1,718	1,549	—	(3,267) [1]	13,254
Less: reclassification adjustment for impact of D&Os of the PUC included in regulatory assets, net of taxes	28,584	3,269	3,852	—	(7,121) [1]	28,584
Other comprehensive loss, net of tax benefits	(1,247)	(154)	(46)	—	200	(1,247)
Comprehensive income attributable to common shareholder	$ 141,070	21,101	21,090	—	(42,191)	$ 141,070

Consolidating balance sheet
December 31, 2016

(in thousands)	Hawaiian	Hawaii Electric Light	Maui	Other	Consolidating	Hawaiian Electric Consolidated
Assets						
Property, plant and equipment						
Utility property, plant and equipment						
Land	$ 43,956	6,181	3,016	—	—	$ 53,153
Plant and equipment	4,241,060	1,255,185	1,109,487	—	—	6,605,732
Less accumulated depreciation	(1,382,972)	(507,666)	(478,644)	—	—	(2,369,282)
Construction in progress	180,194	12,510	19,038	—	—	211,742
Utility property, plant and equipment, net	3,082,238	766,210	652,897	—	—	4,501,345
Nonutility property, plant and equipment, less accumulated depreciation	5,760	115	1,532	—	—	7,407
Total property, plant and equipment, net	3,087,998	766,325	654,429	—	—	4,508,752
Investment in wholly-owned subsidiaries, at equity	550,946	—	—	—	(550,946) [2]	—
Current assets						
Cash and equivalents	61,388	10,749	2,048	101	—	74,286
Advances to affiliates	—	3,500	10,000	—	(13,500) [1]	—
Customer accounts receivable, net	86,373	20,055	17,260	—	—	123,688
Accrued unbilled revenues, net	65,821	13,564	12,308	—	—	91,693
Other accounts receivable, net	7,652	2,445	1,416	—	(6,280) [1]	5,233
Fuel oil stock, at average cost	47,239	8,229	10,962	—	—	66,430
Materials and supplies, at average cost	29,928	7,380	16,371	—	—	53,679
Prepayments and other	16,502	5,352	2,179	—	(933) [3]	23,100
Regulatory assets	60,185	3,483	2,364	—	—	66,032
Total current assets	375,088	74,757	74,908	101	(20,713)	504,141
Other long-term assets						
Regulatory assets	662,232	120,863	108,324	—	—	891,419
Unamortized debt expense	151	23	34	—	—	208
Other	43,743	13,573	13,592	—	—	70,908
Total other long-term assets	706,126	134,459	121,950	—	—	962,535
Total assets	$ 4,720,158	975,541	851,287	101	(571,659)	$ 5,975,428
Capitalization and liabilities						
Capitalization						
Common stock equity	$ 1,799,787	291,291	259,554	101	(550,946) [2]	$ 1,799,787
Cumulative preferred stock–not subject to mandatory redemption	22,293	7,000	5,000	—	—	34,293
Long-term debt, net	915,437	213,703	190,120	—	—	1,319,260
Total capitalization	2,737,517	511,994	454,674	101	(550,946)	3,153,340
Current liabilities						
Short-term borrowings-affiliate	13,500	—	—	—	(13,500) [1]	—
Accounts payable	86,369	18,126	13,319	—	—	117,814
Interest and preferred dividends payable	15,761	4,206	2,882	—	(11) [1]	22,838
Taxes accrued	120,176	28,100	25,387	—	(933) [3]	172,730
Regulatory liabilities	—	2,219	1,543	—	—	3,762
Other	41,352	7,637	12,501	—	(6,269) [1]	55,221
Total current liabilities	277,158	60,288	55,632	—	(20,713)	372,365
Deferred credits and other liabilities						
Deferred income taxes	524,433	108,052	100,911	—	263 [1]	733,659
Regulatory liabilities	281,112	93,974	31,845	—	—	406,931
Unamortized tax credits	57,844	15,994	15,123	—	—	88,961
Defined benefit pension and other postretirement						

benefit plans liability	444,458	75,005	80,263	—	—	599,726
Other	49,191	13,024	14,969	—	(263) [1]	76,921
Total deferred credits and other liabilities	1,357,038	306,049	243,111	—	—	1,906,198
Contributions in aid of construction	348,445	97,210	97,870	—	—	543,525
Total capitalization and liabilities	$ 4,720,158	975,541	851,287	101	(571,659)	$ 5,975,428

Consolidating statements of changes in common stock equity

(in thousands)	Hawaiian	Hawaii Electric Light	Maui	Other	Consolidating	Hawaiian Electric Consolidated
Balance, December 31, 2015	**$ 1,728,325**	**292,702**	**263,725**	**101**	**(556,528)**	**$ 1,728,325**
Net income for common stock	142,317	21,255	21,136	—	(42,391)	142,317
Other comprehensive loss, net of tax benefits	(1,247)	(154)	(46)	—	200	(1,247)
Issuance of common stock, net of expenses	23,991	(5)	—	—	5	23,991
Common stock dividends	(93,599)	(22,507)	(25,261)	—	47,768	(93,599)
Balance, December 31, 2016	**$ 1,799,787**	**291,291**	**259,554**	**101**	**(550,946)**	**$ 1,799,787**

Consolidating statement of cash flows
Year ended December 31, 2016

(in thousands)	Hawaiian	Hawaii Electric Light	Maui	Other	Consolidating	Hawaiian Electric Consolidated
Cash flows from operating activities						
Net income	$ 143,397	21,789	21,517	—	(42,391) [2]	$ 144,312
Adjustments to reconcile net income to net cash provided by operating activities						
Equity in earnings	(42,491)	—	—	—	42,391 [2]	(100)
Common stock dividends received from subsidiaries	47,843	—	—	—	(47,768) [2]	75
Depreciation of property, plant and equipment	126,086	37,797	23,178	—	—	187,061
Other amortization	2,979	1,817	2,139	—	—	6,935
Deferred income taxes	54,721	7,027	12,661	—	(23) [1]	74,386
Income tax credits, net	177	60	(6)	—	—	231
Allowance for equity funds used during construction	(6,659)	(765)	(901)	—	—	(8,325)
Other	(2,694)	(810)	(427)	—	—	(3,931)
Changes in assets and liabilities:						
Decrease (increase) in accounts receivable	10,175	(718)	1,776	—	(2,682) [1]	8,551
Increase in accrued unbilled revenues	(5,741)	(1,033)	(410)	—	—	(7,184)
Decrease in fuel oil stock	2,216	81	2,489	—	—	4,786
Decrease (increase) in materials and supplies	993	(515)	272	—	—	750
Increase in regulatory assets	(16,161)	(1,243)	(869)	—	—	(18,273)
Increase (decrease) in accounts payable	(10,247)	768	(1,135)	—	—	(10,614)
Change in prepaid and accrued income taxes, tax credits and revenue taxes	2,933	2,645	(3,478)	—	23 [1]	2,123
Increase (decrease) in defined benefit pension and other postretirement benefit plans liability	599	53	(168)	—	—	484
Change in other assets and liabilities	(11,682)	(78)	(2,272)	—	2,682 [1]	(11,350)
Net cash provided by operating activities	296,444	66,875	54,366	—	(47,768)	369,917
Cash flows from investing activities						
Capital expenditures	(236,425)	(51,344)	(32,668)	—	—	(320,437)
Contributions in aid of construction	23,611	3,412	3,077	—	—	30,100
Advances from affiliates	—	12,000	(2,500)	—	(9,500) [1]	—
Other	1,932	175	31	—	—	2,138
Net cash used in investing activities	(210,882)	(35,757)	(32,060)	—	(9,500)	(288,199)
Cash flows from financing activities						
Common stock dividends	(93,599)	(22,507)	(25,261)	—	47,768 [2]	(93,599)
Preferred stock dividends of Hawaiian Electric and subsidiaries	(1,080)	(534)	(381)	—	—	(1,995)
Proceeds from issuance of common stock	24,000	—	—	—	—	24,000
Proceeds from issuance of long-term debt	40,000	—	—	—	—	40,000
Net decrease in short-term borrowings from non-affiliates and affiliate with original maturities of three months or less	(9,500)	—	—	—	9,500 [1]	—
Other	(276)	(10)	(1)	—	—	(287)
Net cash used in financing activities	(40,455)	(23,051)	(25,643)	—	57,268	(31,881)
Net increase (decrease) in cash and cash equivalents	45,107	8,067	(3,337)	—	—	49,837
Cash and cash equivalents, January 1	16,281	2,682	5,385	101	—	24,449
Cash and cash equivalents, December 31	$ 61,388	10,749	2,048	101	—	$ 74,286

Explanation of consolidating adjustments on consolidating schedules:

[1] Eliminations of intercompany receivables and payables and other intercompany transactions.
[2] Elimination of investment in subsidiaries, carried at equity.
[3] Reclassification of accrued income taxes for financial statement presentation.

4 · Unconsolidated variable interest entities

HECO Capital Trust III. Trust III was created and exists for the exclusive purposes of (i) issuing in March 2004 2,000,000 6.50% Cumulative Quarterly Income Preferred Securities, Series 2004 (2004 Trust Preferred Securities) ($50 million aggregate liquidation preference) to the public and trust common securities ($1.5 million aggregate liquidation preference) to Hawaiian Electric, (ii) investing the proceeds of these trust securities in 2004 Debentures issued by Hawaiian Electric in the principal amount of $31.5 million and issued by Hawaii Electric Light and Maui Electric each in the principal amount of $10 million, (iii) making distributions on these trust securities and (iv) engaging in only those other activities necessary or incidental thereto. The 2004 Trust Preferred Securities are mandatorily redeemable at the maturity of the underlying debt on March 18, 2034, which maturity may be extended to no later than March 18, 2053; and are currently redeemable at the issuer's option without premium. The 2004 Debentures, together with the obligations of the Utilities under an expense agreement and Hawaiian Electric's obligations under its trust guarantee and its guarantee of the obligations of Hawaii Electric Light and Maui Electric under their respective debentures, are the sole assets of Trust III. Taken together, Hawaiian Electric's obligations under the Hawaiian Electric debentures, the Hawaiian Electric indenture, the subsidiary guarantees, the trust agreement, the expense agreement and trust guarantee provide, in the aggregate, a full, irrevocable and unconditional guarantee of payments of amounts due on the Trust Preferred Securities. Trust III has at all times been an unconsolidated subsidiary of Hawaiian Electric. Since Hawaiian Electric, as the holder of 100% of the trust common securities, does not absorb the majority of the variability of Trust III, Hawaiian Electric is not the primary beneficiary and does not consolidate Trust III in accordance with accounting rules on the consolidation of VIEs. Trust III's balance sheet as of December 31, 2016 consisted of $51.5 million of 2004 Debentures; $50.0 million of 2004 Trust Preferred Securities; and $1.5 million of trust common securities. Trust III's income statement for 2016 consisted of $3.4 million of interest income received from the 2004 Debentures; $3.3 million of distributions to holders of the Trust Preferred Securities; and $0.1 million of common dividends on the trust common securities to Hawaiian Electric. As long as the 2004 Trust Preferred Securities are outstanding, Hawaiian Electric is not entitled to receive any funds from Trust III other than pro-rata distributions, subject to certain subordination provisions, on the trust common securities. In the event of a default by Hawaiian Electric in the performance of its obligations under the 2004 Debentures or under its Guarantees, or in the event any of the Utilities elect to defer payment of interest on any of their respective 2004 Debentures, then Hawaiian Electric will be subject to a number of restrictions, including a prohibition on the payment of dividends on its common stock.

Power purchase agreements. As of December 31, 2016, the Utilities had five PPAs for firm capacity and other PPAs with IPPs and Schedule Q providers (i.e., customers with cogeneration and/or power production facilities who buy power from or sell power to the Utilities), none of which are currently required to be consolidated as VIEs. Approximately 90% of the firm capacity is purchased from AES Hawaii, Inc. (AES Hawaii), Kalaeloa Partners, L.P. (Kalaeloa), Hamakua Energy Partners, L.P. (HEP) and HPOWER. Purchases from all IPPs were as follows:

Years ended December 31	2016	2015	2014
(in millions)			
AES Hawaii	$ 149	$ 134	$ 145
Kalaeloa	152	187	279
HEP	29	44	51
HPOWER	71	66	66
Puna Geothermal Venture	28	29	45
Hawaiian Commercial & Sugar (HC&S)	1	8	15
Other IPPs	133	126	121
Total IPPs	$ 563	$ 594	$ 722

In October 2015 the amended PPA between Maui Electric and HC&S became effective following PUC approval in September 2015. The amended PPA amended the pricing structure and rates for energy sold to Maui Electric, eliminated the capacity payment to HC&S, eliminated Maui Electric's minimum purchase obligation, provided that Maui Electric may request up to 4 MW of scheduled energy during certain months and be provided up to 16 MW of emergency power, and extended the term of the PPA from 2014 to 2017. Effective on December 23, 2016, Maui Electric and HC&S agreed to terminate the PPA.

Some of the IPPs provided sufficient information for Hawaiian Electric to determine that the IPP was not a VIE, or was either a

"business" or "governmental organization," and thus excluded from the scope of accounting standards for VIEs. Other IPPs declined to provide the information necessary for Hawaiian Electric to determine the applicability of accounting standards for VIEs.

Since 2004, Hawaiian Electric has continued its efforts to obtain from the IPPs the information necessary to make the determinations required under accounting standards for VIEs. In each year from 2005 to 2016, the Utilities sent letters to the identified IPPs requesting the required information. All of these IPPs declined to provide the necessary information, except that Kalaeloa later agreed to provide the information pursuant to the amendments to its PPA (see below) and an entity owning a wind farm provided information as required under its PPA. Management has concluded that the consolidation of two entities owning wind farms was not required as Hawaii Electric Light and Maui Electric do not have variable interests in the entities because the PPAs do not require them to absorb any variability of the entities.

If the requested information is ultimately received from the remaining IPPs, a possible outcome of future analyses of such information is the consolidation of one or more of such IPPs in the Consolidated Financial Statements. The consolidation of any significant IPP could have a material effect on the Consolidated Financial Statements, including the recognition of a significant amount of assets and liabilities and, if such a consolidated IPP were operating at a loss and had insufficient equity, the potential recognition of such losses. If the Utilities determine they are required to consolidate the financial statements of such an IPP and the consolidation has a material effect, the Utilities would retrospectively apply accounting standards for VIEs.

Kalaeloa Partners, L.P. In October 1988, Hawaiian Electric entered into a PPA with Kalaeloa, subsequently approved by the PUC, which provided that Hawaiian Electric would purchase 180 MW of firm capacity for a period of 25 years beginning in May 1991. In October 2004, Hawaiian Electric and Kalaeloa entered into amendments to the PPA, subsequently approved by the PUC, which together effectively increased the firm capacity from 180 MW to 208 MW. The energy payments that Hawaiian Electric makes to Kalaeloa include: (1) a fuel component, with a fuel price adjustment based on the cost of low sulfur fuel oil, (2) a fuel additives cost component, and (3) a non-fuel component, with an adjustment based on changes in the Gross National Product Implicit Price Deflator. The capacity payments that Hawaiian Electric makes to Kalaeloa are fixed in accordance with the PPA. Kalaeloa also has a steam delivery cogeneration contract with another customer, the term of which coincides with the PPA. The facility has been certified by the Federal Energy Regulatory Commission as a Qualifying Facility under the Public Utility Regulatory Policies Act of 1978.

Hawaiian Electric and Kalaeloa are in negotiations to address the PPA term that ended on May 23, 2016. The PPA automatically extends on a month-to-month basis as long as the parties are still negotiating in good faith. The month-to-month term extensions shall end 60 days after either party notifies the other in writing that negotiations have terminated. On August 1, 2016, Hawaiian Electric and Kalaeloa entered into an agreement that neither party will give written notice of termination of the PPA prior to October 31, 2017. This agreement complements continued negotiations between the parties and accounts for time needed for PUC approval of a negotiated resolution.

Pursuant to the current accounting standards for VIEs, Hawaiian Electric is deemed to have a variable interest in Kalaeloa by reason of the provisions of Hawaiian Electric's PPA with Kalaeloa. However, management has concluded that Hawaiian Electric is not the primary beneficiary of Kalaeloa because Hawaiian Electric does not have the power to direct the activities that most significantly impact Kalaeloa's economic performance nor the obligation to absorb Kalaeloa's expected losses, if any, that could potentially be significant to Kalaeloa. Thus, Hawaiian Electric has not consolidated Kalaeloa in its consolidated financial statements. The energy payments paid by Hawaiian Electric will fluctuate as fuel prices change, however, the PPA does not currently expose Hawaiian Electric to losses as the fuel and fuel related energy payments under the PPA have been approved by the PUC for recovery from customers through base electric rates and through Hawaiian Electric's ECAC to the extent the fuel and fuel related energy payments are not included in base energy rates. As of December 31, 2016, Hawaiian Electric's accounts payable to Kalaeloa amounted to $12 million.

AES Hawaii, Inc. In March 1988, Hawaiian Electric entered into a PPA with AES Barbers Point, Inc. (now known as AES Hawaii, Inc.), which, as amended (through Amendment No. 2) and approved by the PUC, provided that Hawaiian Electric would purchase 180 MW of firm capacity for a period of 30 years beginning in September 1992. In November 2015, Hawaiian Electric entered into an Amendment No. 3, for which PUC approval was requested and subsequently denied in January 2017. Amendment No. 3 would have increased the firm capacity from 180 MW to a maximum of 189 MW. The payments that Hawaiian Electric makes to AES Hawaii for energy associated with the first 180 MW of firm capacity include a fuel component, a variable O&M component and a fixed O&M component, all of which are subject to adjustment based on changes in the Gross National Product Implicit Price Deflator.

Pursuant to the current accounting standards for VIEs, Hawaiian Electric is deemed to have a variable interest in AES Hawaii by reason of the provisions of Hawaiian Electric's PPA with AES Hawaii. However, management has concluded that Hawaiian Electric is not the primary beneficiary of AES Hawaii because Hawaiian Electric does not have the power to control the most significant activities of AES Hawaii that impact AES Hawaii's economic performance, including operations and maintenance of AES Hawaii's facility. Thus, Hawaiian Electric has not consolidated AES Hawaii in its consolidated financial statements. As of December 31, 2016, Hawaiian Electric's accounts payable to AES Hawaii amounted to $13 million.

5 · Short-term borrowings

As of December 31, 2016 and 2015, Hawaiian Electric had no commercial paper outstanding.

As of December 31, 2016, Hawaiian Electric maintained syndicated credit facilities of $200 million. Hawaiian Electric had no borrowings under its facility during 2016 and 2015. The facility is not collateralized.

Credit agreements.

