

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

FILED  
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PUBLIC UTILITIES  
COMMISSION

In the Matter of the Application of	)	
	)	
MAUI ELECTRIC COMPANY, LIMITED	)	Transmittal No. 16-03 (Decoupling)
	)	
For approval to modify the RBA Rate Adjustment	)	Effective
in Its Revenue Balancing Account Provision Tariff	)	Date: June 1, 2016
_____	)	

I

Maui Electric Company, Limited ("Maui Electric" or "Company") files this transmittal to revise paragraph E (Tariff Sheet Nos. 97D, 108D and 152D for Maui, Lānaʻi and Molokaʻi Divisions) of its Revenue Balancing Account ("RBA") Provision tariffs ("RBA Tariffs") to decrease the RBA Rate Adjustment by \$0.001905 from the current rate of \$0.015987 per kilowatt-hour ("kWh") to the new rate of \$0.014082 per kWh for all divisions, effective June 1, 2016 through May 31, 2017. The RBA Rate Adjustment is based on the Company's RBA balance at the end of 2015 and the Company's Rate Adjustment Mechanism ("RAM") Revenue Adjustment for calendar year 2016.

II

Maui Electric, whose principal place of business and administrative offices are located at 210 West Kamehameha Avenue, Kahului, Hawaiʻi, is a corporation duly organized under the laws of the Territory of Hawaiʻi on or about April 28, 1921, and now exists under and by virtue of the laws of the State of Hawaiʻi. Maui Electric is an operating public utility engaged in the

production, purchase, transmission, distribution and sale of electricity on the islands of Maui, Lānaʻi and Molokaʻi.

### III

Correspondence and communications in regard to this Transmittal No. 16-03 are to be addressed to:

Dean K. Matsuura  
Manager, Regulatory Rate Proceedings  
Hawaiian Electric Company, Inc.  
P. O. Box 2750  
Honolulu, Hawaiʻi 96840

### IV

Maui Electric seeks Commission authorization of this tariff transmittal pursuant to Sections 6-61-111, 6-61-74, 6-61-75, and 6-61-86 of the *Rules of Practice and Procedure before the Public Utilities Commission*, Hawaii Administrative Rules (“HAR”), Title 6, Chapter 61.

### V

Pursuant to HAR §6-61-76, Maui Electric incorporates by reference its latest available balance sheet and income statement for the twelve months ending February 29, 2016, filed with the Commission on March 30, 2016.

### VI

Beginning in 2013, Maui Electric filed tariff transmittals to annually establish an RBA Rate Adjustment, which the Commission subsequently approved.<sup>1</sup> On May 31, 2013, the

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<sup>1</sup> Refer to Transmittal Nos. 13-01, 13-04, 14-05, and 15-05 filed March 28, 2013, May 1, 2013, March 31, 2014, and March 31, 2015, respectively and approved in *Order No. 31287 Consolidating Proceedings and Approving Multiple Tariff Transmittals*, *Order No. 32112 Consolidating Proceedings and Approving Tariff Transmittals*, and *Order No. 32883 Consolidating Proceedings and Approving Amended Tariff Transmittals*. Prior to the first decoupling transmittal in 2013, the Company filed schedules and workpapers in support of the 2012 RBA Rate

Commission issued Order No. 31289 in Docket No. 2013-0141 to open an investigative docket to review whether the decoupling mechanisms are functioning as intended, are fair to the Companies<sup>2</sup> and their ratepayers, and are in the public interest, and named the Hawaiian Electric Companies and the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs (“Consumer Advocate”) to be parties in this proceeding.<sup>3</sup> The Commission later granted motions to intervene filed by the County of Hawai‘i, Hawaii Solar Energy Association, Blue Planet Foundation and Hawaii Renewable Energy Alliance. In Order No. 31484 (pages 4 and 16), the Commission stated that it would divide the issues in this docket into two categories, Schedule A and Schedule B, and address them pursuant to separate procedural schedules.

On February 7, 2014, the Commission issued Decision and Order No. 31908 on the Schedule A issues, which directed the modification of certain provisions of the decoupling mechanisms. These modifications included the following: 1) effective March 1, 2014, the Companies shall use the short term debt rate, as established in deriving the consolidated cost of capital in each of the Companies’ last full rate case, to compute interest on the outstanding RBA balance, and 2) the rate base RAM return on investment adjustment (“Rate Base RAM Adjustment”) shall be equal to the prior RAM period’s rate base RAM return on investment calculation plus 90 percent of the amount that the current RAM period’s rate base RAM return on investment calculation exceeds the prior RAM period’s rate base RAM return on investment

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Adjustment for informational purposes only. For information on past years’ filings as well as additional background information on decoupling, refer to the transmittals cited here.

<sup>2</sup> The “Companies” or “Hawaiian Electric Companies” are Hawaiian Electric, Hawai‘i Electric Light Company, Inc. (“Hawai‘i Electric Light”) and Maui Electric.

<sup>3</sup> See *Order No. 31289 Initiating Investigation*, issued May 31, 2013, in Docket No. 2013-0141.

calculation.<sup>4</sup> On February 28, 2014, the Companies filed amended tariffs implementing the provisions of the decision and order and on March 28, 2014, the Commission approved the Companies' amended tariff sheets in Order No. 32001 in Docket No. 2013-0141.

In Decision and Order No. 31908, the Commission also ordered the Companies to investigate the possibility that they may be able to defer payment of income taxes on the accrued amounts of decoupling revenue and make recommendations as to deferred tax treatment. On May 6, 2014, the Companies notified the Commission that they received approval from the Internal Revenue Service ("IRS") effective January 1, 2014 to change their accounting method from a book method of RBA revenue recognition to a recognition method based on when rates are adjusted for the RBA, and on May 19, 2014, provided information on how they will implement the change to reduce the amount of interest to be accrued.

On March 31, 2015, the Hawaiian Electric Companies filed their annual tariff transmittals to modify the RBA Rate Adjustment for the 2015 RAM period ("Decoupling Tariff Transmittals") in Transmittal Nos. 15-03, 15-04 and 15-05.

On March 31, 2015, the Commission issued Order No. 32735 in Docket No. 2013-0141, which directed the Companies to make certain modifications to their decoupling mechanism and apply these modifications to the Companies' 2015 decoupling filings and future decoupling filings going forward. Among other things, the Commission ordered the following:

- 1) The RBA shall be retained;
- 2) The RAM mechanism shall be modified to include a cap that shall be applied to the total annual RAM Revenue Adjustment. The cap shall limit

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<sup>4</sup> If the prior RAM period is a rate case test year, then the Rate Base RAM Adjustment shall be equal to 90 percent of the current RAM period's rate base RAM return on investment calculation.

the automatic component of RAM adjustment increases to an amount equal to or lower than the Gross Domestic Product Price Index ("GDPPI");

- 3) The 90% adjustment shall be removed in favor of the GDPPI cap;
- 4) The Commission will allow the Companies to apply for approval by the Commission, on a case by case basis, to recover revenues outside of and in addition to the capped RAM revenues.<sup>5</sup> The Companies and the Consumer Advocate shall develop criteria for the Commission's review for recovery of these costs (which may include consolidated or "programmatic" baseline expenditures) through the RAM or the Renewable Energy Infrastructure Program ("REIP") surcharge;<sup>6</sup>
- 5) The changes in items 1 through 4 above shall be made effective on an interim basis pending commission resolution of the proceedings concerning the Companies' Power Supply Improvement Plans in Docket No. 2014-0183; and
- 6) The Commission will not adopt Performance Based Ratemaking at this time.<sup>7</sup>

Among the modifications to the RAM, the Commission amended the RAM Revenue Adjustment to be the lesser of (a) the RAM Revenue Adjustment determined according to

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<sup>5</sup> The Commission remained "mindful of cautions expressed by the parties regarding the possible consequence of implementing caps or limits on RAM revenue recovery" and recognized the Companies' "need to finance necessary capital investments[.]" while sharing concerns expressed by the Companies that increasing the revenue requirement by inflation alone is unlikely to provide the Companies with sufficient revenue to invest as needed to meet Hawai'i's goals while also providing the Companies a fair opportunity to earn their cost of capital. Order No. 32735 at 85-87.

<sup>6</sup> On June 15, 2015, in Docket No. 2013-0141, 1) the Companies filed their proposed Hawaiian Electric Companies Standards and Guidelines for Eligibility of Projects for Cost Recovery through the RAM above the RAM Cap, and 2) the Companies and the Consumer Advocate filed their Joint Proposed Modified REIP Framework/Standards and Guidelines.

<sup>7</sup> Order No. 32735 at 5-7.

“existing” tariffs and procedures (“Original RAM Methodology”) or (b) a RAM Revenue Adjustment Cap (“RAM Cap”). The RAM Cap shall be based on the target revenues<sup>8</sup> determined in accordance with the RBA and RAM tariffs times the cumulative annually compounded increase(s) in GDPPI for intervening years, adjusted to include applicable revenue taxes.<sup>9</sup> The RAM Cap will apply to the entire RAM Revenue Adjustment including the Operation and Maintenance (“O&M”) RAM, Rate Base RAM (including major capital and baseline projects), and the Depreciation and Amortization RAM.<sup>10</sup>

On April 15, 2015, the Companies filed their amended Decoupling Tariff Transmittals to comply with the provisions of Order No. 32735, which included the calculation and application of the RAM Cap and other adjustments. On May 15, 2015, the Consumer Advocate filed its statement of position on the Decoupling Tariff Transmittals, recommending certain adjustments to the Companies’ proposals. On May 21, 2015, the Companies filed their response to the Consumer Advocate’s statement of position.

On May 28, 2015, the Commission issued Order No. 32866 in Transmittal Nos. 15-03, 15-04 and 15-05 (consolidated), which ruled on certain issues and provided certain directives regarding the application of Order No. 32735 on the Decoupling Tariff Transmittals. Order No. 32866 also suspended the Decoupling Tariff Transmittals to allow time for the Companies to revise their transmittals according to the directives of the order, and ordered the Companies to file revised transmittals with the Commission no later than June 3, 2015, with an effective date of June 8, 2015. On June 3, 2015, the Companies filed their final revised RBA Rate Adjustment

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<sup>8</sup> Order No. 32735 at 95-96.

<sup>9</sup> Order No. 32735 at 94.

<sup>10</sup> Order No. 32735 at 96.

tariffs, in accordance with Order No. 32866. On June 8, 2015, the Commission issued Order No. 32883, approving the transmittals filed on June 3, 2015, to be effective on June 8, 2015.

## VII

By this Transmittal, Maui Electric proposes to revise its decoupling RBA Rate Adjustment from the current rate of \$0.015987 per kWh to the new rate of \$0.014082 per kWh, effective June 1, 2016 through May 31, 2017.

The Company calculated its RBA Rate Adjustment according to its RBA and RAM tariff provisions<sup>11</sup> and the provisions of Order Nos. 32735 and 32866. The 2016 RBA Rate Adjustment includes the recovery of the RBA balance at year end 2015 and the calculated RAM revenue adjustment for calendar year 2016. Approximately 20% of the RBA Rate Adjustment includes the recovery of the RBA balance at year end 2015 and 80% corresponds to the 2016 RAM Revenue Adjustment. There are no adjustments to the RBA Rate Adjustment for Commission-ordered major capital project credits or baseline capital project credits. (Refer to Schedule A of Attachment 2 described in Section VIII of this tariff transmittal.) Based on the revised rate, a monthly bill for a Maui Electric residential customer using 500 kWh of electricity in Maui would decrease by \$0.95 and for a household using 400 kWh of electricity in Lānaʻi and Molokaʻi would decrease by \$0.76.<sup>12</sup>

The 2016 RBA Rate Adjustment will replace the 2015 RBA Rate Adjustment and, as more fully discussed below, reflects the RBA balance as of the end of 2015, and the RAM

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<sup>11</sup> Maui, Lānaʻi and Molokaʻi Divisions have similar RBA and RAM tariff provisions. Refer to: Revised Sheet Nos. 96, 96A – 96 H, 97 and 97A – 97D for Maui Division; Revised Sheet Nos. 107, 107A – 107H, 108 and 108A – 108D for Lānaʻi Division; and Revised Sheet Nos. 151, 151A – 151H, 152 and 152A – 152D for Molokaʻi Division.

<sup>12</sup> The monthly bill impact for a household using 500 kWh with the revised rate would be \$7.04 in Maui as compared to \$7.99, based on the current rate. The monthly bill for a household using 400 kWh with the revised rate would be \$5.63 on Lānaʻi and Molokaʻi as compared to \$6.39, based on the current rate.

Revenue Adjustment based on a RAM Cap. The following sections explain the amounts that make up the 2016 RBA Revenue Adjustment.

### RBA Balance

The RBA revenue balance results from the sales decoupling component of the Commission-approved decoupling mechanism, which breaks the linkage between the Company's sales and total electric revenue.<sup>13</sup> The approved RBA tariff allows Maui Electric to record revenues only at target revenue levels (i.e., those authorized in the 2012 test year rate case plus the effective RAM Revenue Adjustments, less any applicable earnings sharing and/or major or baseline capital project credits), independent of the level of sales experienced. The approved RBA tariff also requires interest to be recorded monthly to the RBA at the interest rate specified in accordance with Order No. 32001, dated March 28, 2014. As a result, effective March 1, 2014, the annual rate used to calculate interest on the RBA balance changed from 6% to 1.25%, which is the short term debt rate as established in computing the consolidated cost of capital in the Company's last full rate case. Additionally, based on Decision and Order No. 31908 and pursuant to IRS approval to change the tax treatment of its RBA revenues, effective January 1, 2014, the Company changed its basis for computing interest from a gross to a net-of-deferred income tax RBA balance.

The cumulative RBA balance at the end of 2015 was \$2.8 million, and consisted of revenues recorded in the RBA as a result of decoupling, net of the amounts recovered through the RBA Rate Adjustment, since the inception of decoupling at Maui Electric in 2012. This is a decrease of \$4 million from the RBA balance at the end of 2014 of \$6.8 million, and was the result of Hawaiian Electric recovering \$7.9 million of the RBA balance through the RBA Rate

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<sup>13</sup> Refer to page 101 of Decision and Order No. 30365, issued May 2, 2012, in Docket No. 2009-0163.



Adjustment and recording \$3.9 million in revenues<sup>14</sup> and interest for 2015. Therefore, the 2015 year-end balance of \$2.8 million represents the unrecovered cumulative RBA balance and additional amounts due to a shortfall in revenues<sup>15</sup> resulting from lower sales in 2015 and interest earned on the RBA balance. Because the revenues associated with the RBA balance have already been recorded, they have already been reflected in the Company's net income and will not contribute to the Company's earnings in 2016. The 2015 year-end RBA balance of \$2.8 million is grossed-up to \$3.1 million to include revenue taxes.

Maui Electric's 2015 recorded sales totaled 1,137.6 gigawatt-hours ("GWh"), which was 64.1 GWh, or 5.3% lower than the 1,201.8 GWh test year estimate (based on the March 2011 forecast) identified in the Maui Electric 2012 test year rate case. The actual sales in 2015 increased compared to 2013 and 2014 sales but declined compared to 2012 actual sales.<sup>16</sup>

The residential and commercial sectors both experienced lower sales in 2015 compared with 2012 test year levels, with the larger shortfall of 11.0% in the residential sector where customers decreased their average monthly usage by 12.9%, as compared to the commercial sales shortfall of 2.2% (see Table 1 below).

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<sup>14</sup> The amount represents the difference between target revenues and recorded adjusted revenues for 2015.

<sup>15</sup> That is, "recorded adjusted revenue" as defined in the RBA Tariff.

<sup>16</sup> The actual sales for 2012 totaled 1,144.8 GWh, a difference of 56.9 GWh, or -4.7%, from the test year estimate. If the 2012 test year sales estimate had been lower (e.g., closer to actual sales for 2012), then the current RBA balance would have been lower, but the effective per kWh interim surcharge and final base rates resulting from the rate case would have been higher.

Table 1  
Comparison of TY2012 to actuals

	TY2012	2012	2013	2014	2015	Diff Btw 2015 and TY2012	% Diff
<b>Residential Sector</b>							
Sales (GWh)	428.3	395.3	387.9	382.0	381.2	(47.1)	-11.0%
Customers	58,767	58,610	59,191	59,610	60,019	1,252.0	2.1%
Average Monthly Use (kWh/Customer)	607	562	546	534	529	(78.0)	-12.9%
Renewable Generation GWh Impacts (NEM/SIA/FIT) <sup>1</sup>	7.2	17.1	34.8	46.3	64.7	57.4	792.6%
Energy Efficiency Impacts (GWh) <sup>2</sup>	25.0	36.8	43.4	49.3		24.3	97.0%
Electricity Nominal Price ¢/kWh <sup>3</sup>	35.0	38.7	37.9	37.8	31.0	(4.0)	-11.3%
<b>Commercial Sector</b>							
Sales (GWh)	773.5	749.5	747.0	750.1	756.5	(17.0)	-2.2%
Customers	9,988	9,950	10,094	10,194	10,264	276.0	2.8%
Renewable Generation GWh Impacts (NEM/SIA/FIT) <sup>1</sup>	8.5	10.6	21.9	27.9	36.9	28.4	335.2%
Energy Efficiency Impacts (GWh) <sup>2</sup>	57.6	63.9	69.0	73.7		16.1	28.0%
Electricity Nominal Price ¢/kWh <sup>3</sup>	33.0	37.4	36.2	36.1	29.0	(3.9)	-11.9%

<sup>1</sup> 2012 impacts are cumulative and assumes a 17% capacity factor for PV systems. 2014 impacts are cumulative and assumes monthly capacity factors averaging 19.7% for the year. 2013 impacts are cumulative and assumes monthly capacity factors averaging 18.0% for the year.

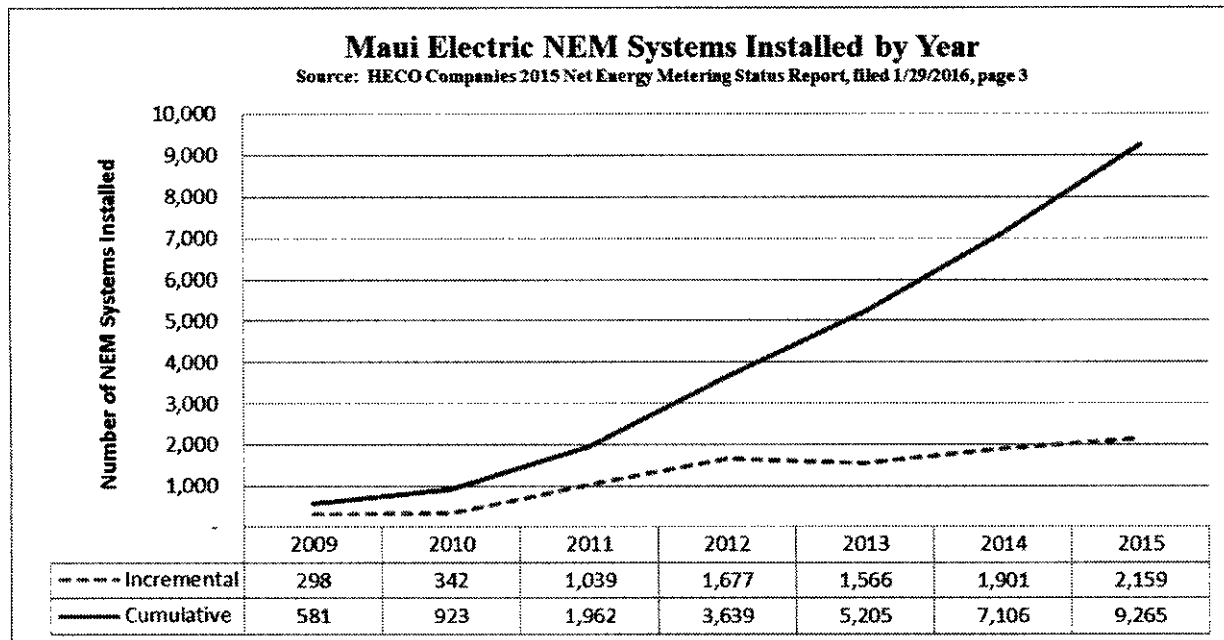
<sup>2</sup> Actuals include impacts provided by Hawaii Energy and are subject to change.

Complete calendar year 2015 data was not available at time of this filing and therefore calendar year 2014 was used in the comparison to TY2012.

<sup>3</sup> Maui Only - excludes Schedule F

Several factors contributed to the lower than forecasted sales in 2015. First, significantly higher penetration of customer-sited renewable generation systems installed under Net Energy Metering (“NEM”), Standard Interconnection Agreements (“SIA”) and Feed-In-Tariffs (“FIT”) had a significant impact on sales. The cumulative 2015 impacts of systems installed under NEM, SIA, and FIT<sup>17</sup> were higher than the 2012 test year assumed impacts by 792.6% for the residential sector and 335.2% for the commercial sector. As shown in the 2015 Net Energy Metering Status Report filed January 29, 2016, page 3, the cumulative number of NEM installed systems on Maui Electric’s grid jumped from 581 in 2009 to 9,265 in 2015, a 1,495% increase over six years. Refer to the graph below for the number NEM systems installed by year.

<sup>17</sup> The impacts to sales under FIT are associated with the output from the system that offsets a customer’s load as opposed to what is sold to the Company.



Second, the actual impact to sales from the installation of energy efficient technologies was also greater than the 2012 rate case forecast. Forecasted impacts were consistent with those filed in the Integrated Resource Planning (“IRP”) proceeding, Docket No. 04-0077, as more updated demand side management (“DSM”) forecast was not available at that time. From 2012 through 2015, the Public Benefits Fund Administrator achieved greater kWh reduction impacts than what was assumed in the test year.

The decline in sales in 2015 was partially offset by the effects of warmer and more humid weather compounded by lower electricity prices driven by lower fuel oil prices and new construction projects.

In summary, declining sales in 2015 created a shortfall in electric sales revenue and the recovery of the Company’s fixed costs for the provision of electric service to its customers. This shortfall was offset by 2015 recoveries through the RBA Rate Adjustment, which lowered the balance in the RBA to \$2.8 million at the end of 2015.

### RAM Revenue Adjustment

Order No. 32735 states that the RAM Revenue Adjustment will be the lesser of (a) the RAM Revenue Adjustment calculated according to the existing tariffs and procedures at the time of the issuance of the order (“Original RAM Methodology”) or (b) a RAM Cap. For the 2016 decoupling annual filing, the Company calculated the RAM Revenue Adjustment to be higher using the Original RAM Methodology, thereby triggering the use of the RAM Cap for the 2016 RAM Revenue Adjustment. See Schedule A1 and the summary table below.

	<u>RAM Cap<sup>18</sup></u>	<u>Original RAM Methodology<sup>19</sup></u>
2016 RAM Revenue Adjustment	\$12.6 million	\$13.2 million

The sections below further explain the calculations of both RAM Revenue Adjustment methodologies.

#### **RAM Revenue Adjustment Cap**

Order No. 32735 at 95-96, explains that the RAM Cap will be based on the 2014 adjusted target revenues multiplied by the cumulative annually compounded increases in the GDPPI for intervening years, adjusted to include applicable revenue taxes. As shown in Schedule J in Attachment 2, the adjusted 2014 Target Revenues is \$143.9 million. This amount is then added to the adjusted 2015 RAM Cap increase/ (decrease). The adjusted 2015 RAM Cap increase/

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<sup>18</sup> 2016 RAM Cap \$12,555,998 is calculated as 2016 RAM Cap (\$12,145,249) + Exceptional And Other Matters (\$410,749). See Schedule A1.

<sup>19</sup> 2016 RAM Under Existing Tariffs \$13,170,133 calculated as: O&M RAM (\$3,757,042) + Rate Base RAM-Return on Investment (\$6,130,458) + Depreciation and Amortization Expense (\$4,020,904) less Adjustment for Change in On-cost Clearing Allocation (-\$738,272). See Schedule A1. Order No. 32866, paragraph 18 required the Company to adjust its 2015 RAM Revenue Adjustment to reflect the O&M expense reduction impact associated with the change in on-cost clearing allocation identified by the Company in its response to CA-IR-1(b). The RAM calculation for 2015 included an adjustment based on the actual 2014 O&M impact due to the change in on-cost clearing allocation. Therefore, in calculating the 2016 RAM revenue adjustment under the Original RAM Methodology, the adjustment has been updated to reflect the actual 2015 O&M impact of the change in on-cost clearing allocation. See HECO-WP-A1-001.

(decrease) is calculated beginning with the 2015 RAM Cap increase of \$1.6 million, as shown in Schedule J in the Company's 2015 revised decoupling filing<sup>20</sup>, less the following adjustments specified in Order No. 32866<sup>21</sup>: 1) 2015 Depreciation and Amortization in excess of Actual (\$0.3 million) and 2) an adjustment for change in on-cost clearing allocation (\$1.3 million). The total resulted in a 2015 RAM Cap decrease of \$38,000. This amount added to the adjusted 2014 target revenues is equal to the 2015 target revenue amount, subject to escalation, of \$143.9 million. The 2015 target revenues are subsequently escalated by the 2016 GDPPI of 1.5% to calculate the incremental 2016 RAM Cap increase of \$2.2 million.

The incremental 2016 RAM Cap increase of \$2.2 million is then added to the adjusted 2015 RAM Cap of \$10.0 million<sup>22</sup> to calculate the 2016 RAM Cap total of \$12.1 million. \$0.4 million in "Exceptional and Other Matters" reflecting the RAM calculation for the Customer Information System ("CIS") deferred project cost is then added to the \$12.1 million to arrive at a Total 2016 RAM Revenue Adjustment Cap of \$12.6 million.

#### **RAM Revenue Adjustment- Original RAM Methodology**

The RAM Revenue Adjustment determined under the Original RAM Methodology totaled \$13.2 million. Below is a description of the three components: 1) O&M RAM, 2) Rate Base RAM, and 3) Depreciation and Amortization RAM Expense. Because the total of the three components is higher than the 2016 RAM Cap shown above, the RAM Cap is applied for the 2016 RAM Revenue Adjustment.

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<sup>20</sup> See Transmittal No. 15-05, Final Revised RBA Rate Adjustment, Attachment 3, Schedule J, filed on June 3, 2015.

<sup>21</sup> Order No. 32866, filed on May 28, 2015, regarding Transmittal Nos. 15-03, 15-04, 15-05.

<sup>22</sup> The adjusted 2015 RAM Cap is calculated as the 2015 RAM Cap of \$11.6 million, as shown in Schedule J of the 2015 revised decoupling filing, less an adjustment for change in on-cost clearing allocation (\$1.3 million) and an adjustment for 2014 Depreciation and Amortization in Excess of Actual (\$0.3 million). See Schedule J in Attachment 2 of this filing for details regarding the above calculations.

### O&M RAM Adjustment

The 2016 O&M RAM adjustment is \$3.8 million, an increase of \$1.0 million from last year's O&M RAM adjustment as calculated under the Original RAM Methodology. It includes the adjustments to the Commission-approved 2012 test year rate case labor (bargaining unit only) and certain non-labor costs. As specified in the Rate Adjustment Mechanism Provision tariff, these adjustments, covering the escalation in costs for 2013 through 2016, are based on bargaining unit wage increases as provided for in the current Collective Bargaining Agreement<sup>23</sup> with labor productivity offsets, plus applicable payroll taxes, and the GDPPI to escalate certain non-labor base expenses. (Refer to Attachment 2, Schedule C of this tariff transmittal.) The 2016 O&M RAM adjustment amount is higher than in 2015 because it covers four years of inflation and wage increases compared to the 2015 filing, which covered those increases for three years.

Non-bargaining unit labor is not subject to escalation in the RAM. Further, the non-labor cost escalation rate does not apply to any fuel, purchased power, IRP/DSM, pension, Other Post-Employment Benefits ("OPEB"), Clean Energy/ Renewable Energy Infrastructure or any costs that are subject to recovery through separate rate tracking mechanisms.

### Rate Base RAM and Depreciation and Amortization RAM

The rate base RAM return on investment adjustment ("Rate Base RAM Adjustment") is \$6.1 million, and the depreciation and amortization RAM expense is \$4.0 million, as calculated under the Original RAM Methodology.

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<sup>23</sup> The current Collective Bargaining Agreement was ratified by the IBEW, Local 1260 on November 1, 2012 and reflects a 3.00% increase effective January 1, 2015, and a 3.25% increase effective January 1, 2016 based on January 1, 2013 wage rates.

The \$6.1 million Rate Base RAM Adjustment estimated for the rate base RAM covers the return for the following investments:

- \$33.3 million in plant investments that went into service in 2015<sup>24</sup> and are currently serving customers; these included the following:
  - \$18.5 million for grid modernization and technology platform improvements to provide the foundation needed to safely and reliably integrate higher levels of variable renewable energy. Investments in this category included proactive replacement of aging plant, including the replacement of substation transformers, obsolete 69 kV circuit breakers, relays, reclosers, overhead transformers, line reconductoring and underground cables and pole;
  - \$9.2 million for investments to improve our quality customer experience and innovative energy solutions. Investments in this category included costs to install new customer service or extend existing service;
  - \$4.6 million of investments contributing to Company efforts towards a cost-effective, clean energy portfolio. Investments in this category consisted of replacement of existing combustion turbine equipment, station battery charger, and boiler pumps. Work in this category also included the upgrade of Lāna‘i Caterpillar generating unit controls to a digital system.
  - \$0.9 million of foundational investments to address safety needs and employee capabilities. Included in this category are fire system upgrades and work to remediate damages to utility property by the public.

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<sup>24</sup> *Exemption From and Modification of General Order No. 7, Paragraph 2.3(g), Relating to Capital Improvements, Capital Projects Completed in 2015* (“2015 G.O. 7 Report”), Attachment 3, page 1 in Docket No. 03-0257, dated March 29, 2016.

- \$49.6 million in plant investments that went into service in 2014 and are currently serving customers.
- \$58.0 million in plant investments that went into service in 2013 and are currently serving customers.
- \$48.3 million in plant investments that went into service in 2012 and are currently serving customers.<sup>25</sup>
- \$43.2 million in 2016 baseline additions calculated as the five-year average of baseline plant additions for 2011 through 2015, and included in the 2016 rate base RAM on a simple average RAM year basis (i.e., one-half of the \$43.2 million, or \$21.6 million).

