



PATSY H. NANBU  
Assistant Treasurer

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PUBLIC UTILITIES  
COMMISSION

May 29, 2015

The Honorable Chairman and Members of the  
Hawaii Public Utilities Commission  
Kekuanaoa Building  
465 South King Street, 1<sup>st</sup> Floor  
Honolulu, Hawaii 96813

Industry Type Electric  
Period Ending 12/31/14  
Initials J

Dear Commissioners:

Subject: **MAUI ELECTRIC COMPANY, LTD.  
2014 PUC ANNUAL UTILITY REPORT**

Enclosed are four (4) signed and notarized copies of Maui Electric Company, Ltd.'s 2014 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

Enclosure

xc: Division of Consumer Advocacy (2)

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PUBLIC UTILITIES  
COMMISSION

## Annual Report of

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, 2014

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 MAUI ELECTRIC COMPANY, LIMITED		02 Year/Period of Report End of 2014/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 PATSY H. NANBU		06 Title of Contact Person ASST 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 (808) 543-7424	09 This Report Is (1) <input checked="" type="checkbox"/> An Original      (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr) / /

**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) / /
02 Title		

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 MAUI ELECTRIC COMPANY, LIMITED		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/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	N/A	
4	Officers	104		
5	Directors	105		
6	Information on Formula Rates	106(a)(b)	N/A	
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	N/A	
16	Electric Plant In Service	204-207		
17	Electric Plant Leased to Others	213	N/A	
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	N/A	
22	Materials and Supplies	227		
23	Allowances	228(ab)-229(ab)	N/A	
24	Extraordinary Property Losses	230	N/A	
25	Unrecovered Plant and Regulatory Study Costs	230	N/A	
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	N/A	
30	Capital Stock	250-251		
31	Other Paid-In Capital	253	N/A	
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		

Page 3

Name of Respondent MAUI ELECTRIC COMPANY, LIMITED		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/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	N/A		
69	Substations	426-427			
70	Transactions with Associated (Affiliated) Companies	429			
71	Footnote Data	450			
Stockholders' Reports Check appropriate box: <input type="checkbox"/> Two copies will be submitted <input type="checkbox"/> No annual report to stockholders is prepared					

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<b>Name of Respondent</b> MAUI ELECTRIC COMPANY, LIMITED	<b>This Report Is:</b> (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	<b>Date of Report</b> (Mo, Da, Yr) / /	<b>Year/Period of Report</b> End of <u>2014/Q4</u>
<b>GENERAL INFORMATION</b>			
<p>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.</p> <p>Sharon M. Suzuki, President          210 Kamehameha Avenue          Kahului, HI 96732</p>			
<p>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.</p> <p>Hawaii, April 28, 1921</p>			
<p>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.</p> <p>None</p>			
<p>4. State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.</p> <p>Electric Utility - Class "A"</p>			
<p>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?</p> <p>(1) <input type="checkbox"/> Yes...Enter the date when such independent accountant was initially engaged:          (2) <input checked="" type="checkbox"/> No</p>			



Name of Respondent MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2014/Q4</u>
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#### CONTROL OVER RESPONDENT

1. If any corporation, business trust, or similar organization or a combination of such organizations jointly held control over the respondent 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 beneficiaries 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.

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

Name of Respondent MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**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			
3	President	Sharon M. Suzuki	
4	Financial Vice President	Tayne S. Y. Sekimura	
5	Vice President	Darcy L. Endo-Omoto	
6	Vice President and Secretary	Susan A. Li	
7	Vice President	Joseph P. Viola	
8	Treasurer	Lorie Ann Nagata	
9	Assistant Treasurer	Lyle J. Matsunaga	
10	Assistant Treasurer	Patsy H. Nanbu	
11	Assistant Secretary	Eileen S. Wachi	
12	Assistant Secretary	Julie R. Smolinski	
13			
14			
15	2. CHANGES DURING THE YEAR:		
16	Eff 2/24/2014, the following organizational changes		
17	were made:		
18	-Cathlynn L. Yoshida, took a leave of absence		
19	-Patsy H. Nanbu, then VP resumed Asst Treas position		
20	-Joseph Viola became Vice President		
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Name of Respondent MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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### 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		
3	Alan M. Oshima (Chairman)	Honolulu, Hawaii
4	Sharon M. Suzuki	Kahului, Hawaii
5	Constance H. Lau	Honolulu, Hawaii
6	Tayne S. Y. Sekimura	Honolulu, Hawaii
7		
8		
9	2. EXECUTIVE COMMITTEE	
10	None	
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Name of Respondent MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report / /	Year/Period of Report End of 2014/Q4
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**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.

PAGE 108 INTENTIONALLY LEFT BLANK  
SEE PAGE 109 FOR REQUIRED INFORMATION.

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MAUI ELECTRIC COMPANY, LIMITED			
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

1. None
2. None
3. None
4. None
5. None
6. None
7. None
8. None
9. Legal Proceedings  
See 2014 10-K pages 112-120, "Note 3 Electric utility segment - Commitments and contingencies"
10. None
11. None
12. None
13. See "Officers" and "Directors" on pages 104 and 105, respectively
14. Not applicable

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**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	<b>UTILITY PLANT</b>			
2	Utility Plant (101-108, 114)	200-201	1,052,812,349	1,011,183,810
3	Construction Work in Progress (107)	200-201	11,818,835	11,030,234
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		1,064,631,184	1,022,214,044
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	477,703,302	469,323,996
6	Net Utility Plant (Enter Total of line 4 less 5)		586,927,882	552,890,048
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)		586,927,882	552,890,048
15	Utility Plant Adjustments (116)		0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	<b>OTHER PROPERTY AND INVESTMENTS</b>			
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	<b>CURRENT AND ACCRUED ASSETS</b>			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		628,943	147,953
36	Special Deposits (132-134)		0	0
37	Working Fund (135)		4,450	4,450
38	Temporary Cash Investments (136)		0	0
39	Notes Receivable (141)		473,387	497,014
40	Customer Accounts Receivable (142)		22,924,917	26,197,043
41	Other Accounts Receivable (143)		1,177,409	948,758
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		222,051	185,336
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		1,474,146	1,549,161
45	Fuel Stock (151)	227	17,730,882	20,295,765
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	17,392,718	14,857,074
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

[illegible]

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**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	152,662	151,772
11	Retained Earnings (215, 215.1, 216)	118-119	146,276,578	138,350,450
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
13	(Less) Required 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)	186,292	190,378
16	Total Proprietary Capital (lines 2 through 15)		261,692,339	253,771,187
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	0	0
19	(Less) Required 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	176,000,000	176,000,000
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)		186,000,000	186,000,000
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)		76,050,799	30,083,766
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)		76,050,799	30,083,766
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		17,772,772	20,114,328
39	Notes Payable to Associated Companies (233)		5,600,000	6,839,000
40	Accounts Payable to Associated Companies (234)		4,481,547	3,844,315
41	Customer Deposits (235)		4,034,542	4,337,867
42	Taxes Accrued (236)	262-263	36,807,373	37,171,113
43	Interest Accrued (237)		2,851,406	2,505,987
44	Dividends Declared (238)		79,427	79,433
45	Matured Long-Term Debt (239)		0	0



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**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)
63	(Less) Noncurrent Portion of Allowances		0	0
64	Stores Expense Undistributed (163)	227	38,836	-72,880
65	Gas Stored Underground - Current (164.1)		0	0
66	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
67	Prepayments (165)		2,538,516	6,370,749
68	Advances for Gas (166-167)		0	0
69	Interest and Dividends Receivable (171)		0	665,076
70	Rents Receivable (172)		0	0
71	Accrued Utility Revenues (173)		18,390,283	19,291,186
72	Miscellaneous Current and Accrued Assets (174)		1,035,350	888,918
73	Derivative Instrument Assets (175)		0	0
74	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
75	Derivative Instrument Assets - Hedges (176)		0	0
76	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0
77	Total Current and Accrued Assets (Lines 34 through 66)		83,587,786	91,454,929
78	<b>DEFERRED DEBITS</b>			
79	Unamortized Debt Expenses (181)		1,245,384	1,372,540
80	Extraordinary Property Losses (182.1)	230a	0	0
81	Unrecovered Plant and Regulatory Study Costs (182.2)	230b	0	0
82	Other Regulatory Assets (182.3)	232	108,913,878	65,440,951
83	Prelim. Survey and Investigation Charges (Electric) (183)		0	0
84	Preliminary Natural Gas Survey and Investigation Charges 183.1)		0	0
85	Other Preliminary Survey and Investigation Charges (183.2)		0	0
86	Clearing Accounts (184)		1,756,358	741,076
87	Temporary Facilities (185)		0	0
88	Miscellaneous Deferred Debits (186)	233	10,813,858	11,446,182
89	Def. Losses from Disposition of Utility Pll. (187)		0	0
90	Research, Deval. and Demonstration Expend. (188)	352-353	0	0
91	Unamortized Loss on Reacquired Debt (189)		0	0
92	Accumulated Deferred Income Taxes (190)	234	0	0
93	Unrecovered Purchased Gas Costs (191)		0	0
94	Total Deferred Debits (lines 69 through 83)		122,729,476	79,000,759
95	<b>TOTAL ASSETS (lines 14-16, 32, 67, and 84)</b>		<b>794,777,000</b>	<b>724,877,592</b>

Name of Respondent MAUI ELECTRIC COMPANY, LIMITED	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (mo, da, yr) / /	Year/Period of Report end of 2014/Q4
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**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)		7,234,105	7,186,588
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)		78,861,172	82,078,431
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		5,285,651	5,244,523
57	Accumulated Deferred Investment Tax Credits (255)	266-267	14,725,156	14,362,614
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	98,170,839	93,205,117
60	Other Regulatory Liabilities (254)	278	2,455,696	753,334
61	Unamortized Gain on Reacquired Debt (257)		0	0
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	0	0
63	Accum. Deferred Income Taxes-Other Property (282)		53,120,360	44,884,732
64	Accum. Deferred Income Taxes-Other (283)		20,414,988	14,493,888
65	Total Deferred Credits (lines 56 through 64)		182,172,690	172,844,208
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		794,777,000	724,877,592

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q4
MAUI ELECTRIC COMPANY, LIMITED			
FOOTNOTE DATA			

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

Line 59 columns (c) and (d) includes \$88,217,709 and \$85,047,271 at December 31, 2014 and December 31, 2013, 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 MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**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 column in 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	422,968,731	424,821,198		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	298,475,110	302,085,914		
5	Maintenance Expenses (402)	320-323	17,218,335	18,896,259		
6	Depreciation Expense (403)	336-337	21,279,089	20,099,270		
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	39,905,989	40,033,433		
15	Income Taxes - Federal (409.1)	262-263		521,006		
16	- Other (409.1)	262-263	-445,333	-595,935		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	14,000,439	12,357,258		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277				
19	Investment Tax Credit Adj. - Net (411.4)	266	428,418	1,046,896		
20	(Less) Gains from Disp. of Utility Plant (411.6)					
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)		390,882,047	394,545,101		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117, line 27		32,106,684	30,076,097		



Name of Respondent MAUI ELECTRIC COMPANY, LIMITED		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /		Year/Period of Report End of 2014/Q4	
STATEMENT OF INCOME FOR THE YEAR (continued)							
Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)	
			Current Year (c)	Previous Year (d)			
27	Net Utility Operating Income (Carried forward from page 114)		32,106,684	30,076,087			
28	Other Income and Deductions						
29	Other Income						
30	Nonutility 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)			254			
34	(Less) Expenses of Nonutility Operations (417.1)		2,520	1,924			
35	Nonoperating Rental Income (418)			-41			
36	Equity in Earnings of Subsidiary Companies (418.1)	119					
37	Interest and Dividend Income (419)		113,785	481,840			
38	Allowance for Other Funds Used During Construction (419.1)		213,813	423,135			
39	Miscellaneous Nonoperating Income (421)		136,155	269,505			
40	Gain on Disposition of Property (421.1)						
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		461,043	1,182,869			
42	Other Income Deductions						
43	Loss on Disposition of Property (421.2)						
44	Miscellaneous Amortization (425)		10,060	10,060			
45	Donations (426.1)		67,759	53,731			
46	Life Insurance (426.2)						
47	Penalties (426.3)		2,000	17,500			
48	Exp. for Certain Civic, Political & Related Activities (426.4)		17,401	58,076			
49	Other Deductions (426.5)		2,324	2,362			
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		99,544	141,729			
51	Taxes Applicable to Other Income and Deductions						
52	Taxes Other Than Income Taxes (408.2)	262-263	9,634	43,940			
53	Income Taxes-Federal (409.2)	262-263		-221,778			
54	Income Taxes-Other (409.2)	262-263	-93,815	-97,356			
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	98,345	441,553			
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)		14,364	166,358			
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		347,135	874,781			
61	Interest Charges						
62	Interest on Long-Term Debt (427)		8,340,938	7,297,557			
63	Amort. of Debt Disc. and Expense (428)		490,787	477,966			
64	Amortization of Loss on Required Debt (428.1)						
65	(Less) Amort. of Premium on Debt-Credit (428)						
66	(Less) Amortization of Gain on Required Debt-Credit (428.1)						
67	Interest on Debt to Assoc. Companies (430)		723,558	763,316			
68	Other Interest Expense (431)		333,201	922,786			
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		91,047	168,640			
70	Net Interest Charges (Total of lines 62 thru 69)		9,787,437	9,292,985			
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		22,656,382	21,657,893			
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)		22,656,382	21,657,893			

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Name of Respondent MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**STATEMENT OF RETAINED EARNINGS**

- Do not report Lines 49-53 on the quarterly version.
- Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
- 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)
- State the purpose and amount of each reservation or appropriation of retained earnings.
- 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.
- Show dividends for each class and series of capital stock.
- Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
- 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.
- 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)
	<b>UNAPPROPRIATED RETAINED EARNINGS (Account 216)</b>			
1	Balance-Beginning of Period		138,350,450	131,090,617
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)		22,656,383	21,657,893
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			-381,250	( 381,252)
25				
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)		-381,250	( 381,252)
30	Dividends Declared-Common Stock (Account 438)			
31			-14,349,004	( 14,016,808)
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-14,349,004	( 14,016,808)
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,38,37)		146,276,579	138,350,450
	<b>APPROPRIATED RETAINED EARNINGS (Account 215)</b>			

Name of Respondent MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 7 /	Year/Period of Report End of 2014/Q4
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**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)		146,276,579	138,350,450
	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)			

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**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)	22,656,383	21,657,893
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	25,025,153	22,643,026
5	Amortization of		
6			
7			
8	Deferred Income Taxes (Net)	13,982,829	12,798,811
9	Investment Tax Credit Adjustment (Net)	384,339	1,046,895
10	Net (Increase) Decrease in Receivables	3,160,876	1,178,196
11	Net (Increase) Decrease in Inventory	-2,647,360	-814,155
12	Net (Increase) Decrease in Allowances Inventory		
13	Net Increase (Decrease) in Payables and Accrued Expenses	-7,865,702	-9,835,928
14	Net (Increase) Decrease in Other Regulatory Assets	977,124	-10,177,200
15	Net Increase (Decrease) in Other Regulatory Liabilities	1,403,102	
16	(Less) Allowance for Other Funds Used During Construction	213,613	423,135
17	(Less) Undistributed Earnings from Subsidiary Companies		
18	Other (Change in accrued unbilled revenues)	895,432	33,570
19	Change in fuel oil stock	2,564,883	2,482,082
20	Change in interest and preferred dividends payable	345,419	-7,361
21	Changes in other assets and liabilities	-4,427,344	-9,398,366
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	56,221,121	31,064,328
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-43,785,904	-52,451,347
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	-4,080,044	-2,884,070
31	Other (provide details in footnote):		
32			
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-39,895,860	-49,567,277
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)		
38			
39	Investments in and Advances to Assoc. and Subsidiary Companies		
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)		

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**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)	-39,695,860	-49,567,277
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)	-1,239,000	40,000,000
62	Preferred Stock		
63	Common Stock		
64	Other (provide details in footnote):		
65			
66	Net Increase in Short-Term Debt (c)		
67	Other: Borrowings from associated companies		-2,561,000
68			
69			
70	Cash Provided by Outside Sources (Total 61 thru 69)	-1,239,000	37,439,000
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)		-20,000,000
74	Preferred Stock	-381,256	-381,250
75	Common Stock	-14,349,004	-14,016,808
76	Other: Proceeds from issuance of common stock		12,461,000
77	Debt issuing costs	-75,011	-195,284
78	Net Decrease in Short-Term Debt (d)		
79			
80	Dividends on Preferred Stock		
81	Dividends on Common Stock		
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	-16,044,271	15,308,658
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	480,990	-3,196,291
87			
88	Cash and Cash Equivalents at Beginning of Period	152,403	3,348,694
89			
90	Cash and Cash Equivalents at End of period	633,393	152,403

Name of Respondent MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report / /	Year/Period of Report End of 2014/Q4
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**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 where 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.

Name of Respondent MAUI ELECTRIC COMPANY, LIMITED	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

**Notes to Consolidated Financial Statements**  
**Hawaiian Electric Company, Inc. and Subsidiaries**

**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 for the Utilities 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 beneficiary. Investments in companies over which the Utilities have the ability to exercise significant influence, but not control, are accounted for using the equity method. All material intercompany accounts and transactions have been eliminated in consolidation.

**Regulation by the Public Utilities Commission of the State of Hawaii (PUC).** The Utilities are regulated by the PUC and accounts 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' operation 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.

**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.

**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

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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. On a monthly basis, the Utilities adjust their allowance, with a corresponding charge (credit) on the statement of income, based on its historical write-off experience. Account balances are charged off against the allowance after collection efforts have been exhausted and the potential for recovery is considered remote. At both December 31, 2014 and 2013, the allowance for customer accounts receivable, accrued unbilled revenues and other accounts receivable was \$2 million.

**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 3.1% in 2014, 2013 and 2012.

**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 \$9 million, \$8 million and \$8 million in 2014, 2013 and 2012, respectively. The Utilities' future minimum lease payments are as follows:

(In millions)	Hawaiian Electric
2015	\$ 8
2016	6
2017	5
2018	4
2019	3
Thereafter	14
	<u>\$ 40</u>

**Retirement benefits.** Pension and other postretirement benefit costs are charged primarily to expense and electric utility plant. Funding for the Utilities' qualified pension plan 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

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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 balance sheet 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, unless it is probable that the PUC would allow such costs to be recovered in future rates, in which case such costs would be capitalized as regulatory assets. Also, 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.**

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. Prior to the implementation of decoupling, revenues related to the sale of energy were generally recorded when service was rendered or energy was delivered to customers and included revenues applicable to energy consumed in the accounting period but not yet billed to the customers.

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.

Upon the implementation of decoupling (Hawaiian Electric on March 1, 2011, Hawaii Electric Light on April 9, 2012 and Maui Electric on May 4, 2012), the Utilities: (1) recognize 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) recognize a revenue escalation component via a rate adjustment mechanism (RAM) for certain operation and maintenance (O&M) expenses and



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rate base changes and (3) recognize (when applicable) an earnings sharing mechanism, which would provide for a reduction of 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.

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 in the period 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 2014, 2013 and 2012, the Utilities included approximately \$267 million, \$266 million and \$280 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 a primary beneficiary and if consolidation is required. See Note 6.

**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 7.7% in 2014, 7.6% in 2013 and 7.6% in 2012, 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 its parent, 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 written down 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

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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.

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, goodwill and asset retirement obligations (AROs).

**Share-based compensation.** The Utilities apply the fair value based method of accounting to account for its stock compensation, including the use of a forfeiture assumption. See Note 11.

**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.**

Obligations resulting from joint and several liability. In February 2013, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2013-04, "Liabilities (Topic 405): Obligations Resulting from Joint and Several

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Liability Arrangements for Which the Total Amount of the Obligation Is Fixed at the Reporting Date," which provides guidance for the recognition, measurement and disclosure of obligations resulting from joint and several liability arrangements for which the total amount of the obligation is fixed at the reporting date. The guidance requires entities to measure these obligations as the sum of the amount the entity has agreed with co-obligors to pay and any additional amount it expects to pay on behalf of its co-obligors. The guidance also requires an entity to disclose the nature and amount of the obligation as well as other information.

The Utilities retrospectively adopted ASU No. 2013-04 in the first quarter of 2014 and it did not have a material impact on the Utilities' results of operations, financial condition or liquidity.

**Unrecognized tax benefits (UTBs).** In July 2013, the FASB issued ASU No. 2013-11, "Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists," which requires the netting of UTBs against a deferred tax asset for a loss or other tax carryforwards that would apply in settlement of the uncertain tax positions. UTBs should be netted against all available same-jurisdiction loss or other tax carryforwards that would be utilized, rather than only against carryforwards that are created by the UTBs.