On April 2, 2014, Hawaiian Electric and a syndicate of nine financial institutions entered into an amended and restated revolving non-collateralized credit agreement (Hawaiian Electric Facility). The Hawaiian Electric Facility increased Hawaiian Electric's line of credit to $200 million from $175 million. In January 2015, the PUC approved Hawaiian Electric's request to extend the term of the credit facility to April 2, 2019. The Hawaiian Electric Facility provided improved pricing compared to its prior facility. Under the Hawaiian Electric Facility, draws would generally bear interest, based on Hawaiian Electric's current long-term credit ratings, at the "Adjusted LIBO Rate," as defined in the agreement, plus 137.5 basis points and annual fees on undrawn commitments of 20 basis points. The Hawaiian Electric Facility contains updated provisions for pricing adjustments in the event of a long-term ratings change based on the Hawaiian Electric Facility's ratings-based pricing grid. Certain modifications were made to incorporate some updated terms and conditions customary for facilities of this type. The Hawaiian Electric Facility continues to contain customary conditions which must be met in order to draw on it, including compliance with several covenants (such as covenants preventing its subsidiaries from entering into agreements that restrict the ability of the subsidiaries to pay dividends to, or to repay borrowings from, Hawaiian Electric, and restricting its ability as well as the ability of any of its subsidiaries to guarantee additional indebtedness of the subsidiaries if such additional debt would cause the subsidiary's "Consolidated Subsidiary Funded Debt to Capitalization Ratio" to exceed 65% (ratio of 42% for Hawaii Electric Light and 42% for Maui Electric as of December 31, 2016, as calculated under the agreement)). In addition to customary defaults, Hawaiian Electric's failure to maintain its financial ratios, as defined in its credit agreement, or meet other requirements may result in an event of default. For example, under the credit agreement, it is an event of default if Hawaiian Electric fails to maintain a "Consolidated Capitalization Ratio" (equity) of at least 35% (ratio of 57% as of December 31, 2016, as calculated under the credit agreement), or if Hawaiian Electric is no longer owned by HEI.

The Hawaiian Electric Facility will be maintained to support the issuance of commercial paper, but also may be drawn to repay Hawaiian Electric's short-term indebtedness, to make loans to subsidiaries and for Hawaiian Electric's capital expenditures, working capital and general corporate purposes.

6 · Long-term debt

December 31	2016	2015
(dollars in thousands)		
Long-term debt of Utilities [1]	$ 1,319,260	$ 1,278,702

1 See components of "Total long-term debt" and unamortized debt issuance costs in Hawaiian Electric and subsidiaries' Consolidated Statements of Capitalization.

As of December 31, 2016, the aggregate payments of principal required on the Utilities' long-term debt for 2017 through 2021 are nil in 2017, $50 million in 2018, nil in 2019, $96 million in 2020 and nil in 2021.

The Utilities' senior notes contain customary representations and warranties, affirmative and negative covenants, and events of

default (the occurrence of which may result in some or all of the notes of each and all of the utilities then outstanding becoming immediately due and payable) and provisions requiring the maintenance by Hawaiian Electric, and each of Hawaii Electric Light and Maui Electric, of certain financial ratios generally consistent with those in Hawaiian Electric's existing amended revolving noncollateralized credit agreement, expiring on April 2, 2019. The Utilities are in compliance with their covenants (See Note 5).

Changes in long-term debt.

On December 15, 2016, Hawaiian Electric issued, through a private placement pursuant to the Note Purchase Agreement, $40 million of Series 2016A unsecured senior notes bearing taxable interest of 4.54%, which are due December 1, 2046 (the Notes) and includes substantially the same financial covenants and customary conditions as Hawaiian Electric's credit agreement as described above.

All the proceeds of the Notes were used by Hawaiian Electric to finance its capital expenditures and/or to reimburse funds used for the payment of capital expenditures.

7 · Retirement benefits

Defined benefit plans. Substantially all of the employees of the Utilities participate in the Retirement Plan for Employees of Hawaiian Electric Industries, Inc. and Participating Subsidiaries (HEI Pension Plan). The HEI Pension Plan is qualified, noncontributory defined benefit pension plan and includes benefits for utility union employees determined in accordance with the terms of the collective bargaining agreements between the Utilities and the union. The Plan is subject to the provisions of ERISA. In general, benefits are based on the employees' years of service and compensation.

The continuation of the Plan and the payment of any contribution thereunder are not assumed as contractual obligations by the participating employers.

Each participating employer reserves the right to terminate its participation in the applicable plans at any time, and HEI reserves the right to terminate its respective plan at any time. If a participating employer terminates its participation in the Plan, the interest of each affected participant would become 100% vested to the extent funded. Upon the termination of the Plan, assets would be distributed to affected participants in accordance with the applicable allocation provisions of ERISA and any excess assets that exist would be paid to the participating employers. Participants' benefits in the Plan are covered up to certain limits under insurance provided by the Pension Benefit Guaranty Corporation.

To determine pension costs for HEI and its subsidiaries under the Plan, it is necessary to make complex calculations and estimates based on numerous assumptions, including the assumptions identified under "Defined benefit pension and other postretirement benefit plans information" below.

Postretirement benefits other than pensions. The Utilities provide eligible employees health and life insurance benefits upon retirement under the Postretirement Welfare Benefits Plan for Employees of Hawaiian Electric Company, Inc. and participating employers (Hawaiian Electric Benefits Plan). Eligibility of employees and dependents is based on eligibility to retire at termination, the retirement date and the date of hire. The plan was amended in 2011, changing eligibility for certain bargaining unit employees hired prior to May 1, 2011, based on new minimum age and service requirements effective January 1, 2012, per the collective bargaining agreement, and certain management employees hired prior to May 1, 2011 based on new eligibility minimum age and service requirements effective January 1, 2012. The minimum age and service requirements for management and bargaining unit employees hired May 1, 2011 and thereafter have increased and their dependents are not eligible to receive postretirement benefits. Employees may be eligible to receive benefits from the HEI Pension Plan but may not be eligible for postretirement welfare benefits if the different eligibility requirements are not met.

The executive death benefit plan was frozen on September 10, 2009 to participants and benefit levels as of that date. The electric discount was eliminated for management employees and retirees of Hawaiian Electric in August 2009, Hawaii Electric Light in November 2010, and Maui Electric in August 2010, and for bargaining unit employees and retirees on January 31, 2011 per the collective bargaining agreement.

The Utilities' cost for OPEB has been adjusted to reflect the plan amendments, which reduced benefits and created prior service credits to be amortized over average future service of affected participants. The amortization of the prior service credit will reduce benefit costs over the next few years until the various credit bases are fully recognized. Each participating employer reserves the right to terminate its participation in the Hawaiian Electric Benefits Plan at any time.

Balance sheet recognition of the funded status of retirement plans. Employers must recognize on their balance sheets the funded status of defined benefit pension and other postretirement benefit plans with an offset to AOCI in shareholders' equity (using the projected benefit obligation (PBO) and accumulated postretirement benefit obligation (APBO), to calculate the funded status).

The PUC allowed the Utilities to adopt pension and OPEB tracking mechanisms in previous rate cases. The amount of the net periodic pension cost (NPPC) and net periodic benefits costs (NPBC) to be recovered in rates is established by the PUC in each rate case. Under the Utilities' tracking mechanisms, any actual costs determined in accordance with GAAP that are over/under amounts allowed in rates are charged/credited to a regulatory asset/liability. The regulatory asset/liability for each utility will then be amortized over 5 years beginning with the respective utility's next rate case. Accordingly, all retirement benefit expenses (except for executive life and nonqualified pension plan expenses, which amounted to $0.9 million and $1.0 million in 2016 and 2015, respectively) determined in accordance with GAAP will be recovered.

Under the tracking mechanisms, amounts that would otherwise be recorded in AOCI (excluding amounts for executive life and nonqualified pension plans), which amounts include the prepaid pension asset, net of taxes, as well as other pension and OPEB charges, are allowed to be reclassified as a regulatory asset, as those costs will be recovered in rates through the NPPC and NPBC in the future. The Utilities have reclassified to a regulatory asset/(liability) charges for retirement benefits that would otherwise be recorded in AOCI (amounting to the elimination of a potential charge to AOCI of $47 million pretax and $(41) million pretax for 2016 and 2015, respectively).

Under the pension tracking mechanism, the Utilities' are required to make contributions to the pension trust in the amount of the actuarially calculated NPPC, except when limited by the ERISA minimum contribution requirements or the maximum contribution limitations on deductible contributions imposed by the Internal Revenue Code.

The OPEB tracking mechanisms generally require the Utilities to make contributions to the OPEB trust in the amount of the actuarially calculated NPBC, except when limited by material, adverse consequences imposed by federal regulations.

Retirement benefits expense for the Utilities for 2016, 2015 and 2014 was $31 million, $30 million and $32 million, respectively.

Defined benefit pension and other postretirement benefit plans information. The changes in the obligations and assets of the Utilities' retirement benefit plans and the changes in AOCI (gross) for 2016 and 2015 and the funded status of these plans and amounts related to these plans reflected in the Utilities' consolidated balance sheet as of December 31, 2016 and 2015 were as follows:

	2016		2015	
(in thousands)	Pension benefits	Other benefits	Pension benefits	Other benefits
Hawaiian Electric consolidated				
Benefit obligation, January 1	$ 1,649,690	$ 213,990	$ 1,690,777	$ 211,760
Service cost	58,796	3,284	64,262	3,870
Interest cost	74,808	9,337	70,529	8,700
Actuarial losses (gains)	63,121	7,545	(114,286)	(2,860)
Participants contributions	—	1,389	—	1,260
Benefits paid and expenses	(66,789)	(9,822)	(63,037)	(8,858)
Transfers	—	—	1,445	118
Benefit obligation, December 31	1,779,626	225,723	1,649,690	213,990
Fair value of plan assets, January 1	1,141,833	167,930	1,129,005	177,256
Actual (loss) return on plan assets	93,441	11,168	(10,646)	(2,712)
Employer contributions	64,236	11	85,139	864
Participants contributions	—	1,389	—	1,260
Benefits paid and expenses	(66,326)	(9,115)	(62,584)	(8,858)

Other	—	—	919	120
Fair value of plan assets, December 31	1,233,184	171,383	1,141,833	167,930
Accrued benefit asset (liability), December 31	$ (546,442)	$ (54,340)	$ (507,857)	$ (46,060)
Other liabilities (short-term)	(460)	(596)	(425)	(518)
Defined benefit pension and other postretirement benefit plans liability	(545,982)	(53,744)	(507,432)	(45,542)
Accrued benefit asset (liability), December 31	$ (546,442)	$ (54,340)	$ (507,857)	$ (46,060)
AOCI debit/(credit), January 1 (excluding impact of PUC D&Os)	$ 541,118	$ 31,485	$ 595,103	$ 20,090
Recognized during year – prior service credit (cost)	(13)	1,803	(40)	1,804
Recognized during year – net actuarial losses	(22,693)	(793)	(33,371)	(1,754)
Occurring during year – net actuarial losses (gains)	61,313	8,472	(20,574)	11,345
AOCI debit/(credit) before cumulative impact of PUC D&Os, December 31	579,725	40,967	541,118	31,485
Cumulative impact of PUC D&Os	(576,933)	(43,974)	(538,784)	(35,333)
AOCI debit/(credit), December 31	$ 2,792	$ (3,007)	$ 2,334	$ (3,848)
Net actuarial loss	$ 579,691	$ 51,463	$ 541,071	$ 43,784
Prior service cost (gain)	34	(10,496)	47	(12,299)
AOCI debit/(credit) before cumulative impact of PUC D&Os, December 31	579,725	40,967	541,118	31,485
Cumulative impact of PUC D&Os	(576,933)	(43,974)	(538,784)	(35,333)
AOCI debit/(credit), December 31	2,792	(3,007)	2,334	(3,848)
Income taxes (benefits)	(1,087)	1,170	(908)	1,497
AOCI debit/(credit), net of taxes (benefits), December 31	$ 1,705	$ (1,837)	$ 1,426	$ (2,351)

As of December 31, 2016 and 2015, the other postretirement benefit plan shown in the table above had ABOs in excess of plan assets.

The dates used to determine retirement benefit measurements for the defined benefit plans were December 31 of 2016, 2015 and 2014.

The Pension Protection Act of 2006 (Pension Protection Act) signed into law on August 17, 2006, amended the Employee Retirement Income Security Act of 1974 (ERISA). Among other things, the Pension Protection Act changed the funding rules for qualified pension plans. On August 8, 2014, President Obama signed the latest change to the Pension Protection Act, the Highway and Transportation Funding Act of 2014 (HATFA). HATFA resulted in an increase of the Adjusted Funding Target Attainment Percentage (AFTAP) for benefit distribution purposes and eased funding requirements effective with the 2014 plan year (a plan sponsor could have elected to apply the provisions of HATFA to 2013, but the Company did not so elect). The funding relief was extended by the Bipartisan Budget Act of 2015. As a result, the minimum funding requirements for the HEI Retirement Plan under ERISA are less than the net periodic cost for 2015 and 2016. Nevertheless, to satisfy the requirements of the Utilities pension and OPEB tracking mechanisms, the Utilities contributed the net periodic cost in 2015 and 2016 and expect to contribute the net periodic cost in 2017.

The Pension Protection Act provides that if a pension plan's funded status falls below certain levels, more conservative assumptions must be used to value obligations under the pension plan. The HEI Retirement Plan met the threshold requirements in each of 2014, 2015 and 2016 so that the more conservative assumptions did not apply for either 2015 or 2016 and will not apply for 2017. Other factors could cause changes to the required contribution levels.

For purposes of calculating NPPC and NPBC, the Utilities have determined the market-related value of retirement benefit plan assets by calculating the difference between the expected return and the actual return on the fair value of the plan assets, then amortizing the difference over future years – 0% in the first year and 25% in each of years two through five – and finally adding or subtracting the unamortized differences for the past four years from fair value. The method includes a 15% range restriction around the fair value of such assets (i.e., 85% to 115% of fair value).

A primary goal of the plans is to achieve long-term asset growth sufficient to pay future benefit obligations at a reasonable level of risk. The investment policy target for defined benefit pension and OPEB plans reflects the philosophy that long-term growth can best

be achieved by prudent investments in equity securities while balancing overall fund volatility by an appropriate allocation to fixed income securities. In order to reduce the level of portfolio risk and volatility in returns, efforts have been made to diversify the plans' investments by asset class, geographic region, market capitalization and investment style.

The Utilities based its selection of an assumed discount rate for 2017 NPPC, NPBC and December 31, 2016 disclosure on a cash flow matching analysis that utilized bond information provided by Bloomberg for all non-callable, high quality bonds (i.e., rated AA- or better) as of December 31, 2016. In selecting the expected rate of return on plan assets for 2017 NPPC and NPBC, the Utilities considered economic forecasts for the types of investments held by the plans (primarily equity and fixed income investments), the Plans' asset allocations, industry and corporate surveys and the past performance of the plans' assets in selecting 7.50%

The Utilities adopted mortality tables published in October 2014 by the Society of Actuaries as its mortality assumptions as of December 31, 2014. The use of the RP-2014 Tables and the Mortality Improvement Scale MP-2014 had a significant effect on the Utilities' benefit obligations and increased its costs and required contributions for 2015. The Utilities adopted revised mortality tables for their mortality assumptions as of December 31, 2016 and 2015 (based on information published by the Society of Actuaries in October 2016 and 2015, respectively), the use of which lowered obligations of the Utilities as of December 31, 2016 and 2015 and will lower its costs and required contributions in 2017.

As of December 31, 2016, the assumed health care trend rates for 2017 and future years were as follows: medical, 7.75%, grading down to 5% for 2028 and thereafter; dental, 5%; and vision, 4%. As of December 31, 2015, the assumed health care trend rates for 2016 and future years were as follows: medical, 8%, grading down to 5% for 2028 and thereafter; dental, 5%; and vision, 4%.

The components of NPPC and NPBC were as follows:

	Pension benefits			Other benefits		
(in thousands)	2016	2015	2014	2016	2015	2014
Hawaiian Electric consolidated						
Service cost	$ 58,796	$ 64,262	$ 47,597	$ 3,284	$ 3,870	$ 3,392
Interest cost	74,808	70,529	65,979	9,337	8,700	8,234
Expected return on plan assets	(91,633)	(82,541)	(72,661)	(12,096)	(11,495)	(10,739)
Amortization of net prior service (gain) cost	13	40	62	(1,803)	(1,804)	(1,804)
Amortization of net actuarial losses	22,693	33,371	18,459	793	1,754	—
Net periodic pension/benefit cost	64,677	85,661	59,436	(485)	1,025	(917)
Impact of PUC D&Os	(18,117)	(40,011)	(13,324)	1,343	(240)	1,976
Net periodic pension/benefit cost (adjusted for impact of PUC D&Os)	$ 46,560	$ 45,650	$ 46,112	$ 858	$ 785	$ 1,059

The estimated prior service credit and net actuarial loss for defined benefit plans that will be amortized from AOCI or regulatory assets into NPPC and NPBC during 2017 is as follows:

	Hawaiian Electric consolidated	
(in millions)	Pension benefits	Other benefits
Estimated prior service credit	$ —	$ (1.8)
Net actuarial loss	24.0	1.4

The Utilities recorded pension expense of $30 million, $29 million and $31 million and OPEB expense of $0.7 million, $0.7 million and $1.0 million in 2016, 2015 and 2014, respectively, and charged the remaining amounts primarily to electric utility plant.

The health care cost trend rate assumptions can have a significant effect on the amounts reported for other benefits. As of December 31, 2016, for the Utilities, a one-percentage-point increase in the assumed health care cost trend rates would have increased the total service and interest cost by $0.1 million and the APBO by $3.4 million, and a one-percentage-point decrease would have reduced the total service and interest cost by $0.2 million and the APBO by $4.1 million.

Additional information on the defined benefit pension plan's accumulated benefit obligations (ABOs), which do not consider

projected pay increases (unlike the PBOs shown in the table above), PBOs and assets were as follows:

	Hawaiian Electric consolidated	
December 31	**2016**	**2015**
(in billions)		
Defined benefit plans - ABOs	$ 1.5	$ 1.4
Defined benefit plans with ABO in excess of plan assets		
ABOs	1.5	1.4
Plan assets	1.2	1.1
Defined benefit plans with PBOs in excess of plan assets		
PBOs	1.8	1.6
Plan assets	1.2	1.1

The Utilities estimate that the cash funding for the qualified defined benefit pension plan in 2017 will be $66 million, which should fully satisfy the minimum required contributions to that Plan, including requirements of the pension tracking mechanisms and the Plan's funding policy. The Utilities' current estimate of contributions to its other postretirement benefit plans in 2017 is $0.2 million.

Defined contribution plans information.