These plant additions, which increase the rate base RAM, are partially offset by increases in accumulated depreciation, contributions in aid of construction (“CIAC”) and accumulated deferred income taxes (“ADIT”). The increase in CIAC reflects the actual CIAC as of December 31, 2015, plus a five-year average of the baseline CIAC, less amortization of CIAC for 2016. (There are no major project additions in 2016.) The ADIT continued to increase primarily as a result of accelerated tax deductions taken for bonus depreciation resulting from the Protecting Americans from Tax Hikes (“PATH”) Act of 2015. The ADIT adjusted recorded balance at December 31, 2015 incorporates the agreement<sup>26</sup> between the Consumer Advocate and the Company to adjust rate base by an amount equivalent to the ADIT related to the tax loss carryforward in rate base. As a result, the December 2015 rate base has been decreased by \$10.0 million, thus decreasing the average rate base and its related rate base RAM return on investment.

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<sup>25</sup> The 2012 Rate Case included one-half of the 2012 test year estimate for 2012 plant additions. The 2013, 2014, 2015, and 2016 rate base RAMs include return on the full year actual 2012 plant additions.

<sup>26</sup> Transmittal No. 13-01 (Decoupling), Maui Electric Company, Limited – Parties’ Letter Agreement filed on May 14, 2013, pages 2-3.



The Depreciation and Amortization RAM adjustment of \$4.0 million reflects a corresponding increase to depreciation and amortization expense above amounts in current revenue due to the net plant additions in 2012, 2013, 2014, and 2015 and the inclusion of CIS deferred project costs amortization.

#### RBA Revenue Adjustment

In total, Maui Electric's 2016 RBA Revenue Adjustment is \$15.7 million – \$3.1 million for the RBA balance for year-end 2015 and \$12.6 million in RAM revenue adjustment for 2016.

### VIII

In Attachment 1 of this tariff transmittal, the Company submits its proposed RBA tariff revision reflecting Maui Electric's RBA Rate Adjustment rate in Section E of Sheet Nos. 97D (Maui Division), 108D (Lānaʻi Division) and 152D (Molokaʻi Division). Attachment 1A provides the tariff sheet for the RBA tariff in blackline version.

Attachment 2 provides the calculation of the RBA Rate Adjustment in the following schedules, along with supporting workpapers:

Schedule A – Determination of 2016 RBA Rate Adjustment (Summary)

Schedule A1 – Determination of Total RAM Revenue Adjustment Allowed

Schedule B – Summary of Accumulated Revenue Balancing Account

Schedule B1 - Determination of Target Revenues

Schedule B2 – Determination of Recorded Adjusted Revenues

Schedule C – Determination of O&M RAM Adjustment

Schedule C1 – Summary of Operations and Maintenance Labor and Non-Labor Expense

Schedule C2 – Non-Labor Exclusion Adjustment for O&M RAM

Schedule D – Determination of Rate Base RAM Adjustment – Return on Investment

Schedule D1 – Determination of Rate Base RAM Adjustment – Change in Rate Base

Schedule D2 – Determination of Baseline Capital Projects Additions

Schedule D3 – Determination of Major Capital Project Additions

Schedule D4 – Determination of Adjusted Recorded Deferred Income Taxes

Schedule E – Determination of Depreciation and Amortization RAM Adjustment

Schedule F – Determination of Change in Deferred Income Taxes

Schedule F1 – Determination of Tax Depreciation

Schedule F2 – Tax Depreciation on Major Capital Projects Additions

Schedule G – CIAC Summary

Schedule G1 – Baseline Capital Projects CIAC Additions

Schedule G2 – Major Capital Project CIAC Additions

Schedule G3 – CIAC Amortization

Schedule H – Earnings Sharing Calculations<sup>27</sup>

Schedule I – PUC-Ordered Adjustments

Schedule J – Determination of RAM Cap

Schedule K - Exceptional & Other Matters

Schedule K1 – Exceptional & Other Matters- CIS

The Hawaiian Electric Companies and the Consumer Advocate jointly developed the format of the schedules in Attachment 2, which the Companies have used for their annual RBA Rate Adjustment submissions since 2012.

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<sup>27</sup> The Company has provided its calculated ratemaking return on equity for year 2015 in Schedule H of this tariff transmittal as required by the Commission in its *Final Decision and Order* in the decoupling proceeding (Docket No. 2008-0274) on August 31, 2010.

WHEREFORE, Maui Electric, consistent with the advance notice required by law, hereby respectfully requests that its proposed revisions to the Revenue Balancing Account Provision tariff be allowed to become effective on June 1, 2016.

DATED: Honolulu, Hawai'i, March 31, 2016.

MAUI ELECTRIC COMPANY, LIMITED

By: 

\_\_\_\_\_  
Joseph P. Viola  
Vice President

## ATTACHMENT 1

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (Continued)

Maui, Lanai, and Molokai Divisions

The RBA Rate Adjustment shall remain unchanged during the recovery period unless further modification is required by order or approval of the Commission, except as specifically provided above.

RBA Rate Adjustment

All Rate Schedules ..... 1.4082 ¢/kWh

F. NOTICE

Notice of the annual Revenue Balancing Account Rate Adjustment filing shall be provided to all affected customers of the Utility in accordance with the provisions of this section by publication in newspapers of general circulation within 14 days and by including notification with its billing statements within 60 days after the Company makes its annual filing pursuant to this tariff. The notice to customers shall include the following information:

- a) A description of the proposed revision of revenues, Earnings Sharing Credits, and Major or Baseline Capital Projects Credits;
- b) The effect on the rates applicable to each customer class and on the typical bill for residential customers; and
- c) The Company's address, telephone number and website where information concerning the proposed Revenue Balancing Account Rate Adjustment may be obtained.

G. SETTLEMENT AGREEMENT

This section recognizes that provisions of the *Stipulated Settlement Agreement between the Hawaiian Electric Companies and the Division of Consumer Advocacy regarding Certain Regulatory Matters*, filed in Docket No. 2008-0083, which the Commission approved in Order No. 31126, issued on March 19, 2013 apply to the RBA Provision where appropriate.

H: COMMISSION'S AUTHORITY

The Commission may suspend any or all parts of this Revenue Balancing Account Provision. Such suspension shall remain in place until removed by Commission Order.

MAUI ELECTRIC COMPANY, INC.

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (Continued)

Maui, Lanai, and Molokai Divisions

The RBA Rate Adjustment shall remain unchanged during the recovery period unless further modification is required by order or approval of the Commission, except as specifically provided above.

RBA Rate Adjustment

All Rate Schedules ..... 1.4082 ¢/kWh

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MAUI ELECTRIC COMPANY, INC.

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (Continued)

Maui, Lanai, and Molokai Divisions

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RBA Rate Adjustment

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MAUI ELECTRIC COMPANY, INC.

## ATTACHMENT 1A



Superseding Sheet No. 97D  
Effective ~~June 1, 2015~~ June 8, 2015  
~~2016 June 8, 2015~~

REVISED SHEET No. 97D  
Effective June 1,

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (Continued)

Maui, Lanai, and Molokai Divisions

The RBA Rate Adjustment shall remain unchanged during the recovery period unless further modification is required by order or approval of the Commission, except as specifically provided above.

RBA Rate Adjustment

All Rate Schedules ..... ~~1.5987~~ 4082 ¢/kWh

F. NOTICE

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The Commission may suspend any or all parts of this Revenue Balancing Account Provision. Such suspension shall remain in place until removed by Commission Order.

MAUI ELECTRIC COMPANY, INC.

Transmittal Letter dated ~~June 3, 2015~~ March 31, 2016.

Superseding Sheet No. 108D  
Effective ~~June 1, 2015~~ June 8, 2015  
~~2016 June 8, 2015~~

REVISED SHEET No. 108D  
Effective June 1,

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (Continued)

Maui, Lanai, and Molokai Divisions

The RBA Rate Adjustment shall remain unchanged during the recovery period unless further modification is required by order or approval of the Commission, except as specifically provided above.

RBA Rate Adjustment

All Rate Schedules ..... 1.5987-4082 ¢/kWh

F. NOTICE

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MAUI ELECTRIC COMPANY, INC.

Transmittal Letter dated ~~June 3, 2015~~ March 31, 2016.

Superseding Sheet No. 152D  
Effective ~~June 1, 2015~~ June 8, 2015  
~~2015~~ June 1, 2016

REVISED SHEET No. 152D  
Effective ~~June 8,~~

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (Continued)

Maui, Lanai, and Molokai Divisions

The RBA Rate Adjustment shall remain unchanged during the recovery period unless further modification is required by order or approval of the Commission, except as specifically provided above.

RBA Rate Adjustment

All Rate Schedules ..... 1.5987-4082 ¢/kWh

F. NOTICE

Notice of the annual Revenue Balancing Account Rate Adjustment filing shall be provided to all affected customers of the Utility in accordance with the provisions of this section by publication in newspapers of general circulation within 14 days and by including notification with its billing statements within 60 days after the Company makes its annual filing pursuant to this tariff. The notice to customers shall include the following information:

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H: COMMISSION'S AUTHORITY

The Commission may suspend any or all parts of this Revenue Balancing Account Provision. Such suspension shall remain in place until removed by Commission Order.

MAUI ELECTRIC COMPANY, INC.

Transmittal Letter dated ~~June 3, 2015~~ March 31, 2016.

## ATTESTATION

Tayne S. Y. Sekimura, is the Financial Vice President of Maui Electric Company, Limited, and says that she certifies that the attached Schedules supporting the proposed changes in customer rates pursuant to the Revenue Balancing Account ("RBA") Provision have been prepared in compliance with the Rate Adjustment Mechanism Provision and the RBA Provision, and prior Commission rate orders are true, correct and complete to the best of her knowledge and belief.



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Tayne S. Y. Sekimura

Attachment 2 – List of Schedules and Workpapers

Schedule A	MECO-WP-A-001
Schedule A1	MECO-WP-A1-001
Schedule B	MECO-WP-B-001
Schedule B1	MECO-WP-C-001
Schedule B2	MECO-WP-C-002
Schedule C	MECO-WP-C-003
Schedule C1	MECO-WP-D1-001
Schedule C2	MECO-WP-D1-002
Schedule D	MECO-WP-D4-001
Schedule D1	MECO-WP-D4-002
Schedule D2	MECO-WP-F-001
Schedule D3	MECO-WP-F1-001
Schedule D4	MECO-WP-F1-002
Schedule E	MECO-WP-H-001
Schedule F	MECO-WP-H-002
Schedule F1	MECO-WP-H-003
Schedule F2	MECO-WP-H-004
Schedule G	MECO-WP-H-005
Schedule G1	MECO-WP-H-006
Schedule G2	MECO-WP-H-007
Schedule G3	MECO-WP-K1-001
Schedule H	
Schedule I	
Schedule J	
Schedule K	
Schedule K1	

**MAUI ELECTRIC COMPANY, LIMITED**  
**DECOUPLING CALCULATION WORKBOOK**  
**DETERMINATION OF 2016 REVENUE BALANCING ACCOUNT RATE ADJUSTMENT**

Line No.	Description (a)	Reference (b)	Amount (c)	Rate Amount (d)
<u>RECONCILIATION OF RBA BALANCE:</u>				
1	RBA Prior calendar year-end balance	Schedule B	\$ 2,832,977	
2	Revenue Tax Factor	Schedule C	1.0975	
3	Revenue for RBA Balance			\$ 3,109,193
<u>RATE ADJUSTMENT MECHANISM "RAM" AMOUNT:</u>				
4	Total RAM Revenue Adjustment Allowed (Note 2)	Schedule A1		\$ 12,555,998
5	<u>EARNINGS SHARING REVENUE CREDITS - 2015 ROE:</u>	Schedule H		\$ -
6	<u>PUC-ORDERED MAJOR OR BASELINE CAPITAL PROJECTS CREDITS:</u>	Schedule I		\$ -
7	TOTAL RBA REVENUE ADJUSTMENT	Sum Col. (d)		\$ 15,665,191
8	GWH SALES VOLUME ESTIMATE JUNE 2016 - MAY 2017	MECO-WP-A-001		1,112,449
9	RBA RATE ADJUSTMENT, RBA Balance - ¢ per kWh	Note (1)		<u>1.4082</u>
10	MONTHLY BILL IMPACT @ 600 KWH - Maui Division			<u>\$ 8.45</u>
	MONTHLY BILL IMPACT @ 500 KWH - Maui Division			<u>\$ 7.04</u>
11	MONTHLY BILL IMPACT @ 400 KWH - Molokai and Lanai Divisions			<u>\$ 5.63</u>

Note (1): 2016 RBA Rate Adjustment Breakdown

	Col. (d)	Rate Adjustment cents per kWh	Percentage Share
RBA Balance	\$ 3,109,193	0.27949080	19.8478%
RAM Amount	\$ 12,555,998	1.12868080	80.1522%
Earnings Sharing Revenue Credits	\$ -	0.00000000	0.0000%
Major or Baseline Capital Projects Credits	\$ -	0.00000000	0.0000%
	\$ 15,665,191	1.40817160	100.00%

Note (2): Total RAM Revenue Adjustment Allowed is the sum of the RAM Cap + Exceptional and Other Projects. See Order No. 32735, filed March 31, 2015, paragraph 107, pages 94-95, which states that the Total RAM Revenue Adjustment is to be comprised of the RAM Cap plus recovery of Exceptional And Other Matters.

**MAUI ELECTRIC COMPANY, LIMITED**  
**DECOUPLING CALCULATION WORKBOOK**  
**DETERMINATION OF TOTAL RAM REVENUE ADJUSTMENT ALLOWED**

Line No.	Description (a)	Reference (b)	Amount (c)
<b>RAM REVENUE ADJUSTMENT DETERMINED ACCORDING TO EXISTING TARIFFS AND PROCEDURES</b>			
1	O&M RAM	Schedule C	\$ 3,757,042
2	Rate Base RAM - Return on Investment	Schedule D	\$ 6,130,458
3	Depreciation & Amortization RAM Expense	Schedule E	\$ 4,020,904
4	Total RAM Revenue Adjustment		\$ 13,908,405
5	Less: Adjustment for Change in On-cost Clearing Allocation	Note 3	\$ (738,272)
6	Total Adjusted RAM Revenue Adjustment		<b>\$ 13,170,133</b>
<b>RAM REVENUE ADJUSTMENT CAP</b>			
7	RAM Cap for 2016 RAM Revenue Adjustment	Schedule J	\$ 12,145,249
8	Plus: Exceptional and Other Matters	Schedule K	410,749
9	2016 Cap - Total RAM Revenue Adjustment (Note 2)		<b>\$ 12,555,998</b>
10	<b>Total RAM Revenue Adjustment Allowed (Note 1)</b>	Lesser of Line 4 or Line 7	<b>\$ 12,555,998</b>

To Sch A

- Note 1 RAM Revenue Adjustment Allowed:  
See Order No. 32735, filed March 31, 2015, paragraph 106, page 94:  
"The RAM Revenue Adjustment to be applied to determine effective Target Revenues will be the lesser of (a) the RAM Revenue Adjustment determined according to existing tariffs and procedures or (b) a RAM Revenue Adjustment Cap ("RAM Cap) to be calculated as specified."
- Note 2 Total RAM Cap:  
See Order No. 32735, filed March 31, 2015, paragraph 110, page 96:  
"The RAM Cap will apply to the entire RAM Revenue Adjustment including the O&M RAM, Rate Base RAM (including Major Capital Projects and Baseline Projects), and the Depreciation and Amortization RAM."
- Note 3 Order No. 32866, paragraph 18 required the Company to adjust its 2015 RAM Revenue Adjustment to reflect the O&M expense reduction impact associated with the change in on-cost clearing allocation identified by the Company. The adjustment made to the 2015 RAM revenue adjustment was based on the 2014 O&M expense impact of the change in on-cost clearing allocation. In calculating the 2016 RAM Cap, prior year's adjustment was incorporated in 2015 target revenues that has been escalated to compute the 2016 RAM Cap (See Schedule J). In calculating the 2016 RAM revenue adjustment determined according to existing tariffs and procedures, the adjustment has been updated to reflect the 2015 O&M impact of the change in on-cost clearing allocation. See MECO-WP-A1-001 for the calculation.

**MAUI ELECTRIC COMPANY, LIMITED**  
**DECOUPLING CALCULATION WORKBOOK**  
**SUMMARY OF ACCUMULATED REVENUE BALANCING ACCOUNT**

Line No.	Month	Beginning Balance	Target Revenues	Recorded Adjusted Revenue	Variance to RBA	Adjustment for Prior Year RBA recovery	Adjustment	Tax-effected Balances Subject to Interest	Interest at 1.25%/year	Ending Balance
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Monthly RBA Balance and Activity (Monthly PUC Rpt., Pg. 9A)										
1	2014 December	\$ 7,148,266	\$ 10,557,429	\$ 10,185,837	\$ 371,592	\$ (734,758)	\$ -	\$ 4,255,947	\$ 4,433	\$ 6,789,533
2										
3	2015 January	\$ 6,789,533	\$ 10,765,201	\$ 9,939,745	\$ 825,456	\$ (725,533)	\$ -	\$ 4,178,247	\$ 4,352	\$ 6,893,808
4	February	\$ 6,893,808	\$ 9,544,539	\$ 9,434,237	\$ 110,302	\$ (675,641)	\$ -	\$ 4,038,745	\$ 4,207	\$ 6,332,676
5	March	\$ 6,332,676	\$ 10,752,215	\$ 10,198,183	\$ 554,032	\$ (714,676)	\$ -	\$ 3,819,563	\$ 3,979	\$ 6,176,011
6	April	\$ 6,176,011	\$ 10,232,785	\$ 10,180,422	\$ 52,363	\$ (728,434)	\$ -	\$ 3,566,419	\$ 3,715	\$ 5,503,655
7	May	\$ 5,503,655	\$ 10,882,073	\$ 10,207,877	\$ 674,196	\$ (715,196)	\$ -	\$ 3,349,659	\$ 3,489	\$ 5,466,144
8	June	\$ 5,466,144	\$ 10,993,823	\$ 10,237,283	\$ 756,540	\$ (463,870)	\$ -	\$ 3,428,663	\$ 3,572	\$ 5,762,385
9	July	\$ 5,762,385	\$ 11,643,338	\$ 11,423,249	\$ 220,089	\$ (663,323)	\$ -	\$ 3,384,855	\$ 3,526	\$ 5,322,677
10	August	\$ 5,322,677	\$ 11,812,879	\$ 11,708,274	\$ 104,605	\$ (681,384)	\$ -	\$ 3,075,447	\$ 3,204	\$ 4,749,102
11	September	\$ 4,749,102	\$ 10,947,692	\$ 11,065,359	\$ (117,667)	\$ (653,422)	\$ -	\$ 2,665,697	\$ 2,777	\$ 3,980,790
12	October	\$ 3,980,790	\$ 11,525,358	\$ 11,009,673	\$ 515,685	\$ (635,852)	\$ -	\$ 2,395,160	\$ 2,495	\$ 3,863,118
13	November	\$ 3,863,118	\$ 10,751,059	\$ 10,771,707	\$ (20,648)	\$ (618,469)	\$ -	\$ 2,164,761	\$ 2,255	\$ 3,226,256
14	December	\$ 3,226,256	\$ 10,671,531	\$ 10,471,833	\$ 199,698	\$ (594,904)	\$ -	\$ 1,850,204	\$ 1,927	\$ 2,832,977
15										
16										
17	2016 January	\$ -	\$ 10,882,147	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	February	\$ -	\$ 9,648,161	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	March	\$ -	\$ 10,869,039	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	April	\$ -	\$ 10,343,808	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	May	\$ -	\$ 11,000,128	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	June	\$ -	\$ 11,384,749	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	July	\$ -	\$ 11,866,360	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	August	\$ -	\$ 12,040,275	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	September	\$ -	\$ 11,157,321	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	October	\$ -	\$ 11,745,957	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	November	\$ -	\$ 10,956,650	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	December	\$ -	\$ 10,876,381	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Sources of Data:

Sch. B1

Sch. B2

Col (c) - (d)

Note (2)

Note (1)

Cols ((b)+(g)+  
((e)+(f))/2)/(l)

Cols (b)+(e)  
+(f)+(g)+(i)

Composite Federal & State Income Tax Rate 38.91% (k)  
Income Tax Factor ( 1 / 1-tax rate) 1.636929 (l)

Note (1): Adjustment Summary:

Month	Workpaper Reference	RBA True-up Adjustment Sch B2, Line 22	RBA Interest Adjustments	Total Adjustment	Adjustment Description
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Note (2):

Amounts represent recovery of prior years' RBA balance through the RBA rate adjustment effective June 1, 2014 for the period June 2014 through May 2015 and June 1, 2015 for the period June 2015 through May 2016. See WP-B-001.



MAUI ELECTRIC COMPANY, LIMITED  
DECOUPLING CALCULATION WORKBOOK  
DETERMINATION OF TARGET REVENUES

Line No	Description	Reference	D&O No. 31288 Docket No. 2011-0092 Amounts	D&O No. 31288 Docket No. 2011-0092 Amounts	D&O No. 31288 Docket No. 2011-0092 Amounts	D&O No. 31288 Docket No. 2011-0092 Amounts	D&O No. 31288 Docket No. 2011-0092 Amounts	D&O No. 31288 Docket No. 2011-0092 Amounts
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Last Rate Case Annual Electric Revenue at Approved Rate Levels	Note (1)	\$000s	\$ 416,810	\$ 416,810	\$ 416,810	\$ 416,810	\$ 416,810
2	Less Fuel Expense	Note (1)	\$000s	\$ (212,580)	\$ (212,580)	\$ (212,580)	\$ (212,580)	\$ (212,580)
3	Purchased Power Expense	Note (1)	\$000s	\$ (44,856)	\$ (44,856)	\$ (44,856)	\$ (44,856)	\$ (44,856)
4	Revenue Taxes on Line 1 (8.885% statutory rates)		\$000s	\$ (37,034)	\$ (37,034)	\$ (37,034)	\$ (37,034)	\$ (37,034)
5	Last Rate Order Target Annual Revenues	Sum Lines 1 thru 4	\$000s	\$ 122,340	\$ 122,340	\$ 122,340	\$ 122,340	\$ 122,340
6	Add Authorized RAM Revenues - Transmittal No. 14-05	Tariff Transmittal	\$000s	\$ 8,617	\$ 8,617	\$ -	\$ -	\$ -
7	Less Revenue Taxes on Line 6 at 8.885%		\$000s	\$ (766)	\$ (766)	\$ -	\$ -	\$ -
8	Net RAM Adjustment - Test Year +2	Lines 6+7	\$000s	\$ 7,851	\$ 7,851	\$ -	\$ -	\$ -
9	(Not Used)							
10	(Not Used)							
11	Authorized RAM Revenues - Transmittal No. 15-05	Tariff Transmittal	\$000s	\$ -	\$ -	\$ 10,122	\$ 10,122	\$ -
12	Less Revenue Taxes on Line 11 at 8.885%		\$000s	\$ -	\$ -	\$ (899)	\$ (899)	\$ -
13	Net RAM Adjustment - Test Year +3	Lines 11+12	\$000s	\$ -	\$ -	\$ 9,223	\$ 9,223	\$ -
14	Authorized RAM Revenues	Sch. A, line 4	\$000s	\$ -	\$ -	\$ -	\$ 12,556	\$ 12,556
15	Less Revenue Taxes on Line 14 at 8.885%		\$000s	\$ -	\$ -	\$ -	\$ (1,116)	\$ (1,116)
16	Net RAM Adjustment - Test Year +4	Lines 14+15	\$000s	\$ -	\$ -	\$ -	\$ 11,440	\$ 11,440
17	Less EARNINGS SHARING REVENUE CREDITS - 2013 ROE	Sch. H or Sch. A, Ln 5	\$000s	\$ (367)	\$ (367)	\$ (521)	\$ (521)	\$ -
18	Less Revenue Taxes on Line 17 at 8.885%		\$000s	\$ 33	\$ 33	\$ 46	\$ 46	\$ -
19	Net Earnings Sharing Revenue Credits from 2013	Lines 17 + 18	\$000s	\$ (334)	\$ (334)	\$ (474)	\$ (474)	\$ -
20	PUC-ORDERED MAJOR OR BASELINE CAPITAL CREDITS	Sch. I or Sch. A, Ln 6	\$000s	\$ -	\$ -	\$ -	\$ -	\$ -
21	Total Annual Target Revenues							
22	August 1, 2013 Annualized Revenues + Adj. 2013 RAM Revenues	Lines 5 + 8 + 19	\$000s	\$ 129,858	\$ 129,858			
23	June 1, 2014 Annualized Revenues + 2014 RAM Revenues	Lines 5 + 13 + 19	\$000s			\$ 131,089	\$ 131,089	
24	June 1, 2015 Annualized Revenues + 2015 RAM Revenues	Lines 5 + 16 + 19	\$000s				\$ 133,781	\$ 133,781
25	Distribution of Target Revenues by Month in Dollars	Note (2)	Note (3)	2014	2015	2015	2016	2016
26	January	8.29%	8.46%	-	\$10,765,201	-	\$10,862,147	\$11,090,431
27	February	7.35%	7.50%	-	\$9,544,539	-	\$9,648,161	\$9,832,891
28	March	8.28%	8.45%	-	\$10,752,215	-	\$10,869,039	\$11,077,053
29	April	7.88%	8.04%	-	\$10,232,785	-	\$10,343,808	\$10,541,929
30	May	8.36%	8.55%	-	\$10,882,073	-	\$11,000,128	\$11,210,833
31	June- effective date of RAM Change is June 8, 2015	8.51%	8.68%	\$11,050,888	-	\$10,993,823	\$11,384,749	
32	July	8.87%	9.05%	\$11,518,376	-	\$11,643,336	\$11,866,360	
33	August	9.00%	9.17%	\$11,687,191	-	\$11,812,879	\$12,040,275	
34	September	8.34%	8.51%	\$10,830,130	-	\$10,947,892	\$11,167,321	
35	October	8.78%	8.96%	\$11,401,504	-	\$11,525,358	\$11,745,957	
36	November	8.19%	8.36%	\$10,635,343	-	\$10,751,059	\$10,956,650	
37	December	8.13%	8.29%	\$10,557,429	-	\$10,671,531	\$10,876,381	
38	Total Distributed Target Revenues	100.00%	100.00%	\$77,680,861	\$52,176,813	\$78,345,680	\$52,743,283	\$80,027,693

Footnotes

- 1 Docket No. 2011-0092 Final amounts derived from MECO Revised Results of Operations, Exhibit 1A, Page 1, filed June 17, 2013  
2 RBA Tariff effective June 1, 2012 based on 2012 test year

Derivation of RAM and Earnings Sharing Revenue Allocation, for June 8, 2015 to May 31, 2016	Scale to total 100.00%
June is a partial month	
January	8.29%
February	7.35%
March	8.28%
April	7.88%
May	8.36%
June- effective date of RAM Change is June 8, 2015	8.52%
July	8.87%
August	9.00%
September	8.34%
October	8.78%
November	8.19%
December	8.13%
Total Distributed Target Revenues	98.01%

**MAUI ELECTRIC COMPANY, LIMITED**  
**DECOUPLING CALCULATION WORKBOOK**  
**DETERMINATION OF RECORDED ADJUSTED REVENUES**