The Utilities prospectively adopted ASU No. 2013-11 in the first quarter of 2014 and it did not have a material impact on the Utilities' results of operations, financial condition or liquidity.

**Revenues from contracts.** 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 apply the following steps: (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.

The Utilities plan to adopt ASU No. 2014-09 in the first quarter of 2017, but has not determined the method of adoption (full or modified retrospective application) nor the impact of adoption on its results of operations, financial condition or liquidity.

**Reclassifications.** Hawaiian Electric changed its consolidated statements of income for each quarter in 2013 from a utility presentation to a commercial company presentation, under which all operating revenues and expenses (including non-regulated revenues and expenses) are included in the determination of operating income. Additionally, income tax expense, which was previously included partially in operating expenses and partially in other income (deductions), is now entirely presented directly above net income in income taxes and includes income taxes related to non-regulated revenues and expenses.

## 2 • Proposed Merger

On December 3, 2014, HEI, parent of the Utilities, and NextEra Energy, Inc., a Florida corporation (NEE), NEE Acquisition Sub I, LLC, a Delaware limited liability company and a wholly owned subsidiary of NEE (Merger Sub II) and NEE Acquisition Sub II, Inc., a Delaware corporation and a wholly owned subsidiary of NEE (Merger Sub I), entered into an Agreement and Plan of Merger (the Merger Agreement). The Merger Agreement provides for Merger Sub I to merge with and into HEI (the Initial Merger), with HEI surviving, and then for HEI to merge with and into Merger Sub II, with Merger Sub II surviving as a wholly owned subsidiary of NEE (the Merger). The Merger is intended to qualify as a tax-free reorganization under the Internal Revenue Code of 1986, as amended, and be tax-free to HEI shareholders.

Pursuant to the Merger Agreement, upon the closing of the Merger, each issued and outstanding share of HEI common stock will automatically be converted into the right to receive 0.2413 shares of common stock of NEE (the Exchange Ratio). No adjustment to

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the Exchange Ratio is made in the Merger Agreement for any changes in the market prices of either HEI or NEE common stock between December 3, 2014 and the closing of the Merger.

The closing of the Merger is subject to various conditions, including, among others, (i) the approval of holders of 75% of the outstanding shares of HEI common stock, (ii) effectiveness of the registration statement for the NEE common stock to be issued in the Initial Merger and the listing of such shares on the New York Stock Exchange, (iii) expiration or termination of the applicable Hart-Scott-Rodino Act waiting period, (iv) receipt of all required regulatory approvals from, among others, the Federal Energy Regulatory Commission (FERC), the Federal Communications Commission and the Hawaii Public Utilities Commission, (v) the absence of any law or judgment in effect or pending in which a governmental entity has imposed or is seeking to impose a legal restraint that would prevent or make illegal the closing of the Merger, (vi) the absence of any material adverse effect with respect to either HEI or NEE, (vii) subject to certain exceptions, the accuracy of the representations and warranties of, and compliance with covenants by, each of the parties to the Merger Agreement, and (viii) receipt by each of HEI and NEE of a tax opinion of its counsel regarding the tax treatment of the transactions contemplated by the Merger Agreement.

The Merger Agreement contains customary representations, warranties and covenants of HEI and NEE.

HEI is also subject to a "no shop" restriction that limits its ability to solicit alternative acquisition proposals, provide information or engage in discussion with third parties, except under limited circumstances to permit HEI's board of directors to comply with its fiduciary duties.

The Merger Agreement contains certain termination rights for both HEI and NEE, including the right of either party to terminate the Merger Agreement if the Merger has not been consummated by December 3, 2015 (subject to a 6-month extension if required to obtain necessary regulatory approvals), and further provides that upon termination of the Merger Agreement under specified circumstances, HEI or NEE, as the case may be, would be required to pay the other party a termination fee of \$90 million and reimburse the other party for up to \$5 million of its documented out-of-pocket expenses incurred in connection with the Merger Agreement.

**PUC application.** In January 2015, NEE and Hawaiian Electric filed an application with the PUC requesting approval of the proposed Merger of Hawaiian Electric. The application also requests modification of certain conditions agreed to by HEI and the PUC in 1982 for the merger and corporate restructuring of Hawaiian Electric, and confirmation that with approval of the Merger Agreement, the recommendations in the 1995 Dennis Thomas Report (resulting from a proceeding to review the relationship between HEI and Hawaiian Electric and any impact of HEI's then diversified activities on the Utilities) will no longer be applicable. The application includes a commitment that, for at least four years following the completion of the transaction, Hawaiian Electric will not submit any applications seeking a general base rate increase and will forego recovery of the incremental operations and maintenance rate adjustment under decoupling during that period, which amounts to approximately \$60 million in cumulative savings for customers, subject to certain exceptions and conditions, including that the following remain in effect: the RBA tariff provisions, the Rate Base RAM, the Renewable Energy Infrastructure Program, and Renewable Energy Infrastructure Surcharge, the IRP/DSM Recovery tariff provisions, the ECAC tariff provisions, the PPA tariff provision and the Pension and OPEB tracker mechanism. Various parties, including governmental, environmental and commercial interests, have moved to intervene in the proceeding. A PUC decision on the intervention motions and establishing a procedural schedule for the docket is pending.

**Other requests.** On January 29, 2015, HEI submitted its application to the FERC requesting all necessary authorization to consummate the transactions contemplated by the Merger Agreement.

**Pending litigation and other matters.**

**Litigation.** HEI and its subsidiaries are subject to various legal proceedings that arise from time to time. Some of these

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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.

Since the December 3, 2014 announcement of the merger agreement, eight purported class action complaints were filed in the Circuit Court of the First Circuit for the State of Hawaii by alleged stockholders of HEI against HEI, Hawaiian Electric (in one complaint), the individual directors of HEI, NEE and NEE's acquisition subsidiaries. The lawsuits are captioned as follows: *Miller v. Hawaiian Electric Industries, Inc., et al.*, Case No. 14-1-2531-12 KTN (December 15, 2014) (the Miller Action); *Walsh v. Hawaiian Electric Industries, Inc., et al.*, Case No. 14-1-2541-12 JHC (December 15, 2014) (the Walsh Action); *Stein v. Hawaiian Electric Industries, Inc., et al.*, Case No. 14-1-2555-12 KTN (December 17, 2014) (the Stein Action); *Brown v. Hawaiian Electric Industries, Inc., et al.*, Case No. 14-1-2643-12 RAN (December 30, 2014) (the Brown Action); *Cohn v. Hawaiian Electric Industries, Inc., et al.*, Case No. 14-1-2642-12 KTN (December 30, 2014) (the Cohn State Action); *Guenther v. Watanabe, et al.*, Case No. 15-1-003-01 ECN (January 2, 2015) (the Guenther Action); *Hudson v. Hawaiian Electric Industries, Inc., et al.*, Case No. 15-1-0013-01 JHC (January 5, 2015) (the Hudson Action); *Grieco v. Hawaiian Electric Industries, Inc., et al.*, Case No. 15-1-0094-01 KKS (January 21, 2015) (the Grieco Action). On January 12, 2015, plaintiffs in the Miller Action, the Walsh Action, the Stein Action, the Brown Action, the Guenther Action, and the Hudson Action filed a motion to consolidate their actions and to appoint co-lead counsel. On February 13, 2015, the Court held a hearing on this motion. On January 23, 2015, the Cohn State Action was voluntarily dismissed. Thereafter, the same alleged stockholder plaintiff filed a purported class action complaint in the United States District Court for the District of Hawaii against HEI, the individual directors of HEI, NEE and NEE's acquisition subsidiaries. The lawsuit is captioned as *Cohn v. Hawaiian Electric Industries, Inc. et al.*, 15-cv-00029-JMS-KSC (January 27, 2015) (the Cohn Federal Action).

All eight actions allege, among other things, that members of HEI's Board breached their fiduciary duties in connection with the proposed transaction, and that the Merger Agreement involves an unfair price, was the product of an inadequate sales process, and contains unreasonable deal protection devices that purportedly preclude competing offers. The complaints further allege that HEI, NEE and/or its acquisition subsidiaries aided and abetted the purported breaches of fiduciary duty. The plaintiffs in these lawsuits seek, among other things, (i) a declaration that the Merger Agreement was entered into in breach of HEI's directors' fiduciary duties, (ii) an injunction enjoining the HEI Board from consummating the Merger, (iii) an order directing the HEI Board to exercise their duties to obtain a transaction which is in the best interests of HEI's stockholders, (iv) a rescission of the Merger to the extent that it is consummated, and/or (v) damages suffered as a result of the defendants' alleged actions. In addition, the Cohn Federal Action alleges that the HEI board of directors violated its fiduciary duties and federal securities laws by omitting material facts from the Registration Statement on Form S-4.

HEI and Hawaiian Electric believe the allegations of the complaints are without merit and intends to defend these lawsuits vigorously.

**Other matters.** In January 2015, various clean energy and environmental groups filed a motion and applications with the PUC to delay consideration of the Utilities' proposed Merger pending its decision on the Power Supply Improvement Plans, Distributed Generation Interconnection Plan, Integrated Demand Response Portfolio Plan, decoupling, and issues regarding customer-based distributed energy resources. The Utilities and NEE filed oppositions to these applications with the PUC and asked for their dismissal.

#### 4 • Other Notes

**Regulatory assets and liabilities.** In accordance with ASC Topic 980, "Regulated Operations," the Utilities' financial statements reflect assets, liabilities, revenues and expenses based on current cost-based rate-making regulations. Their continued accounting under

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ASC Topic 980 generally requires that rates are established by an independent, third-party regulator; rates are designed to recover the costs of providing service; and it is reasonable to assume that rates can be charged to and collected from customers. 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 the regulatory assets, net of regulatory liabilities, would be charged to the statement of income in the period of discontinuance, which may result in a material adverse effect on the Utilities' financial condition, results of operations and/or liquidity.

Regulatory assets represent deferred costs 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, 2014 are noted.

Regulatory assets were as follows:

December 31	2014	2013
(in thousands)		
Retirement benefit plans (balance primarily varies with plans' funded statuses)	\$ 683,243	\$ 350,821
Income taxes, net (1 to 55 years)	86,836	85,430
Decoupling revenue balancing account (1 to 2 years)	80,183	90,386
Unamortized expense and premiums on retired debt and equity issuances (19 to 30 years; 6 to 18 years remaining)	15,569	17,342
Vacation earned, but not yet taken (1 year)	10,248	9,149
Postretirement benefits other than pensions (18 years; less than 1 year remaining)	18	62
Other (1 to 50 years; 1 to 46 years remaining)	29,167	22,734
	<b>\$ 905,264</b>	<b>\$ 575,924</b>
Included in:		
Current assets	\$ 71,421	\$ 69,738
Long-term assets	833,843	506,186
	<b>\$ 905,264</b>	<b>\$ 575,924</b>

Regulatory liabilities were as follows:

December 31	2014	2013
(in thousands)		
Cost of removal in excess of salvage value (1 to 60 years)	\$ 331,000	\$ 315,164
Retirement benefit plans (5 years beginning with respective utility's next rate case)	12,413	31,546
Other (5 years; 1 to 2 years remaining)	1,436	2,589
	<b>\$ 344,849</b>	<b>\$ 349,299</b>
Included in:		
Current liabilities	\$ 632	\$ 1,916

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Long-term liabilities	344,217	347,383
	\$ 344,849	\$ 349,299

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 10).

**Major customers.** The Utilities received 12% (\$350 million), 11% (\$340 million) and 11% (\$349 million) of their operating revenues from the sale of electricity to various federal government agencies in 2014, 2013 and 2012, 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, 2014	Voluntary liquidation price	Redemption
<b>Series</b>		
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, parent, charged the Utilities \$7 million, \$6.2 million and \$6.1 million for general management and administrative services in 2014, 2013 and 2012, 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, 2014 and 2013. 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 nil in each of 2014 and 2013 and de minimis in 2012.

#### Commitments and contingencies.

**Fuel contracts.** The Utilities have contractual agreements to purchase minimum quantities of fuel oil, diesel fuel and biodiesel for multi-year periods, some through October 2017. 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, 2014, the estimated cost of minimum purchases under the fuel supply contracts is \$0.4 billion in 2015, \$0.3 billion in 2016 and \$6.4 million in 2017. The actual cost of purchases in 2015 and future years could vary substantially from this estimate as a result of changes in market prices, quantities actually purchased and/or other factors. The Utilities purchased \$1.1 billion, \$1.1 billion and \$1.3 billion of fuel under contractual agreements in 2014, 2013 and 2012, respectively.

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Hawaiian Electric and Chevron Products Company (Chevron), a division of Chevron USA, Inc., are parties to the Low Sulfur Fuel Oil Supply Contract (LSFO Contract) for the purchase/sale of low sulfur fuel oil (LSFO), which terminates on December 31, 2016 and may automatically renew for annual terms thereafter unless earlier terminated by either party. The PUC approved the recovery of costs incurred under this contract on April 30, 2013.

On August 27, 2014, Chevron and Hawaiian Electric entered into a first amendment of the LSFO Contract. The amendment reduces the price of fuel above certain volumes, allows for increases in the volume of fuel, and modifies the specification of certain petroleum products supplied under the contract. In addition, Chevron agreed to supply a blend of LSFO and diesel as soon as January 2016 (for supply through the end of the contract term, December 31, 2016) to help Hawaiian Electric meet more stringent EPA air emission requirements known as Mercury and Air Toxics Standards. The amendment is subject to approval of the PUC, and can be terminated if approval is not received by April 15, 2015.

Hawaiian Electric and Hawaii Independent Energy, LLC, (HIE) a wholly owned subsidiary of Par Petroleum Corporation of Houston Texas, were parties to an amended LSFO supply contract (assigned to HIE pursuant to its purchase of the Hawaii refinery and related assets of Tesoro Hawaii Corp), which ran through December 31, 2014, with a provision that it would automatically renew for annual terms thereafter unless earlier terminated by either party. On August 28, 2014, Hawaiian Electric provided notice to HIE that it would not renew the LSFO supply contract.

The Utilities are party to amended contracts for the supply of industrial fuel oil and diesel fuels with Chevron and HIE, respectively, which end December 31, 2015. Both agreements may be automatically renewed for annual terms thereafter unless earlier terminated by either of the respective parties. In August 2014, Chevron and the Utilities entered into a third amendment to the Inter-Island Industrial Fuel Oil and Diesel Fuel Supply Contract, which amendment extended the term of the contract through December 31, 2016 and provided for automatic renewal for annual terms thereafter unless earlier terminated by either party. In February 2015, Hawaiian Electric executed a similar extension, through December 31, 2016, of the corresponding Inter-Island Industrial Fuel Oil and Diesel Fuel Supply Contract with HIE.

The energy charge for energy purchased from Kalaeloa Partners, L.P. (Kalaeloa) under Hawaiian Electric's PPA with Kalaeloa is based, in part, on the price Kalaeloa pays HIE for LSFO under a Facility Fuel Supply Contract (fuel contract) between them (assigned to HIE upon its purchase of the assets of Tesoro Hawaii Corp. as described above). The term of the fuel contract between Kalaeloa and HIE ends May 31, 2016 and may be extended for terms thereafter unless terminated by one of the parties.

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

**Power purchase agreements.** As of December 31, 2014, the Utilities had seven firm capacity PPAs for a total of 575 megawatts (MW) of firm capacity. Purchases from these seven independent power producers (IPPs) and all other IPPs totaled \$0.7 billion for each of 2014, 2013 and 2012. 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 2015 through 2019 and a total of \$0.5 billion in the period from 2020 through 2035.

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



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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.

*Hawaii Clean Energy Initiative.* In January 2008, the State of Hawaii (State) and the U.S. Department of Energy signed a memorandum of understanding establishing the Hawaii Clean Energy Initiative (HCEI). In October 2008, the Governor of the State, the State Department of Business, Economic Development and Tourism (DBEDT), the Division of Consumer Advocacy of the State Department of Commerce and Consumer Affairs and the Utilities (collectively, the parties), signed an agreement setting forth goals and objectives under the HCEI and the related commitments of the parties (the Energy Agreement), including pursuing a wide range of actions to decrease the State's dependence on imported fossil fuels through substantial increases in renewable energy and programs intended to secure greater energy efficiency and conservation. Many of the actions and programs included in the Energy Agreement required approval of the PUC.

The parties to the Energy Agreement concluded that the agreements and policy directives in the Energy Agreement had been advanced or superseded by subsequent events, as well as by decisions and orders issued by the PUC, and accordingly ended the Energy Agreement on September 14, 2014. On September 15, 2014, the State of Hawaii and the U.S. Department of Energy executed a MOU recognizing that Hawaii is embarking on the next phase of its clean energy future. The MOU provides the framework for a comprehensive, sustained effort to better realize Hawaii's vast renewable energy potential and allow it to push forward in three main areas: the power sector, transportation and energy efficiency. This next phase will focus on stimulating deployment of clean energy infrastructure as a catalyst for economic growth, energy system innovation and test bed investments.

*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. Further, completion of projects is subject to various risks, such as problems or disputes with vendors. 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, project costs may need to be written off in amounts that could result in significant reductions in Hawaiian Electric's consolidated net income.

In May 2011, the PUC ordered independently conducted regulatory audits on the reasonableness of costs incurred for Hawaiian Electric's East Oahu Transmission Project (EOTP), Campbell Industrial Park (CIP) combustion turbine No. 1 (CT-1) project, and Customer Information System (CIS) project. However, in March 2012, the PUC eliminated the requirement for a regulatory audit for the EOTP Phase I in connection with an approved settlement of the EOTP Phase I project cost issues and, in March 2013, the PUC eliminated the requirement for an audit of the CIP CT-1 and CIS project costs as described below.

On January 28, 2013, the Utilities and the Consumer Advocate signed a settlement agreement (2013 Agreement), subject to PUC approval, to write off \$40 million of costs in lieu of conducting the regulatory audits of the CIP CT-1 project and the CIS project. Based on the 2013 Agreement, as of December 31, 2012, the Utilities recorded an after-tax charge to net income of approximately \$24 million — \$17.1 million for Hawaiian Electric, \$3.4 million for Hawaii Electric Light, and \$3.2 million for Maui Electric. The remaining recoverable costs for these projects of \$52 million were included in rate base as of December 31, 2012.

As part of the 2013 Agreement, Hawaii Electric Light would withdraw its 2013 test year rate case, and delay filing a new rate case until a 2016 test year. Additionally, Hawaiian Electric would delay the filing of its scheduled 2014 test year rate case to no earlier than January 2, 2014. For both Utilities, the existing terms of the last rate case decisions would continue. Hawaiian Electric would also be

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allowed to record Rate Adjustment Mechanism (RAM) revenues starting on January 1 of 2014, 2015 and 2016. The cash collection of RAM revenues would remain unchanged, starting June 1 of each year through May 31 of the following year.

On March 19, 2013, the PUC issued a decision and order (2013 D&O) approving the 2013 Agreement, with the following clarifications, none of which changed the financial impact of the settlement recorded as of December 31, 2012: (1) the PUC reiterated its authority to examine and ascertain what post go-live CIS costs would be subject to regulatory review in future rate cases; (2) the PUC discouraged requesting single issue cost deferral accounting and/or cost recovery mechanisms during the period of rate case deferral by Hawaiian Electric and Hawaii Electric Light; (3) the PUC approved the agreed-upon recovery of CIP CT-1 and CIS project costs through the RAM, as set forth in the 2013 Agreement, however not setting a precedent for future projects; and (4) the PUC reaffirmed its right to rule on the substance of the Maui Electric 2012 test year rate case in its ongoing rate case proceeding. On May 31, 2013, the PUC issued a final D&O in the Maui Electric 2012 test year rate case. See "Maui Electric 2012 test year rate case" below.

In March 2012, the PUC approved a settlement agreement reached among Hawaiian Electric, the Consumer Advocate and the Department of Defense, under which, in lieu of a regulatory audit, Hawaiian Electric would write off \$9.5 million of EOTP Phase 1 gross plant in service and associated adjustments. This resulted in an after-tax charge to net income in the fourth quarter of 2011 of approximately \$6 million and the elimination of the requirement for a Phase 1 regulatory audit. The PUC also provided for an additional increase of approximately \$5 million in Hawaiian Electric's 2011 test year rate case for the additional revenue requirements reflecting all remaining Phase 1 costs not previously included in rates or agreed to be written off.

**Renewable energy projects.** The Utilities are committed to achieving or exceeding the State's Renewable Portfolio Standard (RPS) goal of 40% renewable energy by 2030 and to decreasing the State's dependence on imported fossil fuels. The Utilities continue to evaluate and pursue opportunities with developers of proposed projects to integrate power into its grid from a variety of renewable energy sources, including solar, biomass, wind, ocean thermal energy conversion, wave, geothermal and others.

