



JOSEPH P. VIOLA  
Vice President  
Regulatory Affairs

April 15, 2015

FILED

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PUBLIC UTILITIES  
COMMISSION

The Honorable Chair and Members  
of the Hawai'i Public Utilities Commission  
Kekuanaoa Building, First Floor  
465 South King Street  
Honolulu, Hawai'i 96813

Dear Commissioners:

Subject: Transmittal No. 15-05 (Decoupling)  
Maui Electric's Amended RBA Rate Adjustment Tariff Filing

In accordance with Order No. 32735, enclosed for filing is Maui Electric Company, Limited's ("Maui Electric" or "Company") amended Revenue Balancing Account ("RBA") Rate Adjustment in Transmittal No. 15-05, effective for the period from June 1, 2015 through May 31, 2016.

This filing includes the following attachments:

1. Revised tariff sheet (in clean and blacklined versions) with the Company's revised proposed RBA Rate Adjustment rate in Attachment 1;
2. Revised tariff sheets (in clean and blacklined versions) with the Company's revised proposed Rate Adjustment Mechanism ("RAM") tariff modifications in Attachment 1; and
3. Revised 2015 Decoupling Calculation Workbook (all support has been provided for convenience) in Attachment 2

The Company's Amended 2015 Decoupling Calculation Workbook reflects the calculation and application of the RAM Cap and is otherwise consistent with the provisions set forth in Order No. 32735. Based on the revised calculations, Maui Electric's 2015 RBA Rate Adjustment has decreased by .0992¢ to 1.7229¢ per kilowatt-hour ("kWh") from the March 31, 2015 Transmittal No. 15-05 filing. The overall impact on a typical customer's monthly bill (based on an average usage of 600 kWh for Maui and 400 kWh for Lana'i and Moloka'i) decreased by \$0.59 for Maui and \$0.40 for Lana'i and Moloka'i from the March 31, 2015 filing, and results in an incremental impact of \$0.60 for Maui and \$0.39 for Lana'i and Moloka'i from the current 2014 RBA Rate Adjustment.

Further, the Company submits proposed tariff changes that reflect the provisions of Order No. 32735 to be effective June 1, 2015.

### **RAM Cap Methodology and Adjustments**

This filing reflects the changes to the RAM as set forth in Order No. 32735, which states that the Hawaiian Electric Companies<sup>1</sup> shall apply the lesser of (a) the RAM Revenue Adjustment determined according to existing tariffs and procedures<sup>2</sup> or (b) the RAM Cap calculated as specified in the Order to determine the RAM Revenue Adjustment to be applied to determine effective Target Revenues (see Order at 94). In order to calculate the RAM Cap, pursuant to the Order, the Company first determined its 2014 adjusted target revenues. Then, the Company incremented its 2014 adjusted target revenues by the GDPPI index of 1.1%<sup>3</sup> to arrive at the 2015 RAM Cap.

The RAM Revenue Adjustment Cap for 2015 and for each subsequent year until the issuance of a final decision and order in the next rate case will include the adjusted 2014 RAM Revenue Adjustment described below (Order at 96).

### **2014 Adjusted Target Revenues**

Maui Electric's 2014 target revenues (as filed in Schedule B1 of the May 14, 2014 Revised Annual Decoupling Filing) consist of (1) target revenues based on Decision and Order No. 31288 in Docket No. 2011-0092 (Maui Electric's 2012 test year rate case), (2) authorized RAM revenues since the 2012 test year and (3) Earnings Sharing Credit. Authorized RAM revenues include the O&M RAM, Rate Base – Return on Investment RAM, and the Depreciation and Amortization RAM. In order to determine the adjusted target revenues, the Company made no changes to the rate case target revenues and O&M RAM and Earnings Sharing Credit as filed in the 2014 Annual Decoupling Filing. However, pursuant to the Order, the Company made certain adjustments to the Rate Base – Return on Investment RAM and the Depreciation and Amortization RAM. The changes are described below.