Line No	Description	January 2015	February 2015	March 2015	April 2015	May 2015	June 2015	July 2015	August 2015	September 2015	October 2015	November 2015	December 2015
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
<b>BILLED REVENUES:</b>													
1	Current month's billed revenues (SAP014w)	34,753,697	30,249,011	26,315,227	27,322,043	26,221,187	29,155,044	32,858,259	31,905,765	33,451,148	28,854,722	27,279,659	27,177,796
2	Remove PPB revenues	(403,037)	(369,684)	(356,790)	(384,677)	(356,823)	(391,988)	(348,644)	(278,157)	(299,392)	(276,269)	(265,436)	(270,924)
3	Remove Solar Saver non-revenues	-	-	-	39,820	35,839	17	5	-	-	2	-	-
4	Other entries	(6,759)	(6,354)	-	-	-	(51,187)	51,187	-	-	-	-	-
5 =													
sum 1-4	<b>BILLED REVENUES</b>	<b>34,343,901</b>	<b>29,872,974</b>	<b>25,958,437</b>	<b>26,976,986</b>	<b>25,900,203</b>	<b>28,712,866</b>	<b>32,960,809</b>	<b>31,627,608</b>	<b>33,151,756</b>	<b>28,578,455</b>	<b>27,014,224</b>	<b>26,906,872</b>
<b>UNBILLED REVENUES</b>													
6	Current month's unbilled revenues (Unbilled Sales and Revenue Est)	15,598,644	12,988,406	12,985,220	12,812,861	14,168,462	14,407,406	14,743,831	16,861,562	14,568,346	13,499,094	13,015,282	11,905,544
7	Reverse prior month's unbilled revenues (Unbilled Sales and Revenue Est)	(17,679,049)	(15,596,844)	(12,988,406)	(12,985,220)	(12,812,861)	(14,168,462)	(14,407,406)	(14,743,831)	(16,861,562)	(14,568,346)	(13,499,094)	(13,015,282)
8 = 6+7	Unbilled revenues per Unbilled Sales and Revenue Estimate	(2,080,405)	(2,610,238)	(3,187)	(172,359)	1,355,601	238,944	336,425	2,117,731	(2,293,216)	(1,069,253)	(483,812)	(1,109,737)
9	Recovery of 12/31/13 RBA balance through RBA Rate Adjustment beginning 6/1/14	(796,283)	(741,525)	(784,367)	(799,467)	(784,938)	(509,104)	(728,006)	(747,829)	(717,140)	(697,857)	(678,779)	(652,915)
10	Recovery of 12/31/14 RBA balance through RBA Rate Adjustment beginning 6/1/15	-	-	-	-	-	(1,143,100)	(321,200)	(874,200)	(521,900)	(162,500)	512,600	(559,500)
11	Adjustment for ECAC accrual	(208,900)	(883,700)	167,400	438,000	(1,200)	(1,143,100)	(321,200)	(874,200)	(521,900)	(162,500)	512,600	(559,500)
12	Reversal of ECAC accrual	(226,402)	553,967	553,967	553,968	235,066	235,066	235,066	235,435	235,434	235,432	572,433	572,433
13	Adjustment for PPAC accrual	(46,676)	(56,375)	(38,458)	(42,110)	(41,588)	(48,417)	(63,450)	(102,974)	(115,850)	(58,848)	4,618	(30,964)
14	Reversal of PPAC accrual	75,140	79,860	79,860	79,860	46,836	46,836	46,837	44,079	44,039	44,037	94,091	94,091
15	Reclass Big Wind surcharge carrying costs	-	-	-	-	-	-	-	(63)	(122)	(116)	(110)	(105)
16	Reclass excess DSM revenues	(2,349)	894	1,248	4,375	4,404	7,896	6,107	5,123	5,968	5,769	6,305	4,480
17	ESM Refund Accrual	-	-	(16,938)	-	-	-	-	-	-	-	-	-
18	Reverse ESM Refund Previously Accrued	30,401	26,953	30,364	28,897	30,731	34,667	47,107	47,732	44,296	46,639	43,516	43,151
19	Other manual adjustments	-	-	-	-	-	-	-	-	-	-	-	-
20	RBA gross up for revenue taxes	80,494	10,756	54,026	5,106	65,744	73,773	21,462	10,200	(11,474)	50,287	(2,013)	19,473
21	Accrual of current month's RBA (PUC Monthly Financial Report pg. 9A)	825,456	110,302	554,032	52,363	674,196	756,540	220,089	104,605	(117,667)	515,885	(20,648)	199,698
22	Adjust prior period RBA balance	-	-	-	-	-	-	-	-	-	-	-	-
23	Adjust prior period RBA related revenue taxes	-	-	-	-	-	-	-	-	-	-	-	-
24 =													
sum 9-23	Miscellaneous unbilled accruals	(269,120)	(697,868)	621,134	320,990	229,250	(545,842)	(535,986)	(1,277,892)	(1,154,416)	(21,472)	532,012	(310,158)
25 = 8+24	<b>UNBILLED REVENUES</b>	<b>(2,349,525)</b>	<b>(3,308,106)</b>	<b>817,947</b>	<b>148,832</b>	<b>1,584,851</b>	<b>(306,898)</b>	<b>(199,561)</b>	<b>839,840</b>	<b>(3,447,832)</b>	<b>(1,090,724)</b>	<b>48,200</b>	<b>(1,419,895)</b>
26 = 5+25	<b>TOTAL REVENUES PER G/L (PUC Monthly Financial Report pg. 3)</b>	<b>31,994,376</b>	<b>26,564,868</b>	<b>26,576,384</b>	<b>27,125,818</b>	<b>27,485,053</b>	<b>28,405,968</b>	<b>32,361,246</b>	<b>32,467,448</b>	<b>29,704,124</b>	<b>28,487,730</b>	<b>27,062,424</b>	<b>25,486,977</b>
<b>Billed Adjustments to Determine Adjusted Revenues for RBA</b>													
27	Remove ECAC revenues	244,431	2,247,465	5,207,876	6,787,866	5,638,056	5,282,613	4,856,338	4,484,741	5,629,219	6,905,802	7,930,280	8,532,901
28	Remove PPAC revenues	(82,539)	(70,150)	(65,382)	(74,082)	(84,837)	(111,031)	(124,203)	(123,408)	(133,682)	(123,681)	(7,526)	99,056
29	Remove REIP revenues	-	-	-	-	-	-	-	(1,451)	(9,472)	(10,399)	(9,966)	(10,122)
30	Remove DSM/IRP/SS revenues	(2,793)	(2,619)	(2,524)	4,791	6,145	4,554	5,074	4,727	5,167	4,891	4,703	4,736
31	Remove revenue taxes of PPB revenues	(27,489)	(25,214)	(24,335)	(28,237)	(24,337)	(26,704)	(23,811)	(18,972)	(20,420)	(18,843)	(18,104)	(18,478)
32	Remove revenue taxes on billed revenues	(3,063,149)	(2,845,195)	(2,760,931)	(2,991,519)	(2,793,020)	(3,008,667)	(3,311,813)	(3,196,223)	(3,431,615)	(3,228,474)	(3,102,074)	(3,155,505)
33	Remove base fuel (adjusted for revenue taxes)	(16,842,579)	(15,526,381)	(14,974,683)	(16,286,083)	(15,109,722)	(16,576,941)	(18,233,434)	(17,561,314)	(19,006,770)	(17,797,501)	(17,035,894)	(17,325,229)
34	Remove power purchase energy (adjusted for revenue taxes)	(3,392,269)	(3,140,048)	(3,023,478)	(3,288,603)	(3,044,435)	(3,345,182)	(3,697,517)	(3,554,363)	(3,854,720)	(3,592,983)	(3,456,875)	(3,519,893)
35	Remove other billing adjustments (adjusted for revenue taxes)	-	-	-	-	-	-	6	13	-	6	-	6
<b>Unbilled Adjustments to Determine Adjusted Revenues for RBA</b>													
36	Remove ECAC revenues	468,632	1,368,246	1,734,153	(479,449)	(86,133)	(610,675)	(221,275)	360,360	434,337	733,826	570,022	(466,100)
37 = 11 + 12	Remove ECAC accrual	435,302	129,733	(741,367)	(991,966)	(233,866)	908,034	96,132	638,785	286,466	(72,932)	(1,085,033)	(12,933)
38	Remove PPAC revenues	1,806	8,993	(7,920)	2,836	(20,730)	255	(1,605)	(10,523)	8,470	(323)	106,235	(5,718)
39 = 13 + 14	Remove PPAC accrual	(28,464)	(24,485)	(41,402)	(37,750)	(5,248)	1,581	16,513	58,895	71,811	14,811	(98,709)	(63,127)
40	Remove REIP revenues	-	-	-	-	-	-	-	(3,880)	(1,066)	104	(48)	499
41	Remove Big Wind surcharge carrying costs	-	-	-	-	-	-	-	63	122	116	110	105
42	Remove DSM revenues	144	70	(141)	3,448	216	15	(64)	386	(298)	(45)	(1)	(302)
43	Remove excess DSM revenues	2,349	(894)	(1,248)	(4,375)	(4,404)	(7,896)	(6,107)	(5,123)	(5,968)	(5,769)	(6,305)	(4,480)
44 = 17 + 18	Remove ESM Refund Reversal	(30,401)	(26,953)	(13,426)	(28,897)	(30,731)	(34,667)	(47,107)	(47,732)	(44,296)	(46,639)	(43,516)	(43,151)
45	Other manual adjustments	-	-	-	-	-	-	-	-	-	-	-	-
46	Remove RBA accruals	(825,456)	(110,302)	(554,032)	(52,363)	(674,196)	(756,540)	(220,089)	(104,605)	117,667	(515,885)	20,648	(199,698)
47	Remove RBA gross up for revenue taxes	(80,494)	(10,756)	(54,026)	(5,106)	(65,744)	(73,773)	(21,462)	(10,200)	11,474	(50,287)	2,013	(19,473)
48	Remove prior month RBA adjustment	-	-	-	-	-	-	-	-	-	-	-	-
49	Remove revenue taxes on unbilled revenues	213,782	176,341	(63,389)	128,405	(41,228)	78,238	54,601	(152,491)	228,248	91,831	43,215	198,515
50	Remove base fuel (adjusted for revenue taxes)	808,353	599,495	(808,883)	329,237	(583,230)	97,581	(43,197)	(1,258,820)	888,833	198,827	(92,456)	806,931
51	Remove power purchase energy (adjusted for revenue taxes)	146,199	122,003	(163,082)	64,852	(119,733)	10,501	(5,077)	(258,049)	187,711	35,289	(11,838)	184,264
52 =													
sum 27-51	Total billed and unbilled adjustments to determine adjusted revenues for RBA	(22,054,631)	(17,130,631)	(16,378,201)	(16,945,195)	(17,277,176)	(18,168,705)	(20,937,998)	(20,759,174)	(18,638,766)	(17,478,058)	(16,290,717)	(15,015,144)
53 =	<b>RECORDED ADJUSTED REVENUES FOR RBA DETERMINATION</b>												
26 + 52	(PUC Monthly Financial Report pg. 9A.1)	<b>9,939,745</b>	<b>9,434,237</b>	<b>10,198,183</b>	<b>10,180,622</b>	<b>10,207,877</b>	<b>10,237,263</b>	<b>11,423,249</b>	<b>11,708,274</b>	<b>11,065,359</b>	<b>11,009,673</b>	<b>10,771,707</b>	<b>10,471,833</b>

NOTE: Totals may not add exactly due to rounding

**MAUI ELECTRIC COMPANY, LIMITED**  
**DECOUPLING CALCULATION WORKBOOK**  
**DETERMINATION OF O&M RAM ADJUSTMENT**  
**(\$ in Thousands)**

Line No.	Description	Reference	D&O No. 31288 Docket No. 2011-0092 Approved	Footnote 4 Previously Approved RAM	O&M Subject to Escalation Col (c) + (d)	Net Inflation Indices Footnote 2	2016 O&M RAM Adjustment Col (e) * (f)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Base BU Labor Expenses	Schedule C1	\$ 14,330		\$ 14,330	9.12%	\$ 1,306
2	Base Non-Labor Expense	Schedule C2	\$ 33,338		\$ 33,338	6.03%	\$ 2,011
3	Payroll Taxes	Footnote 1	\$ 1,167		\$ 1,167	9.12%	\$ 106
4	Subtotal Expense Increase - RAM Adjustment before revenue taxes						\$ 3,423
5	Revenue Tax Factor (Footnote 3)						1.0975
6	O&M RAM (Subtotal Expenses x Rev Tax Factor)						<u>\$ 3,757</u>
							To Schedule A1

\* Amounts may not add due to rounding

Footnotes:

(1) Payroll Taxes per D&O No. 31288, dated May 31, 2013 in  
Docket No. 2011-0092, Exhibit A, page 4

Less: Portion of payroll taxes related to non-BU labor<sup>A</sup> (36.86% \* 1,849)  
Payroll Taxes related to Bargaining Unit labor

\$ 1,849  
\$ (682)  
\$ 1,167

<sup>A</sup> See Schedule C1 for calculation of percentage related to non-BU labor.

(2) Escalation Rates

Labor:	2013	2014	2015	2016	
Bargaining Unit Wage Increase	2.88%	3.00%	2.91%	3.07%	(See MECO-WP-C-001)
Less: Labor Productivity Offset	0.76%	0.76%	0.76%	0.76%	Approved in Final D&O in Docket No. 2008-0274, page 51, filed on August 31, 2010
Labor Cost Escalation Rate	<u>2.12%</u>	<u>2.24%</u>	<u>2.15%</u>	<u>2.31%</u>	

2013 Labor Cost Escalation 1.0212 A (2013 labor escalation plus 1)  
2014 Labor Cost Escalation 1.0224 B (2014 labor escalation plus 1)  
2015 Labor Cost Escalation 1.0215 C (2015 labor escalation plus 1)  
2016 Labor Cost Escalation 1.0231 D (2016 labor escalation plus 1)  
2013-2016 Compounded Labor Cost Escalation 1.0912 E = A \* B \* C \* D  
2013-2016 Compounded Labor Cost % 0.0912 F = E - 1

Non-Labor: 2013 2014 2015 2016  
GDP Price Index 1.70% 1.60% 1.10% 1.50% (See MECO-WP-C-002)

2013 Non-Labor Cost Escalation 1.0170 G (2013 non-labor escalation plus 1)  
2014 Non-Labor Cost Escalation 1.0160 H (2014 non-labor escalation plus 1)  
2015 Non-Labor Cost Escalation 1.0110 I (2015 non-labor escalation plus 1)  
2016 Non-Labor Cost Escalation 1.0150 J (2016 non-labor escalation plus 1)  
2013-2016 Compounded Non-Labor Cost Escalation 1.0603 K = G \* H \* I \* J  
2016 Compounded Non-Labor Cost % 0.0603 L = K - 1

(3) Computation of Revenue Tax Factor

Public Service Tax Rate 0.05885  
PUC Fees Rate 0.00500  
Franchise Tax Rate 0.02500  
Total Revenue Tax Rate 0.08885

Revenue Tax Factor  
= 1 / (1 - Total Revenue Tax Rate) 1.0975

(4) Column D "Previously Approved RAM" is not used as the labor and non-labor escalation is accomplished through the use of a compounded escalation rate in column f, as shown in footnote 2.

**MAUI ELECTRIC COMPANY, LIMITED**  
**DECOUPLING CALCULATION WORKBOOK**  
**SUMMARY OF**  
**OPERATIONS AND MAINTENANCE LABOR AND NON-LABOR EXPENSE**  
D&O No. 31288 - Docket No. 2011-0092  
( '000)

	(a)	(b)	(c)	(d)	(e)	(f)
Line No.	DESCRIPTION	BU LABOR (Note 1)	Non-BU LABOR (Note 2)	TOTAL LABOR	NON-LABOR (Note 3)	TOTAL (Note 4)
1	Operation and Maintenance	14,330	8,366	22,696	38,682	61,378
2	Percentage of Total O&M Labor	63.14%	36.86%	100%		

\* amounts may not add due to rounding

Footnotes:

- (1) See Parties' Stipulated Settlement Letter, filed April, 20, 2012 in Docket No. 2011-0092, MECO T-11, Attachment 8, page 2. Only the breakdown of 2012 test year labor expense between BU and non-BU is required.
- (2)
 

8,496	Transmittal No. 13-01 (Decoupling), Schedule C1 (With Settlement)
	Exhibit 1C, Page 16, Item 45, of <i>MECO Revised Results of Operations, Tariff Sheets and Refund Plan</i> , filed on June 17, 2013, in Docket No. 2011-0092.
(130)	Adjustment is non-BU labor.
8,366	
- (3)
 

41,954	Transmittal No. 13-01 (Decoupling), Schedule C1 (With Settlement)
	Exhibit 1C, Page 21, Items 41-45, of <i>MECO Revised Results of Operations, Tariff Sheets and Refund Plan</i> , filed on June 17, 2013, in Docket No. 2011-0092.
(3,272)	Adjustment is non-labor.
38,682	
- (4) sum of columns (d) and (e)

**MAUI ELECTRIC COMPANY, LIMITED**  
**DECOUPLING CALCULATION WORKBOOK**  
**NON-LABOR EXCLUSION**  
**ADJUSTMENT FOR O&M RAM**  
(\$ thousands)

Line No	Description (a)	Amount (b)	Reference (c)
1	Pension Expense	7,123	Exhibit 3, Attachment 2, Page 2, Column B, Line 3, MECO T-12, Response to Final D&O, of MECO Revised Results of Operations, Tariff Sheets and Refund Plan, filed on June 17, 2013, in Docket No. 2011-0092.
2			
3			
4			
5	OPEB Expense	544	Exhibit 3, Attachment 2, Page 2, Column B, Line 8, MECO T-12, Response to Final D&O, of MECO Revised Results of Operations, Tariff Sheets and Refund Plan, filed on June 17, 2013, in Docket No. 2011-0092.
6			
7			
8			
8	Total before amounts transferred	7,667	
9			
10	O&M %	69.70%	See Interim Decision & Order No. 30396 page 24, Docket No. 2011-0092, dated May 21, 2012
11	(1- transfer rate of 30.3%)		
12			
13			
14	Adjustment to Non-Labor O&M Expense		
15	for O&M RAM base	5,344	
16			
17			
18	Non-Labor O&M Expense per Decision &	38,682	Schedule C1
19	Order No. 31288		
20			
21	Non-Labor O&M Expense Base for		
22	O&M RAM base	<u>33,338</u>	Schedule C

**MAUI ELECTRIC COMPANY, LIMITED**  
**DECOUPLING CALCULATION WORKBOOK**  
**DETERMINATION OF RATE BASE RAM ADJUSTMENT - RETURN ON INVESTMENT**

Line No.	Description (a)	AMOUNTS (\$ 000) (b)	PERCENT OF TOTAL (c)	COST RATE (d)	POST TAX WEIGHTED EARNINGS REQMTS (e)	INCOME TAX FACTOR Note (1) (f)	PRETAX WEIGHTED EARNINGS REQMTS (g)
1	<u>PUC APPROVED CAPITAL STRUCTURE &amp; COSTS (Note (2))</u>						
2	Short-Term Debt	\$ 5,003	1.23%	1.25%	0.02%	1.000000	0.02%
3	Long-Term Debt	156,370	38.44%	5.06%	1.95%	1.000000	1.95%
4	Hybrid Securities	9,373	2.30%	7.32%	0.17%	1.000000	0.17%
5	Preferred Stock	4,744	1.17%	8.25%	0.10%	1.6369291	0.16%
6	Common Equity	231,310	56.86%	9.00%	5.12%	1.6369291	8.38%
7	Total Capitalization	<u>\$ 406,800</u>	<u>100.00%</u>		<u>7.34%</u>		<u>10.66%</u>
8	RAM CHANGE IN RATE BASE \$000 (From Schedule D1)						\$ 52,399.3
9	PRETAX RATE OF RETURN (Line 7, Col g)						<u>10.66%</u>
10	PRETAX RETURN REQUIREMENT						\$ 5,585.8
11	REVENUE TAX FACTOR (1/(1-8.885%))						<u>1.0975</u>
12	RATE BASE RAM - RETURN ON INVESTMENT \$000						<u>\$ 6,130.5</u>
							To Schedule A1

\* Amounts may not add due to rounding.

Notes:

- (1) Composite Federal & State Income Tax Rate 38.91%  
Income Tax Factor ( 1 / 1-tax rate) 1.6369291
- (2) Decision & Order No. 31288, Docket No. 2011-0092, page 113, dated May 31, 2013.



**MAUI ELECTRIC COMPANY, LIMITED**  
**DECOUPLING CALCULATION WORKBOOK**  
**DETERMINATION OF RATE BASE RAM ADJUSTMENT - CHANGE IN RATE BASE**  
**(000's)**

Line No.	Description (a)	MECO 2012 Test Year Rate Base Note (2)		MECO 2016 RAM Rate Base		
		Beg. Balance 12/31/2011 (b)	Budgeted Balance 12/31/2012 (c)	Adjusted Recorded at 12/31/2015 (d)	RAM Projected Amounts (e)	Estimated at 12/31/2016 (f)
1	Net Cost of Plant in Service	\$ 465,783	\$ 493,298	\$ 587,610	See Detail Below	\$ 605,554
2	Property Held for Future Use	1,303	1,303	These Elements of Rate Base are Not Updated for  RAM Purposes		
3	Fuel Inventory	18,577	18,577			
4	Materials & Supplies Inventories	13,387	13,387			
5	Unamort Net SFAS 109 Reg Asset	8,405	8,642			
6	Pension Asset	3,453	4,377			
7	Unamort OPEB Reg Asset	344	261			
8	Unamort Sys Dev Costs	1,240	1,487			
9	Contrib in Excess of NPPC	3,101	8,400			
10	CIS Deferred Cost (see MECO-WP-D1-001)			2,195	(233)	1,962
11	not used			Not Updated		
12	Total Additions	\$ 515,593	\$ 549,732	\$ 642,927	\$ 17,710	\$ 660,637
13	Unamortized CIAC	\$ (74,766)	\$ (83,821)	\$ (91,062)	\$ (3,268)	\$ (94,329)
14	Customer Advances	(4,649)	(4,599)	Not Updated		
15	Customer Deposits	(4,346)	(4,812)			
16	Accumulated Def Income Taxes	(42,143)	(55,666)	(99,407)	(5,629)	(105,037)
17	Unamortized State ITC (Gross)	(12,150)	(12,752)	Not Updated		
18	Unearned Interest Income	-	-			
19	Unamortized Gain on Sale	-	-			
20	Total Deductions	\$ (138,054)	\$ (161,650)	\$ (212,123)	\$ (8,897)	\$ (221,020)
21	Working Cash (Note 3)	10,590	10,590	10,590	Not Updated	10,590
22	Rate Base at Proposed Rates	\$ 388,129	\$ 398,672	\$ 441,394		\$ 450,207
23	Average Rate Base		\$ 393,401			\$ 445,801
24	<b>Change in Rate Base</b>					<b>\$ 52,399</b>
						To Schedule D
25	<u>Column (e) Projected Changes to Rate Base:</u>		Reference	Amount		
26	Plant - Baseline Capital Project Additions		Schedule D2 Line 29	43,249		
27	Major CIP Project Additions		Schedule D3	-		
28	Accumulated Depreciation/Amortization Change		Schedule E Line 188	(25,306)		
29	Net Plant		Sum: Lines 26-28	17,943		
30	Accum. Def Income Taxes - Baseline and Major Capital Projects		Schedule F Line 13	(5,629)		
31	Projected CIAC Additions - Baseline		Schedule G1 Line 29	(5,262)		
32	Projected CIAC Additions - Major CIP		Schedule D3	-		
33	Less: Amortization of CIAC		Schedule G Line 9	1,994		
34	Total Change in CIAC in Rate Base		Sum: Lines 31-33	(3,268)		

\* Amounts may not add due to rounding

**Notes:**

(1) **Amounts are recorded, except for the following adjustments:**

	Plant in Service	Acc. Depr.	Schedule G CIAC Net	Schedule D4 ADIT
(A) Unadjusted Balance - recorded	\$ 1,079,138	\$ (465,803)	\$ (91,062)	\$ (99,407)
(A) Add: Asset Retirement Obligation		(256)		
(A) Reg Liab-Cost of Removal (net salvage)		(28,414)		
<u>Adjustment:</u>				
Lanai CHP** MECO-WP-D1-002, p.2	3,500	(554)	-	-
Total Adjustment	\$ 3,500	\$ (554)	\$ -	\$ -
Adjusted Balance	\$ 1,082,638	\$ (495,027)	\$ (91,062)	\$ (99,407)

\*\* **Lanai CHP:** As discussed in the Stipulated Settlement Letter in Docket No. 2009-0163, filed on 06/21/2010, MECO accepted the Consumer Advocate's recommendation that the ratemaking treatment for the Lanai CHP Agreement follow traditional utility plant asset accounting rather than direct financing lease treatment as required for public financial reporting. MECO agreed to permanently adjust the original cost of the CHP system to \$3.5 million.

- (A) Source: Maui Electric Company, Limited Monthly Financial Report - December 2015, filed February 23, 2016.
- (2) Column (b) & (c) from Docket No. 2011-0092, D&O No. 31288, Exhibit B, filed May 31, 2013.
- (3) Decision & Order No. 31288, p.94 (\$10,590k = \$10,672k less \$82k)

**MAUI ELECTRIC COMPANY, LIMITED**  
**DECOUPLING CALCULATION WORKBOOK**  
**DETERMINATION OF BASELINE CAPITAL PROJECTS ADDITIONS**

**Source: Docket No. 03-0257 General Order No. 7 Plant Additions Annual Reports filed with the PUC dated:**

Line No.	Description (a)	3/30/2012		3/22/2013		3/28/2014		3/27/2015		3/29/2016	
		2011 (b)	2012 (c)	2013 (d)	2014 (e)	2015 (f)					
1	<b>Total Plant Additions (Sum of Exhs. 1, 2, and 3 of Reports)</b>	<b>36,439,290</b>	<b>48,276,242</b>	<b>57,973,110</b>	<b>49,632,312</b>	<b>33,268,857</b>					
2											
3	<u>Less Major Projects: (+\$2.5 Million)</u>										
4											
5	<u>2006 In-service:</u>										
6	Maalaea Dual-Train Combined Cycle No. 2- Unit No. 18	7744	PN-314 M3141001								
7											
8	<u>2009 In-service: NOTE (3)</u>										
9	CHP Manele Bay Hotel	2006-0186	M0000540	564 <sup>(1)</sup>							
10											
11											
12	<u>2010 In-Service:</u>										
13	6th Increment Distribution Rebuild	01-0148	M0000266	(2,867,104)		(4,435)					
14											
15											
16	<u>2011 In-Service:</u>										
17	M14 Capital Overhaul	NOTE (2)	M0001275	(3,688,795)							
18											
19											
20	<u>2012 In-service:</u>										
21	None										
22											
23											
24	<u>2013 In-service:</u>										
25	Major Overhaul of M16 - NOTE (4)	2012-0038	M0001571		(2,865,973)	80,406					
26											
27	<b>Total Net Plant Additions (excluding major projects)</b>	<b>29,883,955</b>	<b>48,276,242</b>	<b>55,107,138</b>	<b>49,712,718</b>	<b>33,264,422</b>					
28											
29	<b>Last Five-Year Average</b>									<b>\$ 43,248,895</b>	To Schedule D1 Line 26

NOTE (1):  
Amounts were included in the "Cost of Less Than \$1 Million" plant addition section of the respective year's GO7 plant addition annual report. Included amounts for the purposes of this baseline five-year average calculation

NOTE (2):  
A separate application was not filed with the Hawaii Public Utilities Commission for the M14 Capital Overhaul. This project was reported in the 2011 Third Quarter Capital Project Status Report filed on January 4, 2012. In the report, MECO identified that project costs had unexpectedly exceeded \$2.5M and provided an explanation for the higher costs. See Attachment 12, pages 1-2, of the Third Quarter 2011 Capital Project Status Report.

NOTE (3):  
Maui Lani & Kuikahi Underground Distribution System Extension (M0000917) and Maui Lani VMX (M0001126) are listed as completed projects with total costs of \$2.5M or greater on the G.O.7 plant addition annual reports for 2009 and 2010, respectively. However, separate applications were not filed with the Hawaii Public Utilities Commission for these projects as the amount of CIAC received for each project reduced its project costs to below the \$2.5M threshold. As such, these capital projects are not considered Major Capital Projects for the purpose of decoupling.

NOTE (4):  
Exemption From and Modification of General Order No. 7, Paragraph 2.3(g). Relating to Capital Improvements, Capital Projects Completed in 2013, Docket No. 03-0257, dated March 28, 2014, and Exemption From and Modification of General Order No. 7, Paragraph 2.3(g). Relating to Capital Improvements, Capital Projects Completed in 2014, Docket No. 03-0257, dated March 27, 2015.