In November 2013, Hawaiian Electric and Maui Electric filed an application for recovery of its actual deferred costs totaling \$405,000 (split evenly between Hawaiian Electric and Maui Electric) for outside contractor services for additional studies to determine the value proposition of interconnecting the islands of Oahu and of Maui County (Maui, Lanai, and Molokai) through the Renewable Energy Infrastructure Program (REIP) surcharge. The application is currently pending before the PUC.

A revised draft Request for Proposals (RFP) for 200MW or more of renewable energy to be delivered to Oahu from any of the Hawaiian Islands was posted on Hawaiian Electric's website prior to the issuance of a proposed final RFP. In February 2012, the PUC granted Hawaiian Electric's request for deferred accounting treatment for the inter-island project support costs. The amount of the deferred costs was limited to \$5.89 million. On July 11, 2013, the PUC issued orders related to the 200 MW RFP, including an order initiating a proceeding to solicit information and evaluate whether an interisland grid interconnection transmission system between the islands of Oahu and Maui is in the public interest, given the potential for large-scale wind and solar projects on Maui.

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 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 will be considered for final selection of one project to proceed with PPA negotiations.

In the fourth quarter of 2014, Hawaiian Electric filed applications requesting PUC approval of power purchase agreements for renewable as-available energy for seven projects that were granted waivers from the Competitive Bidding Framework.

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**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 (CAA) and Clean Water Act (CWA), have increased significantly and management anticipates that such activity will continue.

On August 14, 2014, the Environmental Protection Agency (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 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 the facility's National Pollutant Discharge Elimination System permit. In the case of Hawaiian Electric's power plants, there are a number of studies that have yet to be completed before Hawaiian Electric and the Department of Health of the State of Hawaii (DOH) can determine what entrainment or impingement controls, if any, might be appropriate.

On February 16, 2012, the Federal Register published the EPA's final rule establishing the EPA's National Emission Standards for Hazardous Air Pollutants for fossil-fuel fired steam electrical generating units (EGUs). The final rule, known as the Mercury and Air Toxics Standards (MATS), applies to the 14 EGUs at Hawaiian Electric's power plants. MATS establishes the Maximum Achievable Control Technology standards for the control of hazardous air pollutants emissions from new and existing EGUs. Based on a review of the final rule and the benefits and costs of alternative compliance strategies, Hawaiian Electric has selected a MATS compliance strategy based on switching to lower emission fuels. The use of lower emission fuels will provide for MATS compliance at lower overall costs and avoid the reduction in operational flexibility imposed by emissions control equipment. Hawaiian Electric requested and received a one-year extension, resulting in a MATS compliance date of April 16, 2016. Hawaiian Electric also has pending with the EPA a Petition for Reconsideration and Stay dated April 16, 2012, and a Request for Expedited Consideration dated August 14, 2013. The submittals ask the EPA to revise an emissions standard for non-continental oil-fired EGUs on the grounds that the promulgated standard was incorrectly derived. The Petition and Request submittals to the EPA included additional data to demonstrate that the existing standard is erroneous. Hawaiian Electric has been in contact with the EPA regarding the status of its Petition, but has not been given a time frame for an EPA decision or action. Due to the EPA's delay in taking action on Hawaiian Electric's Petition for Reconsideration submitted in April 2012, Hawaiian Electric submitted to the EPA, on February 20, 2015, a Notice of Intent to Sue as a prerequisite to bringing a civil action.

On February 6, 2013, the EPA issued a guidance document titled "Next Steps for Area Designations and Implementation of the Sulfur Dioxide National Ambient Air Quality Standard," which outlines a process that will provide the states additional flexibility and time for their development of one-hour sulfur dioxide (SO<sub>2</sub>) National Ambient Air Quality Standard (NAAQS) implementation plans. In May 2014, the EPA published a proposed data requirements rule for states to characterize their air quality in relation to the one-hour SO<sub>2</sub> NAAQS. Under the proposed rule, the EPA expects to designate areas as attaining, or not attaining, the one-hour SO<sub>2</sub> NAAQS in December 2017 or December 2020, depending on whether the area was characterized through modeling or monitoring. Hawaiian Electric will work with the DOH in implementing the one-hour SO<sub>2</sub> NAAQS and in developing cost-effective strategies for NAAQS compliance, if needed.

Depending upon the specific measures required for compliance with the CWA 316(b) regulations and MATS, and the rules and guidance developed for compliance with the more stringent NAAQS, the Utilities may be required to incur material capital expenditures and other compliance costs, but such amounts and their timing are not determinable at this time. Additionally, the combined effects of these regulatory initiatives may result in a decision to retire or deactivate certain generating units earlier than anticipated.

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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 and 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.

**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) asserting potential violations of the Prevention of Significant Deterioration (PSD) and Title V requirements of the Clean Air Act involving the Hill and Kahului Power Plants. The EPA referred the matter to the DOJ for enforcement based on Hawaii Electric Light's and Maui Electric's responses to information requests in 2010 and 2012. The letter expresses an interest in resolving the matter without the issuance of a notice of violation. The parties had preliminary discussions in February 2014, and are continuing to negotiate toward a resolution of the DOJ's claims. As part of the ongoing negotiations, the DOJ proposed in November 2014 entering into a consent decree pursuant to which the Utilities would install certain pollution controls and pay a penalty. The Utilities are currently reviewing the proposal, 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 performed Brownfield assessments of the Site that identified environmental impacts in the subsurface. Although Maui Electric never operated at the Site and operations there had stopped four years before the merger, in 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 impacts of subsurface contaminants. 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. In March 2012, Maui Electric accrued an additional \$3.1 million (reserve balance of \$3.6 million as of December 31, 2014) 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. Maui Electric received DOH and EPA comments on a draft site investigation plan for site characterization in the fourth quarter of 2013. Management concluded that these comments did not require a change to the reserve balance. The site investigation plan has been revised to address the EPA and DOH comments and the final site investigation plan was submitted to the DOH and EPA in December 2014.

**Pearl Harbor sediment study.** The U.S. Navy is conducting a feasibility study for the remediation of contaminated sediment in Pearl Harbor. In the course of its study, the Navy identified elevated levels of PCBs in the sediment offshore from the Waiau Power Plant. The results of the Navy's study to date, including sampling data and possible remediation approaches, are undergoing further federal review. Hawaiian Electric submitted comments on the Navy's study, including the further investigation and analyses that are necessary to identify appropriate remedial options and actions.

In July 2014, the Navy notified Hawaiian Electric of the Navy's determination that Hawaiian Electric is responsible for cleanup of the area offshore of the Waiau Power Plant. The Navy has also requested that Hawaiian Electric reimburse the costs incurred by the Navy to date to investigate the area, and is asking Hawaiian Electric to engage in negotiations regarding the financing and undertaking of future response actions. The extent of the contamination, the appropriate remedial measures to address it, and Hawaiian Electric's potential responsibility for any associated costs have not yet been determined. In December 2014, Hawaiian Electric recorded a reserve of \$0.8 million for additional investigation of the PCBs in the sediment offshore from the Waiau Power Plant; however, final costs of remediation will depend on the results of the additional investigation.

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*Global climate change and greenhouse gas emissions reduction.* National and international concern 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 action by the State and to federal legislative and regulatory proposals to reduce GHG emissions.

In July 2007, 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, became law in Hawaii. On June 20, 2014, the Governor signed the final regulations required to implement Act 234 and the regulations went into effect on June 30, 2014. In general, the regulations will require affected sources that have the potential to emit GHGs in excess of established thresholds to reduce GHG emissions by 16% below 2010 emission levels by 2020. The regulations will also assess affected sources an annual fee based on tons per year of GHG emissions commencing on the effective date of the regulations, estimated to be approximately \$0.5 million annually for the Utilities. The DOH GHG regulations also track the federal "Prevention of Significant Deterioration and Title V Greenhouse Gas Tailoring Rule" (GHG Tailoring Rule, see below) and would create new thresholds for GHG emissions from new and existing stationary source facilities.

Several approaches (e.g., "cap and trade") to GHG emission reduction have been either introduced or discussed in the U.S. Congress; however, no federal legislation has yet been enacted.

On September 22, 2009, the EPA issued its Final Mandatory Reporting of Greenhouse Gases Rule, which requires that sources emitting GHGs above certain threshold levels monitor and report GHG emissions. The Utilities have submitted the required reports for 2010 through 2013 to the EPA. In December 2009, the EPA made the finding that motor vehicle GHG emissions endanger public health or welfare. Since then, the EPA has also issued rules that begin to address GHG emissions from stationary sources, like the Utilities' EGUs.

In June 2010, the EPA issued its GHG Tailoring Rule covering the permitting of new or modified stationary sources that have the potential to emit GHGs in greater quantities than the thresholds set forth in the rule, under the Prevention of Significant Deterioration program. On June 23, 2014, the U.S. Supreme Court issued a decision that invalidated the GHG Tailoring Rule, to the extent it regulated sources based solely on their GHG emissions. It also invalidated the GHG emissions threshold for regulation. On December 19, 2014, the EPA released two memorandums outlining the Agency's plan for addressing the U.S. Supreme Court's decision. Hawaiian Electric, Hawaii Electric Light and Maui Electric are evaluating the potential impacts of the Agency's plan on utility operations and permitting. On January 8, 2014, the EPA published in the Federal Register its new proposal for New Source Performance Standards for GHG from new generating units. The proposed rule on GHG from new EGUs does not apply to oil-fired combustion turbines or diesel engine generators, and is not otherwise expected to have significant impacts on the Utilities.

On June 18, 2014, the EPA published in the Federal Register its proposed rule for GHG emissions from existing power plants. The rule sets interim and final state-wide, state-specific emission performance goals, expressed as lb CO<sub>2</sub>/MWh, that would apply to the state's affected sources. The interim goal would apply as an average over the period 2020 through 2029, with the final goal to be met by 2030. On the same date, the EPA also published a separate rule for modified and reconstructed power plants. The EPA's plan is to issue the final rules by mid-summer 2015. Hawaiian Electric is still evaluating the proposed rules for GHG emissions from existing, modified, and reconstructed sources, and how they might relate to the recently issued State GHG rules. Hawaiian Electric will participate in the federal GHG rulemaking process, and in the implementation of the State GHG rules, to try to reconcile federal GHG regulation, state GHG regulation, and any action the EPA may take as a result of the recent U.S. Supreme Court opinion, to facilitate clear and cost-effective compliance. The Utilities will continue to evaluate the impact of proposed GHG rules and regulations as they develop. Final regulations may impose significant compliance costs, and may require reductions in fossil fuel use and the addition of renewable energy resources in excess of the requirements of the RPS law.

The Utilities have taken, and continue to identify opportunities to take, direct action to reduce GHG emissions from their operations, including, but not limited to, 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

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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 are also working with the State of Hawaii and other entities to pursue the use of liquefied natural gas as a cleaner and lower cost fuel to replace, at least in part, the petroleum oil that would otherwise be used. Management is unable to evaluate the ultimate impact on the Utilities' operations of eventual comprehensive GHG regulation. However, management believes that the various initiatives it is undertaking will provide a sound basis for managing the Utilities' carbon footprint and meeting GHG reduction goals that will ultimately emerge.

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, which could potentially impact coastal and other low-lying areas (where much of the Utilities' electric infrastructure is sited), and could cause erosion of beaches, saltwater intrusion into aquifers and surface ecosystems, higher water tables and increased flooding and storm damage due to heavy rainfall. The effects of climate change on the weather (for example, floods or hurricanes), sea levels, and water 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.

**Maui Electric 2012 test year rate case.** On May 31, 2013, the PUC issued a final D&O in the Maui Electric 2012 test year rate case. Final rates became effective August 1, 2013. The final D&O approved an increase in annual revenues of \$5.3 million, which is \$7.8 million less than the interim increase in annual revenues that had been in effect since June 1, 2012. Reductions from the interim D&O related primarily to:

(in millions)

Lower ROACE	\$ 4.0
Customer Information System expenses	0.3
Pension and OPEB expense based on 3-year average	1.5
Integrated resource planning expenses	0.9
Operational and Renewable Energy Integration study costs	1.1
Total adjustment	\$ 7.8

According to the PUC, the reduction in the allowed ROACE from the stipulated 10% to the final approved 9% is composed of 0.5% due to updated economic and financial market conditions manifested in lower interest rates in the 2012 test year and 0.5% for system inefficiencies reflected in over curtailment of renewable energy produced by independent power producers.

The reduction in the pension and OPEB expense is due to applying a 3-year average in the calculation of pension costs for the purpose of the 2012 test year. This is not a PUC decision to change the pension and OPEB tracking mechanisms, although the PUC emphasizes the need to evaluate alternatives to decrease or limit the growth in employee benefits costs.

The PUC also continued Maui Electric's existing energy cost adjustment clause (ECAC) and power purchase adjustment clause (PPAC) design. The PUC stated that it will consider the Utilities' future actions to reduce fuel costs and increase use of renewable energy as it continues to review the design of the ECAC in the future.

Since the final rate increase was lower than the interim increase previously in effect, Maui Electric recorded a charge, net of revenue taxes, of \$7.6 million in the second quarter of 2013 and refunded to customers approximately \$9.7 million (which includes interest accrued since June 1, 2012) between September 2013 and early November 2013. As a result of the D&O, in the second quarter of 2013 Maui Electric also recorded adjustments to reduce expenses by reducing employee benefits expenses by \$1.8 million for adjustments to pension and OPEB costs, and to reclassify \$0.7 million of IRP costs to deferred accounts.

As required by the final D&O, Maui Electric filed in September 2013 a System Improvement and Curtailment Reduction Plan

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(SICRP), which identified actions that Maui Electric had already implemented to increase the use of wind energy and further actions that it is committed to implement to benefit customers.

**Maui Electric 2015 test year rate case.** On December 30, 2014, Maui Electric filed its 2015 test year rate case in accordance with the three-year general rate case cycle established by the PUC in its Final D&O, issued on August 31, 2010, in the decoupling proceeding. This was an abbreviated rate case filing in which Maui Electric intends to forego the opportunity to seek a general rate increase in base rates, in recognition that its customers have been enduring a high bill environment. If Maui Electric were to seek an increase in base rates, the requested increase in revenue, based on its revenue requirement for a normalized 2015 test year, would have been \$11.6 million, or 2.8%, over revenues at current effective rates with estimated 2015 rate adjustment mechanism (RAM) revenues. The normalized 2015 test year revenue requirement is based on an estimated cost of common equity of 10.75%. Management cannot predict any actions by the PUC as a result of this filing.

**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 have 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 significant activity and expenditures occurring in 2014 in partial settlement of these liabilities. Both removal projects are expected to continue through 2015.

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

(in thousands)	2014	2013
Balance, January 1	\$ 43,106	\$ 48,431
Accretion expense	890	1,263
Liabilities incurred	—	—
Liabilities settled	(14,577)	(5,672)
Revisions in estimated cash flows	—	(916)
Balance, December 31	\$ 29,419	\$ 43,106

**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. The implementation of decoupling has resulted in an improvement in the Utilities' under-earning situation that has existed over the last several years.

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

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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. The Utilities and the Consumer Advocate were named as parties to this proceeding and filed a joint statement of position that any material changes to the current decoupling mechanism should be made prospectively after 2016, unless the Utilities and the Consumer Advocate mutually agree to the change in this proceeding. The PUC granted several parties' motions to intervene. In October 2013, the PUC issued orders that bifurcated the proceeding (Schedule A and Schedule B) and identified issues and procedural schedules for both Schedules.

Schedule A issues include:

- for the RBA, the reasonableness of the interest rate related to the carrying charge of the outstanding RBA balance and whether there should be a risk sharing adjustment to the RBA;
- for the RAM; whether it is reasonable to true up all actual prior year baseline projects, which are those capital projects less than \$2.5 million, at year end or implement alternative methods to calculate the RAM rate base;
- whether a risk sharing mechanism should be incorporated into the RBA;
- whether performance metrics should be determined and reported; and
- whether other factors should be considered if potential changes to existing RBA and RAM provisions are required.

Schedule B issues include:

- whether performance metrics and incentives (rewards or penalties) should be implemented to control costs and encourage the Utilities to make necessary or appropriate changes to strategic and action plans;
- whether the allocation of risk as a result of the decoupling mechanism is fairly reflected in the cost of capital allowed in rates;
- changes or alternatives to the existing RAM; and
- changes to ratemaking procedures to improve efficiency and/or effectiveness.

Oral arguments on Schedule A issues were held in January 2014. On February 7, 2014, the PUC issued a D&O on the Schedule A issues, which made certain modifications to the decoupling mechanism. Specifically, the D&O requires:

- An adjustment to the Rate Base RAM Adjustment to include 90% of the amount of the current RAM Period Rate Base RAM Adjustment that exceeds the Rate Base RAM Adjustment from the prior year, to be 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.

The D&O required the Utilities to immediately investigate the possibility of deferring the payment of income taxes on the accrued amounts of decoupling revenue, and to report the results with recommendations to the PUC. The PUC reserved the right to determine in the next decoupling and rate case filings whether each Utilities' allowed income taxes should be adjusted for this change. The Utilities updated the PUC on their progress in investigating the tax treatment of the revenues included in the RBA balances and provided information to the PUC concerning the application to the IRS for an accounting methods change to recognize RBA revenues for tax purposes when amounts are billed. On April 28, 2014, the Utilities received approval for this change from the IRS, effective January 1, 2014. This change will reduce the amount of interest to be accrued on the RBA balance as proposed by the Consumer Advocate (see "Recent tax developments" above).

As required, the Utilities developed websites to present certain Schedule A performance metrics and proposed additional performance metrics. These metrics are all currently being reviewed by the PUC and, if approved, will be available to the public.

The Schedule A issues on whether it is reasonable to automatically include all actual prior year capital expenditures on baseline projects in the Rate Base RAM and whether a risk sharing mechanism should be incorporated into the RBA, particularly with respect to the PUC's concerns regarding maintaining and enhancing the Utilities' incentives to control costs and appropriately allocating risk



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and compensation for risk, will be addressed in the Schedule B proceedings.

On May 20, 2014, the Utilities and other parties filed their respective initial statements of position for the Schedule B issues in this proceeding. Specifically, the Utilities concluded that (1) the existing RAM provision can be modified to address concerns stated by the PUC regarding the review of baseline capital projects and the growth in plant additions, and (2) targeted incentives can be crafted to incentivize the activities identified by the PUC.

On September 15, 2014, the Utilities and other parties filed their respective reply statements of position for the Schedule B issues in this proceeding. Specifically, the Utilities concluded that (1) the existing RAM provision can be modified to address PUC concerns regarding the review of baseline capital projects, and to provide more incentives for the Utilities to control capital expenditure costs while aggressively moving forward with their plans, (2) if the RAM is to be replaced, the Utilities can support transition to a new appropriately designed incentive-based regulatory (IBR) model, (3) developing an IBR mechanism and process consistent with the objectives in the Utilities' approved plans will also take reasonable time; thus, it would be more reasonable to target 2017 to begin implementation of any new IBR mechanism and decoupling should be retained in the meantime and (4) the Utilities would support the development of performance metrics to be implemented as part of a new IBR mechanism.

The Utilities and other parties participated in panel hearings on Schedule B issues in late October 2014.

In early December 2014, the PUC issued an order that amended the procedural schedule and issued information requests. On December 22, 2014, the Utilities and other parties filed their respective responses to PUC information requests. The proceeding is currently pending a PUC order instructing the parties regarding the issues and scope for limited briefs and reply briefs.

Management cannot predict the outcome of the proceedings or the ultimate impact of the proceedings on the results of operation of the Utilities.

**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 four orders are 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 also terminated the Utilities' integrated resource planning (IRP) cycle, including the filing of a mid-cycle evaluation report, and formally concluded the IRP advisory group. The PUC directed each of Hawaiian Electric and Maui Electric to file within 120 days its respective Power Supply Improvement Plans (PSIPs), and the PSIPs were filed 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 (and in some cases the Kauai Island Utility Cooperative (KIUC)) 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 to be filed within 120 days. 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 to be filed within 60 days. The plan shall achieve full implementation of the distribution circuit monitoring program within 180 days. The Utilities' Plan was filed in June 2014.

Action Plan for improving efficiencies in the interconnection requirements studies to be filed within 30 days. The Utilities' Plan was filed in May 2014.

The Utilities are to file monthly reports providing details about interconnection requirements studies.

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Proposal to implement an integrated interconnection queue for each distribution circuit for each island grid to be filed within 120 days. 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 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 within 90 days an integrated Demand Response Portfolio Plan that will enhance system operations and reduce costs to customers. The Utilities' Plan was filed in July 2014. In August 2014, the PUC invited public comment on the Utilities' Plan. The Utilities submitted a status update in October 2014, and a second status update is planned to be filed with the PUC in March 2015.