Changes to retirement benefits for utility employees commencing employment after April 30, 2011 include a reduction of benefits provided through the defined benefit plan and the addition of a 50% match by the applicable employer on the first 6% of employee deferrals through the defined contribution plan (under the Hawaiian Electric Industries Retirement Savings Plan).
The Utilities' expenses and cash contributions for its defined contribution pension plan under the HEIRSP Plan for 2016, 2015 and 2014 were $1.5 million, $1.5 million and $0.9 million, respectively.

8 · Share-based compensation

Under the 2010 Equity and Incentive Plan, as amended, HEI, parent of the Utilities, can issue shares of common stock as incentive compensation to selected employees in the form of stock options, stock appreciation rights (SARs), restricted shares, restricted stock units, performance shares and other share-based and cash-based awards. The 2010 Equity and Incentive Plan (original EIP) was amended and restated effective March 1, 2014 (EIP) and an additional 1.5 million shares was added to the shares available for issuance under these programs.

As of December 31, 2016, approximately 3.4 million shares remained available for future issuance under the terms of the EIP, assuming recycling of shares withheld to satisfy minimum statutory tax liabilities relating to EIP awards, including an estimated 0.3 million shares that could be issued upon the vesting of outstanding restricted stock units and the achievement of performance goals for awards outstanding under long-term incentive plans.

As of May 11, 2010 (when the 2010 Equity and Incentive Plan became effective), no new awards could be granted under the 1987 Stock Option and Incentive Plan, as amended (SOIP). Since by March 2015 all of the shares of common stock reserved for the outstanding SOIP grants and awards were issued or such grants and awards had expired, the remaining shares registered under the SOIP were deregistered and delisted.

For the SARs that were outstanding under the SOIP, the exercise price of each SAR generally equaled the fair market value of HEI's stock on or near the date of grant. SARs and related dividend equivalents issued in the form of stock awards generally became exercisable in installments of 25% each year for four years, and expired if not exercised ten years from the date of the grant. SARs compensation expense was recognized in accordance with the fair value-based measurement method of accounting. The estimated fair value of each SAR grant was calculated on the date of grant using a Binomial Option Pricing Model. There were no outstanding SARs as of December 31, 2016.

The restricted shares that had been issued under the 2010 Equity and Incentive Plan became unrestricted in four equal annual increments on the anniversaries of the grant date and were forfeited to the extent they had not become unrestricted for terminations of

employment during the vesting period, except accelerated vesting was provided for terminations by reason of death, disability and termination without cause. Restricted shares compensation expense had been recognized in accordance with the fair-value-based measurement method of accounting. Dividends on restricted shares were paid quarterly in cash. There were no outstanding restricted shares as of December 31, 2016.

Restricted stock units awarded under the 2010 Equity and Incentive Plan in 2016, 2015, 2014, and 2013 will vest and be issued in unrestricted stock in four equal annual increments on the anniversaries of the grant date and are forfeited to the extent they have not become vested for terminations of employment during the vesting period, except that pro-rata vesting is provided for terminations due to death, disability and retirement. Restricted stock units expense has been recognized in accordance with the fair-value-based measurement method of accounting. Dividend equivalent rights are accrued quarterly and are paid at the end of the restriction period when the associated restricted stock units vest.

Stock performance awards granted under the 2014-2016 long-term incentive plan (LTIP) entitle the grantee to shares of common stock with dividend equivalent rights once service conditions and performance conditions are satisfied at the end of the three-year performance period. LTIP awards are forfeited for terminations of employment during the performance period, except that pro-rata participation is provided for terminations due to death, disability and retirement based upon completed months of service after a minimum of 12 months of service in the performance period. Compensation expense for the stock performance awards portion of the LTIP has been recognized in accordance with the fair-value-based measurement method of accounting for performance shares.

Under the 2011 Nonemployee Director Stock Plan (2011 Director Plan), HEI can issue shares of common stock as compensation to nonemployee directors of HEI, Hawaiian Electric and ASB. As of December 31, 2016, there were 121,198 shares remaining available for future issuance under the 2011 Director Plan.

Share-based compensation expense and the related income tax benefit were as follows:

(in millions)	2016	2015	2014
Hawaiian Electric consolidated			
Share-based compensation expense[1]	1.4	1.9	3.1
Income tax benefit	0.5	0.7	1.2

1 Nil, $0.15 million and $0.16 million of this share-based compensation expense was capitalized in 2016, 2015 and 2014, respectively.

9 · Income taxes

The components of income taxes attributable to net income for common stock were as follows:

	Hawaiian Electric consolidated		
Years ended December 31	2016	2015	2014
(in thousands)			
Federal			
Current	$ 952	$ —	$ 1,108
Deferred	70,513	68,757	68,775
Deferred tax credits, net	268	318	—
	71,733	69,075	69,883
State			
Current	9,232	(1,048)	(9,436)
Deferred	3,873	6,869	14,172
Deferred tax credits, net	(37)	4,526	6,106
	13,068	10,347	10,842
Total	$ 84,801	$ 79,422	$ 80,725

A reconciliation of the amount of income taxes computed at the federal statutory rate of 35% to the amount provided in the consolidated statements of income was as follows:

Hawaiian Electric consolidated

Years ended December 31	2016	2015	2014
(in thousands)			
Amount at the federal statutory income tax rate	$ 80,190	$ 75,996	$ 77,126
Increase (decrease) resulting from:			
State income taxes, net of federal income tax benefit	8,494	6,726	7,047
Other, net	(3,883)	(3,300)	(3,448)
Total	$ 84,801	$ 79,422	$ 80,725
Effective income tax rate	37.0%	36.6%	36.6%

The tax effects of book and tax basis differences that give rise to deferred tax assets and liabilities were as follows:

	Hawaiian Electric consolidated	
December 31	2016	2015
(in thousands)		
Deferred tax assets		
Net operating loss[1]	$ 9,158	$ 37,283
Allowance for bad debts	2,364	1,852
Other	18,720	18,386
Total deferred tax assets	30,242	57,521
Deferred tax liabilities		
Property, plant and equipment related	536,885	489,884
Repairs deduction	103,782	104,081
Regulatory assets, excluding amounts attributable to property, plant and equipment	35,107	34,261
Deferred RAM and RBA revenues	26,053	26,400
Retirement benefits	51,445	44,991
Other	10,629	12,710
Total deferred tax liabilities	763,901	712,327
Net deferred income tax liability	$ 733,659	$ 654,806

[1] The Hawaiian Electric deferred tax asset includes the tax effect of federal net operating loss carryforwards of $9 million expiring in 2034 and federal general business credit carryforwards of $3 million expiring in 2032 through 2036, net of unrecognized federal tax benefits of $3 million due to uncertain tax positions.

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences are deductible. Based upon historical taxable income and projections for future taxable income, management believes it is more likely than not the Utilities will realize substantially all of the benefits of the deferred tax assets. As of December 31, 2016, the valuation allowance for deferred tax benefits is not significant. In 2016, the net deferred income tax liability continued to increase primarily as a result of accelerated tax deductions taken for bonus depreciation enacted in the Protecting Americans from Tax Hikes (PATH) Act of 2015.

The Utilities are included in the consolidated federal and Hawaii income tax returns of HEI and are subject to the provisions of HEI's tax sharing agreement, which determines each subsidiary's (or subgroup's) income tax return liabilities and refunds on a standalone basis as if it filed a separate return (or subgroup consolidated return). Consequently, although HEI consolidated does not anticipate any unutilized net operating loss (NOL) as of December 31, 2016, standalone Hawaiian Electric consolidated expects an unutilized NOL for federal tax purposes in accordance with the HEI tax sharing agreement. The Hawaiian Electric deferred tax asset associated with this NOL as of December 31, 2016 has decreased from December 31, 2015 as shown above.

The following is a reconciliation of the Utilities' liability for unrecognized tax benefits for 2016, 2015 and 2014.

	Hawaiian Electric consolidated		
(in millions)	2016	2015	2014
Unrecognized tax benefits, January 1	$ 3.6	$ —	0.5
Reductions based on tax positions taken during the year	(0.1)	—	—

Additions for tax positions of prior years	0.3	3.6	0.1
Settlements	—	—	(0.6)
Unrecognized tax benefits, December 31	$ 3.8	$ 3.6	$ —

The Utilities recognize interest accrued related to unrecognized tax benefits in "Interest expense-other than on deposit liabilities and other bank borrowings" and penalties, if any, in operating expenses. In 2016, 2015 and 2014, the Utilities recognized approximately $0.03 million, $0.1 million and $(0.7) million, respectively, in interest (income) expense. Additional interest expense related to the Utilities' unrecognized tax benefits was recognized at HEI Consolidated because of the Utilities' NOL position. The credit adjustments to interest expense in 2014 were primarily due to the resolution of tax issues with the IRS. The Utilities had $0.1 million and $0.1 million of interest accrued as of December 31, 2016 and 2015, respectively.

As of December 31, 2016, the disclosures above present the Utilities' accruals for potential tax liabilities. Based on information currently available, the Utilities believe these accruals have adequately provided for potential income tax issues with federal and state tax authorities, and that the ultimate resolution of tax issues for all open tax periods will not have a material adverse effect on its results of operations, financial condition or liquidity.

IRS examinations have been completed and settled through the tax year 2011 and the statute of limitations has tolled for tax year 2012, leaving subsequent years subject to IRS examination. The tax years 2011 and subsequent are still subject to examination by the Hawaii Department of Taxation.

Recent tax developments. On December 18, 2015, Congress passed, and President Obama signed into law, the "Protecting Americans from Tax Hikes (PATH) Act of 2015" and the "Consolidating Appropriations Act, 2016," providing government funding and a number of significant tax changes.

The provision with the greatest impact on the Utilities is the extension of bonus depreciation. The PATH Act continues 50% bonus depreciation through 2017, phases down the percentage to 40% in 2018 and 30% in 2019 and then terminates bonus depreciation thereafter. Tax depreciation is expected to increase by approximately $126 million in 2016 and result in increased accumulated deferred tax liabilities.

Additionally, the "Consolidating Appropriations Act, 2016" extended a variety of energy-related credits that were expired or were soon to expire. These credits include the production credit for wind facilities and the 30% investment credit for qualified solar energy property, with various phase-out dates through 2021.

10 · Cash flows

Years ended December 31	2016	2015	2014
(in millions)			
Supplemental disclosures of cash flow information			
Hawaiian Electric consolidated			
Interest paid to non-affiliates	62	61	61
Income taxes paid	1	13	6
Income taxes refunded	20	12	8
Supplemental disclosures of noncash activities			
Hawaiian Electric consolidated			
Electric utility property, plant and equipment			
AFUDC-equity (operating)	8	7	7
Estimated fair value of noncash contributions in aid of construction (investing)	28	3	3
Change in unpaid invoices and accruals (investing)	14	5	40
Refinancing of long-term debt (financing)	—	47	—

11 · Regulatory restrictions on net assets

As of December 31, 2016, the Utilities could not transfer approximately $729 million of net assets to HEI in the form of dividends, loans or advances without PUC approval.

12 · Significant group concentrations of credit risk

Most of the Utilities' business activity is with customers located in the State of Hawaii.

The Utilities are regulated operating electric public utilities engaged in the generation, purchase, transmission, distribution and sale of electricity on the islands of Oahu, Hawaii, Maui, Lanai and Molokai in the State of Hawaii. The Utilities provide the only electric public utility service on the islands they serve. The Utilities grant credit to customers, all of whom reside or conduct business in the State of Hawaii.

13 · Fair value measurements

Fair value estimates are estimates of the price that would be received to sell an asset, or paid upon the transfer of a liability, in an orderly transaction between market participants at the measurement date. The fair value estimates are generally determined based on assumptions that market participants would use in pricing the asset or liability and are based on market data obtained from independent sources. However, in certain cases, the Utilities use their own assumptions about market participant assumptions based on the best information available in the circumstances. These valuations are estimates at a specific point in time, based on relevant market information, information about the financial instrument and judgments regarding future expected loss experience, economic conditions, risk characteristics of various financial instruments and other factors. These estimates do not reflect any premium or discount that could result if the Utilities were to sell its entire holdings of a particular financial instrument at one time. Because no active trading market exists for a portion of the Utilities' financial instruments, fair value estimates cannot be determined with precision. Changes in the underlying assumptions used, including discount rates and estimates of future cash flows, could significantly affect the estimates. In addition, the tax ramifications related to the realization of the unrealized gains and losses could have a significant effect on fair value estimates but have not been considered in making such estimates.

The Utilities group its financial assets measured at fair value in three levels outlined as follows:

Level 1: Inputs to the valuation methodology are quoted prices, unadjusted, for identical assets or liabilities in active markets. A quoted price in an active market provides the most reliable evidence of fair value and is used to measure fair value whenever available.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; inputs to the valuation methodology include quoted prices for identical or similar assets or liabilities in markets that are not active; or inputs to the valuation methodology that are derived principally from or can be corroborated by observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Level 3 assets and liabilities include financial instruments whose value is determined using discounted cash flow methodologies, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

Classification in the hierarchy is based upon the lowest level input that is significant to the fair value measurement of the asset or liability. For instruments classified in Level 1 and 2 where inputs are primarily based upon observable market data, there is less judgment applied in arriving at the fair value. For instruments classified in Level 3, management judgment is more significant due to the lack of observable market data.

Fair value is also used on a nonrecurring basis to evaluate certain assets for impairment or for disclosure purposes. Examples of nonrecurring uses of fair value include mortgage servicing rights accounted for by the amortization method, loan impairments for certain loans and goodwill.

Fair value measurement and disclosure valuation methodology. The following are descriptions of the valuation methodologies used for assets and liabilities recorded at fair value and for estimating fair value for financial instruments not carried at fair value:

Short-term borrowings. The carrying amount approximated fair value because of the short maturity of these instruments.

Long-term debt. Fair value was obtained from third-party financial services providers based on the current rates offered for debt of the same or similar remaining maturities and from discounting the future cash flows using the current rates offered for debt of the same or similar remaining maturities.

Window forward contract. The estimated fair value was obtained from a third-party financial services provider based on the effective exchange rate offered for the foreign currency denominated transaction. Window forward contracts are classified as Level 2 measurements.

The following table presents the carrying or notional amount, fair value, and placement in the fair value hierarchy of the Utilities' financial instruments.

		Estimated fair value			
(in thousands)	Carrying or notional Amount	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
December 31, 2016					
Financial liabilities					
Hawaiian Electric consolidated					
Long-term debt, net	1,319,260	—	1,399,490	—	1,399,490
Derivative liabilities	20,734	—	743	—	743
December 31, 2015					
Financial liabilities					
Hawaiian Electric consolidated					
Long-term debt, net*	1,278,702	—	1,363,766	—	1,363,766

* See Note 1 for the impact to prior period financial information of the adoption of ASU No. 2015-03.

14 · Other related-party transactions

Mr. Timothy Johns, a member of the Hawaiian Electric Board of Directors, is an executive officer of Hawaii Medical Service Association (HMSA). Ms. Susan Li, an executive of Hawaiian Electric, is the Chair of the Hawaii Dental Service (HDS) Board of Directors. The Utilities' HMSA costs and expense (for health insurance premiums) and HDS costs and expense (for dental insurance premiums) were as follows:

	Hawaiian Electric consolidated		
(in millions)	2016	2015	2014
HMSA costs	$ 22	$ 23	$ 20
HMSA expense*	14	14	13
HDS costs	2	2	2
HDS expense*	1	1	1

* Charged the remaining costs primarily to electric utility plant.

The costs and expense in the table above are gross amounts (i.e., not net of employee contributions to employee benefits).

15 · Quarterly information (unaudited)

Selected quarterly information was as follows:

	Quarters ended				Years ended
(in thousands, except per share amounts)	March 31	June 30	Sept. 30	Dec. 31	December 31
Hawaiian Electric consolidated					
2016					

Revenues	$ 482,052	$ 495,395	$ 572,253	$ 544,668	$ 2,094,368
Operating income	55,326	70,686	89,812	68,644	284,468
Net income	25,866	36,356	47,472	34,618	144,312
Net income for common stock	25,367	35,857	46,974	34,119	142,317
2015					
Revenues	573,442	558,163	648,127	555,434	2,335,166
Operating income	57,636	66,161	82,657	67,662	274,116
Net income	27,373	33,340	43,504	33,492	137,709
Net income for common stock	26,874	32,841	43,006	32,993	135,714

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES

1. Report in columns (b),(c),(d) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.
2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.
3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.
4. Report data on a year-to-date basis.

Line No.	Item (a)	Unrealized Gains and Losses on Available-for-Sale Securities (b)	Minimum Pension Liability adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year	186,292			
2	Preceding Qtr/Yr to Date Reclassifications from Acct 219 to Net Income				
3	Preceding Quarter/Year to Date Changes in Fair Value	44,290			
4	Total (lines 2 and 3)	44,290			
5	Balance of Account 219 at End of Preceding Quarter/Year	230,582			
6	Balance of Account 219 at Beginning of Current Year	230,582			
7	Current Qtr/Yr to Date Reclassifications from Acct 219 to Net Income				
8	Current Quarter/Year to Date Changes in Fair Value	(45,681)			
9	Total (lines 7 and 8)	(45,681)			
10	Balance of Account 219 at End of Current Quarter/Year	184,901			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES

Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges [Insert Footnote at Line 1 to specify] (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (Carried Forward from Page 117, Line 78) (i)	Total Comprehensive Income (j)
1			186,292		
2					
3			44,290		
4			44,290		44,290
5			230,582		
6			230,582		
7					
8			(45,681)		
9			(45,681)		(45,681)
10			184,901		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION

Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (h) common function.

Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)
1	Utility Plant		
2	In Service		
3	Plant in Service (Classified)	1,111,200,275	1,111,200,275
4	Property Under Capital Leases		
5	Plant Purchased or Sold		
6	Completed Construction not Classified		
7	Experimental Plant Unclassified		
8	Total (3 thru 7)	1,111,200,275	1,111,200,275
9	Leased to Others		
10	Held for Future Use	1,302,500	1,302,500
11	Construction Work in Progress	19,037,710	19,037,710
12	Acquisition Adjustments	1,785,138	1,785,138
13	Total Utility Plant (8 thru 12)	1,133,325,623	1,133,325,623
14	Accum Prov for Depr, Amort, & Depl	509,745,467	509,745,467
15	Net Utility Plant (13 less 14)	623,580,156	623,580,156
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	507,960,329	507,960,329
19	Amort & Depl of Producing Nat Gas Land/Land Right		
20	Amort of Underground Storage Land/Land Rights		
21	Amort of Other Utility Plant		
22	Total In Service (18 thru 21)	507,960,329	507,960,329
23	Leased to Others		
24	Depreciation		
25	Amortization and Depletion		
26	Total Leased to Others (24 & 25)		
27	Held for Future Use		
28	Depreciation		
29	Amortization		
30	Total Held for Future Use (28 & 29)		
31	Abandonment of Leases (Natural Gas)		
32	Amort of Plant Acquisition Adj	1,785,138	1,785,138
33	Total Accum Prov (equals 14) (22,26,30,31,32)	509,745,467	509,745,467

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION. AMORTIZATION AND DEPLETION

Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
					3
					4
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					30
					31
					32
					33

FOOTNOTE DATA

Schedule Page: 200 Line No.: 22 Column: c

Page 200, line 22, column (c) includes ($2,491,829) for Retirement Work in Progress. This explains the difference between page 219, line 19, column (c) and Page 200, line 22.