### **Rate Base RAM Included in 2014 Adjusted Target Revenue Base**

Paragraph 108 on page 95 of the Order states the following:

The 2014 RAM Revenue Adjustment used to determine the adjusted 2014 target revenues for purposes of determining the cap will be adjusted to use recorded 2014 end-of-year actuals (plant in service, depreciation and amortization, CIAC, and ADIT) rather than 2014 RAM year projections in determination of the 2014

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<sup>1</sup> The "Hawaiian Electric Companies" or "Companies" are Hawaiian Electric Company, Inc. ("Hawaiian Electric"), Maui Electric Company, Limited ("Maui Electric") and Hawai'i Electric Light Company, Inc. ("Hawai'i Electric Light").

<sup>2</sup> The Order at page 82 states: "The amendments to the RAM implemented by this Order replace and terminate the previous interim limitations on RAM year Rate Base RAM adjustments required pursuant to Order No. 31908." Therefore, the RAM revenue adjustment no longer includes the 90% limitation on the incremental Rate Base RAM-Return on Investment.

<sup>3</sup> See Schedule C of Attachment 2 to this Transmittal.

Depreciation and Amortization RAM Expense and average rate base in the 2014  
Rate Base RAM.

As set forth in the Order, the Company utilized recorded December 31, 2014 actual ending balances for plant in service, net of depreciation and amortization, CIAC, and ADIT as the 2014 RAM year ending balances to determine an adjusted 2014 Rate Base RAM amount. Consistent with the existing RAM tariff, the December 31, 2014 balance amounts were reduced for amounts related to major projects in excess of the PUC-authorized amounts. Therefore, the amounts utilized are the same as the 2015 RAM year beginning balances on Schedule D1 of the Company's March 31, 2015 Annual Decoupling Filing.<sup>4</sup>

The Adjusted 2014 Rate Base RAM excludes the rate base return on investment revenue associated with the CIS Deferred Costs (Order at 95, footnote 149), as these are items for which recovery has been explicitly stated in the *Stipulated Settlement Agreement between the Hawaiian Electric Companies and the Division of Consumer Advocacy regarding Certain Regulatory Matters*, approved by the Commission in Order No. 31126 in Docket No. 2008-0083 ("Stipulated Settlement"). As directed in the Order and further explained below, the 2015 RAM revenue requirements associated with CIS are added back to the 2015 RAM Cap to determine the Allowed RAM for 2015.

Pursuant to the Order (at pages 6 and 82), the 90% limitation on the RAM year Rate Base RAM adjustment shall no longer apply. Therefore, that limitation has been removed in the calculation of the 2014 adjusted Rate Base RAM.

**Depreciation and Amortization RAM Included in 2014 Adjusted Target Revenue Base**

Maui Electric appreciates the Commission's decision to utilize the recorded 2014 end-of-year actuals for net plant in service to determine the adjusted 2014 Rate Base RAM amount. In view of the possible intent of certain language in the Order, the Company respectfully requests consideration of the following regarding the calculation of the 2014 Depreciation and Amortization RAM amount.

Paragraph 108 on page 95 (quoted above) of the Order also addresses an adjustment for depreciation and amortization expense and provides for the use of end-of-year actuals to determine the 2014 RAM Revenue Adjustment for the calculation of the adjusted 2014 target revenues for the RAM Cap. Therefore, in Attachment 2 of this filing, the Company is utilizing the recorded end-of-year 2014 plant in service and CIAC balances to calculate the adjusted 2014 Depreciation and Amortization RAM.<sup>5</sup> The December 31, 2014 plant in service balance includes the plant additions that already went into service and began providing benefits to customers in

<sup>4</sup> Also see Schedule D1 of Attachment 2 to this Transmittal.

<sup>5</sup> The Depreciation and Amortization RAM recovered through the 2014 RBA rate adjustment did not include depreciation expense for plant additions through 2014, because under the Company's methodology of calculating depreciation, the depreciation accrual is based on the prior year ending (2013) plant in service balance.