*Maui Electric Company 2012 Test Year Rate Case.* The PUC acknowledged the extensive analyses provided by Maui Electric in its System Improvement and Curtailment Reduction Plan (SICRP) filed in September 2013. The PUC stated that it is encouraged by the changes in Maui Electric's operations that have led to a significant reduction in the curtailment of renewables, but stated that Maui Electric has not set forth a clearly defined path that addresses integration and curtailment of additional renewables. The PUC directed Maui Electric to present a PSIP within 120 days to address present and future system operations so as to not only reduce curtailment, but to optimize the operation of its system for its customers' benefit. The Maui Electric PSIP was filed in August 2014, and will be reviewed by the PUC in a new docket along with the Hawaiian Electric and Hawaii Electric Light PSIPs. Maui Electric filed its first annual SICRP status update in September 2014.

*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 (updating its Power Supply Plan filed in April 2014) 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 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.

The PSIPs will be reviewed by the PUC in a new docket, and a number of parties have moved to intervene in the proceeding. In September 2014, the PUC invited the public to comment on the PSIPs. In October 2014, the Utilities filed responses to information requests on the PSIPs from the PUC.

*Transitional Distributed Generation Tariff.* Consistent with their Distributed Generation Interconnection Plan, on January 20, 2015, the Utilities filed a motion which requested the PUC in pertinent part to:

- (1) Reinstitute a program capacity threshold for the Utilities' existing Net Energy Metering (NEM) program;

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- (2) Approve the Utilities' proposal to address both existing NEM program participants and those customers presently awaiting interconnection approval under the existing NEM program;
- (3) Approve a new Transitional Distributed Generation (TDG) tariff to be available to customers seeking interconnection after the NEM program capacity is reached, which tariff more fairly allocates fixed grid costs to DG customers and credits customers for the value of the excess energy produced by their systems; and
- (4) Approve a new standard form TDG contract to allow for the advanced technical capabilities required to integrate higher levels of distributed generation.

Once the requests in the motion are approved, it is contemplated that the Utilities will be able to increase existing circuit penetration limits based upon daytime minimum load, and identify strategic and cost effective investments to circuits and the system to support increased levels of DG. Such investments would be made for the benefit of all customers rather than charging costs only to those installing DG systems on the circuit.

The Utilities have requested approval of their motion within 60 days of filing or by March 20, 2015. On January 27, 2015, the Consumer Advocate opposed the Utilities' motion, contended that further analysis is required to determine whether the Utilities' requests are reasonable and in the public interest, and requested that the PUC hold the motion in abeyance until such further review can be conducted.

Management cannot predict the outcome of the proceedings to review the Plans submitted in response to the PUC's April 2014 resource planning orders, or the ultimate impact of the proceedings on the results of operations of the Utilities.

**Liquefied natural gas.** In August 2014, Hawaiian Electric entered into a 15-year agreement with Fortis BC Energy Inc. (Fortis) for liquefaction capacity for liquefied natural gas (LNG) under tariffed rates approved by the British Columbia Utilities Commission. The agreement, which is subject to Hawaii PUC approval, other regulatory approvals and permits, and other conditions precedent before it becomes effective, provides for LNG liquefaction capacity purchases of 800,000 tonnes per year for the first five years, 700,000 tonnes per year for the next five years, and 600,000 tonnes per year for the last five years. Fortis must also obtain regulatory and other approvals for the agreement to become effective. The Fortis agreement is assignable and can be assigned to the selected bidder in the Utilities' request for proposal (RFP) for the supply of containerized LNG and will help ensure that liquefaction capacity is available at pricing that management believes will lower customer bills.

**Consolidating financial information (unaudited).** 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 6). 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.

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**Consolidating statement of income**  
Year ended December 31, 2014

(in thousands)	Hawaiian	Hawaii	Maui	Other	Consolidating	Hawaiian Electric Consolidated
Revenues	\$ 2,142,245	422,200	422,965	—	(87) [1]	\$ 2,987,323
Expenses						
Fuel oil	821,246	117,215	193,224	—	—	1,131,685
Purchased power	537,821	123,226	60,961	—	—	722,008
Other operation and maintenance	283,532	65,471	61,609	—	—	410,612
Depreciation	109,204	35,904	21,279	—	—	166,387
Taxes, other than income taxes	201,426	39,521	39,916	—	—	280,863
Total expenses	1,953,229	381,337	376,989	—	—	2,711,555
Operating income	189,016	40,863	45,976	—	(87)	275,768
Allowance for equity funds used during construction	6,085	472	214	—	—	6,771
Equity in earnings of subsidiaries	40,964	—	—	—	(40,964) [2]	—
Interest expense and other charges, net	(44,041)	(11,030)	(9,773)	—	87 [1]	(64,757)
Allowance for borrowed funds used during construction	2,306	182	91	—	—	2,579
Income before income taxes	194,330	30,487	36,508	—	(40,964)	220,361
Income taxes	55,609	11,264	13,852	—	—	80,725
Net income	138,721	19,223	22,656	—	(40,964)	139,636
Preferred stock dividends of subsidiaries	—	534	381	—	—	915
Net income attributable to Hawaiian Electric	138,721	18,689	22,275	—	(40,964)	138,721
Preferred stock dividends of Hawaiian Electric	1,080	—	—	—	—	1,080
Net income for common stock	\$ 137,641	18,689	22,275	—	(40,964)	\$ 137,641

**Consolidating statement of comprehensive income**  
Year ended December 31, 2014

(in thousands)	Hawaiian	Hawaii Electric Light	Maui	Other	Consolidating	Hawaiian Electric Consolidated
Net income for common stock	\$ 137,641	18,689	22,275	—	(40,964)	\$ 137,641
Other comprehensive income (loss), net of taxes:						
Retirement benefit plans:						
Net losses arising during the period, net of tax benefits	(218,608)	(28,725)	(29,352)	—	58,077 [1]	(218,608)
Less: amortization of transition obligation, prior service credit and net losses recognized during the period in net periodic benefit cost, net of tax benefits	10,212	1,270	1,090	—	(2,360) [1]	10,212

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Less: reclassification adjustment for impact of D&Os of the PUC included in regulatory assets, net of taxes	207,833	27,437	28,257	—	(55,694) [1]	207,833
Other comprehensive loss, net of tax benefits	(563)	(18)	(5)	—	23	(563)
Comprehensive income attributable to common shareholder	\$ 137,078	18,671	22,270	—	(40,941)	\$ 137,078

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**Consolidating balance sheet**

December 31, 2014 (in thousands)	Hawaiian	Hawaii Electric Light	Maui	Other	Consolidating	Hawaiian Electric Consolidated
<b>Assets</b>						
<b>Property, plant and equipment</b>						
<b>Utility property, plant and equipment</b>						
Land	\$ 43,819	5,464	3,016	—	—	\$ 52,299
Plant and equipment	3,782,438	1,179,032	1,048,012	—	—	6,009,482
Less accumulated depreciation	(1,253,866)	(473,933)	(447,711)	—	—	(2,175,510)
Construction in progress	134,376	12,421	11,819	—	—	158,616
Utility property, plant and equipment, net	2,706,767	722,984	615,136	—	—	4,044,887
Nonutility property, plant and equipment, less accumulated depreciation	4,950	82	1,531	—	—	6,563
<b>Total property, plant and equipment, net</b>	<b>2,711,717</b>	<b>723,066</b>	<b>616,667</b>	<b>—</b>	<b>—</b>	<b>4,051,450</b>
Investment in wholly-owned subsidiaries, at equity	538,639	—	—	—	(538,639) [2]	0
<b>Current assets</b>						
Cash and equivalents	12,416	612	633	101	—	13,762
Advances to affiliates	16,100	—	—	—	(16,100) [1]	—
Customer accounts receivable, net	111,462	24,222	22,800	—	—	158,484
Accrued unbilled revenues, net	103,072	15,926	18,376	—	—	137,374
Other accounts receivable, net	9,980	981	2,246	—	(8,924) [1]	4,283
Fuel oil stock, at average cost	74,515	13,800	17,731	—	—	106,046
Materials and supplies, at average cost	33,154	6,664	17,432	—	—	57,250
Prepayments and other	44,680	8,611	13,567	—	(475) [3]	66,383
Regulatory assets	58,550	6,745	6,126	—	—	71,421
<b>Total current assets</b>	<b>463,929</b>	<b>77,561</b>	<b>98,911</b>	<b>101</b>	<b>(25,499)</b>	<b>615,003</b>
<b>Other long-term assets</b>						
Regulatory assets	623,784	107,454	102,788	—	(183) [1]	833,843
Unamortized debt expense	5,640	1,438	1,245	—	—	8,323
Other	53,106	15,366	13,366	—	—	81,838
<b>Total other long-term assets</b>	<b>682,530</b>	<b>124,258</b>	<b>117,399</b>	<b>—</b>	<b>(183)</b>	<b>924,004</b>
<b>Total assets</b>	<b>\$ 4,396,815</b>	<b>924,885</b>	<b>832,977</b>	<b>101</b>	<b>(564,321)</b>	<b>\$ 5,590,457</b>
<b>Capitalization and liabilities</b>						
<b>Capitalization</b>						
Common stock equity	\$ 1,682,144	281,846	256,692	101	(538,639) [2]	\$ 1,682,144
Cumulative preferred stock—not subject to mandatory redemption	22,293	7,000	5,000	—	—	34,293
Long-term debt, net	830,546	190,000	186,000	—	—	1,206,546
<b>Total capitalization</b>	<b>2,534,983</b>	<b>478,846</b>	<b>447,692</b>	<b>101</b>	<b>(538,639)</b>	<b>2,922,983</b>
<b>Current liabilities</b>						

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Current portion of long-term debt	—	—	—	—	—	—
Short-term borrowings-affiliate	—	10,500	5,600	—	(16,100) [1]	—
Accounts payable	122,433	23,728	17,773	—	—	163,934
Interest and preferred dividends payable	15,407	3,989	2,931	—	(11) [1]	22,316
Taxes accrued	176,339	37,548	36,807	—	(292) [3]	250,402
Regulatory liabilities	191	—	441	—	—	632
Other	48,282	9,866	16,094	—	(9,096) [1]	65,146
<b>Total current liabilities</b>	<b>362,652</b>	<b>85,631</b>	<b>79,646</b>	<b>—</b>	<b>(25,499)</b>	<b>502,430</b>
<b>Deferred credits and other liabilities</b>						
Deferred income taxes	429,515	90,119	83,238	—	—	602,872
Regulatory liabilities	236,727	77,707	29,966	—	(183) [1]	344,217
Unamortized tax credits	49,865	14,902	14,725	—	—	79,492
Defined benefit pension and other postretirement benefit plans liability	446,888	72,547	75,960	—	—	595,395
Other	52,446	10,658	13,532	—	—	76,636
<b>Total deferred credits and other liabilities</b>	<b>1,215,441</b>	<b>265,933</b>	<b>217,421</b>	<b>—</b>	<b>(183)</b>	<b>1,698,612</b>
Contributions in aid of construction	283,739	94,475	88,218	—	—	466,432
<b>Total capitalization and liabilities</b>	<b>\$ 4,396,815</b>	<b>924,885</b>	<b>832,977</b>	<b>101</b>	<b>(564,321)</b>	<b>\$ 5,590,457</b>

**Consolidating statements of changes in common stock equity**

(in thousands)	Hawaiian	Hawaii Electric Light	Maui	Other	Consolidating	Hawaiian Electric Consolidated
Balance, December 31, 2013	\$ 1,593,564	274,802	248,771	101	(523,674)	\$ 1,593,564
Net income for common stock	137,641	18,689	22,275	—	(40,964)	137,641
Other comprehensive loss, net of tax benefits	(563)	(18)	(5)	—	23	(563)
Issuance of common stock, net of expenses	39,994	—	—	—	—	39,994
Common stock dividends	(88,492)	(11,627)	(14,349)	—	25,976	(88,492)
Balance, December 31, 2014	\$ 1,682,144	281,846	256,692	101	(538,639)	\$ 1,682,144



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**Consolidating statement of cash flows**

Year ended December 31, 2014

(in thousands)	Hawaiian	Hawaii Electric Light	Maui	Other	Consolidating	Hawaiian Electric Consolidated
<b>Cash flows from operating activities</b>						
Net income	\$ 138,721	19,223	22,656	—	(40,964) [2]	\$ 139,636
Adjustments to reconcile net income to net cash provided by operating activities						
Equity in earnings	(41,064)	—	—	—	40,964 [2]	(100)
Common stock dividends received from subsidiaries	26,076	—	—	—	(25,976) [2]	100
Depreciation of property, plant and equipment	109,204	35,904	21,279	—	—	166,387
Other amortization	1,749	2,596	3,746	—	—	8,091
Increase in deferred income taxes	56,901	12,083	13,963	—	—	82,947
Change in tax credits, net	4,998	680	384	—	—	6,062
Allowance for equity funds used during construction	(6,085)	(472)	(214)	—	—	(6,771)
Change in cash overdraft	—	—	(1,038)	—	—	(1,038)
Changes in assets and liabilities:						
Decrease in accounts receivable	16,213	7,150	3,483	—	(103) [1]	26,743
Decrease in accrued unbilled revenues	4,680	1,174	896	—	—	6,750
Decrease in fuel oil stock	25,098	378	2,565	—	—	28,041
Decrease (increase) in materials and supplies	4,223	219	(2,648)	—	—	1,794
Increase in regulatory assets	(14,620)	(3,357)	977	—	—	(17,000)
Decrease in accounts payable	(74,276)	(8,490)	(7,866)	—	—	(90,632)
Change in prepaid and accrued income taxes and revenue taxes	(4,166)	(3,251)	3,381	—	—	(4,036)
Decrease in defined benefit pension and other postretirement benefit plans liability	(562)	—	(399)	—	—	(961)
Change in other assets and liabilities	(46,032)	(12,085)	(4,945)	—	103 [1]	(62,959)
<b>Net cash provided by operating activities</b>	<b>201,058</b>	<b>51,752</b>	<b>56,220</b>	<b>—</b>	<b>(25,976)</b>	<b>283,054</b>
<b>Cash flows from investing activities</b>						
Capital expenditures	(219,738)	(48,050)	(43,786)	—	—	(311,574)
Contributions in aid of construction	30,021	7,695	4,090	—	—	41,806
Advances from affiliates	(9,261)	1,000	—	—	8,261 [1]	—
Other	—	—	—	—	—	—
Investment in consolidated subsidiary	—	—	—	—	—	—
<b>Net cash used in investing activities</b>	<b>(198,978)</b>	<b>(39,355)</b>	<b>(39,696)</b>	<b>—</b>	<b>8,261</b>	<b>(269,768)</b>
<b>Cash flows from financing activities</b>						
Common stock dividends	(88,492)	(11,627)	(14,349)	—	25,976 [2]	(88,492)
Preferred stock dividends of Hawaiian Electric and subsidiaries	(1,080)	(534)	(381)	—	—	(1,995)

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Proceeds from issuance of common stock	40,000	—	—	—	—	40,000
Proceeds from issuance of long-term debt	—	—	—	—	—	—
Repayment of long-term debt	—	(11,400)	—	—	—	(11,400)
Net increase (decrease) in short-term borrowings from non-affiliates and affiliate with original maturities of three months or less	(1,000)	10,500	(1,239)	—	(8,261) [2]	—
Other	(337)	(50)	(75)	—	—	(462)
Net cash used in financing activities	(50,909)	(13,111)	(16,044)	—	17,715	(62,349)
Net increase (decrease) in cash and cash equivalents	(48,829)	(714)	480	—	—	(49,063)
Cash and cash equivalents, January 1	61,245	1,326	153	101	—	62,825
Cash and cash equivalents, December 31	\$ 12,416	612	633	101	—	\$ 13,762

#### 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, 2014 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 2014 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. So 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, 2014, the Utilities had seven PPAs for firm capacity and other PPAs with smaller IPPs and Schedule Q providers (i.e., customers with cogeneration and/or small power production facilities with a capacity of 100 kilowatts (kW) or less 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), Kalaheo Partners, L.P. (Kalaheo), Hamakua Energy Partners, L.P. (HEP) and HPOWER. Purchases from all IPPs were as follows:

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Years ended December 31	2014	2013	2012
(in millions)			
AES Hawaii	\$ 145	\$ 134	\$ 146
Kalaeloa	279	301	310
HEP	51	51	65
HPOWER	66	61	65
Other IPPs	181	164	138
Total IPPs	\$ 722	\$ 711	\$ 724

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, including the three largest, 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 2014, 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 Hawaiian 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.

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. A significant factor affecting the level of expected losses Hawaiian Electric could potentially absorb is the fact that Hawaiian Electric's exposure to

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fuel price variability is limited to the remaining term of the PPA as compared to the facility's remaining useful life. Although Hawaiian Electric absorbs fuel price variability for the remaining term of the PPA, 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, 2014, Hawaiian Electric's accounts payable to Kalaeloa amounted to \$13 million.

## 5 • Short-term borrowings

As of December 31, 2014 and 2013, Hawaiian Electric had no commercial paper outstanding.

As of December 31, 2014, Hawaiian Electric maintained a syndicated credit facility of \$200 million. Hawaiian Electric had no borrowings under its facility during 2014 and 2013. None of the facilities are 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 125 basis points and annual fees on undrawn commitments of 17.5 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 does not contain clauses that would affect access to the facility by reason of a ratings downgrade, nor does it have broad "material adverse change" clauses, but it 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 41% for Hawaii Electric Light and 42% for Maui Electric as of December 31, 2014, 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 58% as of December 31, 2014, as calculated under the credit agreement), or if Hawaiian Electric is no longer owned by HEI. Under the proposed Merger Agreement, Hawaiian Electric will become a wholly-owned subsidiary of NextEra. The terms of the Hawaiian Electric Facility are such that the proposed Merger would constitute a "Change in Control." Hawaiian Electric has requested, and the financial institutions providing the Hawaiian Electric Facility have consented and agreed, that the proposed Merger shall not constitute a "Change in Control," as defined in the credit agreement, provided that (i) the Merger is consummated and (ii) Hawaiian Electric becomes and remains a wholly-owned subsidiary of NextEra.

The credit 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

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general corporate purposes.

#### 6 • Long-term debt

December 31	2014	2013
(dollars in thousands)		
Long-term debt <sup>1</sup>	\$ 1,206,546	\$ 1,217,945

<sup>1</sup> See components of "Total long-term debt" and unamortized discount in Hawaiian Electric and subsidiaries' Consolidated Statements of Capitalization.

As of December 31, 2014, the aggregate payments of principal required on the Utilities' long-term debt for 2015 through 2019 are nil in 2015, 2016, 2017, \$50 million in 2018 and nil in 2019.

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 (See Note 7 of the Consolidated Financial Statements).

#### 10 • 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 a 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' or directors' years of service and compensation.

The continuation of the Plan and the Supplemental Plan and the payment of any contribution thereunder are not assumed as contractual obligations by the participating employers. The Supplemental Plan for directors has been frozen since 1996. No participants have accrued any benefits under these plans after the respective plan's freeze and the plans will be terminated at the time all remaining benefits have been paid.