**MAUI ELECTRIC COMPANY, LIMITED**  
**DECOUPLING CALCULATION WORKBOOK**  
**DETERMINATION OF MAJOR CAPITAL PROJECT ADDITIONS**

Line No.	Description (a)	PUC Docket Reference (b)	Estimated In Service Date (c)	Amount (d)
1	<u>2016 Major Capital Project Plant Additions by Project:</u>			
2	none			
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13	<b>Total Major Capital Projects Qualifying for 2016 RAM</b>			<b>\$ -</b>

See Schedule G2 for related CIAC (if applicable)

**MAUI ELECTRIC COMPANY, LIMITED**  
**DECOUPLING CALCULATION WORKBOOK**  
**DETERMINATION OF ADJUSTED RECORDED DEFERRED INCOME TAXES**

Line No.	NARUC Account (a)	Reference (b)	Federal ADIT (c)	State ADIT (d)	Total ADIT (e)
1	Recorded Deferred Income Tax Balances at December 31, 2015				
2	Depreciation Related Account 282	MECO-WP-D4-001	(50,628,024)	(3,739,159)	(54,367,183)
3	Other Deferred Income Taxes	MECO-WP-D4-001	(38,612,199)	(6,427,845)	(45,040,044)
4	Total Recorded Deferred Income Taxes - Utility		(89,240,223)	(10,167,004)	<u>\$ (99,407,227)</u>
					<i>To Schedule D1</i>

**MAUI ELECTRIC COMPANY, LIMITED**  
**DECOUPLING CALCULATION WORKBOOK**  
**DETERMINATION OF DEPRECIATION AND AMORTIZATION RATE ADJUSTMENT**

Line No.	NARUC Account	Recorded Depreciable/Amort Balance	Adjustments	Adjusted Depreciable/Amort. Balance	PUC Approved Accrual Rate Dkt. 2009-0286	Annual Accrual
	(a)	(b) Footnote (1)	(c) Footnote (2)	(d)	(e)	(f)
1	<b>Plant Accounts</b>					
2	310.00	-		-	0.0000	-
3	311.00	6,872,486		6,872,486	0.0289	198,615
4	312.00	51,325,834		51,325,834	0.0375	1,924,719
5	314.00	48,283,658		48,283,658	0.0589	2,843,907
6	315.00	9,010,399		9,010,399	0.0419	377,536
7	<b>MAUI STEAM PRODUCTION</b>	<b>115,492,377</b>	<b>-</b>	<b>115,492,377</b>	<b>0.0463</b>	<b>5,344,777</b>
8						
9	340.00	-		-	0.0000	-
10	341.00	34,855,227		34,855,227	0.0117	407,806
11	342.00	4,200,154		4,200,154	0.0097	40,741
12	343.00	43,837,342		43,837,342	0.0080	350,699
13	344.00	108,458,169		108,458,169	0.0164	1,778,714
14	345.00	29,457,367		29,457,367	0.0157	462,481
15	<b>MAUI OTHER PRODUCTION</b>	<b>220,808,259</b>	<b>-</b>	<b>220,808,259</b>	<b>0.0138</b>	<b>3,040,441</b>
16						
17	<b>MAUI TOTAL PRODUCTION</b>	<b>336,300,636</b>	<b>-</b>	<b>336,300,636</b>	<b>0.0249</b>	<b>8,385,218</b>
18						
19	350.20	-		-	0.0000	-
20	350.00	2,451,955		2,451,955	0.0158	38,741
21	352.00	7,256,636		7,256,636	0.0202	146,584
22	353.00	52,981,219		52,981,219	0.0158	837,103
23	355.00	31,898,365		31,898,365	0.0167	532,703
24	356.00	27,239,623		27,239,623	0.0175	476,693
25	357.00	714,085		714,085	0.0159	11,354
26	358.00	1,193,803		1,193,803	0.0198	23,637
27	<b>MAUI TRANSMISSION</b>	<b>123,735,686</b>	<b>-</b>	<b>123,735,686</b>	<b>0.0167</b>	<b>2,066,816</b>
28						
29	360.20	-		-	0.0000	-
30	360.00	1,472,239		1,472,239	0.0203	29,886
31	361.00	1,463,312		1,463,312	0.0120	17,560
32	362.00	49,287,731		49,287,731	0.0134	660,456
33	363.00	2,140,265		2,140,265	0.0192	41,093
34	364.00	38,455,529		38,455,529	0.0170	653,744
35	365.00	60,530,283		60,530,283	0.0165	998,750
36	366.00	61,800,763		61,800,763	0.0203	1,254,555
37	367.00	74,087,588		74,087,588	0.0117	866,825
38	368.00	61,352,140		61,352,140	0.0222	1,362,018
39	369.10	26,230,914		26,230,914	0.0378	991,529
40	369.20	56,964,182		56,964,182	0.0232	1,321,569
41	370.00	12,756,610		12,756,610	0.0192	244,927
42	373.00	12,947,818		12,947,818	0.0187	242,124
43	<b>MAUI DISTRIBUTION</b>	<b>459,489,374</b>	<b>-</b>	<b>459,489,374</b>	<b>0.0189</b>	<b>8,685,035</b>
44						
45	389.20	-		-	0.0000	-
46	390.00	11,689,667		11,689,667	0.0106	123,910
47	<b>MAUI GENERAL</b>	<b>11,689,667</b>	<b>-</b>	<b>11,689,667</b>	<b>0.0106</b>	<b>123,910</b>
48						
49	392.10	6,413,900		6,413,900	0.0536	343,785
50	392.20	4,243,450		4,243,450	0.0305	129,425
51	<b>MAUI TRANSPORTATION</b>	<b>10,657,350</b>	<b>-</b>	<b>10,657,350</b>	<b>0.0444</b>	<b>473,210</b>
52						
53	<b>TOTAL MAUI DIVISION</b>	<b>941,872,713</b>	<b>-</b>	<b>941,872,713</b>	<b>0.0210</b>	<b>19,734,189</b>
54						

Line No.	NARUC Account	Recorded Depreciable/Amort. Balance	Adjustments	Adjusted Depreciable/Amort. Balance	PUC Approved Accrual Rate Dkt. 2009-0286	Annual Accrual
	(a)	(b) Footnote (1)	(c) Footnote (2)	(d)	(e)	(f)
55	<b>LANAI</b>					
56	340.0L	-	-	-	0.0000	-
57	341.0L	4,085,725		4,085,725	0.0454	185,492
58	342.0L	1,914,270		1,914,270	0.0304	58,194
59	343.0L	1,693,466		1,693,466	0.0360	60,965
60	344.0L	8,295,593		8,295,593	0.0234	194,117
61	345.0L	3,732,206		3,732,206	0.0253	94,425
62	<b>LANAI OTHER PRODUCTION</b>	<b>19,721,260</b>	<b>-</b>	<b>19,721,260</b>	<b>0.0301</b>	<b>593,192</b>
63						
64	360.1L	152,440		152,440	0.0203	3,095
65	362.0L	2,225,776		2,225,776	0.0165	36,725
66	364.0L	2,069,720		2,069,720	0.0185	38,290
67	365.0L	2,896,221		2,896,221	0.0165	47,788
68	366.0L	1,280,128		1,280,128	0.0211	27,011
69	367.0L	2,333,696		2,333,696	0.0122	28,471
70	368.0L	778,617		778,617	0.0208	16,195
71	369.1L	1,179,379		1,179,379	0.0380	44,816
72	369.2L	1,122,805		1,122,805	0.0256	28,744
73	370.0L	478,130		478,130	0.0195	9,324
74	373.0L	265,072		265,072	0.0166	4,400
75	<b>LANAI DISTRIBUTION</b>	<b>14,781,984</b>	<b>-</b>	<b>14,781,984</b>	<b>0.0193</b>	<b>284,858</b>
76						
77	389.2L	-	-	-	0.0000	-
78	390.0L	803,024		803,024	0.0138	11,082
79	<b>LANAI GENERAL</b>	<b>803,024</b>	<b>-</b>	<b>803,024</b>	<b>0.0138</b>	<b>11,082</b>
80						
81	392.1L	736,665		736,665	0.0086	6,335
82	392.2L	406,451		406,451	0.0875	35,564
83	<b>LANAI TRANSPORTATION</b>	<b>1,143,116</b>	<b>-</b>	<b>1,143,116</b>	<b>0.0367</b>	<b>41,900</b>
84						
85	Lanai CHP - Production	-	3,010,000	3,010,000	0.0000	-
86	Lanai CHP - Distribution	-	490,000	490,000	0.0000	-
87	<b>LANAI RATEMAKING ADJUSTMENT</b>	<b>-</b>	<b>3,500,000</b>	<b>3,500,000</b>	<b>0.0000</b>	<b>-</b>
88						
89	<b>TOTAL LANAI DIVISION</b>	<b>36,449,384</b>	<b>3,500,000</b>	<b>39,949,384</b>	<b>0.0233</b>	<b>931,032</b>
90						
91	<b>MOLOKAI</b>					
92	302.0M	-	-	-	0.0000	-
93	<b>INTANGIBLE PLANT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0000</b>	<b>-</b>
94						
95	340.0M	-	-	-	0.0000	-
96	341.0M	2,877,180		2,877,180	0.0447	128,610
97	342.0M	2,010,598		2,010,598	0.0452	90,879
98	343.0M	2,206,849		2,206,849	0.0256	56,495
99	344.0M	11,259,189		11,259,189	0.0354	398,575
100	345.0M	4,626,461		4,626,461	0.0266	123,064
101	<b>MOLOKAI OTHER PRODUCTION</b>	<b>22,980,277</b>	<b>-</b>	<b>22,980,277</b>	<b>0.0347</b>	<b>797,623</b>
102						
103	350.1M	-	-	-	0.0000	-
104	353.0M	610,520		610,520	0.0232	14,164
105	354.0M	38,669		38,669	0.0233	901
106	355.0M	117,065		117,065	0.0077	901
107	356.0M	264,832		264,832	0.0097	2,569
108	<b>MOLOKAI TRANSMISSION</b>	<b>1,031,086</b>	<b>-</b>	<b>1,031,086</b>	<b>0.0180</b>	<b>18,535</b>
109						
110	360.1M	30,346		30,346	0.0202	613
111	361.1M	59,259		59,259	0.0066	391
112	362.0M	1,296,329		1,296,329	0.0163	21,130
113	364.0M	4,023,375		4,023,375	0.0224	90,124
114	365.0M	3,126,461		3,126,461	0.0177	55,338
115	366.0M	136,065		136,065	0.0227	3,089
116	367.0M	3,793,393		3,793,393	0.0174	66,005
117	368.0M	1,622,383		1,622,383	0.0225	36,504
118	369.1M	1,553,675		1,553,675	0.0406	63,079
119	369.2M	1,104,510		1,104,510	0.0261	28,828
120	370.0M	494,316		494,316	0.0121	5,981
121	373.0M	330,608		330,608	0.0152	5,025
122	<b>MOLOKAI DISTRIBUTION</b>	<b>17,570,720</b>	<b>-</b>	<b>17,570,720</b>	<b>0.0214</b>	<b>376,107</b>
123						
124	389.2M	56,383		56,383	0.0003	17
125	390.0M	746,317		746,317	0.0085	6,344
126	<b>MOLOKAI TOTAL GENERAL</b>	<b>802,700</b>	<b>-</b>	<b>802,700</b>	<b>0.0079</b>	<b>6,361</b>
127						
128	392.1M	738,282		738,282	0.0000	-
129	392.2M	349,161		349,161	0.0000	-
130	<b>MOLOKAI TRANSPORTATION</b>	<b>1,087,443</b>	<b>-</b>	<b>1,087,443</b>	<b>0.0000</b>	<b>-</b>
131						
132	<b>TOTAL MOLOKAI DIVISION</b>	<b>43,472,226</b>	<b>-</b>	<b>43,472,226</b>	<b>0.0276</b>	<b>1,198,626</b>
133						
134						
135	<b>UTILITY TOTAL DEPRECIATION</b>	<b>1,021,794,323</b>	<b>3,500,000</b>	<b>1,025,294,323</b>	<b>0.0214</b>	<b>21,863,848</b>
136						

Line No	NARUC Account	Recorded Depreciable/Amort. Balance	Adjustments	Adjusted Depreciable/Amort. Balance	PUC Approved Accrual Rate Dkt. 2009-0286	Annual Accrual
	(a)	(b) Footnote (1)	(c) Footnote (2)	(d)	(e)	(f)
137	<b>Amortization Amounts</b>					
138						
139	<u>MAUI</u>					
140	316.00	3,221,240		3,221,240	0.0500	\$ 161,062
141	346.00	15,616,443		15,616,443	0.0500	780,822
142	<u>MAUI PRODUCTION</u>	18,837,683	-	18,837,683	0.0500	941,884
143						
144	391.10	2,073,417		2,073,417	0.2000	414,683
145	391.20	447,827		447,827	0.1000	44,783
146	391.30	1,179,855		1,179,855	0.0667	78,696
147	393.00	568,540		568,540	0.0400	22,742
148	394.00	6,598,028		6,598,028	0.0400	263,921
149	395.00	470,747		470,747	0.0667	31,399
150	396.00	140,554		140,554	0.0558	7,815
151	397.00	18,851,839		18,851,839	0.0667	1,257,418
152	398.00	1,212,701		1,212,701	0.0667	80,887
153	<u>MAUI GENERAL</u>	31,543,508	-	31,543,508	0.0698	2,202,344
154						
155	<u>TOTAL MAUI DIVISION</u>	50,381,191	-	50,381,191	0.0624	3,144,228
156						
157	<u>LANAI</u>					
158	346.01	1,190,729		1,190,729	0.0500	59,536
159	<u>LANAI OTHER PRODUCTION</u>	1,190,729	-	1,190,729	0.0500	59,536
160						
161	391.1L	25,521		25,521	0.2000	5,104
162	391.2L	2,331		2,331	0.1000	233
163	391.3L	2,959		2,959	0.0667	197
164	394.0L	47,399		47,399	0.0400	1,896
165	397.0L	845,151		845,151	0.0667	56,372
166	398.0L	34,054		34,054	0.0667	2,271
167	<u>LANAI GENERAL</u>	957,415	-	957,415	0.0690	66,074
168						
169	<u>TOTAL LANAI DIVISION</u>	2,148,144	-	2,148,144	0.0585	125,610
170						
171						
172	<u>MOLOKAI</u>					
173	346.0M	1,944,154		1,944,154	0.0500	97,208
174	<u>MOLOKAI OTHER PRODUCTION</u>	1,944,154	-	1,944,154	0.0500	97,208
175						
176	391.1M	10,308		10,308	0.2000	2,062
177	391.2M	-		-	0.1000	-
178	391.3M	10,387		10,387	0.0667	693
179	394.0M	139,096		139,096	0.0400	5,564
180	397.0M	962,917		962,917	0.0667	64,227
181	398.0M	32,142		32,142	0.0667	2,144
182	<u>MOLOKAI GENERAL</u>	1,154,850	-	1,154,850	0.0647	74,689
183						
184	<u>TOTAL MOLOKAI DIVISION</u>	3,099,004	-	3,099,004	0.0555	171,896
185						
186	<u>UTILITY TOTAL AMORTIZATION</u>	55,628,339	-	55,628,339	0.0619	3,441,734
187						
188	TOTAL RAM DEPRECIATION / AMORTIZATION				Line 135 + Line 186	\$ 25,305,582
189	LESS: Vehicle Depreciation (A/C 392 above)				sum of lines 51,83,130	\$ (515,110)
190	LESS: Depreciation & Amortization in Current Revenues				Footnote (3)	\$ (20,933,000)
191						
192	RAM Adjustment for Depreciation & Amortization					\$ 3,857,472
193	RAM Adjustment for CIAC Amortization				Schedule G Line 15	\$ (426,924)
194	RAM Adjustment for CIS Amortization				MECO-WP-D1-001, page 3	\$ 233,099
195	Total RAM Adjustment for Depreciation & Amortization					\$ 3,663,647
196	Times: Factor for Revenue Taxes				Schedule C Line 5	1.0975
197						
198	RAM DEPRECIATION & AMORTIZATION				Line 195 * Line 196	\$ 4,020,904

Footnotes:

(1)	Depreciable Balance	\$ 1,021,794,323	Line 135
	Amortizable Balance	55,628,339	Line 186
	Total Utility Plant per Schedule	\$ 1,077,422,662	

Add: Land, Land Rights, Franchises &  
Consents as of 12/31/15 not included in  
Schedule

Total Utility Plant per G/L \$ 1,079,137,553

December 2015 Monthly Financial Report filed 2/23/16

(2) Amounts are recorded, except for the  
following adjustment:

Lanai CHP<sup>1</sup>

Total Adjustment \$ 3,500,000

MECO-RWP-1401 (Revised 3/28/12) Dkt. No. 2011-0092, page 10  
Column (c)

<sup>1</sup> In 2015, an electrical fault in the CHP generator caused a fire which resulted in extensive and unreparable damage to the unit. During the force majeure period, depreciation of the CHP unit was suspended in March 2015. The unit is expected to be placed back into service in November 2017.

(3) Depreciation & Amortization in Current Revenues<sup>2</sup>:

Total Depreciation  
LESS: Vehicle Depreciation (A/C 392)  
Net Depreciation in Current Revenues

Depr/Amort Expense  
21,347,000  
(414,000)  
20,933,000

Amounts are per MECO Revised Workpaper: MECO-RWP-1401, page 1 dated March 28, 2012 in MECO's 2012 test year rate case (Docket No. 2011-0092).

**MAUI ELECTRIC COMPANY, LIMITED**  
**DECOUPLING CALCULATION WORKBOOK**  
**DETERMINATION OF CHANGE IN DEFERRED INCOME TAXES**

Line No.	NARUC Account (a)	Reference (b)	Projected ADIT Change (c)
1	State Tax Depreciation	Schedule F1	1,322,748
2	Effective Federal Tax Rate	MECO-WP-F-001	32.8947%
3	Federal Deferred Tax on State Tax Depreciation	Line 1 * Line 2	<u>435,114</u>
4	Add back State Tax Depreciation	Line 1	(1,322,748)
5	Federal Tax Depreciation	Schedule F1	<u>15,935,889</u>
6	Federal/State Difference	Line 4 + Line 5	<u>14,613,141</u>
7	Tax Rate on Federal Only Adjustment	MECO-WP-F-001	35.00%
8	Federal Deferred Tax Adjustment	Line 6 * Line 7	<u>5,114,599</u>
9	Total Federal Deferred Taxes	Line 3 + Line 8	<u><u>5,549,714</u></u>
<b>STATE DEFERRED TAXES</b>			
10	State Tax Depreciation	Schedule F1	1,322,748
11	Effective State Tax Rate	MECO-WP-F-001	6.0150%
12	Total State Deferred Taxes	Line 10 * Line 11	<u>79,564</u>
13	TOTAL FED AND STATE DEFERRED TAXES	Line 9 + Line 12	<u><u>5,629,278</u></u>
			<i>To Schedule D1</i>

NOTE: In accordance with the tariff, the change in ADIT in the RAM year is based on the temporary book/tax depreciation differences associated with the RAM year plant additions (major capital projects and baseline plant additions). It does not include any estimated ADIT related to the repairs deduction or CIAC on RAM year plant additions.

**MAUI ELECTRIC COMPANY, LTD.**  
**DECOUPLING CALCULATION WORKBOOK**  
**DETERMINATION OF TAX DEPRECIATION**

Line No.	LIFE	MECO-WP-F1-002			PROJECTS	PROGRAMS	TOTAL
		PROJECTS	PROGRAMS	TOTAL			
1 Computers	5	371,898	81,889	453,587	0.86%	0.19%	1.05%
2 Off/Furn/Tools	7	36,018	260,553	296,571	0.08%	0.60%	0.68%
3 Street Lights	7	88,464	269,647	358,111	0.21%	0.62%	0.83%
4 Non-Steam Production	15	5,867,706	259,530	6,127,236	13.57%	0.60%	14.17%
5 Transmission > 69kv	15	225,322	17,379	242,701	0.52%	0.04%	0.56%
6 Communication	20	1,682,067	43,880	1,725,947	3.89%	0.10%	3.99%
7 Steam Production	20	314,675	48,246	362,921	0.73%	0.11%	0.84%
8 General	20	1,503,865	380,690	1,884,555	3.48%	0.88%	4.36%
9 Transmission	20	2,348,164	717,584	3,065,748	5.43%	1.65%	7.09%
10 Distribution	20	9,455,896	16,844,657	26,300,553	21.86%	38.95%	60.81%
11 Structural	39	1,115,264	101,076	1,216,340	2.58%	0.23%	2.81%
12 ROW	50	4,839	74,925	79,764	0.01%	0.17%	0.18%
13 Land	-	-	(6,044)	(6,044)	0.00%	-0.01%	-0.01%
14 Vehicles	-	191,617	949,288	1,140,905	0.44%	2.20%	2.64%
15 TOTAL		23,205,595	20,043,300	43,248,895	53.66%	46.34%	100.00%

Project and Program % Totals by Depreciable Life.

5 yr	0.86%	0.19%	1.05%
7 yr	0.29%	1.23%	1.51%
15 yr	14.09%	0.64%	14.73%
20 yr	35.39%	41.70%	77.09%
39 yr	2.58%	0.23%	2.81%
50 yr	0.01%	0.17%	0.18%
Land	0.00%	-0.01%	-0.01%
Vehicles	0.44%	2.20%	2.64%
Total	53.66%	46.34%	100.00%

BASIS	FED YR 1 DEPR RATE	FED YR 1 TAX DEPR	STATE YR 1 DEPR RATE	STATE YR 1 TAX DEPR
-------	--------------------	-------------------	----------------------	---------------------

Vintage 2016 - 50% Bonus Depreciation

NOTE (1)	Basis subject to 50% bonus depreciation	100%	100%							
	5 yr	0.86%	0.19%	1.05%	5 yr	339,107	60.000%	203,464	20.00%	67,821
	7 yr	0.29%	1.23%	1.51%	7 yr	489,569	57.145%	279,764	14.29%	69,959
	15 yr	14.09%	0.64%	14.73%	15 yr	4,765,614	52.500%	2,501,947	5.00%	238,281
	20 yr	35.39%	41.70%	77.09%	20 yr	24,943,433	51.875%	12,939,406	3.75%	935,379
	39 yr	n/a	n/a	n/a						
	50 yr	n/a	n/a	n/a						
	Land	n/a	n/a	n/a						
	Vehicles	n/a	n/a	n/a						
	Total	50.62%	43.75%	94.38%						

Vintage 2016 - Regular Depreciation

	Basis subject to regular depreciation	(Total less amounts subject to 50% bonus)								
	5 yr	0.00%	0.00%	0.00%	5 yr	-	20.00%	-	20.00%	-
	7 yr	0.00%	0.00%	0.00%	7 yr	-	14.29%	-	14.29%	-
	15 yr	0.00%	0.00%	0.00%	15 yr	-	5.00%	-	5.00%	-
	20 yr	0.00%	0.00%	0.00%	20 yr	-	3.75%	-	3.75%	-
	39 yr	2.58%	0.23%	2.81%	39 yr	910,217	1.177%	10,713	1.177%	10,713
	50 yr	0.01%	0.17%	0.18%	50 yr	59,538	1.000%	595	1.000%	595
	Land	n/a	n/a	n/a						
	Vehicles	n/a	n/a	n/a						
	Total	2.59%	0.41%	3.00%						
	TOTAL ASSETS	53.21%	44.16%	97.37%						

Net Depreciable Baseline Plant Adds	31,507,478	15,935,889	1,322,748
Major Capital Projects from Schedule F2	-	-	-
Total Depreciable Plant Adds	31,507,478	15,935,889	1,322,748
Reconciliation from Baseline Plant Adds to Net Depreciable Plant Adds:			
Baseline Capital Projects Plant Adds	43,248,895	Schedule D2	
Less: Repairs deduction	10,891,386	<<supported by Special Study each year.	
Net plant add basis	32,357,509		
Less: Land and Vehicles (2.63% x \$32,357,509)	850,031		
	31,507,478		

NOTE (1)

The Protecting Americans from Tax Hikes (PATH) Act of 2015 extended bonus depreciation for property acquired and placed in service from 2015 through 2019. The bonus depreciation percentage is 50 percent for property placed in service during 2016.

**MAUI ELECTRIC COMPANY, LIMITED**  
**DECOUPLING CALCULATION WORKBOOK**  
**TAX DEPRECIATION ON MAJOR CAPITAL PROJECTS ADDITIONS**

Line No.	Description	PUC Docket	Estimated In Service Date	Amount
	(a)	(b)	(c)	(d)
1	Assumed Value of 2016 Major Capital Projects Plant Items			\$ -
2	Assumed Value of 2016 Major Capital Projects - CIAC nontaxable			\$ -
3	Assumed Value of 2016 Major Capital Projects - Total			\$ -

	Tax Basis	FED YR 1	FED YR 1	STATE YR 1	STATE YR 1
	Distribution	DEPR RATE	TAX DEPR	DEPR RATE	TAX DEPR
4	Tax Classification of Major Capital Project Additions				
5	7 yr	-	57.145%	-	14.29%
6	15 yr	-	52.500%	-	5.00%
7	20 yr	-	51.875%	-	3.75%
8	39 yr	n/a			
9	Land	n/a			
10	Vehicles	n/a			
11	Total	\$ -	\$ -	\$ -	\$ -

*To Schedule F1*

*To Schedule F1*



**MAUI ELECTRIC COMPANY, LIMITED**  
**DECOUPLING CALCULATION WORKBOOK**  
**CIAC SUMMARY**

Line No.	Description (a)	Reference (b)	Unamortized CIAC (c)	CIAC Amortization (d)
1	12/31/15 Beginning Balance	Sch. G1	\$ (91,061,643)	
2				
3	<u>2016 CIAC Additions:</u>			
4	Baseline 5-Yr Average	Sch. G1	(5,261,686)	
5	Major Projects	Sch. G2	-	
6	Net Additions		<u>(5,261,686)</u>	
7				
8	<u>2016 CIAC Amortization:</u>			
9	Estimated Amortization	Sch. G3	<u>1,993,924</u>	<u>\$ (1,993,924)</u>
10				
11	<b>12/31/16 Ending Balance</b>		<b><u>\$ (94,329,405)</u></b>	<b>(1,993,924)</b>
12				
13	LESS: CIAC Amortization in Current Revenues - NOTE (1)			<u>(1,567,000)</u>
14				
15	<b>RAM Adjustment for CIAC Amortization</b>			<b><u>\$ (426,924)</u></b>
				To Sch E p.3 Line 193

Note (1):

Per Attachment 1A, page 62, of MECO-DCA Revised Updated Joint Statement of Probable Entitlement, dated May 14, 2012 in Maui Electric's 2012 Test Year Rate Case (Docket No. 2011-0092).

**MAUI ELECTRIC COMPANY, LIMITED**  
**DECOUPLING CALCULATION WORKBOOK**  
**BASELINE CAPITAL PROJECTS CIAC ADDITIONS**

Source of CIAC balance and amort.: December Monthly Reports filed (non-confidential basis) with the PUC dated: See Note (A)

Line No.	Description	2/21/2012	2/19/2013	2/21/2014	2/26/2015	2/23/2016
	(a)	2011 (b)	2012 (c)	2013 (d)	2014 (e)	2015 (f)
1	CIAC Balance, January 1 (Dec Rpt. pg. 10)	(73,969,015)	(74,765,860)	(82,211,127)	(85,047,271)	(88,217,709)
2	Less: CIAC Amortization (Dec Rpt. pg. 1)	2,018,844	1,738,802	1,733,766	1,816,855	1,907,533
3	Less: CIAC Balance, December 31 (Dec Rpt. pg. 10)	74,765,860	82,211,127	85,047,271	88,217,709	91,061,643
4						
5	<b>Total CIAC Additions</b>	<b>2,815,689</b>	<b>9,184,069</b>	<b>4,569,910</b>	<b>4,987,293</b>	<b>4,751,467</b>
6						
7	<u>Less Major Projects:</u>					
8						
9	<u>2006 In-service:</u>					
10	Maalaea Dual-Train Combined Cycle No. 2-Unit No. 18	7744	PN-314			
11						
12	<u>2009 In-service:</u>					
13	CHP Manele Bay Hotel	2006-0186	M0000540			
14						
15	<u>2010 In-service:</u>					
16	6th Increment Distribution Rebuild	01-0148	M0000266	-	-	
17						
18	<u>2011 In-Service:</u>					
19	M14 Capital Overhaul	Note (B)	M0001275			
20						
21	<u>2012 In-Service:</u>					
22	None					
23						
24	<u>2013 In-Service:</u>					
25	Major Overhaul of M16	2012-0038	M0001571	-		
26						
27	<b>Total Net CIAC Additions</b>	<b>2,815,689</b>	<b>9,184,069</b>	<b>4,569,910</b>	<b>4,987,293</b>	<b>4,751,467</b>
28						
29	<b>Last Five-Year Average</b>					<b>5,261,686</b>

To Schedule D1

**Note (A):**

The CIAC amounts of the major projects are from the respective year's GO7 plant addition annual reports. Refer to the Baseline Plant Additions Calculation workpaper for the dates of the report filings. The total CIAC additions reflect actual contributions received in the year, and therefore may not include the total major project CIAC from the GO 7 report to the extent that the CIAC was received in advance, or in multiple payments over a span of more than one year.

**Note (B):**

A separate application was not filed with the Hawaii Public Utilities Commission for the M14 Capital Overhaul. This project was reported in the 2011 Third Quarter Capital Project Status Report filed on January 4, 2012. In the report, MECO identified that project costs had unexpectedly exceeded \$2.5M and provided an explanation for the higher costs. See Attachment 12, pages 1-2, of the Third Quarter 2011 Capital Project Status Report.

**MAUI ELECTRIC COMPANY, LIMITED**  
**DECOUPLING CALCULATION WORKBOOK**  
**MAJOR CAPITAL PROJECT CIAC ADDITIONS**

Line No.	Description (a)	PUC Docket Reference (b)	Estimated In Service Date (c)	Amount (d)
1	<u>2016 Major Capital Project CIAC Additions by Project:</u>			
2	None			\$ -
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13	<b>Total Major Project CIAC Additions for 2016 RAM</b>			<b>\$ -</b>

**MAUI ELECTRIC COMPANY, LIMITED**  
**DECOUPLING CALCULATION WORKBOOK**  
**CIAC AMORTIZATION**

Line No.	Description (a)	2014		2015		2016
		Balance		Amortization	Balance	Amortization
		(b)		(c)	(d)	(e)
1	<u>CIAC by Vintage:</u>					
2	1980	\$ 2,709	\$	(138)	\$ 2,571	(138)
3	1981	\$ 28,018	\$	(1,304)	\$ 26,714	(1,304)
4	1981 L	\$ 75	\$	(3)	\$ 72	(3)
5	1982	\$ 42,193	\$	(1,865)	\$ 40,328	(1,865)
6	1982	\$ 99,160	\$	(4,382)	\$ 94,778	(4,382)
7	1982 L	\$ 22	\$	(1)	\$ 21	(1)
8	1983	\$ 15,791	\$	(667)	\$ 15,124	(667)
9	1983 L	\$ 6	\$	(0)	\$ 6	(0)
10	1984	\$ 49,109	\$	(1,986)	\$ 47,123	(1,986)
11	1984 L	\$ 5	\$	(0)	\$ 5	(0)
12	1985	\$ 118,617	\$	(4,606)	\$ 114,011	(4,606)
13	1986	\$ 159,328	\$	(5,951)	\$ 153,376	(5,951)
14	1986 L	\$ 90	\$	(3)	\$ 86	(3)
15	1987	\$ 154,597	\$	(5,563)	\$ 149,034	(5,563)
16	1987 L	\$ 2,244	\$	(81)	\$ 2,163	(81)
17	1988	\$ 211,804	\$	(7,354)	\$ 204,450	(7,354)
18	1988 L	\$ 31,542	\$	(1,095)	\$ 30,447	(1,095)
19	1989	\$ 382,098	\$	(12,816)	\$ 369,282	(12,816)
20	1989 L	\$ 60,096	\$	(2,016)	\$ 58,081	(2,016)
21	1989 MO	\$ 80,258	\$	(2,698)	\$ 77,560	(2,698)
22	1990	\$ 488,040	\$	(15,833)	\$ 472,207	(15,833)
23	1990 L	\$ 27,945	\$	(907)	\$ 27,038	(907)
24	1990 MO	\$ 5,067	\$	(164)	\$ 4,903	(164)
25	1991	\$ 655,234	\$	(20,583)	\$ 634,651	(20,583)
26	1991 L	\$ 26,584	\$	(835)	\$ 25,749	(835)
27	1991 MO	\$ 9,144	\$	(287)	\$ 8,857	(287)
28	1992	\$ 504,466	\$	(15,361)	\$ 489,105	(15,361)
29	1992 L	\$ 59,625	\$	(1,816)	\$ 57,810	(1,816)
30	1992 MO	\$ 26,421	\$	(805)	\$ 25,616	(805)
31	1993 IK	\$ 2,225,401	\$	(65,758)	\$ 2,159,643	(65,758)
32	1993	\$ 434,943	\$	(12,850)	\$ 422,093	(12,850)
33	1993 L	\$ 63,568	\$	(1,878)	\$ 61,690	(1,878)
34	1993 MO	\$ 18,124	\$	(535)	\$ 17,588	(535)
35	1994	\$ 434,591	\$	(12,469)	\$ 422,122	(12,469)
36	1994 L	\$ (11,181)	\$	321	\$ (10,861)	321
37	1994 MO	\$ 7,896	\$	(227)	\$ 7,670	(227)
38	1993 IK	\$ 270,624	\$	(7,995)	\$ 262,629	(7,995)
39	1995	\$ 453,504	\$	(12,646)	\$ 440,858	(12,646)
40	1995 L	\$ 3,471	\$	(97)	\$ 3,374	(97)
41	1995 MO	\$ 66,046	\$	(1,842)	\$ 64,205	(1,842)
42	1996	\$ 520,887	\$	(14,129)	\$ 506,757	(14,129)
43	1996 L	\$ 10,543	\$	(286)	\$ 10,257	(286)
44	1996 MO	\$ 72,716	\$	(1,972)	\$ 70,744	(1,972)
45	1996 IK	\$ 96,096	\$	(2,607)	\$ 93,489	(2,607)
46	1997	\$ 412,997	\$	(10,905)	\$ 402,091	(10,905)
47	1997 L	\$ 62,411	\$	(1,648)	\$ 60,763	(1,648)
48	1997 MO	\$ 53,925	\$	(1,424)	\$ 52,501	(1,424)
49	1998	\$ 736,894	\$	(18,955)	\$ 717,939	(18,955)
50	1998 L	\$ 22,916	\$	(589)	\$ 22,326	(589)
51	1998 MO	\$ 16,667	\$	(429)	\$ 16,238	(429)
52	1999	\$ 964,443	\$	(24,184)	\$ 940,259	(24,184)
53	1999 L	\$ 5,650	\$	(142)	\$ 5,508	(142)
54	1999 MO	\$ (766)	\$	19	\$ (747)	19
55	2000	\$ 870,117	\$	(21,283)	\$ 848,834	(21,283)
56	2000 L	\$ 3,969	\$	(97)	\$ 3,872	(97)
57	2000 MO	\$ 21,769	\$	(532)	\$ 21,237	(532)
58	2001	\$ 1,358,794	\$	(32,439)	\$ 1,326,354	(32,439)
59	2001 L	\$ 94,895	\$	(2,265)	\$ 92,629	(2,265)
60	2001 MO	\$ 35,895	\$	(857)	\$ 35,038	(857)