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)

1. Report below the original cost of electric plant in service according to the prescribed accounts.
2. In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.
3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
4. For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.
5. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
6. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization		
3	(302) Franchises and Consents	1,750	
4	(303) Miscellaneous Intangible Plant		
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	1,750	
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights	123,655	
9	(311) Structures and Improvements	6,872,487	14,120
10	(312) Boiler Plant Equipment	51,325,834	98,052
11	(313) Engines and Engine-Driven Generators		
12	(314) Turbogenerator Units	48,283,658	1,584,816
13	(315) Accessory Electric Equipment	9,010,399	25,765
14	(316) Misc. Power Plant Equipment	3,221,240	77,565
15	(317) Asset Retirement Costs for Steam Production		
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	118,837,273	1,800,318
17	B. Nuclear Production Plant		
18	(320) Land and Land Rights		
19	(321) Structures and Improvements		
20	(322) Reactor Plant Equipment		
21	(323) Turbogenerator Units		
22	(324) Accessory Electric Equipment		
23	(325) Misc. Power Plant Equipment		
24	(326) Asset Retirement Costs for Nuclear Production		
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)		
26	C. Hydraulic Production Plant		
27	(330) Land and Land Rights		
28	(331) Structures and Improvements		
29	(332) Reservoirs, Dams, and Waterways		
30	(333) Water Wheels, Turbines, and Generators		
31	(334) Accessory Electric Equipment		
32	(335) Misc. Power PLant Equipment		
33	(336) Roads, Railroads, and Bridges		
34	(337) Asset Retirement Costs for Hydraulic Production		
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)		
36	D. Other Production Plant		
37	(340) Land and Land Rights	855,925	
38	(341) Structures and Improvements	41,818,132	427,808
39	(342) Fuel Holders, Products, and Accessories	8,125,023	318,681
40	(343) Prime Movers	47,737,656	2,288,218
41	(344) Generators	128,012,950	1,660,395
42	(345) Accessory Electric Equipment	37,816,034	140,697
43	(346) Misc. Power Plant Equipment	18,751,326	1,571,985
44	(347) Asset Retirement Costs for Other Production		
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)	283,117,046	6,407,784
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	401,954,319	8,208,102

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

7. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.

8. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirement of these pages.

9. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					1
					2
			1,750		3
					4
			1,750		5
					6
					7
			123,655		8
			6,886,607		9
			51,423,886		10
					11
			49,868,474		12
			9,036,164		13
42,957			3,255,848		14
					15
42,957			120,594,634		16
					17
					18
					19
					20
					21
					22
					23
					24
					25
					26
					27
					28
					29
					30
					31
					32
					33
					34
					35
					36
			855,925		37
			42,245,940		38
			8,443,704		39
			50,025,874		40
			129,673,345		41
			37,956,731		42
3,093,420			17,229,891		43
					44
3,093,420			286,431,410		45
3,136,377			407,026,044		46

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
47	3. TRANSMISSION PLANT		
48	(350) Land and Land Rights	2,839,488	
49	(352) Structures and Improvements	7,256,636	
50	(353) Station Equipment	53,591,740	1,277,116
51	(354) Towers and Fixtures	38,669	
52	(355) Poles and Fixtures	32,015,430	1,050,302
53	(356) Overhead Conductors and Devices	27,504,455	-388,908
54	(357) Underground Conduit	714,085	
55	(358) Underground Conductors and Devices	1,193,803	1,216
56	(359) Roads and Trails		
57	(359.1) Asset Retirement Costs for Transmission Plant		
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	125,154,306	1,939,726
59	4. DISTRIBUTION PLANT		
60	(360) Land and Land Rights	1,919,371	106,996
61	(361) Structures and Improvements	1,522,571	227,434
62	(362) Station Equipment	52,809,836	2,321,410
63	(363) Storage Battery Equipment	2,140,265	3,300,358
64	(364) Poles, Towers, and Fixtures	44,548,623	3,073,928
65	(365) Overhead Conductors and Devices	66,552,966	368,123
66	(366) Underground Conduit	63,216,955	390,200
67	(367) Underground Conductors and Devices	80,214,678	2,592,449
68	(368) Line Transformers	63,753,140	5,560,150
69	(369) Services	88,155,464	7,417,642
70	(370) Meters	13,729,057	1,279,022
71	(371) Installations on Customer Premises		
72	(372) Leased Property on Customer Premises		
73	(373) Street Lighting and Signal Systems	13,543,498	588,221
74	(374) Asset Retirement Costs for Distribution Plant		
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	492,106,424	27,225,933
76	5. REGIONAL TRANSMISSION AND MARKET OPERATION PLANT		
77	(380) Land and Land Rights		
78	(381) Structures and Improvements		
79	(382) Computer Hardware		
80	(383) Computer Software		
81	(384) Communication Equipment		
82	(385) Miscellaneous Regional Transmission and Market Operation Plant		
83	(386) Asset Retirement Costs for Regional Transmission and Market Oper		
84	TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83)		
85	6. GENERAL PLANT		
86	(389) Land and Land Rights	138,065	
87	(390) Structures and Improvements	13,239,007	119,885
88	(391) Office Furniture and Equipment	3,752,604	124,608
89	(392) Transportation Equipment	12,887,909	-9,685
90	(393) Stores Equipment	568,540	
91	(394) Tools, Shop and Garage Equipment	6,784,523	180,059
92	(395) Laboratory Equipment	470,747	
93	(396) Power Operated Equipment	140,554	
94	(397) Communication Equipment	20,659,908	226,395
95	(398) Miscellaneous Equipment	1,278,897	55,442
96	SUBTOTAL (Enter Total of lines 86 thru 95)	59,920,754	696,704
97	(399) Other Tangible Property		
98	(399.1) Asset Retirement Costs for General Plant		
99	TOTAL General Plant (Enter Total of lines 96, 97 and 98)	59,920,754	696,704
100	TOTAL (Accounts 101 and 106)	1,079,137,553	38,070,465
101	(102) Electric Plant Purchased (See Instr. 8)		
102	(Less) (102) Electric Plant Sold (See Instr. 8)		
103	(103) Experimental Plant Unclassified		
104	TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)	1,079,137,553	38,070,465

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					47
			2,839,488		48
			7,256,636		49
			54,868,856		50
			38,669		51
21,859			33,043,873		52
20,327			27,095,220		53
			714,085		54
			1,195,019		55
					56
					57
42,186			127,051,846		58
					59
			2,026,367		60
			1,750,005		61
			55,131,246		62
			5,440,623		63
63,203			47,559,348		64
64,113			66,856,976		65
1,225			63,605,930		66
9,794			82,797,333		67
515,958			68,797,332		68
12,370			95,560,736		69
453,038			14,555,041		70
					71
					72
			14,131,719		73
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1,119,701			518,212,656		75
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					85
			138,065		86
			13,358,892		87
693,675			3,183,537		88
438,273			12,439,951		89
			568,540		90
72,818			6,891,764		91
27,944			442,803		92
			140,554		93
464,805			20,421,498		94
11,964			1,322,375		95
1,709,479			58,907,979		96
					97
					98
1,709,479			58,907,979		99
6,007,743			1,111,200,275		100
					101
					102
					103
6,007,743			1,111,200,275		104

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

ELECTRIC PLANT HELD FOR FUTURE USE (Account 105)

1. Report separately each property held for future use at end of the year having an original cost of $250,000 or more. Group other items of property held for future use.
2. For property having an original cost of $250,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

Line No.	Description and Location Of Property (a)	Date Originally Included in This Account (b)	Date Expected to be used in Utility Service (c)	Balance at End of Year (d)
1	Land and Rights:			
2	65.7 acres of land in Central Maui	1996	2022	1,302,500
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21	Other Property:			
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47	Total			1,302,500

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (107)
2. Show items relating to "research, development, and demonstration" projects last; under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)
3. Minor projects (5% of the Balance End of the Year for Account 107 or $1,000,000, whichever is less) may be grouped.

Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)
1	Waiinu-Kanaha 69kV Upgrade	3,813,565
2	Other Overhead additions	1,740,317
3	UNDERGROUND SERVICES & EXTNS.	1,344,025
4	Kaonoulu Sub	1,182,339
5	M16 Low Load Modifications	1,045,709
6	Various "minor" projects under $951,886 (5% of CWIP ending balance) at 12/31/16	9,911,755
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43	TOTAL	19,037,710

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

Section A. Balances and Changes During Year

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	494,473,002	494,473,002		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	24,790,472	24,790,472		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing	515,110	515,110		
7	Other Clearing Accounts				
8	Other Accounts (Specify, details in footnote):				
9					
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	25,305,582	25,305,582		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	6,007,743	6,007,743		
13	Cost of Removal	3,349,530	3,349,530		
14	Salvage (Credit)	30,847	30,847		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	9,326,426	9,326,426		
16	Other Debit or Cr. Items (Describe, details in footnote):				
17					
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	510,452,158	510,452,158		
	Section B. Balances at End of Year According to Functional Classification				
20	Steam Production	71,763,662	71,763,662		
21	Nuclear Production				
22	Hydraulic Production-Conventional				
23	Hydraulic Production-Pumped Storage				
24	Other Production	181,023,187	181,023,187		
25	Transmission	56,497,597	56,497,597		
26	Distribution	177,514,644	177,514,644		
27	Regional Transmission and Market Operation				
28	General	23,653,068	23,653,068		
29	TOTAL (Enter Total of lines 20 thru 28)	510,452,158	510,452,158		

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) X An Original (2) __ A Resubmission	12/31/2016	2016/Q4

FOOTNOTE DATA

Schedule Page: 219 Line No.: 19 Column: c

Page 200, line 22, column (c) includes ($2,491,829) for Retirement Work in Progress. This explains the difference between Page 219, line 19, column (c) and Page 200, line 22.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

MATERIALS AND SUPPLIES

1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.
2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.

Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)
1	Fuel Stock (Account 151)	13,450,863	10,962,262	
2	Fuel Stock Expenses Undistributed (Account 152)			
3	Residuals and Extracted Products (Account 153)			
4	Plant Materials and Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)			
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)			
8	Transmission Plant (Estimated)			
9	Distribution Plant (Estimated)			
10	Regional Transmission and Market Operation Plant (Estimated)			
11	Assigned to - Other (provide details in footnote)	16,459,768	16,257,962	
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	16,459,768	16,257,962	
13	Merchandise (Account 155)			
14	Other Materials and Supplies (Account 156)			
15	Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util)			
16	Stores Expense Undistributed (Account 163)	183,719	113,089	
17				
18				
19				
20	TOTAL Materials and Supplies (Per Balance Sheet)	30,094,350	27,333,313	

FOOTNOTE DATA

Schedule Page: 227 Line No.: 11 Column: b

Generation, transmission and distribution and materials inventory transactions. Separate generation and transmission and distribution inventory balance not readily available.

Schedule Page: 227 Line No.: 11 Column: c

Generation, transmission and distribution and materials inventory transactions. Separate generation and transmission and distribution inventory balance not readily available.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

Transmission Service and Generation Interconnection Study Costs

1. Report the particulars (details) called for concerning the costs incurred and the reimbursements received for performing transmission service and generator interconnection studies.
2. List each study separately.
3. In column (a) provide the name of the study.
4. In column (b) report the cost incurred to perform the study at the end of period.
5. In column (c) report the account charged with the cost of the study.
6. In column (d) report the amounts received for reimbursement of the study costs at end of period.
7. In column (e) report the account credited with the reimbursement received for performing the study.

Line No.	Description (a)	Costs Incurred During Period (b)	Account Charged (c)	Reimbursements Received During the Period (d)	Account Credited With Reimbursement (e)
1	**Transmission Studies**				
2	N/A				
3					
4					
5					
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21	**Generation Studies**				
22	Molokai Island Energy	101,134	557	165,000	456
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than $100,000 which ever is less), may be grouped by classes.
3. For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets	Balance at Beginning of Current Quarter/Year	Debits	CREDITS		Balance at end of Current Quarter/Year
				Written off During the Quarter /Year Account Charged	Written off During the Period Amount	
	(a)	(b)	(c)	(d)	(e)	(f)
1	Income taxes	8,276,286	573,659		371,637	8,478,308
2	OPEB (SFAS 106)					
3	Vacation Earned by Employees, But Not Yet Taken	1,009,758	58,998			1,068,756
4	Postemployment Benefits (SFAS 112)	421,931			42,570	379,361
5	Unamortized Debt Expense on Retired Issuance	2,375,649			301,390	2,074,259
6	Integrated Resource Planning	615,690	2,916		307,845	310,761
7	Deferred Rate Costs					
8	Investment Income Differential	69,739			10,712	59,027
9	Interisland Wind Stage 2 Studies	161,304			101,716	59,588
10	Customer Information System (CIS)	44,638	27,871		32,612	39,897
11	Decoupling Revenue Balancing Account	3,109,231			241,148	2,868,083
12	Pension min liability (SFAS 158)	66,525,824	7,925,189		2,804,753	71,646,260
13	Pension NPPC vs Contributions	3,100,389				3,100,389
14	Pension NPPC vs Rates	12,423,590	1,107,186		990,768	12,540,008
15	OPEB min liability (SFAS 158)	6,579,524	1,184,306		3	7,763,827
16	OPEB NPPC vs Rates	134,757			59,048	75,709
17	Interactive Voice Response (IVR)	246,945			23,333	223,612
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44	TOTAL :	105,095,255	10,880,125		5,287,535	110,687,845

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

MISCELLANEOUS DEFFERED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a)
3. Minor item (1% of the Balance at End of Year for Account 186 or amounts less than $100,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS Account Charged (d)	CREDITS Amount (e)	Balance at End of Year (f)
1	Other Deferred Debits	2,833,192	41,690,500		42,246,693	2,276,999
2	Other CWIP - Non Utility	1,098				1,098
3	Lease Receivable-Non Current	4,477,377				4,477,377
4	Unamortized System Development:					
5	CIS Project	2,002,264			212,630	1,789,634
6	HR Suite Project	731,294			127,264	604,030
7	Budget System Project	251,180			31,074	220,106
8	ERP EAM Project					
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47	Misc. Work in Progress		[redacted]			
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	10,296,405	[redacted]			9,369,244

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

CAPITAL STOCKS (Account 201 and 204)

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

Line No.	Class and Series of Stock and Name of Stock Series (a)	Number of shares Authorized by Charter (b)	Par or Stated Value per share (c)	Call Price at End of Year (d)
1	Common Stock:	10,000,000	10.00	
2				
3	Preferred Stock:			
4	Series A	20,000	100.00	
5	Series B	10,000	100.00	
6	Series C	10,000	100.00	
7	Series D	20,000	100.00	
8	Series E	20,000	100.00	
9	Series F	10,000	100.00	
10	Series G	50,000	100.00	
11	Series H	50,000	100.00	100.00
12	Unissued	810,000	100.00	
13	Preferred Stock	1,000,000		
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

CAPITAL STOCKS (Account 201 and 204) (Continued)

3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.
4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.
5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.
Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No.
		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
	16,875,730					1
						2
						3
						4
						5
						6
						7
						8
						9
						10
50,000	5,000,000					11
						12
50,000	5,000,000					13
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

CAPITAL STOCK EXPENSE (Account 214)

1. Report the balance at end of the year of discount on capital stock for each class and series of capital stock.
2. If any change occurred during the year in the balance in respect to any class or series of stock, attach a statement giving particulars (details) of the change. State the reason for any charge-off of capital stock expense and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1	Common Stock	63,849
2		
3	Preferred Stock:	
4	Series A	
5	Series B	
6	Series C	
7	Series D	
8	Series E	
9	Series F	
10	Series G	
11	Series H	
12	Subtotal Preferred Stock	90,389
13		
14	Flex Cumulative Quarterly Income Preferred Securities (Flex QUIPS)	
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21		
22	TOTAL	154,238

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

LONG-TERM DEBT (Account 221, 222, 223 and 224)

1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.
2. In column (a), for new issues, give Commission authorization numbers and dates.
3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
6. In column (b) show the principal amount of bonds or other long-term debt originally issued.
7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1	ACCOUNT 221 - BONDS:		
2	None		
3	ACCOUNT 222 - REACQUIRED BONDS:		
4	None		
5	SUBTOTAL		
6			
7	ACCOUNT 224 -OTHER LONG-TERM DEBT OBLIGATION TO THE STATE OF HAWAII:		
8	REPAYMENT OF SPECIAL PURPOSE REVENUE BONDS:		
9	4.65% Series 2007A	20,000,000	344,145
10	4.60% Refunding Series 2007B	55,000,000	967,350
11	3.25% Refunding Series 2015	2,000,000	33,205
12	SUBTOTAL	77,000,000	1,344,700
13			
14	ACCOUNT 224 - LONG TERM ADVANCE FROM ASSOCIATES COMPANIES		
15	6.50%, Series 2004 Junior subordinaed deferrable interest		
16	debentures, due 2034	10,000,000	310,988
17	SUBTOTAL	10,000,000	310,988
18			
19	ACCOUNT 224 - OTHER LONG TERM DEBT(UNSECURED)		
20	TAXABLE UNSECURED SENIOR NOTES:		
21	3.79% Series 2012A	9,000,000	47,788
22	4.03% Series 2012B	20,000,000	106,195
23	4.55% Series 2012C	30,000,000	159,071
24	4.84% Series 2013A	20,000,000	97,630
25	5.65% Series 2013B	20,000,000	97,630
26	5.23% Series 2015A	5,000,000	32,147
27	SUBTOTAL	104,000,000	540,461
28			
29			
30			
31			
32			
33	TOTAL	191,000,000	2,196,149

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD Date From (f)	AMORTIZATION PERIOD Date To (g)	Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
						1
						2
						3
						4
						5
						6
						7
						8
03/2007	03/2037	03/2007	03/2037	20,000,000	930,000	9
03/2007	05/2026	03/2007	05/2026	55,000,000	2,530,000	10
12/2015	01/2025	01/2016	01/2025	2,000,000	64,819	11
				77,000,000	3,524,819	12
						13
						14
						15
3/2004	3/2034	3/2004	3/2034	10,000,000	650,000	16
				10,000,000	650,000	17
						18
						19
						20
04/2012	12/2018	04/2012	12/2018	9,000,000	341,100	21
04/2012	01/2020	04/2012	01/2020	20,000,000	806,004	22
04/2012	11/2023	04/2012	11/2023	30,000,000	1,365,000	23
10/2013	10/2027	10/2013	10/2027	20,000,000	968,000	24
10/2013	10/2043	10/2013	10/2043	20,000,000	1,130,000	25
10/2015	10/2045	10/2015	10/2045	5,000,000	260,774	26
				104,000,000	4,870,878	27
						28
						29
						30
						31
						32
				191,000,000	9,045,697	33