Each participating employer reserves the right to terminate its participation in the applicable plans at any time, and HEI reserves the right to terminate their respective plans 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 and the Supplemental 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

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**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 2014 and 2013 and the funded status of these plans and amounts related to these plans reflected in the Utilities' consolidated balance sheet as of December 31, 2014 and 2013 were as follows:

(In thousands)	2014		2013	
	Pension benefits	Other benefits	Pension benefits	Other benefits
<b>Hawaiian Electric consolidated</b>				
Benefit obligation, January 1	\$ 1,320,810	\$ 169,579	\$ 1,449,445	\$ 187,110
Service cost	47,597	3,392	54,482	4,163
Interest cost	65,979	8,234	59,119	7,288
Actuarial losses (gains)	314,210	38,488	(185,185)	(20,900)
Benefits paid and expenses	(57,819)	(7,933)	(57,051)	(8,082)
Benefit obligation, December 31	1,690,777	211,760	1,320,810	169,579
Fair value of plan assets, January 1	1,058,260	176,291	861,778	154,186
Actual return on plan assets	69,242	9,036	172,822	28,700
Employer contributions	58,948	(274)	80,325	839
Benefits paid and expenses	(57,445)	(7,797)	(56,665)	(7,434)
Fair value of plan assets, December 31	1,129,005	177,256	1,058,260	176,291
Accrued benefit asset (liability), December 31	\$ (561,772)	\$ (34,504)	\$ (262,550)	\$ 6,712
Other assets	\$ —	\$ —	\$ —	\$ 7,200
Other liabilities (short-term)	(421)	(460)	(388)	(488)
Defined benefit pension and other postretirement benefit plans liability	(561,351)	(34,044)	(262,162)	—
Accrued benefit asset (liability), December 31	\$ (561,772)	\$ (34,504)	\$ (262,550)	\$ 6,712
AOCI debit/(credit), January 1 (excluding impact of PUC D&Os)	\$ 295,973	\$ (21,907)	\$ 623,588	\$ 17,432
Recognized during year – net recognized transition asset	—	—	—	—
Recognized during year – prior service credit (cost)	(62)	1,804	464	1,803
Recognized during year – net actuarial losses	(18,459)	—	(34,597)	(1,544)
Occurring during year – net actuarial losses (gains)	317,651	40,193	(293,482)	(39,598)
AOCI debit/(credit) before cumulative impact of PUC D&Os, December 31	595,103	20,090	295,973	(21,907)
Cumulative impact of PUC D&Os	(592,291)	(22,975)	(294,266)	19,206
AOCI debit/(credit), December 31	\$ 2,812	\$ (2,885)	\$ 1,707	\$ (2,701)
Net actuarial loss (gain)	\$ 595,017	\$ 34,192	\$ 295,825	\$ (6,001)
Prior service cost (gain)	86	(14,102)	148	(15,906)
AOCI debit/(credit) before cumulative impact of PUC D&Os, December 31	595,103	20,090	295,973	(21,907)
Cumulative impact of PUC D&Os	(592,291)	(22,975)	(294,266)	19,206
AOCI debit/(credit), December 31	2,812	(2,885)	1,707	(2,701)
Income taxes (benefits)	(1,094)	1,122	(664)	1,050

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AOCI debit/(credit), net of taxes (benefits), December 31	\$	1,718	\$	(1,763)	\$	1,043	\$	(1,651)
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The dates used to determine retirement benefit measurements for the defined benefit plans were December 31 of 2014, 2013 and 2012.

On August 8, 2014 and July 6, 2012, President Obama signed the Highway and Transportation Funding Act of 2014 (HATFA) and the Moving Ahead for Progress in the 21st Century Act (MAP-21), respectively, which included provisions related to the funding and administration of pension plans with no impact to the Utilities' accounting for pension benefits; therefore, the net periodic benefit costs disclosed for the plans were not affected. HEI elected to not apply HATFA to the 2013 plan year. HEI elected to apply MAP-21 for 2012, which improved the plans' Adjusted Funding Target Attainment Percentage for funding and benefit distribution purposes and thereby reduced the 2012 minimum funding requirement and lifted the restrictions on accelerated distribution options (which restrictions were in effect from April 1, 2011 to September 30, 2012) for HEI and the Utilities. MAP-21 caused the minimum required funding under the Employee Retirement Income Security Act of 1974, as amended (ERISA) to be less than the net periodic cost for 2013 and 2014. Similarly, HATFA caused the minimum required funding under ERISA to be less than the net periodic cost for 2014; therefore, to satisfy the requirements of the Utilities pension and OPEB tracking mechanisms, the Utilities contributed the net periodic cost in 2014.

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 2012 and 2013 so that the more conservative assumptions did not apply for either the 2013 or 2014 valuation of plan liabilities for purposes of calculating the minimum required contribution. Other factors could cause changes to the required contribution levels.

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 around the fair value of such assets (i.e., 85% to 115% of fair value). If the market-related value is outside the 15% range, then the amount outside the range will be recognized immediately in the calculation of annual NPBC.

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 their selection of an assumed discount rate for 2015 NPBC and December 31, 2014 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, 2014. In selecting the expected rate of return on plan assets for 2015 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 7.75%.

The Utilities adopted updated mortality tables published 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.

As of December 31, 2014, the assumed health care trend rates for 2015 and future years were as follows: medical, 7.25%, grading down to 5% for 2024 and thereafter; dental, 5%; and vision, 4%. As of December 31, 2013, the assumed health care trend rates for 2014 and future years were as follows: medical, 7.5%, grading down to 5% for 2024 and thereafter; dental, 5%; and vision, 4%.



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Medicare Advantage reimbursements are expected to phase out by 2016; therefore, post age 65 medical trends are adjusted to reflect anticipated increases above the ordinary medical trend rates. For post age 65, the medical trend is 4% higher than pre-65 for 2014 and 3% higher in 2015.

The components of NPBC were as follows:

(In thousands)	Pension benefits			Other benefits		
	2014	2013	2012	2014	2013	2012
<b>Hawaiian Electric consolidated</b>						
Service cost	\$ 47,597	\$ 54,482	\$ 41,603	\$ 3,392	\$ 4,163	\$ 4,014
Interest cost	65,979	59,119	61,453	8,234	7,288	8,703
Expected return on plan assets	(72,661)	(64,551)	(64,004)	(10,739)	(10,002)	(10,195)
Amortization of net transition obligation	—	—	—	—	—	(9)
Amortization of net prior service (gain) cost	62	(464)	(689)	(1,804)	(1,803)	(1,803)
Amortization of net actuarial loss	18,459	34,597	23,428	—	1,544	1,455
Net periodic benefit cost	59,436	83,183	61,791	(917)	1,190	2,165
Impact of PUC D&Os	(13,324)	(38,104)	(15,754)	1,976	(1,458)	(2,227)
Net periodic benefit cost (adjusted for impact of PUC D&Os)	\$ 46,112	\$ 45,079	\$ 46,037	\$ 1,059	\$ (268)	\$ (62)

The estimated prior service credit, net actuarial loss and net transition obligation for defined benefit plans that will be amortized from AOCI or regulatory assets into net periodic benefit cost during 2015 is as follows:

(In millions)	Hawaiian Electric consolidated	
	Pension benefits	Other benefits
Estimated prior service cost (credit)	\$ —	\$ (1.8)
Net actuarial loss	32.4	1.7
Net transition obligation	—	—

The Utilities recorded pension expense of \$31 million, \$30 million and \$32 million and OPEB expense of \$1.0 million, nil and \$0.4 million in 2014, 2013 and 2012, 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, 2014, 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 \$0.2 million and the APBO by \$3.7 million, and a one-percentage-point decrease would have reduced the total service and interest cost by \$0.3 million and the APBO by \$4.5 million.

The defined benefit pension plans with ABOs in excess of plan assets as of December 31, 2014 and 2013, had aggregate ABOs of \$1.5 billion and \$1.2 billion, respectively, and plan assets of \$1.1 billion and \$1.1 billion, respectively. All the defined benefit pension plans shown in the table above had PBOs in excess of plan assets as of December 31, 2014 and 2013. As of December 31, 2014, the other postretirement benefit plan shown in the table above had an ABO in excess of plan assets. As of December 31, 2013, the other postretirement benefit plan shown in the table above had plan assets in excess of ABO.

The Utilities estimate that the cash funding for the qualified defined benefit pension plan in 2015 will be \$83 million, which should fully satisfy the minimum required contributions to that Plan, including requirements of the pension tracking mechanisms and

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NOTES TO FINANCIAL STATEMENTS (Continued)			

the Plan's funding policy. The Utilities' current estimate of contributions to its other postretirement benefit plans in 2015 is \$0.5 million.

As of December 31, 2014, the benefits expected to be paid under all retirement benefit plans in 2015, 2016, 2017, 2018, 2019 and 2020 through 2024 amounted to \$70 million, \$73 million, \$76 million, \$79 million, \$83 million and \$476 million, respectively.

#### 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' expense for its defined contribution pension plan under the HEIRSP Plan for 2014 and 2013 was \$0.9 million and \$0.6 million, respectively, and 2012 was de minimis.

#### 8 • Share-based compensation

Under the 2010 Equity and Incentive Plan, 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 was amended and restated (EIP) effective March 1, 2014 and an additional 1.5 million shares was added to the shares available for issuance under these programs.

As of December 31, 2014, approximately 3.6 million shares were remaining 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 0.9 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 (assuming that such performance goals are achieved at maximum levels).

Under the 1987 Stock Option and Incentive Plan, as amended (SOIP), there are possible future issuances of an estimated 17,000 shares upon the exercise of outstanding SARs based on the market price of shares on December 31, 2014. As of May 11, 2010 (when the 2010 Equity and Incentive Plan became effective), no new awards may be granted under the SOIP. After the shares of common stock for the outstanding SOIP grants and awards are issued or such grants and awards expire, the remaining shares registered under the SOIP will be deregistered and delisted.

For the SARs 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 expire if not exercised ten years from the date of the grant. SARs compensation expense has been 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.

The restricted shares that have been issued under the 2010 Equity and Incentive Plan become unrestricted in four equal annual increments on the anniversaries of the grant date and are forfeited to the extent they have not become unrestricted for terminations of employment during the vesting period, except accelerated vesting is provided for terminations by reason of death, disability and termination without cause. Restricted shares compensation expense has been recognized in accordance with the fair-value-based measurement method of accounting. Dividends on restricted shares are paid quarterly in cash. There were no outstanding restricted shares as of December 31, 2014.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Restricted stock units awarded under the 2010 Equity and Incentive Plan in 2014, 2013, 2012 and 2011 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 awarded under the SOIP and 2010 Equity and Incentive Plan in 2010 and prior years generally vest and will be issued as unrestricted stock four years after the date of the grant and are forfeited 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 2012-2014, 2013-2015 and 2014-2016 LTIPs 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 Hawaiian Electric. As of December 31, 2014, there were 169,290 shares remaining available for future issuance under the 2011 Director Plan.

HEI's share-based compensation expense and related income tax benefit to the Utilities were as follows:

(In millions)	2014	2013	2012
<b>Hawaiian Electric consolidated</b>			
Share-based compensation expense <sup>1</sup>	3.1	2.3	1.8
Income tax benefit	1.2	0.9	0.7

<sup>1</sup> \$0.16 million, \$0.11 million and \$0.08 million of this share-based compensation expense was capitalized in 2014, 2013 and 2012, respectively.

## 9 - Income taxes

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

Years ended December 31	Hawaiian Electric consolidated		
	2014	2013	2012
(In thousands)			
<b>Federal</b>			
Current	\$ 1,108	\$ 1,313	\$ (26,965)
Deferred	68,775	58,024	79,437
Deferred tax credits, net	—	224	186
	69,883	59,561	52,658
<b>State</b>			
Current	(9,436)	(3,720)	(4,940)
Deferred	14,172	6,483	7,441

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Deferred tax credits, net	6,106	6,793	5,889
	10,842	9,556	8,390
Total	\$ 80,725	\$ 69,117	\$ 61,048

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:

Years ended December 31	Hawaiian Electric consolidated		
	2014	2013	2012
(In thousands)			
Amount at the federal statutory income tax rate	\$ 77,126	\$ 67,914	\$ 56,812
Increase (decrease) resulting from:			
State income taxes, net of federal income tax benefit	7,047	6,211	5,453
Other, net	(3,448)	(5,008)	(1,217)
Total	\$ 80,725	\$ 69,117	\$ 61,048
Effective income tax rate	36.6%	35.6%	37.6%

The Utilities' effective tax rate increased in 2014 compared to 2013 primarily due to the out-of-period income tax benefits.

The Utilities' effective tax rate decreased in 2013 compared to 2012 primarily due to \$3.5 million lower deferred taxes related to the tax gross-up of AFUDC-equity and a \$3.1 million (including \$2.7 million related to the Utilities) out-of-period income tax benefit (see "Out-of-period income tax benefit").

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

December 31	Hawaiian Electric consolidated	
	2014	2013
(In thousands)		
Deferred tax assets		
Net operating loss	51,936	19,848
Other	17,663	17,295
Total deferred tax assets	69,599	37,143
Deferred tax liabilities		
Property, plant and equipment related	446,259	375,771
Repairs deduction	86,408	75,127
Regulatory assets, excluding amounts attributable to property, plant and equipment	33,795	33,251
Deferred RAM and RBA revenues	32,889	—
Retirement benefits	28,758	23,851
Other	14,929	15,602
Total deferred tax liabilities	643,038	523,602
Net deferred income tax liability	\$ 573,439	\$ 486,459

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Prepayments and other (Current assets-debit)	\$ 32,915	\$ 20,702
Other (Current liabilities-credit)	3,482	—
Deferred income taxes (credit)	602,872	507,161
Net deferred income tax liability	\$ 573,439	\$ 486,459

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, 2014, the valuation allowance for deferred tax benefits is not significant. In 2014, the net deferred income tax liability continued to increase primarily as a result of accelerated tax deductions taken for bonus depreciation resulting from the Tax Increase Prevention Act of 2014 and the IRS approval of an accounting method that defers the recognition of Revenue Balance Account income. 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 expect any unutilized net operating loss (NOL) as of December 31, 2014, standalone Hawaiian Electric consolidated expects an unutilized NOL for federal tax purposes in accordance with the HEI tax sharing agreement. The deferred tax asset associated with this NOL is \$52 million and is included in "Prepayments and other."

In 2014, 2013 and 2012, credit adjustments to interest expense on income taxes was reflected in "Interest and other charges" in the amount of \$0.7 million, \$0.3 million and \$0.5 million, respectively. The credit adjustments to interest expense were primarily due to the resolution of tax issues with the IRS. As of December 31, 2014 and 2013, the total amount of accrued interest related to uncertain tax positions was nil.

As of December 31, 2014, the total amount of liability for uncertain tax positions was nil.

The changes in total unrecognized tax benefits were as follows:

(In millions)	Hawaiian Electric consolidated		
	2014	2013	2012
Unrecognized tax benefits, January 1	\$ 0.5	\$ 0.4	3.7
Additions based on tax positions taken during the year	—	—	0.3
Reductions based on tax positions taken during the year	—	—	—
Additions for tax positions of prior years	0.1	0.5	—
Reductions for tax positions of prior years	—	(0.4)	(3.6)
Settlements	(0.6)	—	—
Lapses of statute of limitations	—	—	—
Unrecognized tax benefits, December 31	\$ —	\$ 0.5	\$ 0.4

The 2012 reduction in unrecognized tax benefits was primarily due to the IRS's acceptance of the deductibility of costs of repairs to utility generation property for tax years 2007-2009.

In 2014, the IRS completed its examination of HEI's federal income tax returns for tax years 2010 and 2011. HEI and the IRS reached an agreement on all adjustments, primarily related to depreciation, and the Congressional Joint Committee on Taxation approved the resulting tax adjustments in October 2014. The income statement impact of the agreement was not material. Tax years

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NOTES TO FINANCIAL STATEMENTS (Continued)			

2007, 2009, and 2010 to 2013 remain subject to examination by the Department of Taxation of the State of Hawaii.

As of December 31, 2014, the disclosures above present the Utilities' accruals for potential tax liabilities and related interest. 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 related interest, 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.

**Out-of-period income tax benefit.** During 2013, HEI recorded a \$2.7 million out-of-period income tax benefit, resulting primarily from the reversal of deferred tax liabilities due to errors in the amount of book over tax basis differences in plant and equipment. Management concluded that this out-of-period adjustment was not material to either the current or any prior period financial statements.

**Recent tax developments.** In September 2013, the IRS issued final regulations addressing the acquisition, production and improvement of tangible property, which are effective January 1, 2014. Management evaluated the impact of these new regulations, and does not expect a material impact on the Utilities since specific guidance on network (i.e., transmission and distribution) assets and generation property has already been received and accounted for in its tax computations. The IRS also proposed regulations addressing the disposition of property.

The Utilities adopted the safe harbor guidelines with respect to network assets in 2011 and in June 2013, the IRS released a revenue procedure relating to deductions for repairs of generation property, which provides some guidance (that is elective) for taxpayers that own steam or electric generation property. This guidance defines the relevant components of generation property to be used in determining whether such component expenditures should be deducted as repairs or capitalized and depreciated by taxpayers. The revenue procedure also provides an extrapolation methodology that could be used by taxpayers in determining deductions for prior years' repairs without going back to the specific documentation of those years. The guidance does not provide specific methods for determining the repairs amount. Management intends to adopt a method consistent with this guidance in its 2014 tax return.

#### 10 • Cash flows

Years ended December 31	2014	2013	2012
(In millions)			
<b>Supplemental disclosures of cash flow information</b>			
<b>Hawaiian Electric consolidated</b>			
Interest paid to non-affiliates	61	59	57
Income taxes paid	6	6	6
Income taxes refunded	8	32	9
<b>Supplemental disclosures of noncash activities</b>			
<b>Hawaiian Electric consolidated</b>			
Electric utility property, plant and equipment			
AFUDC-equity	7	6	7
Estimated fair value of noncash contributions in aid of construction	3	5	10
Unpaid invoices and other	65	24	37

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NOTES TO FINANCIAL STATEMENTS (Continued)			

#### 11 • Regulatory restrictions on net assets

As of December 31, 2014, the Utilities could not transfer approximately \$668 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 • Quarterly information (unaudited)

Selected quarterly information was as follows:

(in thousands, except per share amounts)	Quarters ended				Years ended
	March 31	June 30	Sept. 30	Dec. 31	December 31
<b>Hawaiian Electric consolidated</b>					
<b>2014</b>					
Revenues	\$ 720,062	\$ 738,429	\$ 803,565	\$ 725,267	\$ 2,987,323
Operating income	70,666	70,068	76,156	58,878	275,768
Net income	35,919	34,729	39,377	29,611	139,636
Net income for common stock	35,420	34,230	38,879	29,112	137,641
<b>2013</b>					
Revenues	717,441	728,525	764,054	770,152	2,980,172
Operating income	51,121	58,975	69,853	65,564	245,513
Net income	24,928	29,192	38,315	32,489	124,924
Net income for common stock	24,429	28,693	37,817	31,990	122,929

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STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES					
Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges [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			67,539		
2					
3			122,840		
4			122,840		122,840
5			190,379		
6			190,379		
7					
8			( 4,087)		
9			( 4,087)		( 4,087)
10			186,292		

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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)	1,049,724,711	1,049,724,711		
4	Property Under Capital Leases				
5	Plant Purchased or Sold				
6	Completed Construction not Classified				
7	Experimental Plant Unclassified				
8	Total (3 thru 7)	1,049,724,711	1,049,724,711		
9	Leased to Others				
10	Held for Future Use	1,302,500	1,302,500		
11	Construction Work in Progress	11,818,835	11,818,835		
12	Acquisition Adjustments	1,785,138	1,785,138		
13	Total Utility Plant (8 thru 12)	1,064,631,184	1,064,631,184		
14	Accum Prov for Depr, Amort, & Depl	477,703,301	477,703,301		
15	Net Utility Plant (13 less 14)	586,927,883	586,927,883		
16	Detail of Accum Prov for Depr, Amort & Depl				
17	In Service:				
18	Depreciation	475,918,164	475,918,164		
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)	475,918,164	475,918,164		
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)	477,703,302	477,703,302		

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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
					5
					6
					7
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FOOTNOTE DATA			

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

Page 200, line 22, column (c) includes (\$2,562,125) 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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**ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)**

- Report below the original cost of electric plant in service according to the prescribed accounts.
- 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.
- Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
- 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.
- Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
- 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	6,747,274	56,922
10	(312) Boiler Plant Equipment	50,795,703	157,312
11	(313) Engines and Engine-Driven Generators		
12	(314) Turbogenerator Units	48,256,916	321,844
13	(315) Accessory Electric Equipment	8,704,408	
14	(316) Misc. Power Plant Equipment	3,241,483	13,098
15	(317) Asset Retirement Costs for Steam Production		
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	117,869,438	549,176
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	41,001,716	185,539
39	(342) Fuel Holders, Products, and Accessories	7,879,542	150,085
40	(343) Prime Movers	41,209,433	2,223,107
41	(344) Generators	128,173,645	1,869,185
42	(345) Accessory Electric Equipment	34,716,625	2,147,265
43	(346) Misc. Power Plant Equipment	18,095,283	106,356
44	(347) Asset Retirement Costs for Other Production		
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)	271,932,169	6,681,537
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	389,801,608	7,230,713

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**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
		43,684	6,847,880	9
		301,826	51,254,841	10
				11
		-302,025	48,276,735	12
		244,105	8,948,513	13
47,560		-2,999	3,204,022	14
				15
47,560		284,591	118,655,646	16
				17
				18
				19
				20
				21
				22
				23
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				27
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				33
				34
				35
				36
			855,925	37
		204,851	41,392,106	38
		12,221	8,041,848	39
		2,653,772	46,086,312	40
		-2,654,026	127,388,804	41
		-276,035	36,587,855	42
170,951		99,531	18,130,219	43
				44
170,951		40,314	278,483,069	45
218,511		324,905	397,138,715	46