SCHEDULE G3  
PAGE 2 OF 2

Line No.	Description (a)	2014		2015		2016
		Balance (b)		Amortization (c)	Balance (d)	Amortization (e)
61		2002 \$ 972,019	\$	(22,663)	\$ 949,356	(22,663)
62		2002 L \$ 11,264	\$	(263)	\$ 11,002	(263)
63		2002 MO \$ 8,754	\$	(204)	\$ 8,550	(204)
64		2003 \$ 6,288,444	\$	(143,264)	\$ 6,145,180	(143,264)
65		2003 L \$ 499,648	\$	(11,383)	\$ 488,265	(11,383)
66		2003 MO \$ 18,134	\$	(413)	\$ 17,721	(413)
67		2004 \$ 2,006,070	\$	(44,682)	\$ 1,961,389	(44,682)
68		2004 L \$ 101,507	\$	(2,261)	\$ 99,246	(2,261)
69		2004 MO \$ 32,841	\$	(731)	\$ 32,110	(731)
70		2005 \$ 5,912,706	\$	(128,817)	\$ 5,783,888	(128,817)
71		2005 L \$ 343,743	\$	(7,489)	\$ 336,254	(7,489)
72		2005 MO \$ 1,416,061	\$	(30,851)	\$ 1,385,210	(30,851)
73		2006 \$ 8,574,607	\$	(182,817)	\$ 8,391,790	(182,817)
74		2006 L \$ 81,728	\$	(1,743)	\$ 79,986	(1,743)
75		2006 MO \$ 392,755	\$	(8,374)	\$ 384,381	(8,374)
76		2007 \$ 7,993,379	\$	(166,858)	\$ 7,826,521	(166,858)
77		2007 L \$ 34,278	\$	(716)	\$ 33,563	(716)
78		2007 MO \$ 105,677	\$	(2,206)	\$ 103,471	(2,206)
79		2008 \$ 7,786,661	\$	(159,212)	\$ 7,627,450	(159,212)
80		2008 L \$ 483,392	\$	(9,884)	\$ 473,508	(9,884)
81		2008 MO \$ 36,667	\$	(750)	\$ 35,918	(750)
82		2009 \$ 7,170,995	\$	(143,679)	\$ 7,027,316	(143,679)
83		2009 L \$ 354,433	\$	(7,101)	\$ 347,331	(7,101)
84		2009 MO \$ 62,081	\$	(1,244)	\$ 60,837	(1,244)
85		2010 \$ 3,969,364	\$	(77,961)	\$ 3,891,403	(77,961)
86		2010 L \$ (4,803)	\$	94	\$ (4,708)	94
87		2010 MO \$ 15,158	\$	(298)	\$ 14,860	(298)
88		2011 \$ 2,601,803	\$	(50,115)	\$ 2,551,688	(50,115)
89		2011 L \$ 10,096	\$	(194)	\$ 9,902	(194)
90		2011 MO \$ 45,939	\$	(885)	\$ 45,054	(885)
91		2012 \$ 8,765,450	\$	(165,386)	\$ 8,600,064	(165,386)
92		2012 L \$ 54,171	\$	(1,022)	\$ 53,149	(1,022)
93		2012 MO \$ 30,482	\$	(575)	\$ 29,907	(575)
94		2013 \$ 4,368,034	\$	(80,890)	\$ 4,287,144	(80,890)
95		2013 L \$ 50,489	\$	(935)	\$ 49,554	(935)
96		2013 MO \$ 68,298	\$	(1,265)	\$ 67,034	(1,265)
97		2014 \$ 4,844,992	\$	(88,091)	\$ 4,756,902	(88,091)
98		2014 L \$ 89,963	\$	(1,636)	\$ 88,327	(1,636)
99		2014 MO \$ 52,338	\$	(952)	\$ 51,386	(952)
100		2015 \$ -	\$	-	\$ 4,677,766	(85,050)
101		2015 L \$ -	\$	-	\$ 24,092	(438)
102		2015 MO \$ -	\$	-	\$ 49,608	(902)
103	Total CIAC Amortization for 2016 RAM	88,217,709		(1,907,533)	91,061,643	(1,993,924)

Legend:

L - Lanai  
MO - Molokai  
IK - In-kind

**MAUI ELECTRIC COMPANY, LIMITED**  
**DECOUPLING CALCULATION WORKBOOK**  
**EARNINGS SHARING CALCULATIONS**  
All Amounts \$000 (Except %)

Line No.	Description (a)	Reference (b)	Ratemaking Basis Return on Equity		
			Operating Income (c)	Rate Base (d)	Rate of Return (e)
1	Reported Operating Income before ratemaking adj.	PUC Report, p. 2A and MECO-WP-H-001	\$ 31,435	\$ 439,736	
2	<u>Ratemaking Adjustments to Line 1:</u>				
2a	Incentive Compensation Expenses (net of tax)	MECO-WP-H-002	101		
2b	Discretionary and Other Expenses Not Recoverable (net of tax)	MECO-WP-H-002	103		
2c	Amortization of investment income differential	MECO-WP-H-003	11		
2d	Income tax on items to be replaced by synchronized interest	MECO-WP-H-003	(3,592)		
2e	Remove Accrued Earnings Sharing Refund	MECO-WP-H-006	9		
3	Ratemaking Basis Amounts - Post Tax	Sum Lines 1 & 2	\$ 28,067	\$ 439,736	
4	<u>Ratemaking Capitalization</u>		Balances	Ratios	Cost Rate
5	Short-Term Debt (12 mo. Avg)		\$ 3,525	0.78%	0.61%
6	Long-Term Debt (Simple Avg)		\$ 175,383	38.69%	4.96%
7	Hybrid Securities (Simple Avg)		\$ 9,481	2.09%	7.24%
8	Preferred Stock (Simple Avg)		\$ 4,774	1.05%	8.20%
9	Common Equity (Simple Avg)		\$ 260,091	57.38%	9.00%
10	Total Capitalization	MECO-WP-H-004	\$ 453,254	100.00%	7.32%
11	Line 3 Rate Base Amount			\$ 439,736	
12	Weighted Cost of Debt	Sum lines 5-7		2.07%	
13	Synchronized Interest Expense			\$ 9,118	
	Income Tax Factor	Note 1		1.6369	
13a	Synchronized Interest Expense, net of tax			\$ 5,570	
14	Post Tax Income Available for Preferred & Common (Line 3 - Line 13a)				\$ 22,496
17	Less: Preferred Income Requirement (Line 8 Weighted Cost times Rate Base)				\$ 380
18	Income Available for Common Stock				\$ 22,117
19	Ratemaking Equity Investment (Line 9 Ratio times Rate Base)				\$ 252,334
20	Return on Equity for Decoupling Earnings Sharing	Line 18/Line 19			8.76%
21	<u>Earnings Sharing Revenue Credits:</u>		Basis Points		
22	Achieved ROE (basis points)		876		
23	Authorized Return (basis points) (D&O 31288 in Dkt No. 2011-0092 filed May 31, 2013)		900		
24	ROE for sharing (basis points)		-		
25	Sharing Grid per RAM Provision		First 100 bp	Next 200 bp	All over 300 bp
26	Distribution of Excess ROE (basis points)		0	0	0
27	Ratepayer Share of Excess Earnings		25%	50%	90%
28	Ratepayer Earnings Share - Basis Points		-	-	-
29	Revenue Credit per Basis Point (Note 2)				45
30	Earnings Sharing Revenue Credits (thousands)				\$ -

Footnotes:

1	Composite Federal & State Income Tax Rate	38.91%
	Income Tax Factor ( 1 / 1-tax rate)	1.6369
2	Ratemaking Equity Investment (line 19)	\$ 252,334
	Basis Point = 1/100 of a percent	0.01%
	Earnings Required per Basis Point (thousands)	\$ 25.23
	Times: Income Tax Conversion Factor	1.636929121
	Pretax Income Required per Basis Point (thousands)	\$ 41
	Times: Revenue Tax Conversion Factor	1.0975
	Revenue Requirement per Basis Point (thousands)	\$ 45

**MAUI ELECTRIC COMPANY, LIMITED**  
**DECOUPLING CALCULATION WORKBOOK**  
**PUC-ORDERED ADJUSTMENTS**

Line No.	Description	Reference		
	(a)	(b)	(c)	(d)

This Schedule has not been developed yet and will be developed only when/as needed.

**MAUI ELECTRIC COMPANY, LIMITED**  
**DECOUPLING CALCULATION WORKBOOK**  
**DETERMINATION OF RAM CAP**

Line No.	Description (a)	Reference (b)	Amount \$000 (c)	
1	Adjusted 2014 Target Revenues	6/3/15 Decoupling, Sch J	143,927	
2	2015 RAM Cap Increase/(Decrease) subject to escalation	Note 1	(38)	
3	2015 Target Revenues subject to escalation		143,889	
4	2016 GDP Price Index	Sch C	1.5%	
5	2016 RAM Cap Increase excluding Exceptional & Other Matters	Line 3 x Line 4	2,158	
6	RAM Cap for 2015 RAM Revenue Adjustment, Adjusted	Note 2	9,987	
7	RAM Cap for 2016 RAM Revenue Adjustment	Line 5 + Line 6	12,145	Sch A1
Note 1	2015 RAM Cap Increase before Adjustments per Order No. 32866	6/3/15 Decoupling, Sch J	1,583	
	Less: 2015 Depreciation & Amortization in Excess of Actual	6/3/15 Decoupling, Sch J	(287)	
	Less: Adjustment for Change in On-cost Clearing Allocation	6/3/15 Decoupling, Sch A	(1,334)	
	2015 RAM Cap Increase/(Decrease) subject to escalation		(38)	
Note 2	RAM Cap for 2015 RAM Revenue Adjustment before Adjustments per Order No. 32866	6/3/15 Decoupling, Sch J	11,608	
	Less: 2015 Depreciation & Amortization in excess of Actual	6/3/15 Decoupling, Sch J	(287)	
	Less: Adjustments for Change in On-cost Clearing Allocation	6/3/15 Decoupling, Sch A	(1,334)	
	RAM Cap for 2015 RAM Revenue Adjustment, Adjusted		9,987	



**MAUI ELECTRIC COMPANY, LIMITED**  
**DECOUPLING CALCULATION WORKBOOK**  
**EXCEPTIONAL & OTHER MATTERS**

Line No.	Description (a)	Reference (b)	Amount \$000 (c)
1	CIS Deferred Cost	Schedule K1	\$ 410.7
2	2016 Revenue Adjustment for Exceptional & Other Matters		<u>\$ 410.7</u> To Sch A1

Note 1 Exceptional and Other Matters:

See Order No. 32735, filed March 31, 2015, paragraph 107, pages 94 - 95:

"The Basis used in determining the RAM Cap shall be adjusted to exclude or otherwise appropriately account for adjustments for the recovery of revenues for previously explicitly stipulated and approved exceptional matters or other matters specifically ordered by the commission, which shall, in any event, be recovered fully without respect to any limitations resulting from application of the RAM Cap."

Footnote 149 to the referenced paragraph 107 above stipulates that such applicable matters include adjustments accounting for CT-1 costs (for Hawaiian Electric) and CIS costs (for all of the Hawaiian Electric Companies) as provided in a stipulated agreement approved by the commission as amended in Order No. 31126 in Docket No. 2008-0083.

**MAUI ELECTRIC COMPANY, LIMITED**  
**DECOUPLING CALCULATION WORKBOOK**  
**EXCEPTIONAL & OTHER MATTERS - RETURN ON INVESTMENT**  
\$ in thousands

			MECO 2016 RAM Rate Base (Note 1)		
Line No.	Description	Reference	Recorded at 12/31/2015	RAM Projected Amounts	Estimated at 12/31/2016
	(a)	(b)	(e)	(f)	(g)
1	CIS Def Cost	MECO-WP-D1-001, page 1	\$ 2,195	\$ (233)	\$ 1,962
2	CIS ADIT - 28400	MECO-WP-K1-001	(796)	85	(712)
3	Total	Line 1 + Line 2	\$ 1,398	\$ (149)	\$ 1,250
4	2016 Average Balance				\$ 1,324.2
5	Change in Rate Base				\$ 1,324.2
6	Pretax Rate of Return	Schedule D Line 7			10.66%
7	Pretax Return Requirement	Line 5 x Line 6			\$ 141.2
8	Revenue Requirement \$000	Line 7 x Line 11			\$ 154.9
9	CIS Amortization	MECO-WP-D1-001, page 1			\$ 233.1
10	Revenue Requirement \$000	Line 9 x Line 11			\$ 255.8
11	Revenue Tax Factor (1/(1-8.885%))	Schedule D Line 11			1.0975
12	Total Return on/of Investment \$000	Line 8 + Line 10			\$ 410.7
					To Sch K

Note 1 See Order No. 32735, paragraph 107, Page 94 - 95, filed March 31, 2015, in which the commission noted that the basis used in determining the RAM Cap shall be adjusted to exclude or otherwise appropriately account for adjustments for the recovery of revenues for previously explicitly stipulated and approved exceptional matters or other matters specifically ordered by the commission, which shall, in any event, be recovered fully without respect to any limitations resulting from application of the RAM Cap. Accordingly, adjustments for CT-1 costs (for Hawaiian Electric) and CIS costs (for all of the Hawaiian Electric Companies) as provided in a stipulated agreement approved by the commission as amended in Order No. 31126 in Docket No. 2008-0083 are being treated as Exceptional & Other Matters not subject to the RAM Cap.

**Maui Electric Company, Ltd.**  
**Sales Forecast for June 2016 to May 2017**  
in GWh

	<b>2016</b>							<b>2017</b>					
	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Total</u>
Maui	85.464	90.920	92.524	87.529	93.921	88.565	89.960	92.049	81.288	87.196	83.382	86.009	1,058.807
Lanai	2.183	2.301	2.314	2.258	2.314	2.260	2.215	2.272	1.979	2.226	2.182	2.216	26.720
Molokai	2.155	2.286	2.325	2.320	2.363	2.288	2.296	2.274	2.048	2.220	2.127	2.222	26.922
Total	89.801	95.508	97.163	92.107	98.597	93.113	94.471	96.594	85.315	91.642	87.691	90.447	1,112.449

Source: Maui Electric Company, Ltd. Revenue and Expense forecast completed in May 2015

Maui Electric Company, Limited  
Energy Delivery Methodology Comparison

				A	B	C = A - B
Line	Account Group	Ind		Current Method	Old Method	Difference
1	G10	BE	Billable O&M expense	18,976	25,563	(6,587)
2	G30	NE	Non-billable O&M expense other than supervision	3,207,204	3,741,490	(534,286)
3		NS	Non-billable O&M expense supervision	-	-	-
4	G50	NI	Non-billable Install (Capital)	4,192,472	3,477,491	714,981
5		NR	Non-billable Removal	935,918	1,066,405	(130,487)
6	G60	BE,BI,BR	Billable O&M expense, install, removal	85,782	128,150	(42,368)
7	G70	BE	Billable O&M expense	-	-	-
8		BT	Billable Temporary Facilities	39,966	41,219	(1,253)
9	G80	NC	Non-billable Clearing	-	-	-
10		NP	Non-billable Preliminary Engineering	-	-	-
11			Totals	8,480,318	8,480,318	(0)
12			O&M expense items (Line 2 + Line 3)			(534,286)

Note 1: The total 2015 O&M impact of the change in on-cost clearing allocation amount is calculated as follows:

Energy Delivery (ED) impact	Line 12	(534,286)
Power Supply (PS) impact	MECO-WP-A1-001 p 2, Line 13	(138,399)
		(672,685)
Revenue Tax Factor	Schedule C	1.0975
Adjustment for Change in On-cost Clearing		(738,272)
		To Sch A1

Maui Electric Company, Limited  
Power Supply Methodology Comparison

				A	B	C = A - B
Line	Account Group	Ind		Current Method	Old Method	Difference
1	G20	NE	Non-billable O&M expense other than supervision	1,568	1,234	334
2	G30	NE	Non-billable O&M expense other than supervision	1,330,280	1,468,679	(138,399)
3		NS	Non-billable O&M expense supervision	-	-	-
4	G40	NN	Non-billable, Non-regulated expense	16	99	(83)
5	G50	NI	Non-billable Install (Capital)	201,010	82,422	118,588
6		NR	Non-billable Removal	9,111	6,442	2,669
7	G60	BE	Billable O&M expense	20	-	20
8	G70	BE	Billable O&M expense	17,195	324	16,871
9		BT	Billable Temporary Facilities	-	-	-
10	G80	NC	Non-billable Clearing	-	-	-
11		NP	Non-billable Preliminary Engineering	-	-	-
12			Totals	1,559,201	1,559,201	0
13			O&M expense items (Line 2 + Line 3)			(138,399)

To MECO-WP-A1-001 page 1

**Maui Electric Company, Ltd.**  
**Adjustment for Prior Year RBA Accrual**  
**Recovery of December 31, 2013 RBA Balance**

Line			2015				
			January	February	March	April	May
1	Billed RBA Revenues	<b>Note 1</b>	1,548,852	1,430,939	1,381,366	1,510,578	1,402,499
2	Net Unbilled Revenues	<b>Note 1</b>	(70,609)	(54,350)	74,756	(26,424)	54,682
3	Total billed + Unbilled		1,478,243	1,376,589	1,456,122	1,484,154	1,457,181
4	x % Share for RBA	<b>Note 2</b>	53.8669%	53.8669%	53.8669%	53.8669%	53.8669%
5	RBA Revenues (Recovery of 12/31/13 RBA balance)		796,283	741,525	784,367	799,467	784,938
6			←----- Schedule B2 -----→				
7	Less: Revenue Taxes	0.08885	(70,750)	(65,884)	(69,691)	(71,033)	(69,742)
8	RBA Revenues (Recovery of 12/31/13 RBA balance),		725,533	675,641	714,676	728,434	715,196
9	net of Revenue Taxes		←----- Schedule B -----→				

\* Differences are due to rounding

**Note 1:** RBA rate adjustment revenues per the Billed reports and Unbilled reports include both RBA and RAM revenues. Therefore, an allocation % is utilized to determine RBA revenues.

**Note 2:**

RBA Rate Adjustment Allocation for June 1, 2014 - May 31, 2015 is per Transmittal No. 14-05 (Decoupling) - RBA Rate Adjustment (Filed May 14, 2014), Schedule A, Note (1).

**Maui Electric Company, Ltd.**  
**Adjustment for Prior Year RBA Accrual**  
**Recovery of December 31, 2014 RBA Balance**

		2015							
Line			June	July	August	September	October	November	December
1	Billed RBA Revenues	Note 1	1,249,754	1,597,139	1,598,495	1,727,092	1,613,827	1,546,709	1,570,750
2	Net Unbilled Revenues	Note 1	(84,644)	68,938	112,947	(85,884)	(16,747)	6,709	
3	Total billed + Unbilled		1,165,109	1,666,077	1,711,443	1,641,209	1,597,080	1,553,418	1,570,750
4	x % Share for RBA	Note 2	43.6958%	43.6958%	43.6958%	43.6958%	43.6958%	43.6958%	43.6958%
5	RBA Revenues (Recovery of 12/31/14 RBA balance)		509,104	728,006	747,829	717,140	697,857	678,779	686,352
6			Schedule B2						
7	Less: Revenue Taxes	0.08885	(45,234)	(64,683)	(66,445)	(63,718)	(62,005)	(60,310)	(60,982)
8	RBA Revenues (Recovery of 12/31/14 RBA balance),		463,870	663,323	681,384	653,422	635,852	618,469	625,370
9	net of Revenue Taxes		Schedule B						

\* Differences are due to rounding

**Note 1:** RBA rate adjustment revenues per the Billed reports and Unbilled reports include both RBA and RAM revenues. Therefore, an allocation % is utilized to determine RBA revenues.

**Note 2:**

RBA Rate Adjustment Allocation for June 1, 2015 - May 31, 2016 is per Transmittal No. 15-05 (Decoupling) - RBA Rate Adjustment (Filed June 3, 2015), Schedule A, Note (1).

Maui Electric Company, Ltd.  
Bargaining Unit Wage Increase per Collective Bargaining Agreements  
Effective January 1, 2011 and July 1, 2013

Wage Increases: (non-compounded)	1/1/2011	1.75%	(Note 1)
	1/1/2012	2.50%	(Note 1)
	1/1/2013	3.00%	(Note 1)
	1/1/2014	3.00%	(Note 2)
	1/1/2015	3.00%	(Note 2)
	1/1/2016	3.25%	(Note 2)

<u>Increase effective</u>		<u>Increase Amount</u>	<u>Wage Rate With Increase</u>	<u>Labor Cost Escalation Rate</u>	
		(a)	(b)	(c)	
			prev (b) + (a)	(b) / prev (b) - 1	
1.00	1.75% 1/1/2011	0.0175	1.0175		
	2.50% 1/1/2012	0.0250	1.0425	0.0246	2.46%
	3.00% 1/1/2013	0.0300	1.0725	0.0288	2.88%
1.00	3.00% 1/1/2014	0.0300	1.0300		
	3.00% 1/1/2015	0.0300	1.0600	0.0291	2.91%
	3.25% 1/1/2016	0.0325	1.0925	0.0307	3.07%

(1) Agreement ratified by the IBEW, Local 1260 on March 11, 2011, reflects a 1.75% increase effective 1/1/2011, 2.50% increase effective 1/1/2012, and 3.00% increase effective 1/1/2013.

See HECO's Form 8-K dated March 11, 2011 filed with Securities and Exchange Commission at [www.hei.com](http://www.hei.com), under SEC filings.

(2) Agreement ratified by the IBEW, Local 1260 on November 1, 2012, reflects a 3.00% increase effective 1/1/2014 and 1/1/2015 and a 3.25% increase effective 1/1/2016, based on 1/1/2013 rates.

See HECO's Form 10-Q dated November 8, 2012 filed with Securities and Exchange Commission at [www.hei.com](http://www.hei.com), under SEC filings. See also MECO-WP-C-003.



# Blue Chip Economic Indicators<sup>®</sup>

**Top Analysts' Forecasts of the U.S. Economic Outlook for the Year Ahead**  
**Vol. 41, No. 2, February 10, 2016**

## 2 ■ BLUE CHIP ECONOMIC INDICATORS ■ FEBRUARY 10, 2016

## 2016 Real GDP Forecast Sinks To 2.1%

FEBRUARY 2016 Forecast For 2016 SOURCE:	Percent Change 2016 From 2015 (Full Year-Over-Prior Year)									Average For 2016 ---			Total Units-2016 ----		-2016-- 15 Net Exports (2009\$)
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
	Real GDP (Chained) (2009\$)	GDP Price Index	Nominal GDP (Cur.\$)	Consumer Price Index	Indust. Prod. (Total)	Dis. Pers. Income (2009\$)	Personal Cons. Exp. (2009\$)	Non-Res. Fix. Inv. (2009\$)	Corp. Profits (Cur.\$)	Treas. Bills 3-mo.	Treas. Notes 10-Year	Unempl Rate (Civ.)	Housing Starts (Mil.)	Auto&Light Truck Sales (Mil.)	
Moody's Analytics	2.8 H	1.5	4.4	1.7	1.0	3.1	3.3 H	5.2	8.0	0.4	2.8	4.9	1.45 H	17.5	-608.5
Naroff Economic Advisors*	2.7	2.1 H	4.8 H	1.1	1.4	3.2	2.9	3.7	4.8	0.9	2.5	4.7	1.36	17.4	-595.0
Standard & Poors Corp.*	2.7	1.9	4.6	1.7	1.9	2.5	3.1	4.7	0.4	0.7	2.7	4.8	1.33	18.0	-612.0
UCLA Business Forecasting Proj.*	2.6	1.5	4.1	1.5	1.9	3.2	1.4 L	5.1	10.3 H	0.7	2.5	4.7	1.44	18.0	-610.0
Inform - Univ. of Maryland	2.5	1.4	3.9	1.4	1.3	2.9	2.8	3.1	3.7	0.8	2.7	4.9	1.23	17.6	-591.0
Economist Intelligence Unit	2.4	1.8	4.4	1.6	1.8	2.6	2.7	2.0	na	0.7	2.4	4.8	1.27	18.0	-590.0
Ford Motor Company*	2.4	1.7	4.1	1.8 H	2.2 H	2.0 L	2.9	6.9	na	na	2.6	5.1 H	1.27	na	-635.8 L
Georgia State University*	2.4	1.7	4.1	1.7	0.4	3.1	2.7	4.0	4.5	0.2 L	2.4	5.1 H	1.19	16.8	-605.8
IHS Global Insight	2.4	1.5	3.9	0.7	na	3.2	2.9	2.9	4.2	0.5	2.2	4.8	1.22	17.8	-598.5
National Assn. of Home Builders	2.4	1.4	3.8	1.5	1.5	2.6	2.6	2.2	na	0.8	2.7	4.9	1.25	17.4	-563.0
RBC Capital Markets	2.4	1.7	4.1	1.1	na	na	2.7	2.6	na	1.0 H	3.1 H	4.5 L	1.20	na	-568.0
Swiss Re	2.4	1.3	3.7	1.7	1.4	3.2	2.8	3.7	4.3	0.8	2.5	4.6	1.25	16.7 L	-601.0
AIG	2.3	1.5	3.9	1.1	1.4	2.9	3.1	2.8	-1.3	0.8	2.5	4.9	1.26	17.7	-624.0
MUFG Union Bank	2.3	1.7	4.0	1.6	1.7	na	2.7	5.5	7.0	0.6	2.6	4.6	1.35	17.9	-580.0
PNC Financial Services Group	2.3	1.2	3.5	1.5	1.0	2.8	2.5	3.4	na	0.5	2.1	4.7	1.19	17.8	-565.7
Societe Generale	2.3	1.8	4.2	1.2	1.6	3.8 H	2.7	2.4	3.9	0.9	2.6	4.5 L	1.26	18.1	-596.7
Amherst Pierpont Securities	2.2	1.6	3.8	1.2	0.4	3.1	2.8	2.4	2.5	0.9	2.8	4.7	1.30	17.7	-595.0
Barclays*	2.2	1.3	3.5	0.9	na	na	2.8	2.8	na	na	2.5	4.5 L	1.22	na	-607.7
BMO Capital Markets*	2.2	1.6	3.8	1.4	0.4	3.0	2.8	2.3	3.1	0.5	2.1	4.7	1.29	17.8	-602.0
Eaton Corporation	2.2	1.4	3.5	1.5	2.2 H	2.9	3.1	2.9	2.7	0.7	2.6	4.7	1.24	17.6	-597.5
FedEx Corporation	2.2	1.1	3.3	1.1	0.3	3.0	2.7	2.2	3.6	0.5	2.3	4.9	1.28	18.1	-599.8
General Motors	2.2	1.7	3.9	1.6	1.2	3.0	2.9	2.6	-2.0	0.6	2.7	4.8	1.30	na	-613.3
MacroFin Analytics	2.2	1.5	3.7	1.4	1.3	2.6	2.6	2.4	3.2	0.6	2.3	4.8	1.11 L	17.5	-553.8 H
Northern Trust Company*	2.2	0.9 L	3.2	1.0	1.6	3.0	2.6	2.8	na	0.4	2.4	4.9	1.25	17.4	-597.0
SOM Economics, Inc.	2.2	1.3	3.6	1.1	0.3	2.7	2.7	0.6	-0.5	0.6	2.3	4.7	1.21	18.1	-576.0
Wells Capital Management	2.2	1.7	3.9	1.6	0.9	2.9	2.7	2.6	2.0	0.6	2.2	4.8	1.14	17.5	-603.0
Comerica*	2.1	1.3	3.4	1.7	1.2	3.7	2.4	2.6	na	0.6	2.4	4.7	1.19	17.5	-617.3
Daiwa Capital Markets America	2.1	1.7	3.8	1.3	0.6	2.9	2.6	3.9	-5.0	0.8	2.4	4.8	1.17	17.4	-610.0
High Frequency Economics	2.1	1.3	3.4	1.5	-0.2	2.9	2.8	2.5	-1.5	0.7	2.4	4.6	1.25	18.0	-605.3
Moody's Capital Markets*	2.1	1.5	3.6	1.0	0.7	3.0	2.1	2.3	2.0	0.4	2.2	4.7	1.25	17.6	-596.1
Point72 Asset Management	2.1	1.6	3.7	1.5	0.7	2.9	2.6	3.1	0.6	0.6	2.3	4.5 L	1.25	17.5	-599.1
RBS Securities	2.1	1.6	3.7	1.2	0.8	3.1	2.7	2.1	2.0	0.9	2.6	4.8	1.25	17.0	-588.0
Regions Financial Corporation	2.1	1.5	3.6	1.1	1.2	2.6	2.7	2.3	3.4	0.5	2.2	4.9	1.18	17.3	-582.0
Action Economics	2.0	1.3	3.2	0.8	-0.5 L	3.0	3.2	1.0	-2.9	0.6	2.3	4.8	1.24	18.0	-621.8
Bank of America Merrill Lynch	2.0	1.4	3.4	1.0	-0.5 L	3.5	2.7	1.4	2.5	0.6	2.5	4.7	1.28	18.1	-610.5
Conference Board*	2.0	1.3	3.4	1.1	1.1	2.9	2.6	2.4	-1.1	0.6	2.3	4.7	1.25	17.5	-594.4
Credit Suisse	2.0	0.9 L	4.4	0.5 L	0.5	na	2.5	1.8	1.4	na	2.3	4.6	1.20	17.4	-615.0
J.P. Morgan Chase	2.0	1.4	3.4	1.1	1.8	2.9	2.5	3.5	-1.9	na	2.3	4.7	1.20	17.5	-608.7
Oxford Economics	2.0	1.4	3.4	1.0	-0.5 L	2.6	2.5	2.3	-2.7	0.4	2.3	4.8	1.27	17.8	-574.9
RDQ Economics	2.0	1.7	3.7	1.6	1.1	2.6	2.4	3.1	3.1	0.9	2.8	4.5 L	1.15	17.5	-603.4
U.S. Chamber of Commerce	2.0	1.4	3.4	1.4	-0.1	2.8	2.5	1.3	2.5	0.6	2.2	4.8	1.24	na	-595.1
ACT Research	1.9	1.3	3.2	1.1	0.3	2.7	2.5	1.2	na	0.5	2.3	4.7	1.26	18.3 H	-607.2
Diane Swonk & Associates	1.9	1.5	3.4	1.3	0.5	3.3	2.8	-2.9 L	-5.6	0.4	2.3	4.6	1.29	17.3	-615.0
Econoclast	1.9	1.7	3.6	1.7	0.6	2.8	2.6	2.6	3.3	0.5	2.3	4.8	1.24	17.5	-596.0
Goldman Sachs & Co. **	1.9	1.3	3.3	1.1	0.8	3.2	2.7	1.3	na	0.7	2.4	4.8	1.25	na	-625.6
Macroeconomic Advisers, LLC**	1.9	1.4	3.3	1.2	0.3	3.3	2.8	1.2	-7.5 L	0.4	2.3	4.7	1.29	17.2	-613.1
Turning Points (Micrometrics)	1.9	1.7	3.6	0.9	0.2	2.9	2.5	2.8	3.0	0.5	2.2	4.8	1.23	17.6	-562.5
Wells Fargo	1.9	1.3	3.2	1.3	0.1	2.8	2.7	2.5	2.5	0.8	2.1	4.7	1.20	17.3	-632.3
BNP Paribas North America	1.8	na	na	1.1	0.0	2.3	2.4	7.6 H	4.4	na	2.2	4.8	na	na	-630.0
Fannie Mae	1.8	1.4	3.3	1.5	0.4	3.2	2.6	1.2	-3.9	0.5	2.1	4.8	1.23	17.3	-599.3
National Assn. of Realtors	1.7	1.6	3.3	1.6	0.4	2.8	2.8	2.6	-2.0	0.8	2.6	4.9	1.24	17.3	-610.0
Nomura Securities	1.7	1.4	3.2	0.7	-0.3	3.2	2.6	1.6	na	na	2.4	4.7	1.23	17.5	-624.3
Morgan Stanley*	1.5 L	1.7	3.4	1.7	2.0	2.5	2.3	0.7	1.6	0.7	2.6	4.9	1.24	17.9	-614.6
UBS	1.5 L	1.6	3.1 L	1.5	-0.4	3.0	2.5	0.8	na	0.5	2.0 L	4.9	1.31	na	-615.1
2016 Consensus: February Avg.	2.1	1.5	3.7	1.3	0.8	2.9	2.7	2.6	1.5	0.6	2.4	4.8	1.25	17.6	-601.1
Top 10 Avg.	2.5	1.8	4.3	1.7	1.9	3.4	3.0	5.0	5.5	0.9	2.7	4.9	1.34	18.0	-571.4
Bottom 10 Avg.	1.8	1.2	3.2	0.9	-0.2	2.5	2.3	0.6	-3.5	0.4	2.1	4.6	1.17	17.2	-624.1
January Avg.	2.5	1.7	4.2	1.6	1.6	2.9	2.8	3.9	2.8	0.7	2.6	4.8	1.25	17.7	-593.6
Historical data 2012	2.2	1.8	4.1	2.1	2.8	3.2	1.5	9.0	10.0	0.1	1.8	8.1	0.78	14.4	-447.1
2013	1.5	1.6	3.1	1.5	1.9	-1.4	1.7	3.0	2.0	0.1	2.4	7.4	0.92	15.5	-417.5
2014	2.4	1.6	4.1	1.6	3.7	2.7	2.7	6.2	1.7	0.0	2.5	6.2	1.00	16.4	-442.5
2015	2.4	1.0	3.4	0.1	1.3	3.5	3.1	2.9	na	0.1	2.2	5.3	1.11	17.3	-547.1
Number Of Forecasts Changed From A Month Ago:															
Down	48	40	47	45	44	14	35	45	31	26	44	18	22	16	39
Same	2	8	2	7	4	11	10	3	5	16	5	25	21	14	2
Up	3	4	3	1	2	24	8	5	4	5	3	10	9	14	12
February Median	2.1	1.5	3.6	1.3	0.8	2.9	2.7	2.6	2.5	0.6	2.4	4.8	1.25	17.5	-602.5
February Diffusion Index	8 %	15 %	8 %	8 %	8 %	60 %	25 %	12 %	16 %	28 %	11 %	42 %	38 %	48 %	25 %