2014. Therefore, the adjusted Company's Depreciation and Amortization calculation includes recovery of 2014 plant additions, but no recovery of any 2015 plant additions.

However, the use of the December 31, 2013 plant in service balance, which would determine 2014 actual depreciation expense, includes recovery of 2013 plant additions but no 2014 plant additions.

Utilizing the 2014 actual depreciation expense would result in the Company receiving no recovery of 2014 plant additions (over the amount of inflation on that expense amount) in its target revenue base and would not reflect depreciation on the "approved utility rate base" (i.e., "recorded 2014 end-of-year actuals"). Footnote 4 on page 6 of the Order states the following: "With respect to recovery of revenues for capital projects, the amended RAM will thus allow continued automatic revenue recovery for capital project net plant additions in an amount effectively in rough approximation to the rate of depreciation and amortization on approved utility rate base, plus an increment of effective rate base indexed on general inflation. Beyond that, the amended RAM is intended to allow recovery of revenues for additional capital projects with prior approval by the commission." Paragraph 108 makes clear that the adjusted 2014 target revenues would be based on the recorded 2014 end-of-year actuals for plant in service to determine the average rate base in the 2014 Rate Base RAM. Therefore, the "approved utility rate base" includes 2014 plant additions. Hence, in order to achieve the methodology specified in footnote 4 of the Order – that the "amended RAM will allow continued automatic revenue recovery of capital project net plant additions in an amount effectively in rough approximation to the rate of depreciation and amortization on approved utility rate base, plus an increment of effective rate base indexed on general inflation" – it would be reasonable for the depreciation expense used to calculate the adjusted 2014 target revenues to include depreciation of 2014 plant additions.

For Maui Electric, the increase in the Depreciation and Amortization RAM (which is consistent with the Company's book recorded expense) from 2014 (which includes recovery of 2013 net plant adds) to 2015 (which includes recovery of 2014 net plant adds) was \$1.3 million. Therefore, utilizing 2014 Depreciation and Amortization recorded expense, based on 2013 net plant additions and no 2014 net plant additions, would result in \$1.3 million less than the RAM Cap filed in Attachment 2. Not being able to include this amount in the 2015 RAM cap when the 2014 plant investments have already been made would preclude the Company from ever recovering the depreciation for the 2014 plant additions for the period until the Company is able to reset its revenue requirement in a future rate case.

Therefore, the Company proposes to include the depreciation of 2014 plant additions (and no recovery of any projected 2015 plant additions) in its 2014 target revenue base to determine its 2015 RAM Revenue Cap. The Company calculates its Depreciation and Amortization RAM by multiplying the beginning of year plant-in-service and CIAC balances (equal to the prior year ending balance) by the respective depreciation and amortization rates to arrive at the depreciation

and amortization expense for the year. Therefore, the Company utilized the December 31, 2014 recorded plant in service and CIAC balances to determine the Depreciation and Amortization RAM in Attachment 2 of this filing, while excluding depreciation related to major projects in excess of Commission authorized amounts.<sup>6</sup>

The adjusted Depreciation and Amortization RAM also excludes the amortization associated with CIS Deferred Costs (Order at 95, footnote 149), as recovery for CIS has been explicitly stated in the Stipulated Settlement approved by the Commission. The 2015 RAM revenue requirement associated with CIS is added back to the 2015 RAM Cap to determine the Allowed RAM for 2015. See below for further discussion.

**Adjustment for Explicitly Stipulated and Approved Exceptional or Other Matters**

Paragraph 107 on page 94 of the Order states the following:

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 the application of the RAM Cap.<sup>149</sup>

Footnote 149 on page 95 of the Order states the following: "The commission notes that currently such applicable matters include adjustments accounting for CT-1 costs (for the HECO Company) and CIS costs (for all of the HECO Companies) as provided in a stipulated settlement approved by the commission as amended in Order No. 31126 in Docket No. 2008-0083."