Name of Respondent MAUI ELECTRIC COMPANY, LIMITED		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/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	2,833,805	304	
49	(352) Structures and Improvements	7,255,043	1,593	
50	(353) Station Equipment	50,172,723	1,376,562	
51	(354) Towers and Fixtures	38,669		
52	(355) Poles and Fixtures	31,104,005	304,753	
53	(356) Overhead Conductors and Devices	27,459,687	121,170	
54	(357) Underground Conduit	714,085		
55	(358) Underground Conductors and Devices	1,194,896	-1,093	
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)	-120,772,913	1,803,289	
59	4. DISTRIBUTION PLANT			
60	(360) Land and Land Rights	1,724,191	87,905	
61	(361) Structures and Improvements	1,522,571	782,456	
62	(362) Station Equipment	44,662,693	4,119,824	
63	(363) Storage Battery Equipment	2,134,400	5,865	
64	(364) Poles, Towers, and Fixtures	35,591,931	4,309,819	
65	(365) Overhead Conductors and Devices	58,168,139	6,993,856	
66	(366) Underground Conduit	60,062,798	901,442	
67	(367) Underground Conductors and Devices	69,755,548	7,087,876	
68	(368) Line Transformers	58,290,563	4,242,688	
69	(369) Services	79,444,527	4,395,771	
70	(370) Meters	16,974,084	1,305,556	
71	(371) Installations on Customer Premises			
72	(372) Leased Property on Customer Premises			
73	(373) Street Lighting and Signal Systems	12,151,750	461,462	
74	(374) Asset Retirement Costs for Distribution Plant			
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	440,483,195	34,694,520	
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	12,699,810	648,384	
88	(391) Office Furniture and Equipment	3,489,292	660,021	
89	(392) Transportation Equipment	11,699,807	1,109,813	
90	(393) Stores Equipment	554,096		
91	(394) Tools, Shop and Garage Equipment	5,989,995	760,619	
92	(395) Laboratory Equipment	325,167		
93	(396) Power Operated Equipment	140,554		
94	(397) Communication Equipment	20,898,381	2,704,178	
95	(398) Miscellaneous Equipment	1,101,540	20,775	
96	SUBTOTAL (Enter Total of lines 86 thru 95)	57,036,707	5,903,790	
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)	57,036,707	5,903,790	
100	TOTAL (Accounts 101 and 106)	1,008,096,173	49,632,312	
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)	1,008,096,173	49,632,312	

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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
			2,834,109		48
			7,256,636		49
17,111		-350,273	51,181,901		50
			38,669		51
		295,135	31,703,893		52
29,348		-279,687	27,271,822		53
			714,085		54
			1,193,803		55
					56
					57
46,459		-334,825	122,194,918		58
					59
		9,838	1,821,934		60
		-782,456	1,522,571		61
		1,146,741	49,929,258		62
			2,140,265		63
3,077		977,787	40,876,460		64
2,927		-1,099,863	64,059,205		65
		61,374	61,025,614		66
		75,111	76,918,535		67
		90,475	62,623,726		68
		296,040	84,136,338		69
6,524,485		-953,215	10,801,940		70
					71
					72
		20,993	12,634,205		73
					74
6,530,489		-157,175	468,490,051		75
					76
					77
					78
					79
					80
					81
					82
					83
					84
					85
			138,065		86
		-552,770	12,795,424		87
84,704		64,123	4,128,732		88
67,610		169,609	12,911,619		89
		14,444	568,540		90
42,122		-278,973	6,429,519		91
72,313		217,893	470,747		92
			140,554		93
940,665		432,786	23,094,680		94
901		99,983	1,221,397		95
1,208,315		167,095	61,899,277		96
					97
					98
1,208,315		167,095	61,899,277		99
8,003,774			1,049,724,711		100
					101
					102
					103
8,003,774			1,049,724,711		104

Name of Respondent MAUI ELECTRIC COMPANY, LIMITED		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/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	2019	1,302,500	
3					
4					
5					
6					
7					
8					
9					
10					
11					
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21	Other Property:				
22					
23					
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46					
47	Total			1,302,500	

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**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	Other overhead additions	1,532,909
2	Waiinu-Kanaha 69kV Upgrade	1,489,203
3	Other Underground aAdditions	1,207,085
4	Kula Ag Tsf Replacement	802,468
5	Puamana Replacements	707,945
6	Various "minor" projects under \$590,942 (5% of CWIP ending balance) at 12/31/14	6,079,225
7		
8		
9		
10		
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43	TOTAL	11,818,835

Name of Respondent MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 1 / 1	Year/Period of Report End of 2014/Q4
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**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	470,237,900	470,237,900		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	22,760,326	22,760,326		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing	463,941	463,941		
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)	23,224,267	23,224,267		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	8,003,774	8,003,774		
13	Cost of Removal	7,046,083	7,046,083		
14	Salvage (Credit)	67,979	67,979		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	14,981,878	14,981,878		
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)	478,480,289	478,480,289		

**Section B. Balances at End of Year According to Functional Classification**

20	Steam Production	60,852,623	60,852,623		
21	Nuclear Production				
22	Hydraulic Production-Conventional				
23	Hydraulic Production-Pumped Storage				
24	Other Production	174,050,975	174,050,975		
25	Transmission	52,951,183	52,951,183		
26	Distribution	167,296,973	167,296,973		
27	Regional Transmission and Market Operation				
28	General	23,328,535	23,328,535		
29	TOTAL (Enter Total of lines 20 thru 28)	478,480,289	478,480,289		

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MAUI ELECTRIC COMPANY, LIMITED			
FOOTNOTE DATA			

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

Page 200, line 22, column (c) includes (\$2,562,125) 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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**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)	20,295,765	17,730,882	PRODUCTION
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)	14,857,074	17,392,718	PROD & T&D
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	14,857,074	17,392,718	
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)	-72,880	38,836	ALL
17				
18				
19				
20	TOTAL Materials and Supplies (Per Balance Sheet)	35,079,959	35,162,436	

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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	<b>Transmission Studies</b>				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	<b>Generation Studies</b>				
22	Time Warner Cable IRS	19,016	58800000	30,000	45600000
23	Hope Chapel IRS	25,876	58800000	30,000	45600000
24	William Worcester IRS	2,464	58800000	3,000	45600000
25	Sharon Suzuki IRS	2,460	58800000	3,000	45600000
26	Daniel Belena IRS	2,726	58800000	3,000	45600000
27	Mark Black IRS	2,545	58800000	3,000	45600000
28	Gael Reuss IRS	2,365	58800000	3,000	45600000
29	Thomas Spallino/Lance Whitney IRS	3,275	58800000	3,500	45600000
30	Ronald Wright IRS	2,562	58800000	3,000	45600000
31	Douglas Wright IRS	2,162	58800000	3,000	45600000
32	Thomas Revelle IRS	2,463	58800000	3,000	45600000
33	Gordon Taylor IRS	2,464	58800000	3,000	45600000
34	Rebecca Judge IRS	2,469	58800000	3,000	45600000
35	Tammy Wing IRS	2,463	58800000	3,000	45600000
36	Dorian Hunt IRS	2,469	58800000	3,000	45600000
37	Masako Suehiro IRS	2,469	58800000	3,000	45600000
38	Henry Parilla IRS	2,411	58800000	3,000	45600000
39	Oliver Perz IRS	2,463	58800000	3,000	45600000
40	James Aruda IRS	2,650	58800000	3,000	45600000



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Transmission Service and Generation Interconnection Study Costs (continued)					
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					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	Generation Studies				
22	Gabriel Castano IRS	2,600	58800000	3,000	45600000
23	Kula Group (Kilohana Electric) IRS	5,561	58800000	6,000	45600000
24	Glenn Sato IRS	2,266	58800000	3,000	45600000
25	Betty Brask IRS	2,266	58800000	3,000	45600000
26	Becky Presley IRS	2,419	58800000	3,000	45600000
27	Robert Rowland IRS	2,561	58800000	3,000	45600000
28	Michael Leone 46-6 IRS	21,269	58800000	30,000	45600000
29	Maui Toyota IRS	25,564	58800000	30,000	45600000
30	Lawrence Becraft IRS	2,288	58800000	3,000	45600000
31	Claudia Schmidt IRS	2,469	58800000	3,000	45600000
32	Barry Kern IRS	2,365	58800000	3,000	45600000
33	Laurie Tamura IRS	2,439	58800000	3,000	45600000
34	Mel Honda IRS	2,387	58800000	3,000	45600000
35	Ron Pasion IRS	2,406	58800000	3,000	45600000
36	Lau Hee Electric Kahului Group IRS	5,547	58800000	6,000	45600000
37	Boeringa LLC IRS	9,055	58800000	10,000	45600000
38	Grelyn Rosario IRS	2,467	58800000	3,000	45600000
39	Julie Petro IRS	2,467	58800000	3,000	45600000
40	Mitchell Hokoana IRS	2,467	58800000	3,000	45600000

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Transmission Service and Generation Interconnection Study Costs (continued)

Line No.	Description (a)	Costs Incurred During Period (b)	Account Charged (c)	Reimbursements Received During the Period (d)	Account Credited With Reimbursement (e)
1	<b>Transmission Studies</b>				
2					
3					
4					
5					
6					
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10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	<b>Generation Studies</b>				
22	Stephanie Fernandez IRS	2,467	58800000	3,000	45600000
23	Carl Kaupalolo IRS	2,394	58800000	3,000	45600000
24	Leil Koch IRS	2,394	58800000	3,000	45600000
25	David Guerrero IRS	2,415	58800000	3,000	45600000
26	Anthony Mestrovich IRS	2,415	58800000	3,000	45600000
27	Kimberly Dubach IRS	2,415	58800000	3,000	45600000
28	Paula Somerville IRS	2,415	58800000	3,000	45600000
29	Maui Pacific Solar Group IRS	3,856	58800000	4,500	45600000
30	David Hulburt IRS	2,467	58800000	3,000	45600000
31	Mark Fillazar IRS	2,467	58800000	3,000	45600000
32	Herbert Kogasaka IRS	2,664	58800000	3,000	45600000
33	Max Matsunobu IRS	2,467	58800000	3,000	45600000
34	Lau Hee Electric Group Wailuku IRS	4,456	58800000	4,500	45600000
35	Ivan Steiner IRS	2,458	58800000	3,000	45600000
36	David Park Hui IRS	13,577	58800000	15,600	45600000
37	Patrice Matsumoto IRS	2,187	58800000	3,000	45600000
38	Clayton Suzuki/Lorna Bumanglag IRS	3,291	58800000	3,700	45600000
39	Lawrence Joyo IRS	2,333	58800000	3,000	45600000
40	Shelly Mack/Melanie Vitale IRS	1,868	58800000	3,500	45600000

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Transmission Service and Generation Interconnection Study Costs (continued)					
Line No.	Description (a)	Costs Incurred During Period (b)	Account Charged (c)	Reimbursements Received During the Period (d)	Account Credited With Reimbursement (e)
21	<b>Transmission Studies</b>				
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
21	<b>Generation Studies</b>				
22	The Sonshine Solar Corp IRS	6,214	58800000	10,000	45600000
23	Lorene Siaw IRS	2,395	58800000	6,000	45600000
24	John Sandbach IRS	2,395	58800000	3,000	45600000
25	Nicholas Polakow IRS	2,208	58800000	3,000	45600000
26	Larry Bernades IRS	2,305	58800000	3,000	45600000
27	Romeo Guzman IRS	2,437	58800000	3,000	45600000
28	John Millard IRS	2,430	58800000	3,000	45600000
29	Tamara Lindsey IRS	2,430	58800000	3,000	45600000
30	Chieko Sasaki IRS	2,437	58800000	3,000	45600000
31	Shelly Pellegrino IRS	1,983	58800000	3,000	45600000
32	Patricia Kelley IRS	2,160	58800000	3,000	45600000
33	Bio-Real Solar 59-03 IRS	29,861	58800000	35,000	45600000
34	Neighborhood Powr Corp 107-13 14	27,814	58800000	35,000	45600000
35	Neighborhood Power 107-15 IRS	30,059	58800000	35,000	45600000
36	Neighbor Group (Kahului) IRS	3,519	58800000	3,999	45600000
37	Michael Anderson IRS	2,233	58800000	3,000	45600000
38	Terrence Kwock IRS	2,108	58800000	3,000	45600000
39	Hilton Unemori IRS	2,233	58800000	3,000	45600000
40	Mickey Norvell IRS	2,108	58800000	3,000	45600000

Name of Respondent MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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Transmission Service and Generation Interconnection Study Costs (continued)

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					
3					
4					
5					
6					
7					
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11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	Generation Studies				
22	Glenn Scott IRS	2,108	58800000	3,000	45600000
23	Seabury Hall IRS	23,795	58800000	30,000	45600000
24	Innovative Solar Group (Wailuku)	2,732	58800000	3,500	45600000
25	Jeanne Abe IRS	2,233	58800000	3,000	45600000
26	Electric Solutions Group (Wailuku)	3,520	58800000	4,000	45600000
27	Neighborhood Group Study 2(Wailuku)	2,822	58800000	3,500	45600000
28	Shyamsundar Subrahmanyam IRS	2,239	58800000	3,000	45600000
29	Maul Country Club IRS	19,519	58800000	25,000	45600000
30	Christopher Schmitt IRS	2,149	58800000	3,000	45600000
31	Jerry Piller IRS	2,149	58800000	3,000	45600000
32	Henry Moleris IRS	2,149	58800000	3,000	45600000
33	Thomas Strand IRS	2,135	58800000	3,000	45600000
34	Roy Takemura IRS	2,135	58800000	3,000	45600000
35	Alfred Ribucan IRS	2,135	58800000	3,000	45600000
36	Earl Inouye IRS	2,135	58800000	3,000	45600000
37	Grace Shigeta IRS	2,135	58800000	3,000	45600000
38	Sonshine Solar Group Wailuku 2 IRS	2,634	58800000	4,200	45600000
39	Lori Bragg IRS	2,135	58800000	3,000	45600000
40	Alternate Energy Group IRS	3,467	58800000	4,200	45600000

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Transmission Service and Generation Interconnection Study Costs (continued)					
Line No.	Description (a)	Costs Incurred During Period (b)	Account Charged (c)	Reimbursements Received During the Period (d)	Account Credited With Reimbursement (e)
1	<b>Transmission Studies</b>				
2					
3					
4					
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11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	<b>Generation Studies</b>				
22	Electrical Solutions Group 2 IRS	3,467	58800000	4,302	45600000
23	FIT -17-1-Solar Hub IRS	458	58800000	35,000	45600000
24	FIT -17-2-Solar Hub IRS	28,078	58800000	35,000	45600000
25	Ferdinand Cajigal IRS	2,045	58800000	3,000	45600000
26	Hale Mahaolu Luana Gardens & Elima	9,573	58800000	15,000	45600000
27	George Tengan	2,170	58800000	3,000	45600000
28	Fred Yllera IRS	2,170	58800000	3,000	45600000
29	Robin Hong IRS	2,170	58800000	3,000	45600000
30	Daniel Regan IRS	1,893	58800000	3,000	45600000
31	Clarissa Deocares IRS	1,966	58800000	3,000	45600000
32	John Montfort IRS	2,465	58800000	3,000	45600000
33	Rick Uedoi & Todd Perkin IRS	1,893	58800000	3,550	45600000
34	Joe Avena IRS	1,966	58800000	3,000	45600000
35	Andrew Huey IRS	1,966	58800000	3,000	45600000
36	Haleakala Group Kahului 3 IRS	9,776	58800000	11,368	45600000
37	Michele Bocon IRS	2,018	58800000	3,000	45600000
38	Conrad's Group IRS	5,346	58800000	6,165	45600000
39	FIT -107-22-Gates, Stephen	27,219	58800000	30,000	45600000
40	SOH-DOT Kahului Airport	28,094	58800000	40,000	45600000

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Transmission Service and Generation Interconnection Study Costs (continued)

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					
3					
4					
5					
6					
7					
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9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	Generation Studies				
22	US Air Force	30,651	58800000	33,000	45600000
23	Costco	6,538	58800000	30,000	45600000
24	Dennis Toba Molokai Hydro IRS	1,794	58800000	30,000	45600000
25					
26					
27					
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Name of Respondent: MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**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  (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter /Year Account Charged (d)	Written off During the Period Amount (e)	
1	Regulatory Asset - Other	3,190,691	39,114		605,399	2,624,406
2	Regulatory Asset - Debt Expenses	2,807,531			288,414	2,519,117
3	Regulatory Asset - Rate Case Costs	349,635	101,705		246,801	204,539
4	Regulatory Asset - SFAS 109	8,371,988	161,494		345,910	8,187,572
5	Regulatory Asset - Revenue Balancing Account	8,789,662	5,581,502		7,581,631	6,789,533
6	Regulatory Asset - Preferred Stock Expense	150,908			10,060	140,848
7	Regulatory Asset - Investment Income Difference	91,164			10,712	80,452
8	Regulatory Asset - Pension Tracking	43,770,089	42,386,728		3,236,104	82,920,713
9	Regulatory Asset - Opeb Tracking	( 2,972,692)	7,516,857		21,002	4,523,163
10	Regulatory Asset - IRP Costs	891,975	31,560			923,535
11						
12						
13						
14						
15						
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44	TOTAL :	65,440,951	55,818,960		12,346,033	108,913,878

Name of Respondent MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**MISCELLANEOUS DEFERRED DEBITS (Account 186)**

- Report below the particulars (details) called for concerning miscellaneous deferred debits.
- For any deferred debit being amortized, show period of amortization in column (a)
- 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		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	Other Deferred Debits	1,044,367	1,094,425		921,691	1,217,101
2	Other CWIP - Non Utility	1,098				1,098
3	Lease Receivable-Non Current	5,949,889			434,100	5,515,789
4	Unamortized System Dev Costs:					
5	CIS Project	2,427,524			212,630	2,214,894
6	HR Suite Project	985,823			127,264	858,559
7	Budget System Project	313,327			31,074	282,253
8	ERP EAM Project	724,164				724,164
9						
10						
11						
12						
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45						
46						
47	Misc. Work in Progress					
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	11,446,192				10,813,858



Name of Respondent MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**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		
14				
15				
16				
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Name of Respondent MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**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
						14
						15
						16
						17
						18
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CAPITAL STOCK EXPENSE (Account 214)					
<p>1. Report the balance at end of the year of discount on capital stock for each class and series of capital stock.</p> <p>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.</p>					
Line No.	Class and Series of Stock (a)				Balance at End of Year (b)
1	Common Stock				62,273
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)				
15					
16					
17					
18					
19					
20					
21					
22	TOTAL				152,662

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**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, Recquired 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 223 - LONG TERM ADVANCE FROM ASSOCIATED COMPANIES:		
8	Notes Payable to Assoc. Co.-QUIDS III	10,000,000	310,988
9	SUBTOTAL	10,000,000	310,988
10			
11	ACCOUNT 224 -OTHER LONG-TERM DEBT OBLIGATION TO THE STATE OF HAWAII:		
12	REPAYMENT OF SPECIAL PURPOSE REVENUE BONDS:		
13	4.80% Refunding Series 2005A	2,000,000	54,529
14	4.65 Series 2007A	20,000,000	344,145
15	4.6% Refunding Series 2007B	55,000,000	967,350
16	SUBTOTAL	77,000,000	1,366,024
17			
18	ACCOUNT 224 - OTHER LONG TERM DEBT(UNSECURED)		
19	TAXABLE UNSECURED SENIOR NOTES:		
20	3.79% Series 2012A	9,000,000	47,788
21	4.03% Series 2012B	20,000,000	106,195
22	4.55% Series 2012C	30,000,000	159,071
23	4.84% Series 2013A	20,000,000	97,630
24	5.65% Series 2013B	20,000,000	97,630
25	SUBTOTAL	99,000,000	508,314
26			
27			
28			
29			
30			
31			
32			
33	TOTAL	186,000,000	2,185,326

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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		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
						1
						2
						3
						4
						5
						6
						7
03/2004	03/2034	03/2004	03/2034	10,000	650,000	8
				10,000	650,000	9
						10
						11
						12
01/2005	01/2025	01/2005	01/2025	2,000	96,000	13
03/2007	03/2037	03/2007	03/2037	20,000	930,000	14
03/2007	05/2026	03/2007	05/2026	55,000	2,530,000	15
				77,000	3,556,000	16
						17
						18
						19
04/2012	12/2018	04/2012	12/2018	9,000	341,100	20
04/2012	01/2020	04/2012	01/2020	20,000	806,004	21
04/2012	11/2023	04/2012	11/2023	30,000	1,365,000	22
10/2013	10/2027	10/2013	10/2027	20,000	1,048,667	23
10/2013	10/2043	10/2013	10/2043	20,000	1,224,167	24
				99,000	4,784,938	25
						26
						27
						28
						29
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						32
				186,000	8,990,938	33