\*Former winner of annual Lawrence R. Klein Award for Blue Chip Forecast Accuracy. \*\*Denotes two-time winner. \*\*\*Denotes three-time winner.

**MAUI ELECTRIC COMPANY, LIMITED**

MECO-WP-C-003

**EXHIBIT A**

PAGE 1 OF 1

3%      3.25%

*3%*      (2.91%)      (3.07%)

JOB CODE	JOB TITLE	1/1/2013	7/1/2013	1/1/2014	7/1/2014	1/1/2015	7/1/2015	1/1/2016	7/1/2016	1/1/2017	7/1/2017	1/1/2018	7/1/2018
CL6	METER READER												
	1st 3 mos.	20.83	$\times 1.03 =$	21.45	$\times 1.0291 =$	22.07	$\times 1.0307$	22.75		23.37		23.99	
	Next 3 mos.	21.84		22.50		23.16		23.87		24.53		25.19	
	Next 6 mos.	24.06		24.78		25.50		26.28		27.00		27.72	
	Next 6 mos.	25.26		26.02		26.78		27.60		28.36		29.12	
	Next 6 mos.	26.47		27.26		28.05		28.91		29.70		30.49	
	Thereafter	27.81		28.64		29.47		30.37		31.20		32.03	
CL9	ACCOUNTS CLERK												
	1st 3 mos.	22.42		23.09		23.76		24.49		25.16		25.83	
	Next 3 mos.	23.50		24.21		24.92		25.68		26.39		27.10	
	Next 3 mos.	24.65		25.39		26.13		26.93		27.67		28.41	
	Next 6 mos.	25.86		26.64		27.42		28.26		29.04		29.82	
	Next 6 mos.	27.17		27.99		28.81		29.69		30.51		31.33	
	Thereafter	28.51		29.37		30.23		31.16		32.02		32.88	
CL06	DISTRIBUTION DIVISION CLERK												
	1st 3 mos.	23.50		24.21		24.92		25.68		26.39		27.10	
	Next 3 mos.	24.65		25.39		26.13		26.93		27.67		28.41	
	Next 6 mos.	25.86		26.64		27.42		28.26		29.04		29.82	
	Next 6 mos.	27.17		27.99		28.81		29.69		30.51		31.33	
	Thereafter	28.51		29.37		30.23		31.16		32.02		32.88	
T6	STORES ATTENDANT												
T54	WAREHOUSE ATTENDANT												
	1st 12 mos.	23.44		24.14		24.84		25.60		26.30		27.00	
	Next 12 mos.	26.38		27.17		27.96		28.82		29.61		30.40	
	Next 12 mos.	28.64		29.50		30.36		31.29		32.15		33.01	
	Thereafter	30.80		31.72		32.64		33.64		34.56		35.48	
T26 (S)	OPERATOR HELPER (KAHULUI)												
T47 (S)	OPERATOR HELPER (MAALAEA)												
T104 (S)	OPERATOR HELPER (LANAI)												
T129 (S)	OPERATOR HELPER (MOLOKAI)												
	1st 12 mos.	23.44		24.14		24.84		25.60		26.30		27.00	
	Next 12 mos.	28.64		29.50		30.36		31.29		32.15		33.01	
	Thereafter	30.80		31.72		32.64		33.64		34.56		35.48	
C45	PLANT AIDE												
	1st 3 mos.	25.65		26.42		27.19		28.02		28.79		29.56	
	Next 3 mos.	26.93		27.74		28.55		29.43		30.24		31.05	
	Next 6 mos.	28.27		29.12		29.97		30.89		31.74		32.59	
	Next 6 mos.	29.71		30.60		31.49		32.46		33.35		34.24	
	Thereafter	31.19		32.13		33.07		34.08		35.02		35.96	
C202	METER READER/COLLECTOR (MOLOKAI)												
	1st 9 mos.	28.06		28.90		29.74		30.65		31.49		32.33	
	Next 9 mos.	29.61		30.50		31.39		32.35		33.24		34.13	
	Thereafter	31.19		32.13		33.07		34.08		35.02		35.96	
T27 (S)	SR OPERATOR HELPER (KAHULUI)												
T48 (S)	SR OPERATOR HELPER (MAALAEA)												
		31.19		32.13		33.07		34.08		35.02		35.96	
C209	ELECTRIC FACILITIES MANAGEMENT SYSTEM (EFMS) TECHNICIAN												
	1st 6 mos.	25.54		26.31		27.08		27.91		28.68		29.45	
	Next 6 mos.	27.13		27.94		28.75		29.63		30.44		31.25	
	Next 6 mos.	28.71		29.57		30.43		31.36		32.22		33.08	
	Next 6 mos.	30.30		31.21		32.12		33.10		34.01		34.92	
	Thereafter	31.92		32.88		33.84		34.88		35.84		36.80	
C27	JR CUSTOMER PLANNER												
	1st 9 mos.	28.71		29.57		30.43		31.36		32.22		33.08	
	Next 6 mos.	30.30		31.21		32.12		33.10		34.01		34.92	
	Thereafter	31.92		32.88		33.84		34.88		35.84		36.80	
C35	SR CUSTOMER CLERK												
C205	CUSTOMER FIELD REPRESENTATIVE												
	1st 3 mos.	24.60	$\times 1.03 =$	25.34		26.08		26.88		27.62		28.36	
	Next 3 mos.	26.22		27.01		27.80		28.65		29.44		30.23	
	Next 3 mos.	27.89		28.73		29.57		30.48		31.32		32.16	
	Next 6 mos.	29.50		30.39		31.28		32.24		33.13		34.02	
	Next 6 mos.	31.16		32.09		33.02		34.03		34.96		35.89	
	Thereafter	32.81		33.79		34.77		35.84		36.82		37.80	

**Maui Electric Company, Limited**  
**CIS in 2016 RAM Calculations**  
**Summary**  
(\$ in 000's)

Line	Description (Note 1)	Rate Base CIS		Rate Base CIS	
		Deferred Costs Recoverable at 12/31/15 (Note 2)	2016 Amortization (12 months) (Note 3)	Deferred Costs Recoverable at 12/31/16	
1	CIS Deferred Cost	\$ 5,687	(606)	\$ 5,082	
2	CIS Deferred O&M Reclass	445	(47)	398	
3	Carrying charges	364	(38)	326	
4	Write-Off	(4,302)	458	(3,844)	
5 = sum 1 - 4	CIS deferred costs recoverable	2,195	(233)	1,962	

- (1) See Hawaiian Electric 2009 Test Year Rate Case Stipulated Settlement Agreement between the Hawaiian Electric Companies and the Division of Consumer Advocacy regarding Certain Regulatory Matters, filed January 28, 2013 in Docket No. 2008-0083 ("2013 Stipulation"), for the treatment of costs relating to the Customer Information System ("CIS").
- (2) See Transmittal No. 15-05 (Decoupling) - Maui Electric's Amended RBA Rate Adjustment Tariff Filing, MECO-WP-D1-001, filed on April 15, 2015.
- (3) Amortized over 12 years, per Exhibit 1, page 2 of 3, footnote 2 of the 2013 Stipulation referenced in note (1) above. Refer to CIS Amortization schedule included in pages 2 to 5 of this workpaper.

Maui Electric Company, Limited  
CIS in 2016 RAM Calculations  
CIS Amortization Schedule

		CIS Final Cost - Amort (Rate Base)		Rounded (\$ in 000's)
Amort. Period		144 months		
Reg Asset Balance				
Bal. 5/2013		2,797,191		
1	Jun-13	(19,424.94)	2,777,766.06	
2	Jul-13	(19,424.94)	2,758,341.13	
3	Aug-13	(19,424.94)	2,738,916.19	
4	Sep-13	(19,424.94)	2,719,491.25	
5	Oct-13	(19,424.94)	2,700,066.31	
6	Nov-13	(19,424.94)	2,680,641.38	
7	Dec-13	(19,424.94)	2,661,216.44	2,661
8	Jan-14	(19,424.94)	2,641,791.50	
9	Feb-14	(19,424.94)	2,622,366.56	
10	Mar-14	(19,424.94)	2,602,941.63	
11	Apr-14	(19,424.94)	2,583,516.69	
12	May-14	(19,424.94)	2,564,091.75	
13	Jun-14	(19,424.94)	2,544,666.81	
14	Jul-14	(19,424.94)	2,525,241.88	
15	Aug-14	(19,424.94)	2,505,816.94	
16	Sep-14	(19,424.94)	2,486,392.00	
17	Oct-14	(19,424.94)	2,466,967.06	
18	Nov-14	(19,424.94)	2,447,542.13	
19	Dec-14	(19,424.94)	2,428,117.19	2,428
20	Jan-15	(19,424.94)	2,408,692.25	
21	Feb-15	(19,424.94)	2,389,267.31	
22	Mar-15	(19,424.94)	2,369,842.38	
23	Apr-15	(19,424.94)	2,350,417.44	
24	May-15	(19,424.94)	2,330,992.50	
25	Jun-15	(19,424.94)	2,311,567.56	
26	Jul-15	(19,424.94)	2,292,142.63	
27	Aug-15	(19,424.94)	2,272,717.69	
28	Sep-15	(19,424.94)	2,253,292.75	
29	Oct-15	(19,424.94)	2,233,867.81	
30	Nov-15	(19,424.94)	2,214,442.88	
31	Dec-15	(19,424.94)	2,195,017.94	2,195
32	Jan-16	(19,424.94)	2,175,593.00	
33	Feb-16	(19,424.94)	2,156,168.06	
34	Mar-16	(19,424.94)	2,136,743.13	
35	Apr-16	(19,424.94)	2,117,318.19	
36	May-16	(19,424.94)	2,097,893.25	
37	Jun-16	(19,424.94)	2,078,468.31	
38	Jul-16	(19,424.94)	2,059,043.38	
39	Aug-16	(19,424.94)	2,039,618.44	
40	Sep-16	(19,424.94)	2,020,193.50	
41	Oct-16	(19,424.94)	2,000,768.56	
42	Nov-16	(19,424.94)	1,981,343.63	
43	Dec-16	(19,424.94)	1,961,918.69	1,962
44	Jan-17	(19,424.94)	1,942,493.75	
45	Feb-17	(19,424.94)	1,923,068.81	
46	Mar-17	(19,424.94)	1,903,643.88	

2016 Amortization  
(233,099)

**Maui Electric Company, Limited**  
**CIS in 2016 RAM Calculations**  
**CIS Amortization Schedule**

		<b>CIS Final Cost - Amort (Rate Base)</b>	<b>Rounded (\$ in 000's)</b>
47	Apr-17	(19,424.94)	1,884,218.94
48	May-17	(19,424.94)	1,864,794.00
49	Jun-17	(19,424.94)	1,845,369.06
50	Jul-17	(19,424.94)	1,825,944.13
51	Aug-17	(19,424.94)	1,806,519.19
52	Sep-17	(19,424.94)	1,787,094.25
53	Oct-17	(19,424.94)	1,767,669.31
54	Nov-17	(19,424.94)	1,748,244.38
55	Dec-17	(19,424.94)	1,728,819.44
56	Jan-18	(19,424.94)	1,709,394.50
57	Feb-18	(19,424.94)	1,689,969.56
58	Mar-18	(19,424.94)	1,670,544.63
59	Apr-18	(19,424.94)	1,651,119.69
60	May-18	(19,424.94)	1,631,694.75
61	Jun-18	(19,424.94)	1,612,269.81
62	Jul-18	(19,424.94)	1,592,844.88
63	Aug-18	(19,424.94)	1,573,419.94
64	Sep-18	(19,424.94)	1,553,995.00
65	Oct-18	(19,424.94)	1,534,570.06
66	Nov-18	(19,424.94)	1,515,145.13
67	Dec-18	(19,424.94)	1,495,720.19
68	Jan-19	(19,424.94)	1,476,295.25
69	Feb-19	(19,424.94)	1,456,870.31
70	Mar-19	(19,424.94)	1,437,445.38
71	Apr-19	(19,424.94)	1,418,020.44
72	May-19	(19,424.94)	1,398,595.50
73	Jun-19	(19,424.94)	1,379,170.56
74	Jul-19	(19,424.94)	1,359,745.63
75	Aug-19	(19,424.94)	1,340,320.69
76	Sep-19	(19,424.94)	1,320,895.75
77	Oct-19	(19,424.94)	1,301,470.81
78	Nov-19	(19,424.94)	1,282,045.88
79	Dec-19	(19,424.94)	1,262,620.94
80	Jan-20	(19,424.94)	1,243,196.00
81	Feb-20	(19,424.94)	1,223,771.06
82	Mar-20	(19,424.94)	1,204,346.13
83	Apr-20	(19,424.94)	1,184,921.19
84	May-20	(19,424.94)	1,165,496.25
85	Jun-20	(19,424.94)	1,146,071.31
86	Jul-20	(19,424.94)	1,126,646.38
87	Aug-20	(19,424.94)	1,107,221.44
88	Sep-20	(19,424.94)	1,087,796.50
89	Oct-20	(19,424.94)	1,068,371.56
90	Nov-20	(19,424.94)	1,048,946.63
91	Dec-20	(19,424.94)	1,029,521.69
92	Jan-21	(19,424.94)	1,010,096.75
93	Feb-21	(19,424.94)	990,671.81
94	Mar-21	(19,424.94)	971,246.88
95	Apr-21	(19,424.94)	951,821.94
96	May-21	(19,424.94)	932,397.00
97	Jun-21	(19,424.94)	912,972.06

1,729

**Maui Electric Company, Limited**  
**CIS in 2016 RAM Calculations**  
**CIS Amortization Schedule**

		<b>CIS Final Cost - Amort (Rate Base)</b>	<b>Rounded (\$ in 000's)</b>
98	Jul-21	(19,424.94)	893,547.13
99	Aug-21	(19,424.94)	874,122.19
100	Sep-21	(19,424.94)	854,697.25
101	Oct-21	(19,424.94)	835,272.31
102	Nov-21	(19,424.94)	815,847.38
103	Dec-21	(19,424.94)	796,422.44
104	Jan-22	(19,424.94)	776,997.50
105	Feb-22	(19,424.94)	757,572.56
106	Mar-22	(19,424.94)	738,147.63
107	Apr-22	(19,424.94)	718,722.69
108	May-22	(19,424.94)	699,297.75
109	Jun-22	(19,424.94)	679,872.81
110	Jul-22	(19,424.94)	660,447.88
111	Aug-22	(19,424.94)	641,022.94
112	Sep-22	(19,424.94)	621,598.00
113	Oct-22	(19,424.94)	602,173.06
114	Nov-22	(19,424.94)	582,748.13
115	Dec-22	(19,424.94)	563,323.19
116	Jan-23	(19,424.94)	543,898.25
117	Feb-23	(19,424.94)	524,473.31
118	Mar-23	(19,424.94)	505,048.38
119	Apr-23	(19,424.94)	485,623.44
120	May-23	(19,424.94)	466,198.50
121	Jun-23	(19,424.94)	446,773.56
122	Jul-23	(19,424.94)	427,348.63
123	Aug-23	(19,424.94)	407,923.69
124	Sep-23	(19,424.94)	388,498.75
125	Oct-23	(19,424.94)	369,073.81
126	Nov-23	(19,424.94)	349,648.88
127	Dec-23	(19,424.94)	330,223.94
128	Jan-24	(19,424.94)	310,799.00
129	Feb-24	(19,424.94)	291,374.06
130	Mar-24	(19,424.94)	271,949.13
131	Apr-24	(19,424.94)	252,524.19
132	May-24	(19,424.94)	233,099.25
133	Jun-24	(19,424.94)	213,674.31
134	Jul-24	(19,424.94)	194,249.38
135	Aug-24	(19,424.94)	174,824.44
136	Sep-24	(19,424.94)	155,399.50
137	Oct-24	(19,424.94)	135,974.56
138	Nov-24	(19,424.94)	116,549.63
139	Dec-24	(19,424.94)	97,124.69
140	Jan-25	(19,424.94)	77,699.75
141	Feb-25	(19,424.94)	58,274.81
142	Mar-25	(19,424.94)	38,849.88
143	Apr-25	(19,424.94)	19,424.94
144	May-25	(19,424.94)	-

Maui Electric Company, Ltd.  
 CHP Investment  
 Estimated Book Depreciation  
 Docket No. 2009-0286 Depreciation Rates

			Cost:			Rate:		Depreciation	A/D	NBV
			Total	Production	Distribution	Production	Distribution			
1	Sept	2009	3,500,000	3,010,000	490,000	3.19%	2.30%	-	-	3,500,000
2	Oct	2009	3,500,000	3,010,000	490,000	3.19%	2.30%	-	-	3,500,000
3	Nov	2009	3,500,000	3,010,000	490,000	3.19%	2.30%	-	-	3,500,000
4	Dec	2009	3,500,000	3,010,000	490,000	3.19%	2.30%	-	-	3,500,000
5	Jan	2010	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	8,941	3,491,059
6	Feb	2010	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	17,882	3,482,118
7	Mar	2010	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	26,823	3,473,177
8	Apr	2010	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	35,764	3,464,236
9	May	2010	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	44,705	3,455,295
10	Jun	2010	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	53,646	3,446,354
11	Jul	2010	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	62,587	3,437,413
12	Aug	2010	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	71,528	3,428,472
13	Sep	2010	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	80,469	3,419,531
14	Oct	2010	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	89,410	3,410,590
15	Nov	2010	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	98,351	3,401,649
16	Dec	2010	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	107,292	3,392,708
17	Jan	2011	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	116,233	3,383,767
18	Feb	2011	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	125,174	3,374,826
19	Mar	2011	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	134,115	3,365,885
20	Apr	2011	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	143,056	3,356,944
21	May	2011	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	151,997	3,348,003
22	Jun	2011	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	160,938	3,339,062
23	Jul	2011	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	169,879	3,330,121
24	Aug	2011	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	178,820	3,321,180
25	Sep	2011	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	187,761	3,312,239
26	Oct	2011	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	196,702	3,303,298
27	Nov	2011	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	205,643	3,294,357
28	Dec	2011	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	214,584	3,285,416
29	Jan	2012	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	223,525	3,276,475
30	Feb	2012	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	232,466	3,267,534
31	Mar	2012	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	241,407	3,258,593
32	Apr	2012	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	250,348	3,249,652
33	May	2012	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	259,289	3,240,711
34	Jun	2012	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	268,230	3,231,770
35	Jul	2012	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	277,171	3,222,829
36	Aug	2012	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	286,112	3,213,888
37	Sep	2012	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	295,053	3,204,947
38	Oct	2012	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	303,994	3,196,006
39	Nov	2012	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	312,935	3,187,065
40	Dec	2012	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	321,876	3,178,124
41	Jan	2013	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	330,817	3,169,183
42	Feb	2013	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	339,758	3,160,242
43	Mar	2013	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	348,699	3,151,301
44	Apr	2013	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	357,640	3,142,360
45	May	2013	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	366,581	3,133,419
46	Jun	2013	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	375,522	3,124,478
47	Jul	2013	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	384,463	3,115,537
48	Aug	2013	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	393,404	3,106,596
49	Sep	2013	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	402,345	3,097,655
50	Oct	2013	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	411,286	3,088,714
51	Nov	2013	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	420,227	3,079,773
52	Dec	2013	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	429,168	3,070,832
53	Jan	2014	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	438,109	3,061,891
54	Feb	2014	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	447,050	3,052,950
55	Mar	2014	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	455,991	3,044,009
56	Apr	2014	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	464,932	3,035,068
57	May	2014	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	473,873	3,026,127
58	Jun	2014	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	482,814	3,017,186
59	Jul	2014	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	491,755	3,008,245
60	Aug	2014	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	500,696	2,999,304
61	Sep	2014	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	509,637	2,990,363
62	Oct	2014	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	518,578	2,981,422
63	Nov	2014	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	527,519	2,972,481
64	Dec	2014	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	536,460	2,963,540
65	Jan	2015	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	545,401	2,954,599



\* The Company's CHP system incurred extensive and irreparable damage due to a fire on March 6, 2015. As the system was out of service from this date there is no depreciation expense recorded from March and the net book value as of February 2015 is reflected in Sch D1. The Company estimates a return to service in 2017.

Maui Electric Company, Ltd.  
CHP Investment

Estimated Book Depreciation

Docket No. 2009-0286 Depreciation Rates

			Cost:			Rate:		Depreciation	A/D	NBV	
			Total	Production	Distribution	Production	Distribution				
66	Feb	2015	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	554,342	2,945,658	*
67	Mar	2015	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	563,283	2,936,717	
68	Apr	2015	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	572,224	2,927,776	
69	May	2015	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	581,165	2,918,835	
70	Jun	2015	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	590,106	2,909,894	
71	Jul	2015	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	599,047	2,900,953	
72	Aug	2015	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	607,988	2,892,012	
73	Sep	2015	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	616,929	2,883,071	
74	Oct	2015	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	625,870	2,874,130	
75	Nov	2015	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	634,811	2,865,189	
76	Dec	2015	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	643,752	2,856,248	
77	Jan	2016	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	652,693	2,847,307	
78	Feb	2016	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	661,634	2,838,366	
79	Mar	2016	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	670,575	2,829,425	
80	Apr	2016	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	679,516	2,820,484	
81	May	2016	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	688,457	2,811,543	
82	Jun	2016	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	697,398	2,802,602	
83	Jul	2016	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	706,339	2,793,661	
84	Aug	2016	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	715,280	2,784,720	
85	Sep	2016	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	724,221	2,775,779	
86	Oct	2016	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	733,162	2,766,838	
87	Nov	2016	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	742,103	2,757,897	
88	Dec	2016	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	751,044	2,748,956	
89	Jan	2017	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	759,985	2,740,015	
90	Feb	2017	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	768,926	2,731,074	
91	Mar	2017	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	777,867	2,722,133	
92	Apr	2017	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	786,808	2,713,192	
93	May	2017	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	795,749	2,704,251	
94	Jun	2017	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	804,690	2,695,310	
95	Jul	2017	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	813,631	2,686,369	
96	Aug	2017	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	822,572	2,677,428	
97	Sep	2017	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	831,513	2,668,487	
98	Oct	2017	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	840,454	2,659,546	
99	Nov	2017	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	849,395	2,650,605	
100	Dec	2017	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	858,336	2,641,664	
101	Jan	2018	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	867,277	2,632,723	
102	Feb	2018	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	876,218	2,623,782	
103	Mar	2018	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	885,159	2,614,841	
104	Apr	2018	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	894,100	2,605,900	
105	May	2018	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	903,041	2,596,959	
106	Jun	2018	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	911,982	2,588,018	
107	Jul	2018	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	920,923	2,579,077	
108	Aug	2018	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	929,864	2,570,136	
109	Sep	2018	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	938,805	2,561,195	
110	Oct	2018	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	947,746	2,552,254	
111	Nov	2018	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	956,687	2,543,313	
112	Dec	2018	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	965,628	2,534,372	
113	Jan	2019	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	974,569	2,525,431	
114	Feb	2019	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	983,510	2,516,490	
115	Mar	2019	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	992,451	2,507,549	
116	Apr	2019	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,001,392	2,498,608	
117	May	2019	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,010,333	2,489,667	
118	Jun	2019	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,019,274	2,480,726	
119	Jul	2019	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,028,215	2,471,785	
120	Aug	2019	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,037,156	2,462,844	
121	Sep	2019	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,046,097	2,453,903	
122	Oct	2019	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,055,038	2,444,962	
123	Nov	2019	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,063,979	2,436,021	
124	Dec	2019	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,072,920	2,427,080	
125	Jan	2020	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,081,861	2,418,139	
126	Feb	2020	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,090,802	2,409,198	
127	Mar	2020	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,099,743	2,400,257	
128	Apr	2020	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,108,684	2,391,316	
129	May	2020	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,117,625	2,382,375	
130	Jun	2020	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,126,566	2,373,434	

Maui Electric Company, Ltd.  
 CHP Investment  
 Estimated Book Depreciation  
 Docket No. 2009-0286 Depreciation Rates