As discussed above, the Company has excluded the CIS Deferred Costs RAM revenue (both Rate Base RAM Return on Investment and Depreciation and Amortization RAM) from its 2014 Adjusted Target Revenue Base subject to GDPPI escalation. The Company separately added the 2015 RAM revenue requirement associated with CIS to determine the Allowed RAM Cap.

After incorporating the above adjustments into its 2014 Adjusted Target Revenue Base, the Company escalated the 2014 adjusted target revenues by the 2015 GDPPI index of 1.1%.<sup>7</sup> The

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<sup>6</sup> If the Commission is not inclined to allow the Company to utilize the recorded 2014 end-of-year net plant in service balance to calculate the adjusted 2014 Depreciation and Amortization RAM, the Company requests in the alternative that the Commission allow it to separately apply for recovery of the depreciation expense associated with the 2014 plant additions, similar to for authorization provided by Order No. 32735 for the Companies to apply for approval of recovery of revenues for Major Projects through the RAM above the RAM Cap or outside of the RAM through the Renewable Energy Infrastructure Program ("REIP") surcharge or other adjustment mechanism. The difference is that such application would not need to include recovery of the return on those investments since the adjusted 2014 target revenues would already include recovery of that amount.

<sup>7</sup> See Schedule J in Attachment 2 to this Transmittal.

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Company then added the CIS 2015 revenue requirements to determine the 2015 RAM Cap.<sup>8</sup> Because the effective RAM Revenue Adjustment shall be the lesser of (a) the RAM Revenue Adjustment determined according to existing tariffs and procedures or (b) the RAM Cap, and the Company's calculated 2015 RAM Cap is the lessor of the two, the Company has utilized the 2015 RAM Cap Revenue Adjustment to determine the 2015 RBA Rate Adjustment.<sup>9</sup>

Very truly yours,



Joseph P. Viola  
Vice President  
Regulatory Affairs

cc: Division of Consumer Advocacy

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<sup>8</sup> See Schedules A1 and K in Attachment 2 to this Transmittal.

<sup>9</sup> See Schedule A1 in Attachment 2 to this Transmittal.

# ATTACHMENT 1

Superseding Sheet No. 50D  
Effective April 1, 2015

REVISED SHEET No. 50D  
Effective June 1, 2015

MAUI DIVISION  
RATE SCHEDULES (Continued)

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
91.1	"TOU-G"	August 1, 2013	Small Commercial Time-of-Use
91.1A	"TOU-G"	January 12, 2011	Small Commercial Time-of-Use
91.1B	"TOU-G"	January 12, 2011	Small Commercial Time-of-Use
92.1	"TOU-J"	August 1, 2013	Commercial Time-of-Use
92.1A	"TOU-J"	January 12, 2011	Commercial Time-of-Use
92.1B	"TOU-J"	August 1, 2013	Commercial Time-of-Use
93.1	"TOU-P"	August 1, 2013	Large Power Time-of-Use
93.1A	"TOU-P"	January 12, 2011	Large Power Time-of-Use
93.1B	"TOU-P"	August 1, 2013	Large Power Time-of-Use
94-94E	"FIT"	December 30, 2011	Schedule FIT Tier 3
94.1-	"FIT"	December 30, 2011	Schedule FIT Tier 3
94.1DX			Agreement
94.2-	"FIT"	December 30, 2011	Schedule FIT Tier 3 Queuing
94.2E			and Interconnection Proc.
95	"PPAC"	April 1, 2015	Purchase Power Adjustment Clause
95A	"PPAC"	April 1, 2015	Purchase Power Adjustment Clause
95B	"PPAC"	May 4, 2012	Purchase Power Adjustment Clause
96	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
96A	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
96B	"RAM"	March 30, 2014	Rate Adjustment Mechanism Provision
96C	"RAM"	June 1, 2015	Rate Adjustment Mechanism Provision
96D	"RAM"	June 1, 2015	Rate Adjustment Mechanism Provision
96E	"RAM"	June 1, 2015	Rate Adjustment Mechanism Provision
96F	"RAM"	June 1, 2015	Rate Adjustment Mechanism Provision
96G	"RAM"	June 1, 2015	Rate Adjustment Mechanism Provision
96H	"RAM"	June 1, 2015	Rate Adjustment Mechanism Provision
96I	"RAM"	June 1, 2015	Rate Adjustment Mechanism Provision
96J	"RAM"	June 1, 2015	Rate Adjustment Mechanism Provision

MAUI ELECTRIC COMPANY, LIMITED

Transmittal Letter Dated April 15, 2015.