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**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 filed, 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)	22,656,383
2		
3		
4	Taxable Income Not Reported on Books	
5		
6	See attached footnote	8,628,887
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	
10		
11	See attached footnote	25,420,769
12		
13		
14	Income Recorded on Books Not Included in Return	
15		
16	See attached footnote	629,613
17		
18		
19	Deductions on Return Not Charged Against Book Income	
20		
21	See attached footnote	55,860,582
22		
23		
24	Special Deductions	
25	See attached footnote	215,844
26		
27	Federal Tax Net Income	
28	Show Computation of Tax:	
29		
30	Federal Taxable Income	
31	Federal Statutory Percentage Rate	35
32	Federal Statutory Income Tax Liability	
33		
34		
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FOOTNOTE DATA			

**Schedule Page: 261 Line No.: 6 Column: a**

Net Income for Common 22,656,383

**Taxable Income Not Reported on Books:**

CIAC received	4,680,347
Revenue Balancing Account	2,000,129
Prior Years Repair Depreciation	1,690,379
Customer Advances	232,232
QUIPS amortization	25,800

8,628,887

**Deductions Recorded on Books Not Deducted for Return:**

Deferred Federal Income Taxes (Curr Yr)	12,062,150
Deferred Federal Income Taxes Other Income	3,999
Deferred Federal Income Taxes (Prior Year)	9,751
Pension Expense	7,213,807
Deferred State Income Taxes	2,451,302
Other Post-retirement Regulatory Expense	934,687
Operating Lease - Manele	437,916
Reserve for General Liability & Auto	273,300
Bond Issuance Expense -Book amortization	234,579
IVR Project Costs	221,012
Customer Information System-Book Expense	217,370
Percentage Repairs Allowance	170,283
Rate Case Costs	145,096
Executive Compensation - LTIP	132,367
HR Suite System - Book Amortization	127,264
Reserve Workers Compensation	124,627
Executive Compensation - EICP	103,322
Capitalized Interest	98,214
Lobbying Expenses	15,207
Meals and entertainment expenses	14,973
Penalties	2,000
Bad Debt Expense	25,073
Bonuses-Nonexecutives	94,100
Executive Compensation - RSU	6,614
Emission Fees	58,312
OPEB Executive Life-Book expense	65,251
Prepaid expenses	20,675
BPI Costs	6,372
ERP Project Costs	97,503
Revenue Bond Differential-Book Amortization	10,869
Budget System Replacement-Book Amortization	31,074
Software Costs - Book expense	1,640
Amortization of Preferred Stock Issuance Costs(Nonutil)	10,060

25,420,769

**Income Recorded on Books not included in Return:**

AFUDC-Book Depreciation FAS 109	(33,834)
AFUDC-Regulatory Asset Amortization	(21,549)
CWIP Debt-Book Depreciation	(254,289)
CWIP Debt Transition-Book Depreciation FAS 109	(14,300)
CWIP Equity Net - Book Depreciation	(493,312)
CWIP Equity Gross-Up - Regulatory Asset Amortization	(314,202)
CWIP Equity Transition - Regulatory Asset Amortization	(16,386)
CWIP Equity Transition - Book Depreciation	(25,726)
Deficit Deferred Tax on Accel Deprn-Reg Asset Amort	(7,110)

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2014/Q4
FOOTNOTE DATA			

Deficit Deferred Tax - Other	581
Federal ITC Amortization	12,766
Federal ITC Regulatory Liability Amortization	8,131
Federal Energy Tax Credit Amortization	10,191
Federal ETC Regulatory Liability Amortization	6,490
Book Depreciation Flow-Through Items	(137)
Regulatory Asset Flow-Through Items - Amortization	(87)
AFUDC Debt	91,047
AFUDC Equity	213,613
AFUDC Equity Gross-Up	136,155
State Income Tax Adjustment	437,608
Unearned Interest Liability-Manele CHP	334,404
Other Post-retirement Benefits-Book Expense	391,081
Keyman Insurance	47,804
Retiree Drug Subsidy	22,591
Interest Expense-RAR	6,844
Pension Tracker - Regulatory Expense	91,039
Excess Pension Book Expense	200

629,613

Deductions on Return Not Charged Against Book Income:

Book Post Normal Depreciation on Capitalized Items	(9,248)
State Tax Basis S/L Depreciation	(20,112,626)
CHP Direct Lease vs. Book Depreciation	(3,780)
Tax Depreciation on Cap Interest	804,321
Tax Depreciation on CIAC	6,093,571
Tax Depreciation on IRP/DSM	89
Tax Depreciation - RAR Adjs	217,796
Federal Tax Depreciation	40,503,221
Federal Tax Depreciation - CHP non-utility	38,959
Federal Tax Depreciation-CIS non-utility	745,298
Revenue Balancing Act	8,789,663
Repairs Deduction	8,042,269
Cost of removal	7,810,341
Pension Expense	1,803,450
Federal CIS-Tax Amortization	410,956
Franchise Taxes	133,207
Other Post-retirement Benefits	118,953
Executive Compensation-EICP Tax	101,183
Energy Services	12,084
Legal Fees (PPA)	20,506
Software-tax depreciation	7,517
Solar Saver Program	68,125
Vacation Accrual	3,172
Federal Budget System-Tax Amortization	62,184
Federal IVR- Tax amortization	77,703
Repairs Retirement Adj	21,435
Gain(Loss) on ACRS Retirements	50,000
Charitable Contribution Limitation	50,230
Rounding	3

(55,860,582)

Special Deductions:

Federal Net Operating Loss Carryforward

215,844

FEDERAL TAXABLE NET INCOME

0

Name of Respondent MAUI ELECTRIC COMPANY, LIMITED	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**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 known, 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)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1	FEDERAL					
2	Income Tax			-1,755,838	-2,007,000	
3	FICA			2,574,918	2,574,918	
4	FUTA			15,789	15,789	
5	SUBTOTAL			834,869	583,707	
6						
7	STATE/COUNTY					
8	Income Tax					
9	SUTA			178,437	178,437	
10	Franchise	11,802,599		10,499,887	10,700,578	
11	PSC Tax	23,208,608		25,221,130	25,610,115	
12	PUC Fee	2,122,221		2,142,832	2,175,880	
13	Gen Excise/Use	37,685		670,092	662,270	
14	Property					
15	Other					
16	SUBTOTAL	37,171,113		38,712,378	39,327,280	
17						
18						
19						
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21						
22						
23						
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27						
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40						
41	TOTAL	37,171,113		39,547,247	39,910,987	

Name of Respondent MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)**

5. If any tax (exclude Federal and State income taxes) covers more than 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 (i) 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		-1,755,838				2
					2,574,918	3
					15,789	4
251,162		-1,755,838			2,590,707	5
						6
						7
						8
					178,437	9
11,601,908					10,499,887	10
22,819,623					25,221,130	11
2,089,173					2,142,832	12
45,507					670,092	13
						14
						15
36,556,211					38,712,378	16
						17
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36,807,373		-1,755,838			41,303,085	41

Name of Respondent MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**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%	13,743,551	41211000	831,679	41230000	308,772	-94,489
4	7%	315,437			40330005	12,766	
5	10%						
6	Energy Credits	303,626			40330015	10,191	-42,919
7							
8	TOTAL	14,362,614		831,679		331,729	-137,408
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
10							
11							
12							
13							
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Name of Respondent

MAUI ELECTRIC COMPANY, LIMITED

This Report Is:

(1) ☒ An Original(2) ☐ A ResubmissionDate of Report  
(Mo, Da, Yr)

/ /

Year/Period of Report

End of 2014/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.
			1
14,171,969			2
302,671			3
			4
250,516			5
			6
14,725,156			7
			8
			9
			10
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**OTHER DEFERRED CREDITS (Account 253)**

- Report below the particulars (details) called for concerning other deferred credits.
- For any deferred credit being amortized, show the period of amortization.
- 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		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	Unearned Interest Liability -NC	2,920,988		322,805		2,598,183
2	Other Misc Deferred Credits	35,788		89,390	88,863	35,261
3	Solar Saver Surcharge	289,715		68,127	2	221,590
4	FIN48 Tax Liability	1				1
5	SFAS 112 Liability	495,449		38,032	10,670	468,087
6	LTIP Accrual	178,727		16,418	148,785	311,094
7	Liability Reserves	4,237,178		310,536	392,271	4,318,913
8						
9						
10						
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47	TOTAL	8,157,846		845,308	640,591	7,953,129



Name of Respondent MAUI ELECTRIC COMPANY, LIMITED		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)					
1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization					
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 282				
2	Electric	44,884,732	8,447,032		
3	Gas				
4					
5	TOTAL (Enter Total of lines 2 thru 4)	44,884,732	8,447,032		
6					
7					
8					
9	TOTAL Account 282 (Enter Total of lines 5 thru 8)	44,884,732	8,447,032		
10	Classification of TOTAL				
11	Federal Income Tax	42,108,454	7,667,336		
12	State Income Tax	2,776,278	779,696		
13	Local Income Tax				
<div style="text-align: center; margin-bottom: 10px;">NOTES</div>					

Name of Respondent MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)**

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
-211,404						53,120,360	2
							3
							4
-211,404						53,120,360	5
							6
							7
							8
-211,404						53,120,360	9
							10
-117,057						49,658,733	11
-94,347						3,461,627	12
							13

NOTES (Continued)

Name of Respondent MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**ACCUMULATED DEFERRED 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		-14,493,891	-6,103,943	-3,315
4				
5				
6				
7				
8				
9	TOTAL Electric (Total of lines 3 thru 8)	-14,493,891	-6,103,943	-3,315
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)	-14,493,891	-6,103,943	-3,315
20	Classification of TOTAL			
21	Federal Income Tax	-11,517,714	-4,766,406	-3,315
22	State Income Tax	-2,976,177	-1,337,537	
23	Local Income Tax			

NOTES

Name of Respondent MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**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 (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
							2
237,469		Various	-17,495	Various	-75,435	-20,414,990	3
							4
							5
							6
							7
							8
237,469			-17,495		-75,435	-20,414,990	9
							10
							11
							12
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							14
							15
							16
							17
							18
237,469			-17,495		-75,435	-20,414,990	19
							20
237,469					-75,435	-16,118,771	21
			-17,495			-4,296,219	22
							23

NOTES (Continued)

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**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 Beginning of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)
			Account Credited (c)	Amount (d)		
1	OPEB Tracker	74,460			1,425,585	1,500,045
2	Pension Tracker	191,278		191,278		
3	IRP/DSM	43,448			19,476	62,924
4	CHP Investment	61,581			3,780	65,361
5	CHP Energy Tax Credit	20,257			5,929	26,186
6	Earnings Sharing Mechanism	362,310			288,620	650,930
7	PBF True-up				150,250	150,250
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41	TOTAL	753,334		191,278	1,893,640	2,455,696

Name of Respondent MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**ELECTRIC OPERATING REVENUES (Account 400)**

- 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.
- Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
- 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.
- 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.
- 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	146,040,291	148,268,258
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	141,820,077	143,975,447
5	Large (or Ind.) (See Instr. 4)	130,592,869	127,684,070
6	(444) Public Street and Highway Lighting	2,281,018	2,276,866
7	(445) Other Sales to Public Authorities		
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers	420,734,255	422,204,641
11	(447) Sales for Resale		
12	TOTAL Sales of Electricity	420,734,255	422,204,641
13	(Less) (449.1) Provision for Rate Refunds		
14	TOTAL Revenues Net of Prov. for Refunds	420,734,255	422,204,641
15	Other Operating Revenues		
16	(450) Forfeited Discounts	540,027	524,281
17	(451) Miscellaneous Service Revenues	266,145	-141,667
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	1,105,820	963,502
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	322,485	1,070,441
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	2,234,477	2,416,557
27	TOTAL Electric Operating Revenues	422,968,732	424,621,198

Name of Respondent MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**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)	
				1
381,979	387,909	59,609	59,192	2
				3
367,693	373,235	9,847	9,753	4
376,130	367,503	136	134	5
6,254	6,226	212	207	6
				7
				8
				9
1,132,056	1,134,873	69,804	69,286	10
				11
1,132,056	1,134,873	69,804	69,286	12
				13
1,132,056	1,134,873	69,804	69,286	14

Line 12, column (b) includes \$ 5,328,388 of unbilled revenues.  
Line 12, column (d) includes 688 MWH relating to unbilled revenues



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**SALES OF ELECTRICITY BY RATE SCHEDULES**

- 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.
- 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.
- 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.
- 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).
- For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
- 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)	382,204	147,842,418	59,511	6,422	0.3868
3	4421 General - NonDemand(G)	91,425	38,694,024	8,304	11,010	0.4232
4	4421 General - Demand (J/U)	277,534	105,228,564	1,525	181,990	0.3792
5	4421 Electric Vehicle (EV-F)	116	49,284	2	58,000	0.4249
6	4422 Large Power (P)	375,203	131,936,347	136	2,758,846	0.3516
7	444 Street Lighting (F)	6,263	2,312,005	212	29,542	0.3692
8	Total Billed Revenues	1,132,745	426,062,642	69,690	16,254	0.3761
9						
10	UNBILLED REVENUES:					
11	440 Residential (R/RT)	-225	-1,802,127	99	-2,273	8.0095
12	4421 General - NonDemand (G)	-180	-463,702	16	-11,250	2.5761
13	4421 General - Demand (J/U)	-1,207	-1,688,287	1	-1,207,000	1.3987
14	4421 Electric Vehicle (EV-F)	5	1,466			0.2932
15	4422 Large Power (P)	927	-1,343,479			-1.4493
16	444 Street Lighting (F)	-8	-32,260			4.0325
17	Total Unbilled Revenues	-688	-5,328,389	116	-5,931	7.7448
18						
19	See Footnote 1					
20						
21						
22						
23						
24						
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27						
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40						
41	TOTAL Billed	1,132,744	426,062,642	69,690	16,254	0.3761
42	Total Unbilled Rev.(See Instr. 6)	-688	-5,328,388	116	-5,931	7.7448
43	TOTAL	1,132,056	420,734,254	69,806	16,217	0.3717

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED			2014/Q4
FOOTNOTE DATA			

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

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

	<u>Billed</u>	<u>Unbilled</u>	<u>Total</u>
440-Residential (R/RT)	6,469,715	(1,004,610)	5,465,105
4421-General Non-Demand (G)	1,586,899	(235,942)	1,350,957
4421-General Demand (J/U)	4,546,289	(789,046)	3,757,244
4421-Electric Vehicle(EV-F)	116,437	(114,700)	1,737
4422-Large Power (P)	5,959,173	(950,867)	5,008,306
444-Street Lighting(F)	1,929	95,781	97,710
 Total ECAC Revenue	 <u>18,680,443</u>	 <u>(2,999,385)</u>	 <u>15,681,058</u>

Name of Respondent MAUI ELECTRIC COMPANY, LIMITED		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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	404,552	395,239	
5	(501) Fuel	29,659,684	30,772,327	
6	(502) Steam Expenses	1,898,958	1,932,262	
7	(503) Steam from Other Sources			
8	(Less) (504) Steam Transferred-Cr.			
9	(505) Electric Expenses	1,285,537	1,309,366	
10	(506) Miscellaneous Steam Power Expenses	1,018,921	1,293,454	
11	(507) Rents			
12	(508) Allowances			
13	TOTAL Operation (Enter Total of Lines 4 thru 12)	34,267,652	35,702,648	
14	Maintenance			
15	(510) Maintenance Supervision and Engineering			
16	(511) Maintenance of Structures	362,657	326,170	
17	(512) Maintenance of Boiler Plant	1,957,396	1,436,500	
18	(513) Maintenance of Electric Plant	1,048,363	578,367	
19	(514) Maintenance of Miscellaneous Steam Plant	543,179	628,749	
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	3,911,595	2,969,786	
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)	38,179,247	38,672,434	
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) Maintenance 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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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	2,614,730	2,167,439		
63	(547) Fuel	163,564,179	177,898,485		
64	(548) Generation Expenses	5,073,115	5,078,238		
65	(549) Miscellaneous Other Power Generation Expenses	528,408	401,986		
66	(550) Rents				
67	TOTAL Operation (Enter Total of lines 62 thru 66)	171,780,432	185,546,148		
68	Maintenance				
69	(551) Maintenance Supervision and Engineering				
70	(552) Maintenance of Structures	777,094	784,479		
71	(553) Maintenance of Generating and Electric Plant	5,044,076	8,114,922		
72	(554) Maintenance of Miscellaneous Other Power Generation Plant	425,957	457,248		
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)	6,247,127	9,356,649		
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)	178,027,559	194,902,797		
75	E. Other Power Supply Expenses				
76	(555) Purchased Power	60,960,951	54,473,300		
77	(556) System Control and Load Dispatching				
78	(557) Other Expenses	587,844	321,311		
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	61,548,795	54,794,611		
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	277,755,601	288,369,842		
81	2. TRANSMISSION EXPENSES				
82	Operation				
83	(560) Operation Supervision and Engineering				
84					
85	(561.1) Load Dispatch-Reliability	49,302			
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	67,815	27,667		
94	(563) Overhead Lines Expenses	333,069	397,440		
95	(564) Underground Lines Expenses				
96	(565) Transmission of Electricity by Others				
97	(566) Miscellaneous Transmission Expenses	1,434,359	607,480		
98	(567) Rents				
99	TOTAL Operation (Enter Total of lines 83 thru 98)	1,884,545	1,032,587		
100	Maintenance				
101	(568) Maintenance Supervision and Engineering				
102	(569) Maintenance of Structures	4,094	18,581		
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	394,339	452,857		
108	(571) Maintenance of Overhead Lines	674,971	826,332		
109	(572) Maintenance of Underground Lines				
110	(573) Maintenance of Miscellaneous Transmission Plant	668,752	439,510		
111	TOTAL Maintenance (Total of lines 101 thru 110)	1,742,156	1,737,280		
112	TOTAL Transmission Expenses (Total of lines 99 and 111)	3,626,701	2,769,867		

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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 Exps (Total 123 and 130)				
132	4. DISTRIBUTION EXPENSES				
133	Operation				
134	(580) Operation Supervision and Engineering				
135	(581) Load Dispatching				
136	(582) Station Expenses	272,664	271,881		
137	(583) Overhead Line Expenses	860,504	1,014,241		
138	(584) Underground Line Expenses	803,333	939,794		
139	(585) Street Lighting and Signal System Expenses				
140	(586) Meter Expenses	938,113	1,214,434		
141	(587) Customer Installations Expenses	4,612	5,597		
142	(588) Miscellaneous Expenses	1,067,710	899,999		
143	(589) Rents				
144	TOTAL Operation (Enter Total of lines 134 thru 143)	3,946,936	4,345,946		
145	Maintenance				
146	(590) Maintenance Supervision and Engineering				
147	(591) Maintenance of Structures		4,470		
148	(592) Maintenance of Station Equipment	439,792	-323,308		
149	(593) Maintenance of Overhead Lines	3,450,401	3,382,386		
150	(594) Maintenance of Underground Lines	542,491	595,638		
151	(595) Maintenance of Line Transformers	20,256	104,784		
152	(596) Maintenance of Street Lighting and Signal Systems	263,808	394,635		
153	(597) Maintenance of Meters		164		
154	(598) Maintenance of Miscellaneous Distribution Plant	303,266	482,485		
155	TOTAL Maintenance (Total of lines 146 thru 154)	5,020,014	4,641,254		
156	TOTAL Distribution Expenses (Total of lines 144 and 155)	8,966,950	8,987,200		
157	5. CUSTOMER ACCOUNTS EXPENSES				
158	Operation				
159	(901) Supervision	153,986	119,229		
160	(902) Meter Reading Expenses	1,082,577	1,082,027		
161	(903) Customer Records and Collection Expenses	5,265,543	5,581,232		
162	(904) Uncollectible Accounts	374,166	-55,751		
163	(905) Miscellaneous Customer Accounts Expenses				
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)	6,876,272	6,726,737		

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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)	
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			
166	Operation			
167	(907) Supervision	17,592	96,092	
168	(908) Customer Assistance Expenses	1,229,032	689,074	
169	(909) Informational and Instructional Expenses	93,568	79,489	
170	(910) Miscellaneous Customer Service and Informational Expenses			
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	1,340,192	864,655	
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	3,285,791	3,568,458	
182	(921) Office Supplies and Expenses	1,227,907	1,184,514	
183	(Less) (922) Administrative Expenses Transferred-Credit	3,938,961	4,808,937	
184	(923) Outside Services Employed	5,058,953	3,093,890	
185	(924) Property Insurance	1,088,324	1,061,521	
186	(925) Injuries and Damages	1,030,618	1,221,801	
187	(926) Employee Pensions and Benefits	7,654,384	6,155,395	
188	(927) Franchise Requirements			
189	(928) Regulatory Commission Expenses	246,801	363,614	
190	(929) (Less) Duplicate Charges-Cr.			
191	(930.1) General Advertising Expenses	2,665	1,895	
192	(930.2) Miscellaneous General Expenses	1,165,716	1,225,093	
193	(931) Rents	8,087	6,339	
194	TOTAL Operation (Enter Total of lines 181 thru 193)	16,830,285	13,073,583	
195	Maintenance			
196	(935) Maintenance of General Plant	297,443	291,290	
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	17,127,728	13,364,873	
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	315,693,444	321,083,174	