			Cost:			Rate:		Depreciation	A/D	NBV
			Total	Production	Distribution	Production	Distribution			
131	Jul	2020	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,135,507	2,364,493
132	Aug	2020	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,144,448	2,355,552
133	Sep	2020	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,153,389	2,346,611
134	Oct	2020	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,162,330	2,337,670
135	Nov	2020	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,171,271	2,328,729
136	Dec	2020	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,180,212	2,319,788
137	Jan	2021	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,189,153	2,310,847
138	Feb	2021	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,198,094	2,301,906
139	Mar	2021	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,207,035	2,292,965
140	Apr	2021	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,215,976	2,284,024
141	May	2021	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,224,917	2,275,083
142	Jun	2021	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,233,858	2,266,142
143	Jul	2021	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,242,799	2,257,201
144	Aug	2021	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,251,740	2,248,260
145	Sep	2021	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,260,681	2,239,319
146	Oct	2021	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,269,622	2,230,378
147	Nov	2021	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,278,563	2,221,437
148	Dec	2021	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,287,504	2,212,496
149	Jan	2022	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,296,445	2,203,555
150	Feb	2022	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,305,386	2,194,614
151	Mar	2022	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,314,327	2,185,673
152	Apr	2022	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,323,268	2,176,732
153	May	2022	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,332,209	2,167,791
154	Jun	2022	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,341,150	2,158,850
155	Jul	2022	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,350,091	2,149,909
156	Aug	2022	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,359,032	2,140,968
157	Sep	2022	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,367,973	2,132,027
158	Oct	2022	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,376,914	2,123,086
159	Nov	2022	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,385,855	2,114,145
160	Dec	2022	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,394,796	2,105,204
161	Jan	2023	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,403,737	2,096,263
162	Feb	2023	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,412,678	2,087,322
163	Mar	2023	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,421,619	2,078,381
164	Apr	2023	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,430,560	2,069,440
165	May	2023	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,439,501	2,060,499
166	Jun	2023	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,448,442	2,051,558
167	Jul	2023	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,457,383	2,042,617
168	Aug	2023	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,466,324	2,033,676
169	Sep	2023	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,475,265	2,024,735
170	Oct	2023	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,484,206	2,015,794
171	Nov	2023	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,493,147	2,006,853
172	Dec	2023	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,502,088	1,997,912
173	Jan	2024	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,511,029	1,988,971
174	Feb	2024	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,519,970	1,980,030
175	Mar	2024	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,528,911	1,971,089
176	Apr	2024	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,537,852	1,962,148
177	May	2024	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,546,793	1,953,207
178	Jun	2024	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,555,734	1,944,266
179	Jul	2024	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,564,675	1,935,325
180	Aug	2024	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,573,616	1,926,384
181	Sep	2024	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,582,557	1,917,443
182	Oct	2024	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,591,498	1,908,502
183	Nov	2024	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,600,439	1,899,561
184	Dec	2024	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,609,380	1,890,620
185	Jan	2025	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,618,321	1,881,679
186	Feb	2025	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,627,262	1,872,738
187	Mar	2025	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,636,203	1,863,797
188	Apr	2025	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,645,144	1,854,856
189	May	2025	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,654,085	1,845,915
190	Jun	2025	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,663,026	1,836,974
191	Jul	2025	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,671,967	1,828,033
192	Aug	2025	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,680,908	1,819,092
193	Sep	2025	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,689,849	1,810,151
194	Oct	2025	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,698,790	1,801,210
195	Nov	2025	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,707,731	1,792,269

Maui Electric Company, Ltd.  
CHP Investment  
Estimated Book Depreciation  
Docket No. 2009-0286 Depreciation Rates

			Cost:			Rate:		Depreciation	A/D	NBV
			Total	Production	Distribution	Production	Distribution			
196	Dec	2025	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,716,672	1,783,328
197	Jan	2026	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,725,613	1,774,387
198	Feb	2026	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,734,554	1,765,446
199	Mar	2026	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,743,495	1,756,505
200	Apr	2026	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,752,436	1,747,564
201	May	2026	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,761,377	1,738,623
202	Jun	2026	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,770,318	1,729,682
203	Jul	2026	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,779,259	1,720,741
204	Aug	2026	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,788,200	1,711,800
205	Sep	2026	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,797,141	1,702,859
206	Oct	2026	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,806,082	1,693,918
207	Nov	2026	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,815,023	1,684,977
208	Dec	2026	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,823,964	1,676,036
209	Jan	2027	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,832,905	1,667,095
210	Feb	2027	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,841,846	1,658,154
211	Mar	2027	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,850,787	1,649,213
212	Apr	2027	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,859,728	1,640,272
213	May	2027	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,868,669	1,631,331
214	Jun	2027	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,877,610	1,622,390
215	Jul	2027	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,886,551	1,613,449
216	Aug	2027	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,895,492	1,604,508
217	Sep	2027	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,904,433	1,595,567
218	Oct	2027	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,913,374	1,586,626
219	Nov	2027	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,922,315	1,577,685
220	Dec	2027	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,931,256	1,568,744
221	Jan	2028	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,940,197	1,559,803
222	Feb	2028	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,949,138	1,550,862
223	Mar	2028	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,958,079	1,541,921
224	Apr	2028	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,967,020	1,532,980
225	May	2028	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,975,961	1,524,039
226	Jun	2028	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,984,902	1,515,098
227	Jul	2028	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	1,993,843	1,506,157
228	Aug	2028	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,002,784	1,497,216
229	Sep	2028	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,011,725	1,488,275
230	Oct	2028	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,020,666	1,479,334
231	Nov	2028	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,029,607	1,470,393
232	Dec	2028	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,038,548	1,461,452
233	Jan	2029	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,047,489	1,452,511
234	Feb	2029	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,056,430	1,443,570
235	Mar	2029	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,065,371	1,434,629
236	Apr	2029	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,074,312	1,425,688
237	May	2029	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,083,253	1,416,747
238	Jun	2029	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,092,194	1,407,806
239	Jul	2029	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,101,135	1,398,865
240	Aug	2029	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,110,076	1,389,924
241	Sep	2029	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,119,017	1,380,983
242	Oct	2029	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,127,958	1,372,042
243	Nov	2029	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,136,899	1,363,101
244	Dec	2029	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,145,840	1,354,160
245	Jan	2030	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,154,781	1,345,219
246	Feb	2030	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,163,722	1,336,278
247	Mar	2030	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,172,663	1,327,337
248	Apr	2030	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,181,604	1,318,396
249	May	2030	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,190,545	1,309,455
250	Jun	2030	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,199,486	1,300,514
251	Jul	2030	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,208,427	1,291,573
252	Aug	2030	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,217,368	1,282,632
253	Sep	2030	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,226,309	1,273,691
254	Oct	2030	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,235,250	1,264,750
255	Nov	2030	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,244,191	1,255,809
256	Dec	2030	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,253,132	1,246,868
257	Jan	2031	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,262,073	1,237,927
258	Feb	2031	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,271,014	1,228,986
259	Mar	2031	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,279,955	1,220,045
260	Apr	2031	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,288,896	1,211,104

Maui Electric Company, Ltd.  
 CHP Investment  
 Estimated Book Depreciation  
 Docket No. 2009-0286 Depreciation Rates

			Cost:			Rate:		Depreciation	A/D	NBV
			Total	Production	Distribution	Production	Distribution			
261	May	2031	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,297,837	1,202,163
262	Jun	2031	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,306,778	1,193,222
263	Jul	2031	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,315,719	1,184,281
264	Aug	2031	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,324,660	1,175,340
265	Sep	2031	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,333,601	1,166,399
266	Oct	2031	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,342,542	1,157,458
267	Nov	2031	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,351,483	1,148,517
268	Dec	2031	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,360,424	1,139,576
269	Jan	2032	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,369,365	1,130,635
270	Feb	2032	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,378,306	1,121,694
271	Mar	2032	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,387,247	1,112,753
272	Apr	2032	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,396,188	1,103,812
273	May	2032	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,405,129	1,094,871
274	Jun	2032	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,414,070	1,085,930
275	Jul	2032	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,423,011	1,076,989
276	Aug	2032	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,431,952	1,068,048
277	Sep	2032	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,440,893	1,059,107
278	Oct	2032	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,449,834	1,050,166
279	Nov	2032	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,458,775	1,041,225
280	Dec	2032	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,467,716	1,032,284
281	Jan	2033	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,476,657	1,023,343
282	Feb	2033	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,485,598	1,014,402
283	Mar	2033	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,494,539	1,005,461
284	Apr	2033	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,503,480	996,520
285	May	2033	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,512,421	987,579
286	Jun	2033	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,521,362	978,638
287	Jul	2033	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,530,303	969,697
288	Aug	2033	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,539,244	960,756
289	Sep	2033	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,548,185	951,815
290	Oct	2033	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,557,126	942,874
291	Nov	2033	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,566,067	933,933
292	Dec	2033	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,575,008	924,992
293	Jan	2034	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,583,949	916,051
294	Feb	2034	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,592,890	907,110
295	Mar	2034	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,601,831	898,169
296	Apr	2034	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,610,772	889,228
297	May	2034	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,619,713	880,287
298	Jun	2034	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,628,654	871,346
299	Jul	2034	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,637,595	862,405
300	Aug	2034	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,646,536	853,464
301	Sep	2034	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,655,477	844,523
302	Oct	2034	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,664,418	835,582
303	Nov	2034	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,673,359	826,641
304	Dec	2034	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,682,300	817,700
305	Jan	2035	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,691,241	808,759
306	Feb	2035	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,700,182	799,818
307	Mar	2035	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,709,123	790,877
308	Apr	2035	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,718,064	781,936
309	May	2035	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,727,005	772,995
310	Jun	2035	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,735,946	764,054
311	Jul	2035	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,744,887	755,113
312	Aug	2035	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,753,828	746,172
313	Sep	2035	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,762,769	737,231
314	Oct	2035	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,771,710	728,290
315	Nov	2035	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,780,651	719,349
316	Dec	2035	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,789,592	710,408
317	Jan	2036	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,798,533	701,467
318	Feb	2036	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,807,474	692,526
319	Mar	2036	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,816,415	683,585
320	Apr	2036	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,825,356	674,644
321	May	2036	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,834,297	665,703
322	Jun	2036	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,843,238	656,762
323	Jul	2036	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,852,179	647,821
324	Aug	2036	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,861,120	638,880
325	Sep	2036	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,870,061	629,939

Maui Electric Company, Ltd.  
 CHP Investment  
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			Cost:			Rate:		Depreciation	A/D	NBV
			Total	Production	Distribution	Production	Distribution			
326	Oct	2036	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,879,002	620,998
327	Nov	2036	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,887,943	612,057
328	Dec	2036	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,896,884	603,116
329	Jan	2037	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,905,825	594,175
330	Feb	2037	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,914,766	585,234
331	Mar	2037	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,923,707	576,293
332	Apr	2037	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,932,648	567,352
333	May	2037	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,941,589	558,411
334	Jun	2037	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,950,530	549,470
335	Jul	2037	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,959,471	540,529
336	Aug	2037	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,968,412	531,588
337	Sep	2037	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,977,353	522,647
338	Oct	2037	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,986,294	513,706
339	Nov	2037	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	2,995,235	504,765
340	Dec	2037	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,004,176	495,824
341	Jan	2038	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,013,117	486,883
342	Feb	2038	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,022,058	477,942
343	Mar	2038	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,030,999	469,001
344	Apr	2038	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,039,940	460,060
345	May	2038	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,048,881	451,119
346	Jun	2038	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,057,822	442,178
347	Jul	2038	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,066,763	433,237
348	Aug	2038	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,075,704	424,296
349	Sep	2038	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,084,645	415,355
350	Oct	2038	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,093,586	406,414
351	Nov	2038	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,102,527	397,473
352	Dec	2038	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,111,468	388,532
353	Jan	2039	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,120,409	379,591
354	Feb	2039	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,129,350	370,650
355	Mar	2039	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,138,291	361,709
356	Apr	2039	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,147,232	352,768
357	May	2039	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,156,173	343,827
358	Jun	2039	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,165,114	334,886
359	Jul	2039	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,174,055	325,945
360	Aug	2039	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,182,996	317,004
361	Sep	2039	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,191,937	308,063
362	Oct	2039	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,200,878	299,122
363	Nov	2039	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,209,819	290,181
364	Dec	2039	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,218,760	281,240
365	Jan	2040	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,227,701	272,299
366	Feb	2040	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,236,642	263,358
367	Mar	2040	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,245,583	254,417
368	Apr	2040	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,254,524	245,476
369	May	2040	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,263,465	236,535
370	Jun	2040	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,272,406	227,594
371	Jul	2040	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,281,347	218,653
372	Aug	2040	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,290,288	209,712
373	Sep	2040	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,299,229	200,771
374	Oct	2040	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,308,170	191,830
375	Nov	2040	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,317,111	182,889
376	Dec	2040	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,326,052	173,948
377	Jan	2041	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,334,993	165,007
378	Feb	2041	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,343,934	156,066
379	Mar	2041	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,352,875	147,125
380	Apr	2041	3,500,000	3,010,000	490,000	3.19%	2.30%	8,941	3,361,816	138,184
381	May	2041	3,500,000	3,010,000	490,000	3.19%	2.30%	2,187	3,364,003	135,997
382	Jun	2041	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,364,942	135,058
383	Jul	2041	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,365,881	134,119
384	Aug	2041	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,366,820	133,180
385	Sep	2041	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,367,759	132,241
386	Oct	2041	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,368,698	131,302
387	Nov	2041	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,369,637	130,363
388	Dec	2041	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,370,576	129,424
389	Jan	2042	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,371,515	128,485
390	Feb	2042	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,372,454	127,546

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			Cost:			Rate:		Depreciation	A/D	NBV
			Total	Production	Distribution	Production	Distribution			
391	Mar	2042	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,373,393	126,607
392	Apr	2042	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,374,332	125,668
393	May	2042	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,375,271	124,729
394	Jun	2042	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,376,210	123,790
395	Jul	2042	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,377,149	122,851
396	Aug	2042	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,378,088	121,912
397	Sep	2042	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,379,027	120,973
398	Oct	2042	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,379,966	120,034
399	Nov	2042	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,380,905	119,095
400	Dec	2042	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,381,844	118,156
401	Jan	2043	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,382,783	117,217
402	Feb	2043	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,383,722	116,278
403	Mar	2043	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,384,661	115,339
404	Apr	2043	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,385,600	114,400
405	May	2043	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,386,539	113,461
406	Jun	2043	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,387,478	112,522
407	Jul	2043	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,388,417	111,583
408	Aug	2043	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,389,356	110,644
409	Sep	2043	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,390,295	109,705
410	Oct	2043	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,391,234	108,766
411	Nov	2043	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,392,173	107,827
412	Dec	2043	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,393,112	106,888
413	Jan	2044	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,394,051	105,949
414	Feb	2044	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,394,990	105,010
415	Mar	2044	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,395,929	104,071
416	Apr	2044	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,396,868	103,132
417	May	2044	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,397,807	102,193
418	Jun	2044	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,398,746	101,254
419	Jul	2044	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,399,685	100,315
420	Aug	2044	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,400,624	99,376
421	Sep	2044	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,401,563	98,437
422	Oct	2044	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,402,502	97,498
423	Nov	2044	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,403,441	96,559
424	Dec	2044	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,404,380	95,620
425	Jan	2045	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,405,319	94,681
426	Feb	2045	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,406,258	93,742
427	Mar	2045	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,407,197	92,803
428	Apr	2045	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,408,136	91,864
429	May	2045	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,409,075	90,925
430	Jun	2045	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,410,014	89,986
431	Jul	2045	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,410,953	89,047
432	Aug	2045	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,411,892	88,108
433	Sep	2045	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,412,831	87,169
434	Oct	2045	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,413,770	86,230
435	Nov	2045	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,414,709	85,291
436	Dec	2045	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,415,648	84,352
437	Jan	2046	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,416,587	83,413
438	Feb	2046	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,417,526	82,474
439	Mar	2046	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,418,465	81,535
440	Apr	2046	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,419,404	80,596
441	May	2046	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,420,343	79,657
442	Jun	2046	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,421,282	78,718
443	Jul	2046	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,422,221	77,779
444	Aug	2046	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,423,160	76,840
445	Sep	2046	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,424,099	75,901
446	Oct	2046	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,425,038	74,962
447	Nov	2046	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,425,977	74,023
448	Dec	2046	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,426,916	73,084
449	Jan	2047	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,427,855	72,145
450	Feb	2047	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,428,794	71,206
451	Mar	2047	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,429,733	70,267
452	Apr	2047	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,430,672	69,328
453	May	2047	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,431,611	68,389
454	Jun	2047	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,432,550	67,450
455	Jul	2047	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,433,489	66,511

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			Cost:			Rate:		Depreciation	A/D	NBV
			Total	Production	Distribution	Production	Distribution			
456	Aug	2047	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,434,428	65,572
457	Sep	2047	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,435,367	64,633
458	Oct	2047	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,436,306	63,694
459	Nov	2047	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,437,245	62,755
460	Dec	2047	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,438,184	61,816
461	Jan	2048	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,439,123	60,877
462	Feb	2048	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,440,062	59,938
463	Mar	2048	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,441,001	58,999
464	Apr	2048	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,441,940	58,060
465	May	2048	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,442,879	57,121
466	Jun	2048	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,443,818	56,182
467	Jul	2048	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,444,757	55,243
468	Aug	2048	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,445,696	54,304
469	Sep	2048	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,446,635	53,365
470	Oct	2048	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,447,574	52,426
471	Nov	2048	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,448,513	51,487
472	Dec	2048	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,449,452	50,548
473	Jan	2049	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,450,391	49,609
474	Feb	2049	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,451,330	48,670
475	Mar	2049	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,452,269	47,731
476	Apr	2049	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,453,208	46,792
477	May	2049	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,454,147	45,853
478	Jun	2049	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,455,086	44,914
479	Jul	2049	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,456,025	43,975
480	Aug	2049	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,456,964	43,036
481	Sep	2049	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,457,903	42,097
482	Oct	2049	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,458,842	41,158
483	Nov	2049	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,459,781	40,219
484	Dec	2049	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,460,720	39,280
485	Jan	2050	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,461,659	38,341
486	Feb	2050	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,462,598	37,402
487	Mar	2050	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,463,537	36,463
488	Apr	2050	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,464,476	35,524
489	May	2050	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,465,415	34,585
490	Jun	2050	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,466,354	33,646
491	Jul	2050	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,467,293	32,707
492	Aug	2050	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,468,232	31,768
493	Sep	2050	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,469,171	30,829
494	Oct	2050	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,470,110	29,890
495	Nov	2050	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,471,049	28,951
496	Dec	2050	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,471,988	28,012
497	Jan	2051	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,472,927	27,073
498	Feb	2051	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,473,866	26,134
499	Mar	2051	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,474,805	25,195
500	Apr	2051	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,475,744	24,256
501	May	2051	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,476,683	23,317
502	Jun	2051	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,477,622	22,378
503	Jul	2051	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,478,561	21,439
504	Aug	2051	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,479,500	20,500
505	Sep	2051	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,480,439	19,561
506	Oct	2051	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,481,378	18,622
507	Nov	2051	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,482,317	17,683
508	Dec	2051	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,483,256	16,744
509	Jan	2052	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,484,195	15,805
510	Feb	2052	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,485,134	14,866
511	Mar	2052	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,486,073	13,927
512	Apr	2052	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,487,012	12,988
513	May	2052	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,487,951	12,049
514	Jun	2052	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,488,890	11,110
515	Jul	2052	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,489,829	10,171
516	Aug	2052	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,490,768	9,232
517	Sep	2052	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,491,707	8,293
518	Oct	2052	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,492,646	7,354
519	Nov	2052	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,493,585	6,415
520	Dec	2052	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,494,524	5,476

Maui Electric Company, Ltd.  
CHP Investment  
Estimated Book Depreciation  
Docket No. 2009-0286 Depreciation Rates

			Cost:			Rate:		Depreciation	A/D	NBV
			Total	Production	Distribution	Production	Distribution			
521	Jan	2053	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,495,463	4,537
522	Feb	2053	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,496,402	3,598
523	Mar	2053	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,497,341	2,659
524	Apr	2053	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,498,280	1,720
525	May	2053	3,500,000	3,010,000	490,000	3.19%	2.30%	939	3,499,219	781
526	Jun	2053	3,500,000	3,010,000	490,000	3.19%	2.30%	781	3,500,000	-



**Maui Electric Company**  
**Accumulated Deferred Income Taxes**

		<b>FEDERAL</b>	<b>STATE</b>	<b>COMBINED</b>
		12/31/15	12/31/15	12/31/15
Description		Balance	Balance	Balance
ACCOUNT 282				
1	Accelerated Depreciation	(50,628,024)	(3,739,159)	(54,367,183)
2	Deficit AccDep	-	-	-
3	TOTAL ACCOUNT 282 - UTILITY DEPR	(50,628,024)	(3,739,159)	(54,367,183)
ACCOUNT 283				
4	Bad Debts (fks Uncoll Accts)	59,941	10,960	70,901
5	Bonuses - Non-executives	28,850	21,725	50,575
6	BPI Project Costs	(3,144)	(578)	(3,722)
7	Capital loss Limited/carryforward	4,370	488	4,858
8	Capitalized Interest (fka Cap Int)	2,025,184	452,174	2,477,358
9	Charitable Deduction Limitation CF	0	0	0
10	CHP Direct Lease vs. Book Depreciation	21,500	3,931	25,431
11	CIAC	11,781,824	3,204,443	14,986,267
12	Cost of Removal	(17,192,195)	(3,142,376)	(20,334,571)
13	Customer Advances	897,450	164,103	1,061,553
14	CWIP Debt (AFUDC Debt)	(2,058,107)	(376,339)	(2,434,446)
15	CWIP Debt Transition	(41,390)	(7,569)	(48,959)
16	Emissions Fees	146,378	26,767	173,145
17	Exec Comp - EICP	50,158	9,172	59,330
18	Exec Comp - LTIP	31,205	5,706	36,911
19	Exec Comp - RSUs	17,826	3,262	21,088
20	Fed Energy Tax Credit	(34,672)	(6,338)	(41,010)
21	FIN 48 - Interest Component	4,793	877	5,670
22	FIN 48 - Tax Component	(2)	105,407	105,405
23	Franchise Taxes on Unbilled Revenues	219,890	40,209	260,099
24	Gain/(Loss) on Post-'80 Vint (ACRS) Retirals	(2,344,426)	(479,487)	(2,823,913)
25	Hawaii R&D Credit	748	137	885
26	Interest - RAR (fka Int IRS Adj)	76,896	(3,988)	72,907
27	IRP/DSM Costs - DSM Fast Demand Response	-	-	-
28	IRP/DSM Costs - IRP	(202,530)	(53,081)	(255,611)
29	Legal Fees Capitalized (PPA)	102,274	18,703	120,977
30	Liability Reserves - Brownfield Site	1,179,375	215,657	1,395,032
31	Liability Reserves - Other (fka Gen Liab Reserve)	134,390	24,573	158,963
32	Manele Bay Direct Financing Lease	160,848	29,413	190,261
NOL				
34	NOL	9,837,277	-	9,837,277
35	NOL Non-util	180,640	-	180,640
36	Subtotal NOL	10,017,917	-	10,017,917
37	OPEB	42,024	7,681	49,705
38	OPEB Executive Life	493,659	90,270	583,930
39	OPEB Trackers	594,114	108,637	702,751
40	Other	(2,666)	20,733	18,067
41	Pension (Qualified)	(1,052,534)	(192,470)	(1,245,005)
42	Pension Excess (Non-qualified)	(1,707)	(311)	(2,017)
43	Pension Tracker	(4,086,707)	(747,284)	(4,833,992)
44	Percentage Repair Allowance (PRA)	(470,915)	(195,314)	(666,229)
45	Post Norm Cap OH's - Depr (fka Cap Items Chg)	(12,038)	(2,201)	(14,239)
46	Prepays	(287,701)	(52,607)	(340,309)
47	QUIPS Amortization	(102,529)	(18,748)	(121,277)
48	Rate Case Costs	(0)	(2)	(2)
49	RBA Revenues	1,301,499	237,988	1,539,487
50	RBA Revenues - §481(a) Adjustment	(2,233,401)	(408,393)	(2,641,794)
51	Repairs	(20,796,195)	(3,353,862)	(24,150,057)
52	Repairs - §481(a) Adjustment	(2,557,482)	(1,262,372)	(3,819,854)
53	Rev Bond Differential/Redemptions	(592,279)	(123,808)	(716,087)
54	Software - CIS	(184,859)	(37,626)	(222,485)
55	Software - CIS 2013 Carrying Costs	(14,718)	(2,692)	(17,410)
56	Software - ERP	(1,884)	1,884	-
57	Software - HR Suites	(224,384)	(41,031)	(265,415)
58	Software - IVR	(50,163)	(2,714)	(52,878)
59	Software - UI Planner (Budget System Replacement)	(80,078)	(14,644)	(94,722)
60	Software - Other Computer Software Costs	14,845	(43)	14,802
61	Solar Saver	48,061	8,790	56,850
62	State ITC (State Cap Goods Tax Credit)	4,655,052	851,209	5,506,261
63	State Solar Energy Credit	15,837	2,897	18,734
64	SunPower for Schools	4,177	765	4,941
65	Vacation Accrual	(82,798)	(19,741)	(102,539)

**Maui Electric Company**  
**Accumulated Deferred Income Taxes**

		<b>FEDERAL</b>	<b>STATE</b>	<b>COMBINED</b>	
	Description	12/31/15	12/31/15	12/31/15	
		Balance	Balance	Balance	
66	Workers Compensation	180,284	32,967	213,251	
67	Rounding	(2)	(3)	(5)	
	FAS 109: Regulatory Assets/Liabilities			-	
68	Reg Asset - SFAS 109 (1863510)	178,856	32,705	211,561	
69	Reg Asset - SFAS 109 Flow Through	(511)	(94)	(605)	
70	Reg Asset - Plant Transition (AFUDC)	(234,127)	(42,812)	(276,939)	
71	Reg Asset - CWIP Equity Transition	(121,886)	(22,288)	(144,174)	
73	Reg Asset - CWIP Equity Gross-Up	(2,707,844)	(495,149)	(3,202,993)	
74	Reg Asset - CWIP Equity Net/(AFUDC Eqty Incurred)	(4,251,250)	(777,371)	(5,028,621)	
75	Fed ITC	156,102	28,545	184,647	
77	Reg Liab - Fed Energy Credit	(3,061)	(560)	(3,621)	
78	Reg Asset - Deficit Def - Oth	8,413	1,538	9,951	
79	Reg Liab - Excess Def - Oth	-	-	-	
81	TOTAL ACCOUNT 283 - UTILITY	(27,375,448)	(6,119,579)	(33,495,028)	
82	TOTAL ADIT BEFORE RATE BASE ADJUSTMENTS	(78,003,473)	(9,858,738)	(87,862,211)	
<b>RATE BASE CALCULATION</b>					
83	Account 283 - Utility	(27,375,448)	(6,119,579)	(33,495,028)	
	Less:				
84	Bad Debts (fka Uncoll Accts Allow)	59,941	10,960	70,901	
85	Bonuses - Non-executives (fka included in Exec Incen Comp)	28,850	21,725	50,575	
86	Exec Comp - EICP (fka included in Exec Incen Comp)	50,158	9,172	59,330	
87	Exec Comp - LTIP (fka included in Exec Incen Comp)	31,205	5,706	36,911	
88	Exec Comp - RSUs (fka included in Exec Incen Comp)	17,826	3,262	21,088	
89	IRP/DSM Costs	(202,530)	(53,081)	(255,611)	
90	FIN 48 Interest	4,793	877	5,670	
91	FIN 48 Adj	(2)	105,407	105,405	
92	Franchise Taxes on Unbilled Revenues	219,890	40,209	260,099	
93	General Liability Reserve	1,313,766	240,230	1,553,995	
94	Interest - CIS Carrying Costs at Full Debt rate	(37,611)	(6,878)	(44,489)	MECO-WP-D4-002
95	Interest - IRS Adjustments	76,896	(3,988)	72,907	
96	OPEB Executive Life	493,659	90,270	583,930	
97	Pension Excess (Non-qualified)	(1,707)	(311)	(2,017)	
98	RBA Revenue	(931,902)	(170,405)	(1,102,307)	
99	Software - ERP (fka ERP EAM Project)	(1,884)	1,884	-	
100	Software - IVR (fka IVR Project)	-	-	-	
101	Vacation Accrual	(82,798)	(19,741)	(102,539)	
102	Workers Compensation (fka Disc Wkrs Cmp)	180,284	32,967	213,251	
103	Other Decoupling Adjustment (Note 1)	10,017,917	-	10,017,917	
104	Subtotal Account 283 Adjustments	11,236,751	308,265	11,545,016	
105	Total Account 283 for Rate Base	(38,612,199)	(6,427,845)	(45,040,044)	To: Sch D4 Line 3
106	Total Account 282 for Rate Base	(50,628,024)	(3,739,159)	(54,367,183)	To: Sch D4 Line 2
107	TOTAL ADIT AFTER RATE BASE ADJUSTMENTS	(89,240,224)	(10,167,004)	(99,407,227)	

**Footnotes.**

- (1) Per the CA's 2013 Transmittal No. 13-01, page 12, the CA proposed removal of the DTA on the NOL carryforward. Maui Electric rejected the CA's proposal but recognizing the need for a quick resolution of the 2013 decoupling proceeding and the precedential nature of this ADIT item, an adjustment to increase ADIT was made. For the current decoupling proceeding, Maui Electric has adjusted ADIT for an amount consistent with the prior decoupling filing in arriving at Other Deferred Income Taxes. Again, the adjustment is a general concession to the ADIT balance and Maui Electric has not conceded to the CA's position.
- (2) Account descriptions have been updated for clarity and to reflect descriptions currently used for tax accrual purposes. Where possible, account descriptions as presented in prior regulatory filings were added in rate base adjustments.

**MAUI ELECTRIC COMPANY, LTD.**  
**ADIT Rate Base Adjustment for Additional CIS Carrying Costs**  
**2015**

		DR / (CR)	DR / (CR)	DR / (CR)
	Add'l Debt	32.8947% Def Fed	6.0150% Def State	Total Def Tax
2012 (Note 1)	113,472	37,326	6,825	44,151
2013				
CIS interest (5/12 - 5/13) (Note 1)	<u>32,234</u>	<u>10,603</u>	<u>1,939</u>	<u>12,542</u>
Total Additional Costs	145,706	47,929	8,764	56,693
CIS amort beg 6/13	<u>(7,083)</u>	<u>(2,330)</u>	<u>(426)</u>	<u>(2,756)</u>
Balance as of 12/31/13	<u>138,623</u>	<u>45,599</u>	<u>8,338</u>	<u>53,937</u>
2014 Amortization	<u>(12,142)</u>	<u>(3,994)</u>	<u>(730)</u>	<u>(4,724)</u>
Balance as of 12/31/14	<u>126,481</u>	<u>41,605</u>	<u>7,608</u>	<u>49,213</u>
2015 Amortization	<u>(12,142)</u>	<u>(3,994)</u>	<u>(730)</u>	<u>(4,724)</u>
Balance as of 12/31/15	<u>114,339</u>	<u>37,611</u>	<u>6,878</u>	<u>44,489</u>

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The GL balance includes the AFUDC debt and the AFUDC additional debt.

The Rate base balance includes just the AFUDC debt.

The difference between GL and Rate base balance is the AFUDC additional debt.

**NOTE:**

- (1) Differential between regular AFUDC debt incurred or allowed for regulatory purposes and AFUDC using full debt rate on allowed base (required for financial accounting, per PwC). Represents incremental AFUDC at full debt rate.