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be field, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.
3. A substitute page, designed to meet.a particular need of a company, may be used as Long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 117)	
2	SEE FOOTNOTE	[redacted]
3		
4	Taxable Income Not Reported on Books	
5		
6		
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	[redacted]
10		
11		
12		
13		
14	Income Recorded on Books Not Included in Return	[redacted]
15		
16		
17		
18		
19	Deductions on Return Not Charged Against Book Income	[redacted]
20		
21		
22		
23		
24		
25		
26		
27	Federal Tax Net Income	
28	Show Computation of Tax:	
29	Taxable income: 0	
30	Multiplied by tax rate: 35%	
31		
32		
33		
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44		

Schedule Page: 261 Line No.: 2 Column: a

Line No.	Particulars (Details) (a)		Amount (b)
1.	Net income per books		21,516,759
2.	Federal income taxes		11,544,950
3.	Excess of capital losses over capital gains		-
4.	Income subject to tax not recorded on books this year:		
	a. Contributions in aid of construction received	8,133,706	
	b. State Income Tax Adjustment	642,856	
	c. Prior Years Repair depreciation	1,876,982	
	d. Customer advances	319,259	
	e. Revenue Balancing Account (RBA)	219,724	
	f. Miscellaneous items under $100,000	-	11,192,527
5.	Expenses recorded on books this year not deducted in this return:		
	a. Pension Expense	7,239,186	
	b. Deferred State Income Taxes	1,683,852	
	c. Other Postretirement Benefits Regulatory Expense	711,988	
	d. Statement of Financial Accounting Standards Number 109 book income	643,332	
	e. Capitalized interest	425,345	
	f. IRP/DSM Costs - book amortization	307,845	
	g. Bond issuance expense - Bk amortization	237,494	
	h. Customer Information System - Bk expense	217,370	
	i. Bonuses - Nonexecutives bk expense	151,319	
	j. Software - HR Suite System - Bk amortization	127,264	
	k. Miscellaneous items under $100,000	477,804	12,222,799
6.	TOTAL OF LINES 1 THROUGH 5		56,477,035
7.	Income recorded on books this year not included in this return:		
	a. AFUDC Equity	(900,672)	
	b. AFUDC Debt	(365,715)	
	c. Other Postretirement Benefits	(211,940)	
	d. Pension Regulatory Expense	(116,424)	
	e. Miscellaneous items under $100,000	(54,266)	(1,649,017)
8.	Deductions in this tax return not charged against book income this year:		
	a. Excess of tax depreciation over book depreciation	(32,430,268)	
	b. Repairs Deduction	(10,660,270)	
	c. Pension Expense	(7,239,186)	
	d. Cost of removal	(3,548,156)	
	e. Reserve Workers Comp	(168,501)	
	f. Bonuses - Nonexecutive Paid	(106,923)	
	g. Miscellaneous items under $100,000	(507,541)	(54,660,845)
9.	TOTAL OF LINES 7 AND 8		(56,309,862)
10.	TAXABLE INCOME (Line 6 less line 9)		167,173
11.	Special deductions:		

FOOTNOTE DATA

a. Federal NOL carryforward	(167,173)
12. TAXABLE INCOME (Line 10 less line 11)	-

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(Next page is 262)

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are know, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b)amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjust-ments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1	FEDERAL					
2	Income Tax	251,162				
3	FICA			2,358,028	2,358,028	
4	FUTA			13,180	13,180	
5	SUBTOTAL	251,162		2,371,208	2,371,208	
6						
7	STATE/COUNTY					
8	Income Tax		685,859	2,335,554	1,344,913	
9	SUTA			27,056	27,056	
10	Franchise	9,470,134		7,658,210	8,905,406	
11	PSC Tax	17,874,364		18,343,201	21,074,679	
12	PUC Fee	1,665,984		1,558,471	1,790,542	
13	Gen Excise/Use	63,549		535,310	567,869	
14	Property					
15	Other					
16	SUBTOTAL	29,074,031	685,859	30,457,802	33,710,465	
17						
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41	TOTAL	29,325,193	685,859	32,829,010	36,081,673	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes)- covers more then one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority..
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
251,162						2
					2,358,028	3
					13,180	4
251,162					2,371,208	5
						6
						7
304,782		2,335,554				8
					27,056	9
8,222,938					7,658,210	10
15,142,886					18,343,201	11
1,433,913					1,558,471	12
30,990					535,310	13
						14
						15
25,135,509		2,335,554			28,122,248	16
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25,386,671		2,335,554			30,493,456	41

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustments to the account balance shown in column (g).Include in column (i) the average period over which the tax credits are amortized.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)	
1	Electric Utility						
2	3%						
3	4%						
4	7%	289,905				12,765	
5	10%						
6	Energy Credits	234,917				-11,993	
7	State Tax Credits	14,205,014		393,961			
8	TOTAL	14,729,836		393,961		772	
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (continued)

Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION	Line No.
[redacted]			1
			2
			3
277,140			4
			5
246,910			6
14,598,975			7
15,123,025			8
[redacted]			9
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

OTHER DEFFERED CREDITS (Account 253)

1. Report below the particulars (details) called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than $100,000, whichever is greater) may be grouped by classes.

Line No.	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS Contra Account (c)	DEBITS Amount (d)	Credits (e)	Balance at End of Year (f)
1	Unearned Interest Liability - NC	2,545,569			320,789	2,866,358
2	Other Misc Deferred Credits	51,055		135,956	146,951	62,050
3	Solar Saver Surcharge	146,107		51,861	726	94,972
4	FIN48 Tax Liability	105,408		24,510	20,445	101,343
5	SFAS 112 Liability	421,931		42,570		379,361
6	LTIP Accrual	94,481		34,769	78,573	138,285
7	Liability Reserves	4,395,859		199,997	74,289	4,270,151
8						
9						
10						
11						
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47	TOTAL	7,760,410		489,663	641,773	7,912,520

FOOTNOTE DATA

Schedule Page: 269 Line No.: 8 Column: b

Line 47 columns (b) and (f) does not agree to Page 113 line 59 columns (c) and (d). The difference is $97,870,216 and $91,061,643 at December 31, 2016 and December 31, 2015, respectively. This difference is due to the balance on page 113 to include Contributions in Aid of Construction as prescribed by NARUC System of Accounts and authorized by the Hawaii Public Utilites Commission.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

ACCUMULATED DEFFERED INCOME TAXES - OTHER PROPERTY (Account 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes rating to property not subject to accelerated amortization
2. For other (Specify),include deferrals relating to other income and deductions.

Line No.	Account	Balance at Beginning of Year	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1	Amounts Credited to Account 411.1
	(a)	(b)	(c)	(d)
1	Account 282			
2	Electric			
3	Gas			
4				
5	TOTAL (Enter Total of lines 2 thru 4)			
6				
7				
8				
9	TOTAL Account 282 (Enter Total of lines 5 thru			
10	Classification of TOTAL			
11	Federal Income Tax			
12	State Income Tax			
13	Local Income Tax			

NOTES

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year	Line No.
		Debits		Credits			
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)	(k)	
							1
							2
							3
							4
							5
							6
							7
							8
							9
							10
							11
							12
							13

NOTES (Continued)

FOOTNOTE DATA

Schedule Page: 274 Line No.: 2 Column: b

(a)	(b)	(c)	(d)	(e)	(f)	(h), (j)	(k)
Accelerated Depreciation	(54,367,182)	(8,515,615)	1,333,795	-	-	-	(61,549,002)
Deficit AccDep	-	-	-	-	-	-	-
Utility Acc Depr	(54,367,182)	(8,515,615)	1,333,795	-	-	-	(61,549,002)
Acc Depr - Non-utility	(974,023)	-	-	-	-	-	(974,023)
Total Account 282	(55,341,205)	(8,515,615)	1,333,795	-	-	-	(62,523,025)
Classification of TOTAL							
Federal Income Tax	(51,390,643)	(7,342,054)	1,333,795	-	-	-	(57,398,902)
State Income Tax	(3,950,562)	(1,173,561)	-	-	-	-	(5,124,123)

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(Next page is 276)

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

ACCUMULATED DEFFERED INCOME TAXES - OTHER (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
2. For other (Specify),include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric			
3	SEE FOOTNOTE			
4				
5				
6				
7				
8				
9	TOTAL Electric (Total of lines 3 thru 8)			
10	Gas			
11				
12				
13				
14				
15				
16				
17	TOTAL Gas (Total of lines 11 thru 16)			
18				
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)			
20	Classification of TOTAL			
21	Federal Income Tax			
22	State Income Tax			
23	Local Income Tax			

NOTES

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)

3. Provide in the space below explanations for Page 276 and 277. Include amounts relating to insignificant items listed under Other.
4. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year	Line No.
		Debits		Credits			
Amounts Debited to Account 410.2	Amounts Credited to Account 411.2	Account Credited	Amount	Account Debited	Amount		
(e)	(f)	(g)	(h)	(i)	(j)	(k)	
							1
							2
							3
							4
							5
							6
							7
							8
							9
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NOTES (Continued)

FOOTNOTE DATA

Schedule Page: 276 Line No.: 3 Column: a

(a)	(b)	(c)	(d)	(e)	(f)	(h), (j)	(k)
Capitalized Interest	2,477,358	(93,491)	(37,058)	-	-	-	2,346,809
CIAC	14,986,267	208,510	7,527	-	-	-	15,202,304
Cost of Removal	(20,334,571)	(1,380,580)	-	-	-	-	(21,715,151)
Customer Advances	1,061,553	124,113	(602)	-	-	-	1,185,064
CWIP Debt (AFUDC Debt)	(2,434,446)	(49,547)	-	-	-	-	(2,483,993)
Gain/(Loss) on Post-'80 Vint Ret	(2,823,913)	(70,386)	(264,997)	-	-	-	(3,159,296)
Liability Reserves - Brownfield Site	1,395,032	(7,276)	-	-	-	-	1,387,756
OPEB Executive Life	583,929	21,263	-	-	-	32,294	637,486
OPEB Trackers	702,751	277,033	-	-	-	-	979,784
Pension (Qualified)	(1,245,005)	-	-	-	-	-	(1,245,005)
Pension Tracker	(4,833,992)	(45,300)	2	-	-	-	(4,879,290)
RBA Revenues	1,539,487	85,494	-	-	-	-	1,624,981
RBA Revenues - §481(a) Adjustment	(2,641,794)	-	-	-	-	-	(2,641,794)
Reg Asset - CWIP Equity Net/(AFUDC Eqty Incurred)	(5,028,621)	(145,761)	-	-	-	-	(5,174,382)
Reg Assset - CWIP Eqty Gr Up/(AFUDC Eqty Gr Up)	(3,202,993)	(92,839)	-	-	-	-	(3,295,832)
Repairs	(21,161,906)	(4,189,386)	(226,945)	-	-	-	(25,578,237)
Repairs - §481(a) Adjustment	(6,808,005)	858,525	98,191	-	-	-	(5,851,289)
Rev Bond Differential/Redemptions	(716,087)	96,637	-	-	-	-	(619,450)
State ITC (State Cap Goods Tax Credit)	5,506,261	239,301	(83,493)	-	-	-	5,662,069
Total NOL carryforward	10,017,917	(662,912)	(836,728)	110	-	-	8,518,387
Other (includes total YE balances <+/- $500,000)	(534,249)	126,440	6,463	-	-	-	(401,346)
Subtotal 283 - Utility	(33,495,027)	(4,700,162)	(1,337,640)	110	-	32,294	(39,500,425)
Software - CIS - non-utility	338,697	-	-	-	-	-	338,697
Software - ERP non-utility	429,893	-	-	-	-	-	429,893
Lanai CHP non-utility	477,111	-	-	(15,762)	-	-	461,349
Pension/OPEB AOCI - Excess Plan	2,014	-	-	-	-	55	2,069
OPEB AOCI Exec Life	(116,535)	-	-	-	-	(3,252)	(119,787)
1 Rounding	(2)	-	(1)	2	-	2	1
Subtotal 283 - Nonutility	1,131,178	-	(1)	(15,760)	-	(3,195)	1,112,222
Total Account 283 - Utility and Non-utility	(32,363,849)	(4,700,162)	(1,337,641)	(15,650)	-	29,099	(38,388,203)
Classification of TOTAL							
Federal Income Tax	(26,495,704)	(4,187,827)	(1,337,641)	(11,223)	-	26,483	(32,005,912)
State Income Tax	(5,868,145)	(512,335)	-	(4,427)	-	2,616	(6,382,291)

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

OTHER REGULATORY LIABILITIES (Account 254)

1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than $100,000 which ever is less), may be grouped by classes.
3. For Regulatory Liabilities being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Begining of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)
			Account Credited (c)	Amount (d)		
1	OPEB Tracker	1,940,866		36,736	689,676	2,593,806
2	Pension Tracker					
3	IRP/DSM	12,704		17,290	4,586	
4	CHP Investment	65,361				65,361
5	CHP Energy Tax Credit	27,174				27,174
6	Earnings Sharing Mechanism	213,414		213,414		
7	PBF True-up	221,700		228,300	104,700	98,100
8	Energy cost adjustment clause			4,331,732	5,874,334	1,542,602
9	Purchased power adjustment clause			202,132	202,707	575
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41	TOTAL	2,481,219		5,029,604	6,876,003	4,327,618

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

ELECTRIC OPERATING REVENUES (Account 400)

1. The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.
2. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.
4. If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.
5. Disclose amounts of $250,000 or greater in a footnote for accounts 451, 456, and 457.2.

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)
1	Sales of Electricity		
2	(440) Residential Sales	105,160,093	119,480,828
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	102,870,005	116,142,293
5	Large (or Ind.) (See Instr. 4)	97,089,294	106,256,597
6	(444) Public Street and Highway Lighting	1,647,490	1,842,520
7	(445) Other Sales to Public Authorities		
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers	306,766,882	343,722,238
11	(447) Sales for Resale		
12	TOTAL Sales of Electricity	306,766,882	343,722,238
13	(Less) (449.1) Provision for Rate Refunds		
14	TOTAL Revenues Net of Prov. for Refunds	306,766,882	343,722,238
15	Other Operating Revenues		
16	(450) Forfeited Discounts	360,344	447,473
17	(451) Miscellaneous Service Revenues	128,442	94,275
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	1,080,760	1,102,021
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	251,122	121,555
22	(456.1) Revenues from Transmission of Electricity of Others		
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues	1,820,668	1,765,324
27	TOTAL Electric Operating Revenues	308,587,550	345,487,562

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

ELECTRIC OPERATING REVENUES (Account 400)

6. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)
7. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.
8. For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts.
9. Include unmetered sales. Provide details of such Sales in a footnote.

MEGAWATT HOURS SOLD		AVG.NO. CUSTOMERS PER MONTH		Line No.
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	
[redacted]				1
366,355	381,167	60,389	60,020	2
[redacted]				3
357,562	367,468	9,963	9,909	4
387,536	382,712	149	138	5
6,289	6,284	223	216	6
				7
				8
				9
1,117,742	1,137,631	70,724	70,283	10
				11
1,117,742	1,137,631	70,724	70,283	12
				13
1,117,742	1,137,631	70,724	70,283	14

Line 12, column (b) includes $ -200,072 of unbilled revenues.

Line 12, column (d) includes 2,729 MWH relating to unbilled revenues

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

SALES OF ELECTRICITY BY RATE SCHEDULES

1. Report below for each rate schedule in effect during the year the MWH of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	BILLED					
2	440 Residential (R/RT)	365,348	105,158,684	60,034	6,086	0.2878
3	4421 General - NonDemand(G)	79,766	25,949,631	8,217	9,707	0.3253
4	4421 General - Demand (J/U)	277,183	77,032,722	1,674	165,581	0.2779
5	4421 Electric Vehicle (EV-F)	178	57,810	4	44,500	0.3248
6	4422 Large Power (P)	386,256	97,117,305	149	2,592,322	0.2514
7	444 Street Lighting (F)	6,283	1,650,803	221	28,430	0.2627
8	Total Billed Revenues	1,115,014	306,966,955	70,299	15,861	0.2753
9						
10	UNBILLED REVENUES:					
11	440 Residential (R/RT)	1,008	1,409	355	2,839	0.0014
12	4421 General - NonDemand (G)	339	45,657	47	7,213	0.1347
13	4421 General - Demand (J/U)	88	-217,278	20	4,400	-2.4691
14	4421 Electric Vehicle (EV-F)	8	2,443			0.3054
15	4422 Large Power (P)	1,280	-28,011			-0.0219
16	444 Street Lighting (F)	6	-4,293	2	3,000	-0.7155
17	Total Unbilled Revenues	2,729	-200,073	424	6,436	-0.0733
18						
19	See Footnote 1					
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41	TOTAL Billed	1,115,014	306,966,953	70,299	15,861	0.2753
42	Total Unbilled Rev.(See Instr. 6)	2,729	-200,072	424	6,436	-0.0733
43	TOTAL	1,117,743	306,766,881	70,723	15,805	0.2745

FOOTNOTE DATA

Schedule Page: 304 Line No.: 19 Column: a

Footnote 1 (Fuel Adjustment amounts included in column (c)):

	Billed	Unbilled	Total
440-Residential (R/RT)	(33,036,340)	(317,017)	(33,353,356)
4421-General Non-Demand (G)	(7,247,470)	(78,152)	(7,325,622)
4421-General Demand (J/U)	(24,720,170)	(203,521)	(24,923,691)
4421-Electric Vehicle(EV-F)	(15,301)	(926)	(16,227)
4422-Large Power (P)	(34,369,218)	(390,044)	(34,759,262)
444-Street Lighting(F)	(568,736)	(4,427)	(573,163)
Total ECAC Revenue	(99,957,235)	(994,086)	(100,951,322)

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
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ELECTRIC OPERATION AND MAINTENANCE EXPENSES