Superseding Sheet No. 50E  
Effective June 1, 2014

REVISED SHEET No. 50E  
Effective June 1, 2015

MAUI DIVISION  
RATE SCHEDULES (Continued)

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
97	"RBA"	June 1, 2013	Revenue Balancing Account Provision
97A	"RBA"	June 1, 2013	Revenue Balancing Account Provision
97B	"RBA"	March 1, 2014	Revenue Balancing Account Provision
97C	"RBA"	June 1, 2013	Revenue Balancing Account Provision
97D	"RBA"	June 1, 2015	Revenue Balancing Account Provision
98	EV-F	August 1, 2013	Commercial Public Electric Vehicle Charging Facility Service Pilot
98A	EV-F	July 4, 2013	Commercial Public Electric Vehicle Charging Facility Service Pilot
98B	EV-F	July 4, 2013	Commercial Public Electric Vehicle Charging Facility Service Pilot
99	EV-U	July 4, 2013	Commercial Public Electric Vehicle Charging Service Pilot
99A	EV-U	July 4, 2013	Commercial Public Electric Vehicle Charging Service Pilot
99B	EV-U	July 4, 2013	Commercial Public Electric Vehicle Charging Service Pilot

MAUI ELECTRIC COMPANY, LIMITED

Transmittal Letter Dated April 15, 2015.

Superseding Sheet No. 50H  
Effective March 30, 2014

REVISED SHEET NO. 50H  
Effective June 1, 2015

LANAI DIVISION  
RATE SCHEDULES (Continued)

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
103.1	"TOU-G"	August 1, 2013	Small Commercial Time-of-Use
103.1A	"TOU-G"	January 12, 2011	Small Commercial Time-of-Use
103.1B	"TOU-G"	January 12, 2011	Small Commercial Time-of-Use
104.1	"TOU-J"	August 1, 2013	Commercial Time-of-Use
104.1A	"TOU-J"	January 12, 2011	Commercial Time-of-Use
104.1B	"TOU-J"	August 1, 2013	Commercial Time-of-Use
105.1	"TOU-P"	August 1, 2013	Large Power Time-of-Use
105.1A	"TOU-P"	January 12, 2011	Large Power Time-of-Use
105.1B	"TOU-P"	August 1, 2013	Large Power Time-of-Use
106	"PPAC"	May 4, 2012	Purchase Power Adjustment Clause
106A	"PPAC"	May 4, 2012	Purchase Power Adjustment Clause
106B	"PPAC"	May 4, 2012	Purchase Power Adjustment Clause
107	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
107A	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
107B	"RAM"	June 1, 2015	Rate Adjustment Mechanism Provision
107C	"RAM"	June 1, 2015	Rate Adjustment Mechanism Provision
107D	"RAM"	June 1, 2015	Rate Adjustment Mechanism Provision
107E	"RAM"	June 1, 2015	Rate Adjustment Mechanism Provision
107F	"RAM"	June 1, 2015	Rate Adjustment Mechanism Provision
107G	"RAM"	June 1, 2015	Rate Adjustment Mechanism Provision
107H	"RAM"	June 1, 2015	Rate Adjustment Mechanism Provision
107I	"RAM"	June 1, 2015	Rate Adjustment Mechanism Provision
107J	"RAM"	June 1, 2015	Rate Adjustment Mechanism Provision

MAUI ELECTRIC COMPANY, LIMITED

Transmittal Letter Dated April 15, 2015.