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**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	LU				
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						

Name of Respondent MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**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 monthly (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)	
68,716			1,286,194	13,573,889		14,860,083	1
108,693				14,060,434		14,060,434	2
69,284				14,074,834		14,074,834	3
79,760				16,434,579		16,434,579	4
1,033				205,568		205,568	5
1,830				494,038		494,038	6
3,494				831,416		831,416	7
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							14
332,810			1,286,194	59,674,758		60,960,952	



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MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)					
Line No.	Description (a)	Amount (b)			
1	Industry Association Dues	102,642			
2	Nuclear Power Research Expenses				
3	Other Experimental and General Research Expenses	230,428			
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	79,390			
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000	98,659			
6	Director's Fee & Expenses				
7	A&G Exp Allocations - Lanai	206,148			
8	A&G Exp Allocations - Molokai	398,000			
9	Community Service Act				
10	Environmental Compliance	50,450			
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46	TOTAL	1,165,717			

Name of Respondent MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405)**  
 (Except amortization of acquisition 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	5,528,393				5,528,393
3	Nuclear Production Plant					
4	Hydraulic Production Plant-Conventional					
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant	4,824,295				4,824,295
7	Transmission Plant	2,015,224				2,015,224
8	Distribution Plant	8,394,019				8,394,019
9	Regional Transmission and Market Operation					
10	General Plant	1,998,395				1,998,395
11	Common Plant-Electric					
12	TOTAL	22,760,326				22,760,326

B. Basis for Amortization Charges

Not applicable

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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	6,747	27.90	-10.00	2.89	SQ	17.50
17	31200	50,796	27.05	-10.00	3.75	SQ	17.50
18	31400	48,257	20.95	-10.00	5.89	SQ	17.50
19	31500	8,704	27.27	-10.00	4.19	SQ	17.50
20	31600	3,241			5.00	SQ	
21	34000	401				SQ	
22	34100	34,354	45.03	-5.00	1.17	SQ	32.50
23	34200	4,038	44.98	-5.00	0.97	SQ	32.50
24	34300	37,994	51.76	-5.00	0.80	SQ	32.50
25	34400	108,967	45.14	-5.00	1.64	SQ	32.50
26	34500	27,407	45.59	-5.00	1.57	SQ	32.50
27	34600	14,972			5.00	SQ	
28	35010	2,446	60.00		1.58	R5	
29	35020	388					
30	35200	7,255	50.00	-5.00	2.02	R4	
31	35300	49,567	59.00	-15.00	1.58	L4	
32	35500	30,987	70.00	-40.00	1.67	R2	
33	35600	27,199	65.00	-50.00	1.75	R1	
34	35700	714	60.00		1.59	R3	
35	35800	1,195	50.00		1.98	R3	
36	36010	1,281	50.00		2.03	R5	
37	36020	264					
38	36100	1,463	50.00		1.20	R3	
39	36200	41,398	55.00	-10.00	1.34	R3	
40	36300	2,134			1.92		
41	36400	30,932	56.00	-60.00	1.70	R1	
42	36500	52,444	58.00	-30.00	1.65	R0.5	
43	36600	58,647	80.00	-75.00	2.03	R4	
44	36700	63,669	55.00	-20.00	1.17	R4	
45	36800	55,927	45.00	-20.00	2.22	L0	
46	36910	22,159	45.00	-100.00	3.78	R1	
47	36920	52,737	45.00	-25.00	2.32	R2.5	
48	37000	15,573	43.00		1.92	S0.5	
49	37300	11,557	45.00	-30.00	1.87	O1	
50	38920	59					

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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	11,216	65.00		1.06	R4	
13	39110	1,879			20.00	SQ	
14	39120	431			10.00	SQ	
15	39130	1,160			6.67	SQ	
16	39300	555			4.00	SQ	
17	39420	5,868			4.00	SQ	
18	39500	325			6.67	SQ	
19	39600	141			5.56	SQ	
20	39700	18,722			6.67	SQ	
21	39800	1,035			6.67	SQ	
22	39200						
23	39210	5,801	15.00	20.00	5.36	R2.5	
24	39220	4,026	8.00	5.00	3.05	L3	
25							
26							
27	LANAI SYSTEM						
28	3400L	220					
29	3411L	4,020	28.90	-5.00	4.54	SQ	17.50
30	3420L	1,914	28.10	-5.00	3.04	SQ	17.50
31	343LL	1,443	30.30	-5.00	3.60	SQ	17.50
32	344LA	8,060	30.30	-5.00	2.34	SQ	17.50
33	345LA	3,417	28.90	-5.00	2.53	SQ	17.50
34	346LA	1,179			5.00	SQ	
35	3601L	153	50.00		2.03	R5	
36	3620L	1,995	55.00	-10.00	1.65	R3	
37	3630L				1.81		
38	3640L	2,056	56.00	-60.00	1.85	R1	
39	3650L	2,826	58.00	-30.00	1.65	R0.5	
40	3660L	1,280	80.00	-75.00	2.11	R4	
41	3670L	2,315	55.00	-20.00	1.22	R4	
42	3680L	798	45.00	-20.00	2.08	L0	
43	3691L	1,051	45.00	-100.00	3.80	R1	
44	3692L	1,000	45.00	-25.00	2.56	R2.5	
45	3700L	607	43.00		1.95	S0.5	
46	3730L	264	45.00	-30.00	1.66	O1	
47	3892L	23					
48	3900L	802	65.00		1.38	R4	
49	3911L				20.00	SQ	
50	3912L				10.00	SQ	

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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	33			4.00	SQ	
14	3970L	754			6.67	SQ	
15	3980L	34			6.67	SQ	
16	3921L	636	15.00	20.00	0.86	R2.5	
17	3922L	283	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	2,627	28.90	-5.00	4.47	SQ	17.50
29	3422M	1,927	29.30	-5.00	4.52	SQ	17.50
30	3430M	1,773	31.81	-5.00	2.56	SQ	17.50
31	3440M	11,147	29.17	-5.00	3.54	SQ	17.50
32	3450M	3,892	28.90	-5.00	2.66	SQ	17.50
33	3460M	1,944			5.00	SQ	
34	3501M						
35	3530M	605	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	260	65.00	-50.00	0.97	R1	
39	3601M	27	50.00		2.02	R5	
40	3611M	59	50.00		0.66	R3	
41	3620M	1,270	55.00	-10.00	1.63	R3	
42	3630M				2.10		
43	3640M	2,604	56.00	-60.00	2.24	R1	
44	3650M	2,898	58.00	-30.00	1.77	R0.5	
45	3660M	136	80.00	-75.00	2.27	R4	
46	3670M	3,771	55.00	-20.00	1.74	R4	
47	3680M	1,565	45.00	-20.00	2.25	L0	
48	3691M	1,451	45.00	-100.00	4.06	R1	
49	3692M	1,047	45.00	-25.00	2.61	R2.5	
50	3700M	794	43.00		1.21	S0.5	

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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	682	65.00		0.85	R4	
15	3911M				20.00	SQ	
16	3912M				10.00	SQ	
17	3913M	10			6.67	SQ	
18	3942M	90			4.00	SQ	
19	3970M	1,423			6.67	SQ	
20	3980M	32			6.67	SQ	
21	3920M						
22	3921M	613	15.00	20.00		R2.5	
23	3922M	341	8.00	5.00		L3	
24							
25							
26							
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28							
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**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				349,635
3	Maui Electric 2012 Test Year Rate C				
4					
5	Hawaii PUC Docket No. 2014-0318		101,705	101,705	
6	Maui Electric 2015 Test Year Rate C				
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45					
46	TOTAL		101,705	101,705	349,635

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**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			Line No.
CURRENTLY CHARGED TO			Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)	Deferred in Account 182.3 End of Year (l)	
Department (f)	Account No. (g)	Amount (h)					
							1
	928				246,801	102,834	2
							3
							4
	186720	101,705	101,705			101,705	5
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		101,705	101,705		246,801	204,539	46

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**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	B(1)	Research effort to EPRI
2	A(1)e	Sun Power for Schools
3	A(6)	Electric Vehicles
4	A(6)	Japan US Smart Grid MicroDMS
5	A(6)	Smart Grid
6	Total	
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**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)		
	216,800	Various	216,800		1
14,133	6,918	Various	21,052		2
59		Various	59		3
48,114		Various	48,114		4
2,059		Various	2,059		5
64,365	223,718		288,084		6
					7
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Name of Respondent MAUI ELECTRIC COMPANY, LIMITED		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/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	7,398,624			
4	Transmission	439,538			
5	Regional Market				
6	Distribution	2,074,245			
7	Customer Accounts	3,219,335			
8	Customer Service and Informational	607,147			
9	Sales				
10	Administrative and General	3,139,940			
11	TOTAL Operation (Enter Total of lines 3 thru 10)	16,878,829			
12	Maintenance				
13	Production	4,449,349			
14	Transmission	657,345			
15	Regional Market				
16	Distribution	1,716,133			
17	Administrative and General	18,887			
18	TOTAL Maintenance (Total of lines 13 thru 17)	6,841,714			
19	Total Operation and Maintenance				
20	Production (Enter Total of lines 3 and 13)	11,847,973			
21	Transmission (Enter Total of lines 4 and 14)	1,096,883			
22	Regional Market (Enter Total of Lines 5 and 15)				
23	Distribution (Enter Total of lines 6 and 16)	3,790,378			
24	Customer Accounts (Transcribe from line 7)	3,219,335			
25	Customer Service and Informational (Transcribe from line 8)	607,147			
26	Sales (Transcribe from line 9)				
27	Administrative and General (Enter Total of lines 10 and 17)	3,158,827			
28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	23,720,543		23,720,543	
29	Gas				
30	Operation				
31	Production-Manufactured Gas				
32	Production-Nat. Gas (Including Expl. and Dev.)				
33	Other Gas Supply				
34	Storage, LNG Terminating 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 Terminating and Processing				
47	Transmission				

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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 Terminating 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)	23,720,543		23,720,543	
66	Utility Plant				
67	Construction (By Utility Departments)				
68	Electric Plant	4,881,465		4,881,465	
69	Gas Plant				
70	Other (provide details in footnote):				
71	TOTAL Construction (Total of lines 68 thru 70)	4,881,465		4,881,465	
72	Plant Removal (By Utility Departments)				
73	Electric Plant	1,123,489		1,123,489	
74	Gas Plant				
75	Other (provide details in footnote):				
76	TOTAL Plant Removal (Total of lines 73 thru 75)	1,123,489		1,123,489	
77	Other Accounts (Specify, provide details in footnote):		5,094,037	5,094,037	
78					
79					
80					
81					
82					
83					
84					
85					
86					
87					
88					
89					
90					
91					
92					
93					
94					
95	TOTAL Other Accounts		5,094,037	5,094,037	
96	TOTAL SALARIES AND WAGES	29,725,497	5,094,037	34,819,534	

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q4
MAUI ELECTRIC COMPANY, LIMITED			
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 MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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### 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's monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.

NAME OF SYSTEM: MAUI

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	191	2	191						
2	February	191	11	191						
3	March	184	21	184						
4	Total for Quarter 1	566								
5	April	178	22	178						
6	May	182	22	182						
7	June	178	18	178						
8	Total for Quarter 2	538								
9	July	190	22	190						
10	August	194	21	194						
11	September	193	18	193						
12	Total for Quarter 3	577								
13	October	194	27	194						
14	November	195	19	195						
15	December	188	9	188						
16	Total for Quarter 4	577								
17	Total Year to Date/Year	2,258								

Name of Respondent MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**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's 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		5						
2	February	5		5						
3	March	4		4						
4	Total for Quarter 1	14								
5	April	5		5						
6	May	4		4						
7	June	5		5						
8	Total for Quarter 2	14								
9	July	5		5						
10	August	5		5						
11	September	5		5						
12	Total for Quarter 3	15								
13	October	5		5						
14	November	5		5						
15	December	5		5						
16	Total for Quarter 4	15								
17	Total Year to Date/Year	58								

Name of Respondent MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**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's 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 Sell (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		6						
2	February	6		6						
3	March	5		5						
4	Total for Quarter 1	17								
5	April	5		5						
6	May	5		5						
7	June	5		5						
8	Total for Quarter 2	15								
9	July	5		5						
10	August	5		5						
11	September	5		5						
12	Total for Quarter 3	15								
13	October	5		5						
14	November	5		5						
15	December	6		6						
16	Total for Quarter 4	16								
17	Total Year to Date/Year	63								

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Name of Respondent MAUI ELECTRIC COMPANY, LIMITED		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/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)	1,132,056
3	Steam	126,420	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)	2,040
7	Other	737,057	27	Total Energy Losses	62,361
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	1,196,457
9	Net Generation (Enter Total of lines 3 through 8)	863,477			
10	Purchases	332,980			
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)	1,196,457			

Name of Respondent MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**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-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instr. 4) (d)	Day of Month (e)	Hour (f)
29	January	97,952			0	
30	February	91,539			0	
31	March	97,085			0	
32	April	93,806			0	
33	May	100,337			0	
34	June	97,109			0	
35	July	105,594			0	
36	August	105,324			0	
37	September	103,693			0	
38	October	107,078			0	
39	November	98,427			0	
40	December	98,514			0	
41	TOTAL	1,196,458				

Name of Respondent MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**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 term 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)	29	159
7	Plant Hours Connected to Load	8760	8760
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	41	67
12	Net Generation, Exclusive of Plant Use - KWh	126419740	679425020
13	Cost of Plant: Land and Land Rights	123655	400533
14	Structures and Improvements	5050262	36458833
15	Equipment Costs	30322846	278738840
16	Asset Retirement Costs	0	0
17	Total Cost	35496763	315598206
18	Cost per KW of Installed Capacity (line 17/5) Including	1044.0224	1358.5803
19	Production Expenses: Oper, Supv, & Engr	472884	7882030
20	Fuel	29659684	148521598
21	Coolants and Water (Nuclear Plants Only)	0	0
22	Steam Expenses	2688775	554214
23	Steam From Other Sources	0	0
24	Steam Transferred (Cr)	0	0
25	Electric Expenses	1773147	866359
26	Misc Steam (or Nuclear) Power Expenses	557901	0
27	Rents	0	0
28	Allowances	0	0
29	Maintenance Supervision and Engineering	0	0
30	Maintenance of Structures	512962	953877
31	Maintenance of Boiler (or reactor) Plant	891782	1820973
32	Maintenance of Electric Plant	949655	5886801
33	Maintenance of Misc Steam (or Nuclear) Plant	404591	193
34	Total Production Expenses	37911381	166486045
35	Expenses per Net KWh	0.2999	0.2450
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	296638 0 0	1078781 0 0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	149705 0 0	139477 0 0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	97.630 0.000 0.000	136.600 0.000 0.000
41	Average Cost of Fuel per Unit Burned	99.990 0.000 0.000	137.680 0.000 0.000
42	Average Cost of Fuel Burned per Million BTU	15.900 0.000 0.000	23.500 0.000 0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.235 0.000 0.000	0.219 0.000 0.000
44	Average BTU per KWh Net Generation	14754.000 0.000 0.000	9301.000 0.000 0.000

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**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
0	0	0	6
0	0	0	7
0	0	0	8
0	0	0	9
0	0	0	10
0	0	0	11
0	0	0	12
0	0	0	13
0	0	0	14
0	0	0	15
0	0	0	16
0	0	0	17
0	0	0	18
0	0	0	19
0	0	0	20
0	0	0	21
0	0	0	22
0	0	0	23
0	0	0	24
0	0	0	25
0	0	0	26
0	0	0	27
0	0	0	28
0	0	0	29
0	0	0	30
0	0	0	31
0	0	0	32
0	0	0	33
0	0	0	34
0.0000	0.0000	0.0000	35
			36
			37
0	0	0	38
0	0	0	39
0.000	0.000	0.000	40
0.000	0.000	0.000	41
0.000	0.000	0.000	42
0.000	0.000	0.000	43
0.000	0.000	0.000	44



Name of Respondent MAUI ELECTRIC COMPANY, LIMITED	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q4
FOOTNOTE DATA			

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

Internal Combustion/Steam (Combined Cycle)

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Name of Respondent MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**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		32,360	908,728
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	5.0	20,205,879	20,520,398
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	5.5	31,830,172	24,614,622
32						
33						
34						
35						
36						
37						
38						
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44						
45						
46						

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**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
454,364	42,421	10,826	197,583	Diesel	385	5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
1,973,115	1,447,816	5,651,347	758,527	Diesel	2,584	17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
1,619,383	1,734,304	7,865,951	891,931	Diesel	2,412	31
						32
						33
						34
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						46

Name of Respondent MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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### 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 Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1			34.50	34.50	1	14.69		2
2			23.00	23.00	1	96.36		22
3			23.00	23.00	4	3.02		10
4			69.00	69.00	1	105.09		18
5			69.00	69.00	2	39.09		4
6			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 MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 1 / 1	Year/Period of Report End of 2014/Q4
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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
								9
								10
								11
								12
								13
								14
								15
								16
								17
								18
								19
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								35
								36

Name of Respondent MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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### SUBSTATIONS

- Report below the information called for concerning substations of the respondent as of the end of the year.
- Substations which serve only one industrial or street railway customer should not be listed below.
- 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.
- 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-Spare 12.5 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: MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**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) (l)	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 MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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### 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	Palaa	Transmission	34.00	12.40	15.94
25	Palaa-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	Pukalani-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	WCo 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	Waluu	Transmission	69.00	23.00	46.50
40	Walkapu	Transmission	23.00	12.47	4.69

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**SUBSTATIONS (Continued)**

5. Show in columns (i), (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 MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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### SUBSTATIONS

- Report below the information called for concerning substations of the respondent as of the end of the year.
- Substations which serve only one industrial or street railway customer should not be listed below.
- 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.
- 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 MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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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
	20					9
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Name of Respondent MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**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	<b>Non-power Goods or Services Provided by Affiliated</b>			
2	Services Received by MECO	Hawaiian Electric Company	234100	9,738,676
3	Services Received by MECO	Hawaiian Electric Industries	234400	781,203
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20	<b>Non-power Goods or Services Provided for Affiliate</b>			
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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q4
MAUI ELECTRIC COMPANY, LIMITED			
FOOTNOTE DATA			

**Schedule Page: 429 Line No.: 2 Column: d**

General Accounting	Account 923	5,711,667
Information Technology & Services	Account 903	1,929,509
Corporate Relations	Account 910	394,771
Treasury & Financial Services	Account 9302	328,716
Human Resources	Account 926	211,178
Legal Services	Account 184	83,507
Regulatory Non-Rate Proceeding	Account 1862	39,062
Customer Support and Improvement	Account 186	22,100
Customer Service	Account 901	1,044
Information Technology & Services	Account 925	87
Information Services & Development	Account 921	489,392
Training	Account 903	264,125
Information Services & Development	Account 184	116,544
Customer Service	Account 902	70,653
Information Services & Development	Account 586	39,742
Information Services & Development	Account 910	26,873
Information Services & Development	Account 163	4,416
Information Services & Development	Account 587	4,416
Information Services & Development	Account 926	875
<b>Total</b>		<b>9,738,676</b>

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

Management Fee	Account 923	711,979
Management Fee	Account 926	69,224
<b>Total</b>		<b>781,203</b>

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

May 27, 2015

Date

Percy H. Hanu

Signature of Officer

Assistant Treasurer

Title of Officer

Subscribed and sworn to before me as  
this 27th day of MAY, 19 2015

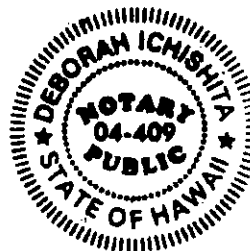
Deborah Ichishita

Notary Public

FIRST Judicial Circuit

State of Hawaii

My Commission expires July 18, 2016



Doc. Date: 5/27/15 # Pages: 107

Name: Deborah Ichishita First Circuit

Doc. Description: VERIFICATION FOR  
MAUI ELECTRIC ANNUAL REPORT

Deborah Ichishita 5/27/15  
Signature Date

NOTARY CERTIFICATION