	<u>2012</u>	<u>2013</u>
AFUDC Debt - full debt	214,458	56,885
Less: AFUDC Debt	<u>100,986</u>	<u>24,651</u>
Base on which ADIT is calculated	<u>113,472</u>	<u>32,234</u>

Maui Electric Company, Limited  
Calculation of Composite Effective Income Tax Rates  
Federal and State

**Composite Federal and State Effective Income Tax Rate**

Federal Effective Income Tax Rate	32.8947368%
State Effective Income Tax Rate	6.0150376%
	<u>38.9097744%</u>

**Calculation of Effective Rates**

Assumptions: ST = State Income Tax Expense  
FT = Federal Income Tax Expense  
Pre-Tax Income = \$1.00  
State Statutory Income Tax Rate = 6.4%  
Federal Statutory Income Tax Rate = 35%

**Calculation of State Effective Income Tax Rate**

State Income Tax Expense = Statutory Rate x (Pre-Tax Income - State Income Tax Expense)

$$ST = .064 \times (1 - ST)$$

$$ST = .064 - .064(ST)$$

$$1.064(ST) = .064$$

$$ST = .060150376 \text{ or } 6.0150376\% \text{ of Pre-Tax Income}$$

**Calculation of Federal Effective Income Tax Rate**

Federal Income Tax Expense = Statutory Rate x (Pre-Tax Income - State Income Tax Expense)

$$FT = .35 \times (1 - ST)$$

$$FT = .35 \times (1 - .060150376)$$

$$FT = .35 - .0210526316$$

$$FT = .328947368 \text{ or } 32.8947368\% \text{ of Pre-Tax Income}$$

**MAUI ELECTRIC COMPANY, Ltd.**  
**TAX REPAIRS ADJUSTMENT**  
**2016**

			A	B	C = A x B	D = A - C
		MECO-WP- F1-002 5-Year		MECO-WP- F1-001 pg.2 Repairs	Repairs	Depreciable
	LIFE	AVERAGE	Plant Adds	Allocation	Deduction	Basis
Structural	39	1,216,340				
Steam Production	20	362,921	362,921	28.20%	102,339	260,582
Non-Steam Production	15	6,127,236	6,127,236	28.20%	1,727,809	4,399,427
ROW	50	79,764				
Transmission	20	3,065,748	3,065,748	41.10%	1,259,946	1,805,802
Transmission > 69kv	15	242,701	242,701	41.10%	99,744	142,957
Distribution	20	26,300,553	26,300,553	28.88%	7,595,303	18,705,250
Distribution - Street Lights	7	358,111	358,111	28.88%	103,418	254,693
Distribution - EV Fast Charger	7	9,789	9,789	28.88%	2,827	6,962
Computer Data	5	453,587				
Comp/Off/Furn/Tools	7	286,782				
Vehicles	-	1,140,905				
General	20	1,884,555				
Communication	20	1,725,947				
Land	-	(6,044)				
<b>TOTAL</b>		<u><u>43,248,895</u></u> <i>from Sch D2</i>	<u><u>36,467,059</u></u>		<u><u>10,891,386</u></u> <i>to Sch F1</i>	<u><u>25,575,673</u></u>

NOTE> This schedule calculates the estimated amount of deductible tax repairs related to baseline plant additions for the RAM year. The deductible tax repairs amounts are carried forward to Schedule F1 and serve to reduce the depreciable tax basis for the baseline plant additions. The repairs percentages (column B) are calculated on MECO-WP-F1-001, page 2.

**MAUI ELECTRIC COMPANY, LTD.  
REPAIRS DEDUCTION  
2016**

Repairs %: Note 1			Distribution	Transmission	Generation
Book basis repairs					
1	2011		5,109,057	948,114	2,575,665
2	2012		5,320,976	1,284,956	1,532,518
3	2013		8,212,829	2,099,894	1,540,122
4	2014		14,013,631	1,683,160	3,499,360
5	2015		6,680,356	782,325	1,828,774
6	Total book basis repairs		39,336,849	6,798,449	10,976,439
Book basis adds					
7	2011	MECO WP-F1-002	15,784,899	2,095,102	7,869,318
8	2012	MECO WP-F1-002	29,582,294	5,615,857	8,236,091
9	2013	MECO WP-F1-002	33,883,264	3,523,926	10,736,684
10	2014	MECO WP-F1-002	33,671,758	2,573,753	7,469,383
11	2015	MECO WP-F1-002	23,291,027	2,733,604	4,613,674
12	Total book basis adds		136,213,242	16,542,242	38,925,150
Repairs % (Line 6 / Line 12)			28.878873%	41.097507%	28.198835%

Note 1> Price Waterhouse Coopers assisted Maui Electric in its analysis of identifying deductible repairs for tax accounting purposes. The repairs percentage for each functional group represents the five year weighted average of tax deductible repairs costs included in book additions.  
Note that for the 2014 tax returns, the generation repairs deductions were recomputed pursuant to the IRS guidance issued in Revenue Procedure 2013-24, with the assistance of PWC.

**MAUI ELECTRIC COMPANY, Ltd.**  
**BASELINE PLANT ADDITIONS BY TAX CLASSIFICATION**

MECO -WP-F1-002  
PAGE 1 OF 1

**Programs:**

Description	Life	2015	2014	2013	2012	2011	Less: Major Projects	Total	Average	% Average
Structural	39	-	-	166,307	165,830	173,243	-	505,380	101,076	0.50%
Steam Production	20	94,434	24,566	44,332	52,160	25,739	-	241,231	48,246	0.24%
Other Production	15	518,990	438,231	125,953	94,925	119,553	-	1,297,652	259,530	1.30%
Right of Way	50	102,817	92,351	88,340	59,067	32,048	-	374,623	74,925	0.37%
Transmission	20	416,860	482,017	744,297	1,000,184	944,560	-	3,587,918	717,584	3.58%
Transmission >69kv	15	86,897	-	-	-	-	-	86,897	17,379	0.09%
Distribution	20	14,071,211	23,908,822	18,655,863	16,924,355	10,663,035	-	84,223,286	16,844,657	84.04%
Distribution - Street Lights	7	754,399	297,151	158,125	84,551	54,011	-	1,348,237	269,647	1.35%
Computers	5	38,043	114,774	157,187	-	99,442	-	409,446	81,889	0.41%
Office Furniture & Eq	7	604,447	690,592	1,867	4,126	1,734	-	1,302,766	260,553	1.30%
Transportation	-	840,243	1,109,813	1,143,903	812,971	839,518	-	4,748,448	949,288	4.74%
General	20	68,856	125,820	674,966	226,832	806,977	-	1,903,451	380,690	1.90%
Communications	20	115,517	56,599	(18,541)	9,400	56,426	-	219,401	43,880	0.22%
Land	-	677	(30,898)	-	-	-	-	(30,221)	(6,044)	-0.03%
<b>Total - Programs</b>		<b>17,713,391</b>	<b>27,309,838</b>	<b>21,942,599</b>	<b>19,434,401</b>	<b>13,816,286</b>	<b>-</b>	<b>100,216,515</b>	<b>20,043,300</b>	<b>100.00%</b>

**Projects:**

Description	Life	2015	2014	2013	2012	2011	Less: Major Projects	Total	Average	% Average
Structural	39	87,886	252,940	2,076,141	1,563,770	1,595,581	-	5,576,318	1,115,264	4.81%
Steam Production	20	467,182	451,191	219,839	140,627	294,534	-	1,573,373	314,675	1.36%
Other Production	15	3,533,068	6,555,395	10,346,560	7,948,379	7,429,492	(6,474,362) (1)	29,338,532	5,867,706	25.29%
Right of Way	50	-	5,696	2,494	15,617	381	-	24,188	4,839	0.02%
Transmission	20	1,103,239	2,091,736	2,779,629	4,615,673	1,150,542	-	11,740,819	2,348,164	10.12%
Transmission >69kv	15	1,126,608	-	-	-	-	-	1,126,608	225,322	0.97%
Distribution	20	8,313,036	9,280,483	14,957,425	12,531,660	5,067,853	(2,870,975) (2)	47,279,482	9,455,896	40.75%
Distribution - Street Lights	7	152,381	185,304	62,907	41,728	-	-	442,320	88,464	0.38%
Distribution - EV Fast Charger	7	-	-	48,944	-	-	-	48,944	9,789	0.04%
Computers	5	7,552	446,767	664,400	206,134	533,637	-	1,858,490	371,698	1.60%
Office Furniture & Eq	7	80,288	-	-	-	50,852	-	131,140	26,229	0.11%
Transportation	-	-	-	643,277	230,213	84,595	-	958,085	191,617	0.83%
General	20	371,601	1,742,078	90,748	375,841	4,939,059	-	7,519,327	1,503,865	6.48%
Communication	20	312,625	1,310,885	4,138,147	1,172,199	1,476,477	-	8,410,333	1,682,067	7.25%
<b>Total - Projects</b>		<b>15,555,466</b>	<b>22,322,474</b>	<b>36,030,511</b>	<b>28,841,841</b>	<b>22,623,003</b>	<b>(9,345,337)</b>	<b>116,027,958</b>	<b>23,205,595</b>	<b>100.00%</b>
<b>Total</b>		<b>33,268,857</b>	<b>49,632,312</b>	<b>57,973,110</b>	<b>48,276,242</b>	<b>36,439,289</b>	<b>(9,345,337)</b>	<b>216,244,473</b>	<b>43,248,895</b>	

Summary	Life	2015	2014	2013	2012	2011		Total Average	Allocation %
Structural	39	87,886	252,940	2,242,448	1,729,600	1,768,824	Structural - 39 yrs	1,216,340	2.81%
Steam Production	20	561,616	475,757	264,171	192,787	320,273	Steam Production - 20 yrs	362,921	0.84%
Other Production	15	4,052,058	6,993,626	10,472,513	8,043,304	7,549,045	Other Production - 15 yrs	6,127,236	14.17%
Right of Way	50	102,817	98,048	90,834	74,684	32,429	Right of Way - 50 yrs	79,764	0.18%
Transmission	20	1,520,099	2,573,753	3,523,926	5,615,857	2,095,102	Transmission - 20 yrs	3,065,748	7.09%
Transmission >69kv	15	1,213,505	-	-	-	-	Transmission - 15 yrs	242,701	0.56%
Distribution	20	22,384,247	33,189,304	33,613,288	29,456,015	15,730,888	Distribution - 20 yrs	26,300,553	60.81%
Distribution - Street Lights	7	906,780	482,454	221,032	126,279	54,011	Street Lights - 7 yrs	358,111	0.83%
Distribution - EV Fast Charger	7	-	-	48,944	-	-	EV Fast Charger - 7 yrs	9,789	0.02%
Computers	5	45,595	561,542	821,587	206,134	633,079	Computer Data - 5yrs	453,587	1.05%
Office Furniture & Eq	7	684,735	690,592	1,867	4,126	52,586	Furniture, Fixtures & Equip - 7 yrs	286,782	0.66%
Transportation	-	840,243	1,109,813	1,787,180	1,043,184	924,113	Transportation	1,140,905	2.64%
General	20	440,457	1,867,898	765,714	602,673	5,746,036	General - 20 yrs	1,884,555	4.36%
Communication	20	428,142	1,367,483	4,119,606	1,181,599	1,532,903	Communications - 20 yrs	1,725,947	3.99%
Land	-	677	(30,898)	-	-	-	Land	(6,044)	-0.01%
<b>Total - Programs &amp; Projects</b>		<b>33,268,857</b>	<b>49,632,312</b>	<b>57,973,110</b>	<b>48,276,242</b>	<b>36,439,289</b>	<b>Total (net of Major Projects)</b>	<b>43,248,895</b>	<b>100.00%</b>

**Notes:**

**Major Projects**

- (1) M14 Capital Overhaul  
M16 Capital Overhaul  
M16 Capital Overhaul adjustment

**Plant Additions**

	3,688,795	Schedule D2 (2011)
	2,865,973	Schedule D2 (2013)
	(80,406)	Schedule D2 (2014)
<b>Total</b>	<b>6,474,362</b>	

(2) CHP Manele Bay Hotel - 2011

- 6th Increment Distribution Rebuild - 2011  
6th Increment Distribution Rebuild - 2015

	(564)	Schedule D2 (2011)
	2,867,104	Schedule D2 (2011)
	4,435	Schedule D2 (2015)
<b>Total</b>	<b>2,870,975</b>	

WP-F1-001 p1



MAUI ELECTRIC COMPANY, LIMITED  
AVERAGE RATE BASE AND RATE OF RETURN  
(\$ Thousands)

RATE BASE	Reference	Month End	
		Dec-15	Dec-14
TOTAL UTILITY PLANT	Note (2), p. 8	632,805	615,135
Adjustments:			
Construction Work in Progress	Note (2), p. 8	(15,875)	(11,819)
Retirement Work in Progress	Note (2), p. 8	(2,293)	(2,562)
Asset Retirement Obligation	Note (2), p. 10	(256)	(256)
Regulatory Liability for Cost of Removal	Note (2), p. 10	(28,414)	(27,951)
DEPRECIATED COST OF UTILITY PLANT IN SERVICE *	Note 1	585,967	572,547
REGULATORY ASSETS - SFAS 109	Note (2), p. 9	8,276	8,188
REG ASSET- CONTRIB vs. NPPC	GL #18676030	3,100	3,100
REGULATORY ASSET - PENSION NPPC vs. Rates	GL #18676040	12,424	9,232
REGULATORY ASSET - OPEB NPBC vs. Rates	GL #18677040	135	194
MATERIALS & SUPPLIES INVENTORIES	Note (2), p. 8	16,212	17,393
FUEL STOCK	Note (2), p. 8	13,437	17,710
UNAMORTIZED DEFERRED IVR	GL #18670400	247	
UNAMORTIZED DEFERRED HR SUITE-PHASE 1	GL #186060	731	859
UNAMORTIZED DEFERRED BUDGET SYSTEM PROJECT	GL#186077	251	282
UNAMORTIZED DEFERRED CIS COSTS	MECO-WP-D1-001	2,195	2,428
CHP LEASE RECEIVABLE, NET	Note (3)	1,611	3,029
WORKING CASH:	MECO-WP-H-007	6,048	8,890
DEDUCTIONS:			
Unamortized Contributions in Aid of Construction	Note (2), p. 10	91,062	88,218
Customer Advances for Construction	Note (2), p. 10	5,900	5,286
Deferred Income Taxes	Sch. D1 Note (1)	99,407	85,570
Unamortized Investment Tax Cr - 1962 Revenue Act & STC	GL #255200	14,205	14,172
Customer Deposits	GL #23501000	3,662	3,906
Regulatory Liability other	GL #25400007/25400010	93	92
Regulatory Liability Tracker True-up	GL#25400004	0	0
Regulatory Liability OPEB True-up	GL #25400002	1,941	1,500
TOTAL DEDUCTIONS		216,269	198,743
MONTH ENDED RATE BASE		434,365	445,107
SIMPLE AVERAGE RATE BASE		439,736	

To Schedule H Line 1(d)

## Notes:

- (1) Includes Property Held for Future Use balance of \$1,302,500 at December 31, 2015 and 2014.  
 (2) See Maui Electric Company, Ltd. Monthly Financial Report - December 2015, page 8, 9 or 10, filed February 23, 2016.  
 Note that Materials & Supplies inventory includes an adjustment of (\$248) representing payment lag in 2015 and Fuel Stock excludes Hana inventory balance of \$14 and \$21 for 2015 and 2014, respectively.  
 (3) CHP Lease Receivable, net is computed as follows:

CHP Lease Receivable			
Current	17401800	-	434
Non-current	18601800	4,477	5,516
CHP Unearned Interest			
Current	24201800	(321)	(323)
Non-current	25301800	(2,546)	(2,598)
		1,611	3,029



**Maui Electric Company, Ltd.**  
**Ratemaking Adjustments for Incentive Compensation and Other Non-Recoverable Expenses**

Line	Description	Account/Activity No.	2015	Net of Tax @ 38.91%	Rounded 000s	
1	<u>Executive Compensation and Incentive Compensation</u>					
2	LTIP and EICP expense (credit)	M8M723MAUNENMAZZZZ900	(69,886)			
3	LTIP share expense	MAA700MAUNENMAZZZZ900	94,137			
4	Other incentive awards	M8M723MAUNENMAZZZZ900	59,505			
5	HEI charges for incentive compensation	Provided by HEI	81,061			
6	Subtotal		164,817	100,687	101	➡ Line 2a
7						
8	<u>Discretionary and Other Expenses Not Recoverable</u>					
9	Executive Life expense	HR000120	(42,838)			
10	Executive Life in OPEB	Provided by HEI	48,087			
11	HEIRS	HR000067, HR000089, HR000143	61,055			
12	EEI Dues (allowed portion)	Invoiced amount allocated to MECO	16,796			
	HEI charges for non-incentive compensation and outside services (plan admin, legal fees, audit fees) - Executives	Provided by HEI	51,712			
13						
14	Service awards	AD000249	699			
	Costs associated with restatement of financial statements	HECO FI002227	33,252			
15			33,252			
16	Subtotal		168,764	103,098	103	➡ Line 2b
17						
18	Total adjustment to operating income		333,580	203,785		

**Maui Electric Company, Limited**  
**Income Tax on Items to be Replaced by Synchronized Interest**

Line	Description	Source	2015	Rounded 000s
1	Total Interest Charges	Dec. 2015 PUC report	\$ 9,822,391	
2				
3	Less:			
4	Interest on Customer Deposits	Account 43105000	(326,397)	
5	AFUDC-Debt	NARUC 420030	(274,725)	
6				
7	Add:			
8	Amort of Inv Inc Differential	NARUC 403030	10,662	11 → Line 2c
9				
10	Total		9,231,931	
11		Tax rate	38.91%	
12				
13			3,592,144	(3,592) → Line 2d

MAUI ELECTRIC COMPANY, LIMITED  
Ratemaking Capitalization  
2015

	Simple Average Balance* (\$ Thousands)	Ratios	Cost Rate	Weighted Cost of Debt
	MECO-WP-H-005			
Short-Term Debt	3,525	0.78%	0.61%	0.00%
Long-Term Debt	175,383	38.69%	4.96%	1.92%
Hybrid Securities	9,481	2.09%	7.24%	0.15%
Preferred Stock	4,774	1.05%	8.20%	0.09%
Common Equity	260,091	57.38%	9.00%	5.16%
	<u>453,254</u>	<u>100.00%</u>		<u>7.32%</u>

	NARUC/ GL Code	YTD Dec 2015	Rounded (000s)	Cost Rate
Short-Term Debt:				
430	430	673,593		
Less: Interest on QUIDS	43006000	(650,000)		
Int Exp-Commercial Paper	43100000	0		
Int Exp-SCF Loans	43108000	0		
Int Inc-Assoc Cos.	419300	(2,022)		
		<u>21,571</u>	22	0.61%
Long-Term Debt:				
Amort of Debt Disc & Exp	428	491,705		
Less: Hybrid Sec Amort of Iss Exp	see a below	(36,168)		
Interest on Long-Term Debt	427	8,224,839		
Amort Inv Inc Differential	403030	10,662		
		<u>8,691,038</u>	8,691	4.96%
Hybrid Securities:				
Interest on QUIDS	43006000	650,000		
Amort Exp-QUID1 Iss Exp	428QUID1	13,548		
Amort Exp-QUID2 Iss Exp	428QUID2	12,252		
Amort Exp-QUID3 Iss Exp	428QUID3	10,368		
Equity in Net Inc of Trust	421070	0		
		<u>686,168</u>	686	7.24%
Preferred Stock:				
Amort of Pfd Stk Iss Exp	42501000	10,060		
Preferred Stock dividends	437	381,240		
		<u>391,300</u>	391	8.20%
Common Equity: D&O 31288 in Dkt No. 2011-0092 filed May 31, 2013				9.00%

\* Short-Term Debt based on a 12 month average.

(a) Description	(b) Reference	(c) 12/31/2015	(d) 12/31/2014
1 <u>Long-Term Debt</u>	PUC Monthly Fin'l Report	\$ 181,000,000	\$ 176,000,000
2			
3 Unamortized Costs:			
4 Unamortized Debt Exp	1811	(1,105,490)	(1,245,385)
5 Unamortized Debt Discount	1812	-	-
6 Reg Asset-Debt Exp	186710	(2,244,862)	(2,519,117)
7 Hybrid Securities	186715,186716,181442	500,907	537,075
8			
9 Investment Income Differential	2531	(3,317)	(3,474)
10 Reg Asset-Inv Inc Differential	186750	(69,739)	(80,452)
11			
12 NET LONG-TERM DEBT		<u>178,077,499</u>	<u>172,688,648</u>
13			
14 Simple Average Long-term Debt		<u>\$ 175,383,074</u>	MECO-WP-H-004
15			
16			
17 <u>Hybrid Securities</u>	PUC Monthly Fin'l Report	\$ 10,000,000	\$ 10,000,000
18			
19 Unamortized Costs:			
20 QUIDS 1	186715	(152,415)	(165,963)
21 QUIDS 2	186716	(159,276)	(171,528)
22 QUIDS 3	181442	(189,216)	(199,584)
23			
24			
25 NET Hybrid Securities		<u>\$ 9,499,093</u>	<u>\$ 9,462,925</u>
26			
27 Simple Average Hybrid Securities		<u>\$ 9,481,009</u>	MECO-WP-H-004
28			
29			
30			
31			
32 <u>Preferred Stock</u>	PUC Monthly Fin'l Report	\$ 5,000,000	\$ 5,000,000
33			
34 Unamortized Costs:			
35 Preferred Stock Expense	2143	(90,389)	(90,389)
36 Reg Asset-Preferred Stock Expense	186740	(130,787)	(140,847)
37			
38 NET Preferred Stock		<u>4,778,824</u>	<u>4,768,764</u>
39			
40 Simple Average Preferred Stock		<u>\$ 4,773,795</u>	MECO-WP-H-004
41			
42			
43 <u>Common Equity</u>	PUC Monthly Fin'l Report	\$ 263,725,224	\$ 256,692,339
44			
45 Unamortized Costs:			
46 Preferred Stock Expense	2143	90,389	90,389
47 AOCI	211	(230,582)	(186,292)
48			
49 NET Common Equity		<u>\$ 263,585,031</u>	<u>\$ 256,596,436</u>
50			
51 Simple Average Common Equity		<u>\$ 260,090,734</u>	MECO-WP-H-004

	(a)	(b)	(c)
	Description	Reference	12/31/2015
	<u>Short-Term Debt*</u>		
1			
2	Balance at		
3	1/31/2015	PUC Monthly Fin'l Report	\$ 6,100,000
4	2/28/2015		9,600,000
5	3/31/2015		2,600,000
6	4/30/2015		6,200,000
7	5/31/2015		4,700,000
8	6/30/2015		5,200,000
9	7/31/2015		4,200,000
10	8/31/2015		3,700,000
11	9/30/2015		-
12	10/31/2015		-
13	11/30/2015		-
14	12/31/2015		-
15	Average		\$ 3,525,000

MECO-WP-H-004

\* Short-term debt is based on a 12 month average (i.e., average of balance at January 31, 2015 through December 31, 2015).

**MAUI ELECTRIC COMPANY, LIMITED**  
**Earning Sharing Credits Recorded (net of tax)**  
**2015**

	<u>2014 ESM</u>	<u>2015 ESM</u>	
Earnings Sharing Credits Recorded	-	-	
True-up (March 2015)	16,938		
Revenue Taxes @ 8.885%	(1,505)	-	
	<hr/> 15,433	<hr/> -	
Income Taxes @38.9097744%	(6,005)	-	
Reduction to operating income	<hr/> 9,428	<hr/> -	9,428

MAUI ELECTRIC COMPANY, LIMITED  
WORKING CASH  
2015

Line No.	Description (a)	Reference (b)	2015 (c)	Net Collection (d) Note (1)	Amount (e)=(c)/365x(d)
1	Fuel Oil				
2	Maui	GL #501 and 547	114,624,953	22.6	7,097,326
3	Lanai	GL #547L	4,865,308	17.7	235,934
4	Molokai	GL #547M	5,140,650	18.7	263,370
5					
6	Purchased Power				
7	Maui	GL #555 and 55508M	55,033,958	-5.9	(889,590)
8	Lanai	GL #555L	576,164	-11.2	(17,680)
9					
10	Current Income Taxes				
11	Income Tax	PUC Monthly Fin'l Rpt pg 2	(116,113)		
12	Reversal of Tax Related to Int Synch Replacement	Sch H-Line 2d	3,592,124		
13	Tax Eff of AFUDC Equity	GL #420100	(434,938)		
14	Tax Related to Int Synch	Sch H Line 13 - Line 13a	(3,548,034)		
15	Total	Sum of Lines 11 - 14	(506,962)	-3.2	4,445
16					
17	Revenue Taxes				
18	Franchise				
19	Maui	GL #40801000	8,072,001		
20	Lanai	GL #40801L00	245,644		
21	Molokai	GL #40801M00	260,868		
22	PSC				
23	Maui	GL #40802000	19,330,027		
24	Lanai	GL #40802L00	587,805		
25	Molokai	GL #40802M00	628,608		
26	PUC Fee				
27	Maui	GL #40803000	1,642,313		
28	Lanai	GL #40803L00	49,941		
29	Molokai	GL #40803M00	53,408		
30	Total	Sum of Lines 19 - 29	30,870,616	-50.5	(4,271,140)
31					
32	Total Operations	Trial Balance p. 21	46,139,044		
33	Total Maintenance	Trial Balance p. 21	18,400,155		
34	Total O&M		64,539,199		
35	Total O&M Labor	Labor in O&M report	22,215,869	23.9	1,454,683
36	O&M Non-Labor	Line 34 - Line 35	42,323,330		
37	Bad Debt Expense	GL #904	(211,169)		
38	Pension Reg Asset/Liab Amort	MECO-WP-H007 pg.2	(752,984)		
39	OPEB Reg Asset/Liab Amort	MECO-WP-H007 pg.2	(44,876)		
40	Sys Develop Amortization	MECO-WP-H007 pg.2	(404,023)		
41	Payroll Taxes	GL #408050/L/M	1,822,849		
42	Interest on Customer Deposits	GL #43105000	326,397		
43	Total O&M Non-Labor	Sum of Lines 36 - 42	43,059,524	18.4	2,170,672
44					
45	Working Cash	Sum of Lines 2 - 4, 7 - 8,15,30,35,43			6,048,020

## Footnotes:

- 1 Docket No. 2011-0092, Exhibit 1A, p. 13, 26 & 39 of MECO Revised Results of Operations, Tariff Sheets and Refund Plan, filed on June 17, 2013

MAUI ELECTRIC COMPANY, LIMITED  
O&M Non-Labor  
2015

**Pension Regulatory Asset Amortization**

**18676040**

990,768

O&M %  
Portion

76.00%

Note 1

**752,984**

**OPEB Regulatory Asset Amortization**

**18677040**

59,048

O&M %  
Portion

76.00%

Note 1

**44,876**

**System Development Amortization**

<u>18605005</u>	<u>18606004</u>	<u>18607704</u>	<u>18670400</u>	<u>Total</u>
CIS	HRS Ph 1	Budg. Sys.	IVR	
212,630	127,264	31,074	33,055	<b>404,023</b>

Footnote:

1 MECO 2012 TY Rate Case, Docket No. 2011-0092, MECO-RWP-1707



MAUI ELECTRIC COMPANY, LIMITED  
DECOUPLING CALCULATION WORKBOOK  
CIS PROJECT COSTS - ADIT

Line No.		Basis			Fed Book - Tax Diff	State Book - Tax Diff	ADIT		
		Book	Fed Tax	State Tax			Federal 35.00%	State 6.01504%	Total
1	CIS Book Basis	8,051,557	8,051,557	8,051,557					
2	AFUDC		(1,084,396)	(1,084,396)					
3	Writedown of CIS Costs	(5,500,000)	(5,500,000)	(5,500,000)					
4		2,551,557	1,467,161	1,467,161					
5	Book Tax Differences		95,239	95,239					
6	Post Go Live carrying charge	56,885							
7	Amortization - 2012	-	(954,800)	(347,200)					
8	Amortization - 2013	(126,798)	(260,400)	(520,800)					
9	Balance as of 12/31/13	2,481,644	347,200	694,400	2,134,444	1,787,244	(709,429)	(107,503)	(816,933)
10	Amortization - 2014	(217,370)	(260,400)	(520,800)	43,030	303,430	(8,672)	(18,251)	(26,924)
11	Balance as of 12/31/14	2,264,274	86,800	173,600	2,177,474	2,090,674	(718,102)	(125,755)	(843,857)
12	Amortization - 2015	(217,370)	(86,800)	(173,600)	(130,570)	(43,770)	44,778	2,633	47,411
13	Balance as of 12/31/15	2,046,904	-	-	2,046,904	2,046,904	(673,324)	(123,122)	(796,446) <i>Schedule K1</i>
14	Amortization - 2016	(217,370)	-	-	(217,370)	(217,370)	71,503	13,075	84,578 <i>Schedule K1</i>
15	Balance as of 12/31/16	1,829,534	-	-	1,829,534	1,829,534	(601,820)	(110,047)	(711,868) <i>Schedule K1</i>

Note: For tax purposes, CIS costs are amortized over 36 months and are fully amortized by 2015.

STATE OF HAWAII )  
 )  
 ) ss.  
CITY AND COUNTY OF HONOLULU )

Joseph P. Viola

A circular notary seal for Deborah Ichishita, a Notary Public in the State of Hawaii. The seal features the text "DEBORAH ICHISHITA" at the top, "NOTARY" in the center, "04-409" below it, and "PUBLIC" and "STATE OF HAWAII" at the bottom. The seal is surrounded by a decorative border of small dots.

Deborah Idkhiteta 3/31/16  
Notary Signature Date



CERTIFICATE OF SERVICE

I hereby certify that the foregoing Transmittal No. 16-03 was served on the date of filing  
by hand delivery, as indicated below.

Jeffrey T. Ono  
Executive Director  
Division of Consumer Advocacy  
Department of Commerce and Consumer Affairs  
335 Merchant Street, Room 326  
Honolulu, Hawai'i 96813

2 copies  
via Hand Delivery

Dated: Honolulu, Hawai'i, March 31, 2016.

HAWAIIAN ELECTRIC COMPANY, INC.

  
\_\_\_\_\_  
Michael Chu