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. POWER PRODUCTION EXPENSES		
2	A. Steam Power Generation		
3	Operation		
4	(500) Operation Supervision and Engineering	358,983	356,421
5	(501) Fuel	11,100,936	13,352,822
6	(502) Steam Expenses	2,137,945	2,104,255
7	(503) Steam from Other Sources		
8	(Less) (504) Steam Transferred-Cr.		
9	(505) Electric Expenses	1,438,537	1,344,980
10	(506) Miscellaneous Steam Power Expenses	1,278,273	1,175,175
11	(507) Rents		
12	(509) Allowances		
13	TOTAL Operation (Enter Total of Lines 4 thru 12)	16,314,674	18,333,653
14	Maintenance		
15	(510) Maintenance Supervision and Engineering		
16	(511) Maintenance of Structures	333,740	335,017
17	(512) Maintenance of Boiler Plant	1,360,577	1,476,150
18	(513) Maintenance of Electric Plant	1,777,273	1,140,175
19	(514) Maintenance of Miscellaneous Steam Plant	3,025,069	586,037
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	6,496,659	3,537,379
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)	22,811,333	21,871,032
22	B. Nuclear Power Generation		
23	Operation		
24	(517) Operation Supervision and Engineering		
25	(518) Fuel		
26	(519) Coolants and Water		
27	(520) Steam Expenses		
28	(521) Steam from Other Sources		
29	(Less) (522) Steam Transferred-Cr.		
30	(523) Electric Expenses		
31	(524) Miscellaneous Nuclear Power Expenses		
32	(525) Rents		
33	TOTAL Operation (Enter Total of lines 24 thru 32)		
34	Maintenance		
35	(528) Maintenance Supervision and Engineering		
36	(529) Maintenance of Structures		
37	(530) Maintenance of Reactor Plant Equipment		
38	(531) Maintenance of Electric Plant		
39	(532) Maintenance of Miscellaneous Nuclear Plant		
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)		
41	TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)		
42	C. Hydraulic Power Generation		
43	Operation		
44	(535) Operation Supervision and Engineering		
45	(536) Water for Power		
46	(537) Hydraulic Expenses		
47	(538) Electric Expenses		
48	(539) Miscellaneous Hydraulic Power Generation Expenses		
49	(540) Rents		
50	TOTAL Operation (Enter Total of Lines 44 thru 49)		
51	C. Hydraulic Power Generation (Continued)		
52	Maintenance		
53	(541) Mainentance Supervision and Engineering		
54	(542) Maintenance of Structures		
55	(543) Maintenance of Reservoirs, Dams, and Waterways		
56	(544) Maintenance of Electric Plant		
57	(545) Maintenance of Miscellaneous Hydraulic Plant		
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)		
59	TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58)		

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MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
60	D. Other Power Generation		
61	Operation		
62	(546) Operation Supervision and Engineering	2,600,301	2,864,773
63	(547) Fuel	83,150,082	111,327,274
64	(548) Generation Expenses	5,415,174	5,108,970
65	(549) Miscellaneous Other Power Generation Expenses	493,121	550,782
66	(550) Rents		
67	TOTAL Operation (Enter Total of lines 62 thru 66)	91,658,678	119,851,799
68	Maintenance		
69	(551) Maintenance Supervision and Engineering		
70	(552) Maintenance of Structures	700,942	661,193
71	(553) Maintenance of Generating and Electric Plant	6,849,951	6,854,068
72	(554) Maintenance of Miscellaneous Other Power Generation Plant	569,200	470,231
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)	8,120,093	7,985,492
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)	99,778,771	127,837,291
75	E. Other Power Supply Expenses		
76	(555) Purchased Power	50,712,636	55,610,122
77	(556) System Control and Load Dispatching		
78	(557) Other Expenses	640,507	740,081
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	51,353,143	56,350,203
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	173,943,247	206,058,526
81	2. TRANSMISSION EXPENSES		
82	Operation		
83	(560) Operation Supervision and Engineering		
84			
85	(561.1) Load Dispatch-Reliability	8,222	41,653
86	(561.2) Load Dispatch-Monitor and Operate Transmission System		
87	(561.3) Load Dispatch-Transmission Service and Scheduling		
88	(561.4) Scheduling, System Control and Dispatch Services		
89	(561.5) Reliability, Planning and Standards Development		
90	(561.6) Transmission Service Studies		
91	(561.7) Generation Interconnection Studies		
92	(561.8) Reliability, Planning and Standards Development Services		
93	(562) Station Expenses	45,074	38,205
94	(563) Overhead Lines Expenses	378,605	331,887
95	(564) Underground Lines Expenses		
96	(565) Transmission of Electricity by Others		
97	(566) Miscellaneous Transmission Expenses	1,157,830	912,150
98	(567) Rents		
99	TOTAL Operation (Enter Total of lines 83 thru 98)	1,589,731	1,323,895
100	Maintenance		
101	(568) Maintenance Supervision and Engineering		
102	(569) Maintenance of Structures	6,989	21,086
103	(569.1) Maintenance of Computer Hardware		
104	(569.2) Maintenance of Computer Software		
105	(569.3) Maintenance of Communication Equipment		
106	(569.4) Maintenance of Miscellaneous Regional Transmission Plant		
107	(570) Maintenance of Station Equipment	437,388	305,456
108	(571) Maintenance of Overhead Lines	1,316,998	925,558
109	(572) Maintenance of Underground Lines		
110	(573) Maintenance of Miscellaneous Transmission Plant	172,484	582,374
111	TOTAL Maintenance (Total of lines 101 thru 110)	1,933,859	1,834,474
112	TOTAL Transmission Expenses (Total of lines 99 and 111)	3,523,590	3,158,369

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
113	3. REGIONAL MARKET EXPENSES		
114	Operation		
115	(575.1) Operation Supervision		
116	(575.2) Day-Ahead and Real-Time Market Facilitation		
117	(575.3) Transmission Rights Market Facilitation		
118	(575.4) Capacity Market Facilitation		
119	(575.5) Ancillary Services Market Facilitation		
120	(575.6) Market Monitoring and Compliance		
121	(575.7) Market Facilitation, Monitoring and Compliance Services		
122	(575.8) Rents		
123	Total Operation (Lines 115 thru 122)		
124	Maintenance		
125	(576.1) Maintenance of Structures and Improvements		
126	(576.2) Maintenance of Computer Hardware		
127	(576.3) Maintenance of Computer Software		
128	(576.4) Maintenance of Communication Equipment		
129	(576.5) Maintenance of Miscellaneous Market Operation Plant		
130	Total Maintenance (Lines 125 thru 129)		
131	TOTAL Regional Transmission and Market Op Expns (Total 123 and 130)		
132	4. DISTRIBUTION EXPENSES		
133	Operation		
134	(580) Operation Supervision and Engineering		
135	(581) Load Dispatching		
136	(582) Station Expenses	233,388	231,579
137	(583) Overhead Line Expenses	878,775	798,941
138	(584) Underground Line Expenses	826,054	777,303
139	(585) Street Lighting and Signal System Expenses		
140	(586) Meter Expenses	1,387,195	1,081,961
141	(587) Customer Installations Expenses	8,554	24,287
142	(588) Miscellaneous Expenses	586,914	751,000
143	(589) Rents		
144	TOTAL Operation (Enter Total of lines 134 thru 143)	3,920,880	3,665,071
145	Maintenance		
146	(590) Maintenance Supervision and Engineering		
147	(591) Maintenance of Structures	19,174	
148	(592) Maintenance of Station Equipment	731,570	510,670
149	(593) Maintenance of Overhead Lines	2,752,609	2,779,288
150	(594) Maintenance of Underground Lines	542,221	633,170
151	(595) Maintenance of Line Transformers	30,344	17,662
152	(596) Maintenance of Street Lighting and Signal Systems	207,906	215,396
153	(597) Maintenance of Meters		1,081
154	(598) Maintenance of Miscellaneous Distribution Plant	353,833	352,075
155	TOTAL Maintenance (Total of lines 146 thru 154)	4,637,657	4,509,342
156	TOTAL Distribution Expenses (Total of lines 144 and 155)	8,558,537	8,174,413
157	5. CUSTOMER ACCOUNTS EXPENSES		
158	Operation		
159	(901) Supervision	233,001	228,741
160	(902) Meter Reading Expenses	1,365,656	1,203,695
161	(903) Customer Records and Collection Expenses	4,489,984	4,353,901
162	(904) Uncollectible Accounts	188,078	211,169
163	(905) Miscellaneous Customer Accounts Expenses	50,455	
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)	6,327,174	5,997,506

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
166	Operation		
167	(907) Supervision		
168	(908) Customer Assistance Expenses	3,556,624	2,029,079
169	(909) Informational and Instructional Expenses	171,021	152,750
170	(910) Miscellaneous Customer Service and Informational Expenses		
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	3,727,645	2,181,829
172	7. SALES EXPENSES		
173	Operation		
174	(911) Supervision		
175	(912) Demonstrating and Selling Expenses		
176	(913) Advertising Expenses		
177	(916) Miscellaneous Sales Expenses		
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)		
179	8. ADMINISTRATIVE AND GENERAL EXPENSES		
180	Operation		
181	(920) Administrative and General Salaries	2,071,461	1,828,286
182	(921) Office Supplies and Expenses	1,395,690	1,354,598
183	(Less) (922) Administrative Expenses Transferred-Credit	3,179,012	2,824,642
184	(923) Outside Services Employed	5,569,168	6,280,335
185	(924) Property Insurance	908,403	1,052,527
186	(925) Injuries and Damages	1,236,475	1,464,806
187	(926) Employee Pensions and Benefits	7,778,139	8,239,891
188	(927) Franchise Requirements		
189	(928) Regulatory Commission Expenses		248,643
190	(929) (Less) Duplicate Charges-Cr.		
191	(930.1) General Advertising Expenses	1,008	3,639
192	(930.2) Miscellaneous General Expenses	1,251,421	1,070,136
193	(931) Rents	1,006	7,088
194	TOTAL Operation (Enter Total of lines 181 thru 193)	17,033,759	18,725,307
195	Maintenance		
196	(935) Maintenance of General Plant	238,597	533,467
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	17,272,356	19,258,774
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	213,352,549	244,829,417

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

PURCHASED POWER (Account 555)
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Hawaiian Commercial & Sugar Co., Ltd	OS				
2	Kaheawa Wind Power, LLC	OS				
3	Kaheawa Wind Power, LLC II	OS				
4	Auwahi	OS				
5	Makila Hydro	OS				
6	Lanai Sustainability Research, LLC	OS				
7	Feed In Tariff	OS				
8						
9						
10						
11						
12						
13						
14						
	Total					

PURCHASED POWER(Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monnthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges ($) (j)	Energy Charges ($) (k)	Other Charges ($) (l)	Total (j+k+l) of Settlement ($) (m)	
5,064				968,121		968,121	1
113,279				14,847,398		14,847,398	2
80,068				15,081,193		15,081,193	3
84,109				17,678,154		17,678,154	4
786				90,749		90,749	5
2,343				632,478		632,478	6
6,735				1,414,543		1,414,543	7
							8
							9
							10
							11
							12
							13
							14
292,384				50,712,636		50,712,636	

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	94,027
2	Nuclear Power Research Expenses	
3	Other Experimental and General Research Expenses	315,111
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	41,402
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < $5,000	92,115
6	A&G Exp Allocations - Lanai	216,053
7	A&G Exp Allocations - Molokai	446,551
8	Environmental Compliance	46,162
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11		
12		
13		
14		
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46	TOTAL	1,251,421

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405)
(Except amortization of aquisition adjustments)

1. Report in section A for the year the amounts for : (b) Depreciation Expense (Account 403; (c) Depreciation Expense for Asset Retirement Costs (Account 403.1; (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).
2. Report in Section 8 the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.
3. Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.
Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.
In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.
For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.
4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

A. Summary of Depreciation and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Limited Term Electric Plant (Account 404) (d)	Amortization of Other Electric Plant (Acc 405) (e)	Total (f)
1	Intangible Plant					
2	Steam Production Plant	5,505,839				5,505,839
3	Nuclear Production Plant					
4	Hydraulic Production Plant-Conventional					
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant	5,368,823				5,368,823
7	Transmission Plant	2,085,351				2,085,351
8	Distribution Plant	9,346,000				9,346,000
9	Regional Transmission and Market Operation					
10	General Plant	2,484,459				2,484,459
11	Common Plant-Electric					
12	TOTAL	24,790,472				24,790,472

B. Basis for Amortization Charges

NOT APPLICABLE

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12							
13	MAUI SYSTEM						
14	30200	1					
15	31000	124					
16	31100	6,872	27.90	-10.00	2.89	SQ	17.50
17	31200	51,326	27.05	-10.00	3.75	SQ	17.50
18	31400	48,284	20.95	-10.00	5.89	SQ	17.50
19	31500	9,010	27.27	-10.00	4.19	SQ	17.50
20	31600	3,221			5.00	SQ	
21	34000	401				SQ	
22	34100	34,855	45.03	-5.00	1.17	SQ	32.50
23	34200	4,200	44.98	-5.00	0.97	SQ	32.50
24	34300	43,837	51.76	-5.00	0.80	SQ	32.50
25	34400	108,458	45.14	-5.00	1.64	SQ	32.50
26	34500	29,457	45.59	-5.00	1.57	SQ	32.50
27	34600	15,617			5.00	SQ	
28	35010	2,452	60.00		1.58	R5	
29	35020	387					
30	35200	7,257	50.00	-5.00	2.02	R4	
31	35300	52,981	59.00	-15.00	1.58	L4	
32	35500	31,898	70.00	-40.00	1.67	R2	
33	35600	27,240	65.00	-50.00	1.75	R1	
34	35700	714	60.00		1.59	R3	
35	35800	1,194	50.00		1.98	R3	
36	36010	1,472	50.00		2.03	R5	
37	36020	264					
38	36100	1,463	50.00		1.20	R3	
39	36200	49,288	55.00	-10.00	1.34	R3	
40	36300	2,140			1.92		
41	36400	38,456	56.00	-60.00	1.70	R1	
42	36500	60,530	58.00	-30.00	1.65	R0.5	
43	36600	61,801	80.00	-75.00	2.03	R4	
44	36700	74,088	55.00	-20.00	1.17	R4	
45	36800	61,352	45.00	-20.00	2.22	L0	
46	36910	26,231	45.00	-100.00	3.78	R1	
47	36920	56,964	45.00	-25.00	2.32	R2.5	
48	37000	12,757	45.00		1.92	S0.5	
49	37300	12,948	43.00	-30.00	1.87	O1	
50	38920	59	45.00				

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MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	39000	11,690	65.00		1.06	R4	
13	39110	2,073			20.00	SQ	
14	39120	448			10.00	SQ	
15	39130	1,180			6.67	SQ	
16	39300	568			4.00	SQ	
17	39420	6,598			4.00	SQ	
18	39500	471			6.67	SQ.	
19	39600	140			5.56	SQ	
20	39700	18,852			6.67	SQ	
21	39800	1,213			6.67	SQ	
22	39200						
23	39210	6,414	15.00	20.00	5.36	R2.5	
24	39220	4,243	8.00	5.00	3.05	L3	
25							
26							
27	LANAI SYSTEM						
28	3400L	220					
29	3411L	4,086	28.90	-5.00	4.54	SQ	17.50
30	3420L	1,914	28.10	-5.00	3.04	SQ	17.50
31	343LL	1,693	30.80	-5.00	3.60	SQ	17.50
32	344LA	8,296	30.30	-5.00	2.34	SQ	17.50
33	345LA	3,732	28.90	-5.00	2.53	SQ	17.50
34	346LA	1,191			5.00	SQ	
35	3601L	152	50.00		2.03	R5	
36	3620L	2,226	50.00	-10.00	1.65	R3	
37	3630L				1.81		
38	3640L	2,070	56.00	-60.00	1.85	R1	
39	3650L	2,896	58.00	-30.00	1.65	R0.5	
40	3660L	1,280	80.00	-75.00	2.11	R4	
41	3670L	2,334	55.00	-20.00	1.22	R4	
42	3680L	779	45.00	-20.00	2.08	L0	
43	3691L	1,179	45.00	-100.00	3.80	R1	
44	3692L	1,123	45.00	-25.00	2.56	R2.5	
45	3700L	478	43.00		1.95	S0.5	
46	3730L	265	45.00	-30.00	1.66	O1	
47	3892L	23					
48	3900L	803	65.00		1.38	R4	
49	3911L	26			20.00	SQ	
50	3912L	2			10.00	SQ	

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MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	3913L	3			6.67	SQ	
13	3942L	48			4.00	SQ	
14	3970L	845			6.67	SQ	
15	3980L	34			6.67	SQ	
16	3921L	737	15.00	20.00	0.86	R2.5	
17	3922L	406	8.00	5.00	8.75	L3	
18							
19							
20	MOLOKAI SYSTEM						
21	3020M	1					
22	3115M						
23	3121M						
24	3130M						
25	3150M						
26	3160M						
27	3400M	235					
28	3411M	2,877	28.87	-5.00	4.47	SQ	17.50
29	3422M	2,011	29.26	-5.00	4.52	SQ	17.50
30	3430M	2,207	31.81	-5.00	2.56	SQ	17.50
31	3440M	11,259	29.17	-5.00	3.54	SQ	17.50
32	3450M	4,626	28.88	-5.00	2.66	SQ	17.50
33	3460M	1,944			5.00	SQ	
34	3501M						
35	3530M	610	59.00	-15.00	2.32	L4	
36	3540M	39	50.00	-40.00	2.33	R2	
37	3550M	117	70.00	-40.00	0.77	R2	
38	3560M	265	65.00	-50.00	0.97	R1	
39	3601M	30	50.00		2.02	R5	
40	3611M	59	50.00		0.66	R3	
41	3620M	1,296	55.00	-10.00	1.63	R3	
42	3630M				2.10		
43	3640M	4,023	56.00	-60.00	2.24	R1	
44	3650M	3,127	58.00	-30.00	1.77	R0.5	
45	3660M	136	80.00	-75.00	2.27	R4	
46	3670M	3,794	55.00	-20.00	1.74	R4	
47	3680M	1,622	45.00	-20.00	2.25	L0	
48	3691M	1,554	45.00	-100.00	4.06	R1	
49	3692M	1,105	45.00	-25.00	2.61	R2.5	
50	3700M	494	43.00		1.21	S0.5	

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MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	3730M	331	45.00	-30.00	1.52	O1	
13	3892M	56			0.03		
14	3900M	747	65.00		0.85	R4	
15	3911M	10			20.00	SQ	
16	3912M				10.00	SQ	
17	3913M	11			6.67	SQ	
18	3942M	139			4.00	SQ	
19	3970M	963			6.67	SQ	
20	3980M	32			6.67	SQ	
21	3920M						
22	3921M	738	15.00	20.00		R2.5	
23	3922M	349	8.00	5.00		L3	
24							
25							
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FOOTNOTE DATA

Schedule Page: 336 Line No.: 10 Column: b

Amount excludes vehicle depreciation of $515,110.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

REGULATORY COMMISSION EXPENSES

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.
2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.

Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expense for Current Year (b) + (c) (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	Hawaii Rate Increase Hearing Expense				
2	Hawaii PUC Docket No. 2011-0092				
3	Maui Electric 2012 Test Year Rate C				
4					
5	Hawaii PUC Docket No. 2014-0318				
6	Maui Electric 2015 Test Year Rate C				
7					
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45					
46	TOTAL				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

REGULATORY COMMISSION EXPENSES (Continued)

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.
5. Minor items (less than $25,000) may be grouped.

EXPENSES INCURRED DURING YEAR.				AMORTIZED DURING YEAR			
CURRENTLY CHARGED TO			Deferred to Account 182.3	Contra Account	Amount	Deferred in Account 182.3 End of Year	Line No.
Department (f)	Account No. (g)	Amount (h)	(i)	(j)	(k)	(l)	
							1
							2
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES

1. Describe and show below costs incurred and accounts charged during the year for technological research, development, and demonstration (R, D & D) project initiated, continued or concluded during the year. Report also support given to others during the year for jointly-sponsored projects.(Identify recipient regardless of affiliation.) For any R, D & D work carried with others, show separately the respondent's cost for the year and cost chargeable to others (See definition of research, development, and demonstration in Uniform System of Accounts).
2. Indicate in column (a) the applicable classification, as shown below:

Classifications:

A. Electric R, D & D Performed Internally:
- (1) Generation
  - a. hydroelectric
    - i. Recreation fish and wildlife
    - ii Other hydroelectric
  - b.. Fossil-fuel steam
  - c. Internal combustion or gas turbine
  - d. Nuclear
  - e. Unconventional generation
  - f. Siting and heat rejection
- (2) Transmission
  - a. Overhead
  - b. Underground
- (3) Distribution
- (4) Regional Transmission and Market Operation
- (5) Environment (other than equipment)
- (6) Other (Classify and include items in excess of $50,000.)
- (7) Total Cost Incurred

B. Electric, R, D & D Performed Externally:
- (1) Research Support to the electrical Research Council or the Electric Power Research Institute

Line No.	Classification (a)	Description (b)
1	A(3)	Trip Savers
2	A(3)	Remote fault current indicators
3	A(1)e	Smart power for schools
4	A(3)	E-gear distributed storage pilot
5	Total	
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES (Continued)

(2) Research Support to Edison Electric Institute
(3) Research Support to Nuclear Power Groups
(4) Research Support to Others (Classify)
(5) Total Cost Incurred

3. Include in column (c) all R, D & D items performed internally and in column (d) those items performed outside the company costing $50,000 or more, briefly describing the specific area of R, D & D (such as safety, corrosion control, pollution, automation, measurement, insulation, type of appliance, etc.). Group items under $50,000 by classifications and indicate the number of items grouped. Under Other, (A (6) and B (4)) classify items by type of R, D & D activity.
4. Show in column (e) the account number charged with expenses during the year or the account to which amounts were capitalized during the year, listing Account 107, Construction Work in Progress, first. Show in column (f) the amounts related to the account charged in column (e)
5. Show in column (g) the total unamortized accumulating of costs of projects. This total must equal the balance in Account 188, Research, Development, and Demonstration Expenditures, Outstanding at the end of the year.
6. If costs have not been segregated for R, D &D activities or projects, submit estimates for columns (c), (d), and (f) with such amounts identified by "Est."
7. Report separately research and related testing facilities operated by the respondent.

Costs Incurred Internally Current Year (c)	Costs Incurred Externally Current Year (d)	AMOUNTS CHARGED IN CURRENT YEAR		Unamortized Accumulation (g)	Line No.
		Account (e)	Amount (f)		
44,408		Various	44,408		1
122,487		Various	122,487		2
15,040	13,348	Various	28,388		3
46,875		Various	46,875		4
228,810	13,348		242,158		5
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production	8,343,694		
4	Transmission	608,834		
5	Regional Market			
6	Distribution	1,972,665		
7	Customer Accounts	324,761		
8	Customer Service and Informational	413,998		
9	Sales			
10	Administrative and General	2,220,539		
11	TOTAL Operation (Enter Total of lines 3 thru 10)	13,884,491		
12	Maintenance			
13	Production	5,033,713		
14	Transmission	340,552		
15	Regional Market			
16	Distribution	1,796,949		
17	Administrative and General	22,324		
18	TOTAL Maintenance (Total of lines 13 thru 17)	7,193,538		
19	Total Operation and Maintenance			
20	Production (Enter Total of lines 3 and 13)	13,377,407		
21	Transmission (Enter Total of lines 4 and 14)	949,386		
22	Regional Market (Enter Total of Lines 5 and 15)			
23	Distribution (Enter Total of lines 6 and 16)	3,769,614		
24	Customer Accounts (Transcribe from line 7)	324,761		
25	Customer Service and Informational (Transcribe from line 8)	413,998		
26	Sales (Transcribe from line 9)			
27	Administrative and General (Enter Total of lines 10 and 17)	2,242,863		
28	TOTAL Oper. and Maint: (Total of lines 20 thru 27)	21,078,029		21,078,029
29	Gas			
30	Operation			
31	Production-Manufactured Gas			
32	Production-Nat. Gas (Including Expl. and Dev.)			
33	Other Gas Supply			
34	Storage, LNG Terminaling and Processing			
35	Transmission			
36	Distribution			
37	Customer Accounts			
38	Customer Service and Informational			
39	Sales			
40	Administrative and General			
41	TOTAL Operation (Enter Total of lines 31 thru 40)			
42	Maintenance			
43	Production-Manufactured Gas			
44	Production-Natural Gas (Including Exploration and Development)			
45	Other Gas Supply			
46	Storage, LNG Terminaling and Processing			
47	Transmission			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

DISTRIBUTION OF SALARIES AND WAGES (Continued)

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
48	Distribution			
49	Administrative and General			
50	TOTAL Maint. (Enter Total of lines 43 thru 49)			
51	Total Operation and Maintenance			
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)			
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32,			
54	Other Gas Supply (Enter Total of lines 33 and 45)			
55	Storage, LNG Terminaling and Processing (Total of lines 31 thru			
56	Transmission (Lines 35 and 47)			
57	Distribution (Lines 36 and 48)			
58	Customer Accounts (Line 37)			
59	Customer Service and Informational (Line 38)			
60	Sales (Line 39)			
61	Administrative and General (Lines 40 and 49)			
62	TOTAL Operation and Maint. (Total of lines 52 thru 61)			
63	Other Utility Departments			
64	Operation and Maintenance			
65	TOTAL All Utility Dept. (Total of lines 28, 62, and 64)	21,078,029		21,078,029
66	Utility Plant			
67	Construction (By Utility Departments)			
68	Electric Plant	5,486,087		5,486,087
69	Gas Plant			
70	Other (provide details in footnote):			
71	TOTAL Construction (Total of lines 68 thru 70)	5,486,087		5,486,087
72	Plant Removal (By Utility Departments)			
73	Electric Plant	1,117,375		1,117,375
74	Gas Plant			
75	Other (provide details in footnote):			
76	TOTAL Plant Removal (Total of lines 73 thru 75)	1,117,375		1,117,375
77	Other Accounts (Specify, provide details in footnote):		4,968,681	4,968,681
78				
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94				
95	TOTAL Other Accounts		4,968,681	4,968,681
96	TOTAL SALARIES AND WAGES	27,681,491	4,968,681	32,650,172

FOOTNOTE DATA

Schedule Page: 354 Line No.: 77 Column: c

Temporary facilities, accounts receivable from associated companies, claims, other revenues, miscellaneous expenses and clearing accounts.

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

MONTHLY TRANSMISSION SYSTEM PEAK LOAD

(1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
(2) Report on Column (b) by month the transmission system's peak load.
(3) Report on Columns (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).
(4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.

NAME OF SYSTEM: MAUI

Line No.	Month	Monthly Peak MW - Total	Day of Monthly Peak	Hour of Monthly Peak	Firm Network Service for Self	Firm Network Service for Others	Long-Term Firm Point-to-point Reservations	Other Long-Term Firm Service	Short-Term Firm Point-to-point Reservation	Other Service
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	January	189	7	19	189					
2	February	188	5	19	188					
3	March	192	7	19	192					
4	Total for Quarter 1	569			569					
5	April	195	4	19	195					
6	May	187	5	19	187					
7	June	191	29	20	191					
8	Total for Quarter 2	573			573					
9	July	201	25	20	201					
10	August	205	24	19	205					
11	September	195	23	19	195					
12	Total for Quarter 3	601			601					
13	October	199	4	19	199					
14	November	192	9	18	192					
15	December	193	7	18	193					
16	Total for Quarter 4	584			584					
17	Total Year to Date/Year	2,327			2,327					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

MONTHLY TRANSMISSION SYSTEM PEAK LOAD

(1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
(2) Report on Column (b) by month the transmission system's peak load.
(3) Report on Columns (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).
(4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.

NAME OF SYSTEM: LANAI

Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Firm Network Service for Self (e)	Firm Network Service for Others (f)	Long-Term Firm Point-to-point Reservations (g)	Other Long-Term Firm Service (h)	Short-Term Firm Point-to-point Reservation (i)	Other Service (j)
1	January	5	13	19	5					
2	February	5	4	19	5					
3	March	5	22	19	5					
4	Total for Quarter 1	15			15					
5	April	5	7	19	5					
6	May	5	23	18	5					
7	June	5	15	20	5					
8	Total for Quarter 2	15			15					
9	July	5	6	20	5					
10	August	5	7	20	5					
11	September	5	7	19	5					
12	Total for Quarter 3	15			15					
13	October	5	13	18	5					
14	November	5	16	18	5					
15	December	6	30	19	6					
16	Total for Quarter 4	16			16					
17	Total Year to Date/Year	61			61					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

MONTHLY TRANSMISSION SYSTEM PEAK LOAD

(1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
(2) Report on Column (b) by month the transmission system's peak load.
(3) Report on Columns (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).
(4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.

NAME OF SYSTEM: MOLOKAI

Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Firm Network Service for Self (e)	Firm Network Service for Others (f)	Long-Term Firm Point-to-point Reservations (g)	Other Long-Term Firm Service (h)	Short-Term Firm Point-to-point Reservation (i)	Other Service (j)
1	January	6	27	19	6					
2	February	5	1	19	5					
3	March	5	7	19	5					
4	Total for Quarter 1	16			16					
5	April	5	27	19	5					
6	May	5	5	19	5					
7	June	5	29	20	5					
8	Total for Quarter 2	15			15					
9	July	5	20	20	5					
10	August	6	24	20	6					
11	September	5	22	19	5					
12	Total for Quarter 3	16			16					
13	October	6	18	18	6					
14	November	6	3	19	6					
15	December	6	19	18	6					
16	Total for Quarter 4	18			18					
17	Total Year to Date/Year	65			65					

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

ELECTRIC ENERGY ACCOUNT

Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.

Line No.	Item (a)	MegaWatt Hours (b)	Line No.	Item (a)	MegaWatt Hours (b)
1	SOURCES OF ENERGY		21	DISPOSITION OF ENERGY	
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	1,117,742
3	Steam	123,681	23	Requirements Sales for Resale (See instruction 4, page 311.)	
4	Nuclear		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	
5	Hydro-Conventional		25	Energy Furnished Without Charge	
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	1,827
7	Other	764,628	27	Total Energy Losses	61,124
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	1,180,693
9	Net Generation (Enter Total of lines 3 through 8)	888,309			
10	Purchases	292,384			
11	Power Exchanges:				
12	Received				
13	Delivered				
14	Net Exchanges (Line 12 minus line 13)				
15	Transmission For Other (Wheeling)				
16	Received				
17	Delivered				
18	Net Transmission for Other (Line 16 minus line 17)				
19	Transmission By Others Losses				
20	TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)	1,180,693			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

MONTHLY PEAKS AND OUTPUT

1. Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non- integrated system.
2. Report in column (b) by month the system's output in Megawatt hours for each month.
3. Report in column (c) by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales..
4. Report in column (d) by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.
5. Report in column (e) and (f) the specified information for each monthly peak load reported in column (d).

NAME OF SYSTEM:

Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirments Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instr. 4) (d)	Day of Month (e)	Hour (f)
29	January	97,915		189	7	19
30	February	90,238		188	5	19
31	March	95,962		192	7	19
32	April	93,009		195	4	19
33	May	97,254		187	5	19
34	June	96,981		191	29	20
35	July	104,582		201	25	20
36	August	107,098		205	24	19
37	September	100,148		195	23	19
38	October	101,983		199	4	19
39	November	95,820		192	9	18
40	December	99,703		193	7	18
41	TOTAL	1,180,693				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1). [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content or the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

Line No.	Item (a)	Plant Name: *Kahului* (b)			Plant Name: *Maalaea* (c)		
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear	Steam			Internal Combustion		
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	Conventional			Conventional		
3	Year Originally Constructed	1948			1971		
4	Year Last Unit was Installed	1966			2006		
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	34.00			232.30		
6	Net Peak Demand on Plant - MW (60 minutes)	24			170		
7	Plant Hours Connected to Load	8784			8784		
8	Net Continuous Plant Capability (Megawatts)	0			0		
9	When Not Limited by Condenser Water	34			212		
10	When Limited by Condenser Water	0			0		
11	Average Number of Employees	36			72		
12	Net Generation, Exclusive of Plant Use - KWh	123681090			704387440		
13	Cost of Plant: Land and Land Rights	123655			400533		
14	Structures and Improvements	5074324			37076256		
15	Equipment Costs	32074321			285722694		
16	Asset Retirement Costs	0			0		
17	Total Cost	37272300			323199483		
18	Cost per KW of Installed Capacity (line 17/5) Including	1096.2441			1391.3021		
19	Production Expenses: Oper, Supv, & Engr	423186			8125651		
20	Fuel	11100936			74834206		
21	Coolants and Water (Nuclear Plants Only)	0			0		
22	Steam Expenses	2896291			567153		
23	Steam From Other Sources	0			0		
24	Steam Transferred (Cr)	0			0		
25	Electric Expenses	1899249			878773		
26	Misc Steam (or Nuclear) Power Expenses	521901			0		
27	Rents	13035			0		
28	Allowances	0			0		
29	Maintenance Supervision and Engineering	0			0		
30	Maintenance of Structures	393114			761990		
31	Maintenance of Boiler (or reactor) Plant	1047764			761307		
32	Maintenance of Electric Plant	962868			8294370		
33	Maintenance of Misc Steam (or Nuclear) Plant	455392			2405021		
34	Total Production Expenses	19713736			96628471		
35	Expenses per Net KWh	0.1594			0.1372		
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	OIL			OIL		
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)	BARREL			BARREL		
38	Quantity (Units) of Fuel Burned	294658	0	0	1112403	0	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	149722	0	0	139486	0	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	37.930	0.000	0.000	67.470	0.000	0.000
41	Average Cost of Fuel per Unit Burned	37.670	0.000	0.000	67.270	0.000	0.000
42	Average Cost of Fuel Burned per Million BTU	5.990	0.000	0.000	11.480	0.000	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.090	0.000	0.000	0.106	0.000	0.000
44	Average BTU per KWh Net Generation	14981.000	0.000	0.000	9252.000	0.000	0.000

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) *(Continued)*

9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

Plant Name: (d)	Plant Name: (e)	Plant Name: (f)	Line No.
			1
			2
			3
			4
0.00	0.00	0.00	5
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0	0	0	9
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0	0	0	11
0	0	0	12
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0	0	0	32
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0.0000	0.0000	0.0000	35

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0	0	0	0	0	0	0	0	0	38
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0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	41
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	42
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	43
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	44

FOOTNOTE DATA

Schedule Page: 402 Line No.: 1 Column: c

Internal Combustion/Steam (Combined Cycle)

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

GENERATING PLANT STATISTICS (Small Plants)

1. Small generating plants are steam plants of, less than 25,000 Kw; internal combustion and gas turbine-plants, conventional hydro plants and pumped storage plants of less than 10,000 Kw installed capacity (name plate rating). 2. Designate any plant leased from others, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, and give a concise statement of the facts in a footnote. If licensed project, give project number in footnote.

Line No.	Name of Plant (a)	Year Orig. Const. (b)	Installed Capacity Name Plate Rating (In MW) (c)	Net Peak Demand MW (60 min.) (d)	Net Generation Excluding Plant Use (e)	Cost of Plant (f)
1	Hana					
2	H-1	2001	1.00			
3	H-2	2001	1.00			
4						
5	TOTAL HANA		2.00		73	1,019,871
6						
7	Miki Basin					
8	LL1	1990	1.00			
9	LL2	1990	1.00			
10	LL3	1990	1.00			
11	LL4	1990	1.00			
12	LL5	1990	1.00			
13	LL6	1990	1.00			
14	LL7	1996	2.20			
15	LL8	1996	2.20			
16						
17	TOTAL MIKI BASIN		10.40	5.7	29,069	20,507,221
18						
19	Molokai					
20	Caterpillar 1	1985	1.25			
21	Caterpillar 2	1985	1.25			
22	Gas Turbine	1982	2.22			
23	Cummins Diesel #3	1985	0.97			
24	Cummins Diesel #4	1985	0.97			
25	Cummins Diesel #5	1985	0.97			
26	Cummins Diesel #6	1991	0.97			
27	Caterpillar 7	1996	2.20			
28	Caterpillar 8	1996	2.20			
29	Caterpillar 9	1996	2.20			
30						
31	TOTAL MOLOKAI		15.20	5.7	31,100	25,027,168
32						
33	Manele					
34	CHP	2009	1.00			
35						
36	TOTAL MANELE		1.00			
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

GENERATING PLANT STATISTICS (Small Plants) (Continued)

3. List plants appropriately under subheadings for steam, hydro, nuclear, internal combustion and gas turbine plants. For nuclear, see instruction 11, Page 403. 4. If net peak demand for 60 minutes is not available, give the which is available, specifying period. 5. If any plant is equipped with combinations of steam, hydro internal combustion or gas turbine equipment, report each as a separate plant. However, if the exhaust heat from the gas turbine is utilized in a steam turbine regenerative feed water cycle, or for preheated combustion air in a boiler, report as one plant.

Plant Cost (Incl Asset Retire. Costs) Per MW (g)	Operation Exc'l. Fuel (h)	Production Expenses		Kind of Fuel (k)	Fuel Costs (in cents (per Million Btu) (l)	Line No.
		Fuel (i)	Maintenance (j)			
						1
						2
						3
						4
509,936		14,987		ULSD	1,847	5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
1,971,848		4,454,560		ULSD	1,480	17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
1,646,524		3,846,329		ULSD	1,214	31
						32
						33
						34
						35
				ULSD		36
						37
						38
						39
						40
						41
						42
						43
						44
						45
						46

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

TRANSMISSION LINE STATISTICS

1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
3. Report data by individual lines for all voltages if so required by a State commission.
4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits
	From (a)	To (b)	Operating (c)	Designed (d)	Structure (e)	On Structure of Line Designated (f)	On Structures of Another Line (g)	(h)
1	Various substation	Various substation	34.50	34.50	1	14.69		2
2	Various substation	Various substation	23.00	23.00	1	96.36		22
3	Various substation	Various substation	23.00	23.00	4	3.02		10
4	Various substation	Various substation	69.00	69.00	1	105.09		18
5	Various substation	Various substation	69.00	69.00	2	39.09		4
6	Various substation	Various substation	69.00	69.00	4	0.10		1
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36					TOTAL	258.35		57

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
								1
								2
								3
								4
								5
								6
								7
								8
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								10
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								12
								13
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								36

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) X An Original (2) __ A Resubmission	12/31/2016	2016/Q4

FOOTNOTE DATA

Schedule Page: 422 Line No.: 1 Column: a

DESIGNATION		VOLTAGE (KV)		Type of Supporting Structure (e)	LENGTH (Pole Miles) (in the case of underground lines report circuit miles)	
From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated	
Palaau	Puunana	34.5	34.5	Single Pole Wood	7.78	1
Puunana	Kepuhi	De-energized	34.5	Single Pole Wood	6.91	1
Subtotal					**14.69**	**2**

Schedule Page: 422 Line No.: 2 Column: a

DESIGNATION		VOLTAGE (KV)		Type of Supporting Structure (e)	LENGTH (Pole Miles) (in the case of underground lines report circuit miles)	
From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated	
Kahului	Kanaha (Maui)	23	23	Single Pole Wood	1.55	2
KPP Fdr B	Kanaha (Maui)	23	23	Single Pole Wood	1.37	3
KPP Fdr C	Kanaha (Maui)	23	23	Single Pole Wood	1.20	1
Wailuku Fdr		23	23	Single Pole Wood	2.75	1
KPP Fdr A	Kahaha	23	23	Single Pole Wood	1.37	1
Kanaha 2404	Kuau - Old Hana Fdr	23	23	Single Pole Wood	8.00	2
Kanaha 2405	Waikupu	23	23	Single Pole Wood	10.80	1
Hana Feeder	Hana	23	23	Single Pole Wood	44.88	1
Wailuku	Wells/Pumps	23	23	Single Pole Wood	0.25	1
Wailuku 2503	Waiehu	23	23	Single Pole Wood	3.09	1
Wailuku 2503	Waikapu	23	23	Single Pole Wood	0.85	1
Wailuku 2503	Wailuku Heights	23	23	Single Pole Wood	1.41	1
Kula 2526	Haleakala Crater	23	23	Single Pole Wood	8.95	1
Kanaha 2535	Puunene	23	23	Single Pole Wood	1.37	1
Kahului 2430	Waiinu	23	23	Steel	3.23	2
Wailuku 2500	Waikapu	23	23	Steel	5.29	2
Subtotal					**96.36**	**22**

Schedule Page: 422 Line No.: 3 Column: a

DESIGNATION		VOLTAGE (KV)	Type of Supporting Structure	LENGTH (Pole Miles) (in the case of underground lines report circuit miles)

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) X An Original (2) __ A Resubmission	12/31/2016	2016/Q4

FOOTNOTE DATA

From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated	
				(e)		
Pukulani 2486	H'poko Wells	23	23	UG	0.11	1
Kahului 2291	Kahului Sub 8	23	23	UG	0.01	1
Wainu	Kahului Sub 8	23	23	UG	0.01	1
Hana Hwy 2486	Peahi Farms Sub 94	23	23	UG	0.86	1
Pukalani Sub 17	Overhead Ckt 2486	23	23	UG	0.02	1
Wailuku 2500	Waikupu (Kehalani)	23	23	UG	0.54	1
Wailuku 2503	Wailuku Heights 2503	23	23	UG	0.81	1
Kanaha 2405	Ameron Crusher Sub 82A	23	23	UG	0.20	1
Kanaha 2405	Ameron Crusher Sub 82B	23	23	UG	0.20	1
Pukalani 2486	Makawao Sub 12	23	23	UG	0.26	1
Subtotal					**3.02**	**10**

Schedule Page: 422 Line No.: 4 Column: a

DESIGNATION		VOLTAGE (KV)		Type of Supporting Structure (e)	LENGTH (Pole Miles) (in the case of underground lines report circuit miles)	
From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated	
Auwahi	Kealahou	69	69	Single Pole Wood	8.35	1
Kanaha	Pukalani	69	69	Single Pole Wood	9.71	1
Kanaha	Puunene	69	69	Single Pole Wood	1.34	1
Kealahou	Kula	69	69	Single Pole Wood	3.40	1
Kihei	Wailea	69	69	Single Pole Wood	4.31	1
Kihei Feeder (MPP)	Kihei	69	69	Single Pole Wood	6.41	1
Kula	Pukalani	69	69	Single Pole Wood	8.99	1
Lahanina	Lahainaluna	69	69	Single Pole Wood	1.53	1
Lahaina #1 Makai	Napili	69	69	Single Pole Wood	9.13	1
Lahaina #2 Mauka	Napili	69	69	Single Pole Wood	8.68	1
Lahaina-Mauka	Mahinahina	69	69	Single Pole Wood	0.64	1
Lahaina Makai-Mauka	Mahinahina	69	69	Single Pole Wood	0.64	1
Lahaina Makai-Mauka	Puukolii	69	69	Single Pole Wood	1.08	1
MPP	Kaheawa I	69	69	Single Pole Wood	5.09	1
MPP	Kaheawa II	69	69	Single Pole Wood	4.68	1
Wailea	Auwahi	69	69	Single Pole Wood	1.18	1
MPP (Kealahou Feeder)	Kealahou	69	69	Steel	14.71	1
Lahaina # 3 Feeder	Lahainaluna	69	69	Steel	15.22	1

Subtotal					**105.09**	**18**

Schedule Page: 422 Line No.: 5 Column: a

DESIGNATION		VOLTAGE (KV)		Type of Supporting Structure (e)	LENGTH (Pole Miles) (in the case of underground lines report circuit miles)	
From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated	
Kaheawa I	Lahaina	69	69	H Frame Wood	11.36	1
Kaheawa II	Lahaina	69	69	H Frame Wood	11.52	1
MPP	Puunene	69	69	H-Frame	9.16	1
MPP	Waiinu	69	69	H-Frame	7.05	1
Subtotal					**39.09**	**4**

Schedule Page: 422 Line No.: 6 Column: a

DESIGNATION		VOLTAGE (KV)		Type of Supporting Structure (e)	LENGTH (Pole Miles) (in the case of underground lines report circuit miles)	
From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated	
Maalaea Plant	Lahainaluna Sub 84	69	69	UG	0.10	1

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	AEOS	Transmission	23.00	0.48	2.00
2	Ameron Concrete	Transmission	23.00	0.48	0.75
3	Ameron Crusher	Transmission	23.00	0.48	2.00
4	Ameron Maintenance	Transmission	23.00	0.48	0.15
5	Auwahi Wind	Transmission	69.00		
6	COM-Haiku Well Pump	Transmission	23.00	0.48	0.25
7	COM-H'Poko Well #1	Transmission	23.00	0.48	0.25
8	COM-H'Poko Well #2	Transmission	23.00	0.48	0.50
9	Camp 5 Field Office	Transmission	23.00	0.24	
10	Central Maui Landfill	Transmission	23.00	0.24	0.05
11	Central Maui Weigh Station	Transmission	23.00	7.20	0.02
12	Costa	Transmission	23.00	0.24	0.03
13	David Bradbury	Transmission	23.00	7.20	0.08
14	Finseth (Nahiku)	Transmission	23.00	0.24	0.03
15	Flare Station	Transmission	23.00	0.48	0.23
16	Fred Levy	Transmission	23.00	0.24	0.03
17	HC&S Pump	Transmission	23.00	0.48	0.08
18	Haiku	Transmission	23.00	12.47	9.38
19	Haleakala Park Headquarters	Transmission	23.00	0.24	0.03
20	Haleakala	Transmission	23.00	4.16	0.45
21	Hana Piggery	Transmission	23.00	7.20	0.05
22	Hana	Transmission	23.00	2.40	2.50
23	Hanawai Pump	Transmission	23.00	0.48	0.08
24	Hosmer's Grove	Transmission	23.00	2.40	0.10
25	Heulo	Transmission	23.00	2.40	0.17
26	Kaheawa Wind	Transmission	69.00		
27	Kaheawa Wind II	Transmission	69.00		
28	Kahului	Transmission	23.00	12.47	20.00
29	Kahului Power Plant (KPP)	Transmission	23.00	11.50	49.10
30	KPP-Spare 16 MVA	Transmission	23.00	11.50	16.00
31	KPP-Spare 1 MVA	Transmission	23.00	0.48	1.00
32	Kailua	Transmission	23.00	2.40	0.15
33	Kamaole Weir	Transmission	23.00	2.40	2.30
34	Kanaha	Transmission	69.00	23.00	57.50
35	Kanaha-Spare12.5 MVA	Transmission	69.00	12.47	12.50
36	Kanaha-Spare 2.5 MVA	Transmission	23.00	12.47	2.50
37	Kauhikoa	Transmission	23.00	12.47	2.50
38	Kealahou	Transmission	69.00		
39	Keanae Water System	Transmission	23.00	0.48	0.11
40	Keanae	Transmission	23.00	2.40	0.30

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity:
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVa) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVa) (k)	
	1					1
	3					2
	1					3
	3					4
						5
	3					6
	3					7
	3					8
	1					9
	1					10
	1					11
	1					12
	1					13
	1					14
	1					15
	1					16
	2					17
	1		Capacitor		2	18
	2					19
	3					20
	1					21
	6					22
	2					23
	1					24
	1					25
						26
						27
	4		Capacitor		4	28
	4					29
	1					30
	1					31
	3					32
	1					33
	4					34
	1					35
	1					36
	1					37
						38
	3					39
	3					40

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Kihei	Transmission	69.00	12.47	50.00
2	Kuau	Transmission	23.00	4.16	2.50
3	Kula	Transmission	69.00	23.00	15.57
4	Kula Ag Park	Transmission	69.00	12.47	12.50
5	Lahaina	Transmission	69.00	12.47	43.75
6	Lahainaluna	Transmission	69.00		
7	Lower Nahiku	Transmission	23.00	7.20	0.17
8	Maalaea	Transmission	69.00	12.47	9.38
9	Maalaea Generating Station (MGS)	Transmission	69.00	13.20	337.00
10	MGS-Spare 33.3 MVA	Transmission	69.00	13.20	33.30
11	MGS-Spare 34.38 MVA	Transmission	69.00	6.56	34.38
12	Mahinahina	Transmission	69.00	12.47	25.00
13	Makawao	Transmission	23.00	12.47	9.38
14	Mary Smith	Transmission	23.00	7.20	0.05
15	Mobile 10 Sub	Transmission	69.00	23.00	10.00
16	Mobile 12 Sub	Transmission	69.00	23.00	12.50
17	Nabors	Transmission	23.00	7.20	0.05
18	Nahiku Homesteads	Transmission	23.00	7.20	0.05
19	Napili	Transmission	69.00	12.47	21.88
20	New Maui Hardwoods	Transmission	23.00	12.47	3.75
21	New Central Maui Landfill	Transmission	23.00	0.24	0.15
22	Onehee	Transmission	23.00	4.16	1.50
23	Paia Mauka	Transmission	23.00	4.16	2.50
24	Palaau	Transmission	34.00	12.40	15.94
25	Palaau-Spare 4.69 MVA	Transmission	34.00	12.47	4.69
26	Peahi Farms	Transmission	23.00	12.47	2.50
27	Pukalani	Transmission	69.00	23.00	40.00
28	Pukaliani-Spare 9.375 MVA	Transmission	69.00	23.00	9.38
29	Puukolii	Transmission	69.00	12.47	25.00
30	Puunana	Transmission	34.00	12.47	6.25
31	Puunene School	Transmission	23.00	0.21	0.08
32	Puunene Switching Station	Transmission	69.00	23.00	20.00
33	Puunene	Transmission	23.00	7.20	0.17
34	Spreckelsville	Transmission	23.00	4.16	2.50
35	WSCo Pump	Transmission	23.00	2.30	3.00
36	Waiehu Water Pump	Transmission	23.00	0.48	0.50
37	Waiehu Wells	Transmission	23.00	2.40	2.50
38	Waiehu	Transmission	23.00	12.47	9.38
39	Waiinu	Transmission	69.00	23.00	46.50
40	Waikapu	Transmission	23.00	12.47	4.69

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVa) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVa) (k)	
	4		Capacitor		5	1
	1					2
	3		Capacitor		2	3
	1					4
	4					5
						6
	1					7
	1					8
	12					9
	1					10
	1					11
	2		Capacitor		4	12
	1					13
	1					14
	1					15
	1					16
	1					17
	1					18
	2		Capacitor		4	19
	1					20
	1					21
	1					22
	1					23
	3					24
	1					25
	1					26
	4				4	27
	1					28
	2		Capacitor		2	29
	1					30
	3					31
	1					32
	1					33
	1					34
	3					35
	1					36
	1					37
	1					38
	4					39
	1					40

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Wailea	Transmission	69.00	12.47	50.00
2	Wailuku Heights	Transmission	23.00	4.16	4.69
3	Wailuku	Transmission	23.00	12.47	24.88
4	Waipio	Transmission	23.00	2.40	0.25
5	Walker Industries	Transmission	23.00	0.24	0.08
6	Palaau Power Plant	Distribution	12.47	4.16	10.08
7	Palaau-Spare 3.36 MVA	Distribution	12.47	4.16	3.36
8	Lanai City-2.4 kv tie tsf	Distribution	12.47	2.40	3.13
9	Miki Basin Power Plant	Distribution	12.47	4.16	12.71
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVa) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVa) (k)	
	4		Capacitor		5	1
	1					2
	4		Capacitor		4	3
	1					4
	3					5
	3					6
	1					7
	1					8
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) [X] An Original (2) [ ] A Resubmission	12/31/2016	End of 2016/Q4

TRANSACTIONS WITH ASSOCIATED (AFFILIATED) COMPANIES

1. Report below the information called for concerning all non-power goods or services received from or provided to associated (affiliated) companies.
2. The reporting threshold for reporting purposes is $250,000. The threshold applies to the annual amount billed to the respondent or billed to an associated/affiliated company for non-power goods and services. The good or service must be specific in nature. Respondents should not attempt to include or aggregate amounts in a nonspecific category such as "general".
3. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote.

Line No.	Description of the Non-Power Good or Service (a)	Name of Associated/Affiliated Company (b)	Account Charged or Credited (c)	Amount Charged or Credited (d)
1	**Non-power Goods or Services Provided by Affiliated**			
2	Services Received by Maui Electric	Hawaiian Electric Company, Inc..	See Detail	19,860,230
3	Services Received by Maui Electric	Hawaiian Electric Industries, Inc.	See Detail	827,719
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20	**Non-power Goods or Services Provided for Affiliate**			
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Schedule Page: 429 Line No.: 2 Column: d

Services Received by MECO	Account	107	41,814
Services Received by MECO	Account	108	122,359
Services Received by MECO	Account	163	4,395
Services Received by MECO	Account	166	1,734,806
Services Received by MECO	Account	181	2,751
Services Received by MECO	Account	184	421,502
Services Received by MECO	Account	186	-9,602
Services Received by MECO	Account	214	572
Services Received by MECO	Account	232	34,170
Services Received by MECO	Account	237	100,410
Services Received by MECO	Account	242	3,365,665
Services Received by MECO	Account	426	1,600
Services Received by MECO	Account	901	229,277
Services Received by MECO	Account	902	847,725
Services Received by MECO	Account	902M	103,527
Services Received by MECO	Account	903	3,471,584
Services Received by MECO	Account	903M	2,640
Services Received by MECO	Account	905	50,455
Services Received by MECO	Account	910	2,400,098
Services Received by MECO	Account	911	40,866
Services Received by MECO	Account	921	139,033
Services Received by MECO	Account	923	4,816,946
Services Received by MECO	Account	923L	205
Services Received by MECO	Account	923M	275
Services Received by MECO	Account	925	152
Services Received by MECO	Account	926	156,991
Services Received by MECO	Account	9302	51,293
IT Services Received by MECO	Account	184	549,077
IT Services Received by MECO	Account	902	148,402
IT Services Received by MECO	Account	903	406,524
IT Services Received by MECO	Account	910	52,377
IT Services Received by MECO	Account	921	555,348
IT Services Received by MECO	Account	926	16,993
Total			19,860,230

Schedule Page: 429 Line No.: 3 Column: d

Affiliate Management Fee	Account	923	765,318
Affiliate Management Fee	Account	926	62,401
Total			827,719

VERIFICATION

I swear (or declare) that the foregoing report has been prepared under my direction, from the original books, records and documents of the respondent corporation; that I have carefully examined the foregoing report; that I believe to the best of my knowledge and information, all statements of fact and all accounts and figures contained in the foregoing report are true; that the said report is a correct and complete statement of the business, affairs and all operations of the respondent corporation during the period for which said report has been prepared.

Honolulu, Hawaii
City or Town

Patsy H Nanbu
Signature of Officer

May 17, 2017
Date

Patsy H. Nanbu, Assistant Treasurer
Title of Officer

Subscribed and sworn to before me
this 17th day of May, 2017

Notary Public
First Judicial Circuit
State of Hawaii
My Commission expires 10-10-2019

LISA ANN S. YAMADA NOTARY PUBLIC No. 99-488 STATE OF HAWAII

Doc. Date: 5/17/17 # Pages: 169
Lisa Ann S. Yamada First Circuit
Doc. Description Verification for MECO Annual RPT

Notary Signature 5/17/17 Date

NOTARY CERTIFICATION

LISA ANN S. YAMADA NOTARY PUBLIC No. 99-488 STATE OF HAWAII

PATSY H. NANBU
Assistant Treasurer

May 24, 2017

5/24
JKM
C. RPT, UHA

Public Utilities Commission
of the State of Hawaii
465 South King Street
Kekuanaoa Building, 1st Floor
Honolulu, Hawaii 96813

Subject: **MAUI ELECTRIC COMPANY, LIMITED**
2016 PUC ANNUAL UTILITY REPORT

Dear Commissioners:

Enclosed are four (4) signed and notarized copies of Maui Electric Company Ltd.'s 2016 Public Utilities Commission Annual Report. The Annual Report has been prepared utilizing the FERC Form No. 1 format, which provides statistical financial and operational information in a format that is readily comparable to other utilities.

Please call me at 543-7424 if you have any questions.

Sincerely,

Patsy H. Nanbu
Assistant Treasurer

Enclosures

xc: Division of Consumer Advocacy (2 copies)