Superseding Sheet No. 50I  
Effective June 1, 2014

REVISED SHEET NO. 50I  
Effective June 1, 2015

LANAI DIVISION  
RATE SCHEDULES (Continued)

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
108	"RBA"	June 1, 2013	Revenue Balancing Account Provision
108A	"RBA"	June 1, 2013	Revenue Balancing Account Provision
108B	"RBA"	March 1, 2014	Revenue Balancing Account Provision
108C	"RBA"	June 1, 2013	Revenue Balancing Account Provision
108D	"RBA"	June 1, 2015	Revenue Balancing Account Provision
109	EV-F	August 1, 2013	Commercial Public Electric Vehicle Charging Facility Service Pilot
109A	EV-F	July 4, 2013	Commercial Public Electric Vehicle Charging Facility Service Pilot
109B	EV-F	July 4, 2013	Commercial Public Electric Vehicle Charging Facility Service Pilot
110	EV-U	July 4, 2013	Commercial Public Electric Vehicle Charging Service Pilot
110A	EV-U	July 4, 2013	Commercial Public Electric Vehicle Charging Service Pilot
110B	EV-U	July 4, 2013	Commercial Public Electric Vehicle Charging Service Pilot

MAUI ELECTRIC COMPANY, LIMITED

Transmittal Letter Dated April 15, 2015.

RATE ADJUSTMENT MECHANISM PROVISION  
Maui, Lanai, and Molokai Divisions

Rate Adjustment Mechanism ("RAM") Provision

Purpose

This mechanism is subject to review and continuation, termination or modification in the utility's next base rate case proceeding, upon a showing by the utility and finding by the Commission that continuation or modification is appropriate. As part of its submitted testimony in the base rate case, the Company will include a summary report on the status of certain HCEI initiatives. The RAM mechanism is designed to determine the change in annual utility base revenue levels, recognizing certain estimated changes in the utility's cost to provide service. If, through the application of this mechanism, it is determined that annual utility base revenues should be decreased or increased, then the RAM Revenue Adjustment will be applied within the Revenue Balancing Account Provision. The RAM Revenue Adjustment established for a RAM Period calendar year that is also a rate case test year shall terminate on the effective date of tariff rates that are implemented pursuant to a Commission Decision & Order for that test year.

Definitions

- a) The Annual Evaluation Date shall be the Date the Company will make its annual filing under this mechanism. The Annual Evaluation Date shall be no later than March 31st of each year, commencing March 31, 2012.
- b) The Evaluation Period is defined as the historical twelve month period ending December 31, of each calendar year preceding the Annual Evaluation Date. The Evaluation Period is used solely to determine achieved earnings and any sharing of such earnings above the Authorized Return on Equity.
- c) The RAM Period is defined as the calendar year containing the Annual Evaluation Date.
- d) The Labor Cost Escalation Rate shall be the applicable annual percentage general wage rate increase provided for in currently effective union labor agreements for use in escalating wage and salary Base Expenses for union employees to determine the RAM Revenue Adjustment for each RAM Period. In the event no union labor agreement exists for a RAM Period, the most recently effective annual general percentage increase rate shall apply.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated May 1, 2013.

RATE ADJUSTMENT MECHANISM PROVISION  
Maui, Lanai, and Molokai Divisions

e) The Non-labor Cost Escalation Rate shall be the consensus estimated annual change in the Gross Domestic Product Price Indicator ("GDPPI") to escalate non-labor Base Expenses to determine the RAM Revenue Adjustment for each RAM Period. The GDPPI escalation rate shall be the consensus projection published by the Blue Chip Economic Indicators (Aspen Publishing) each February for the current RAM Period. In the event that the Blue Chip Economic Indicators forecast of the GDPPI is not available, the Consumer Advocate, Company, and other parties to the most recent rate case, with approval of the Commission, shall jointly select an alternative data source, or national economic index similar to GDPPI, as appropriate.

f) The annual Labor Productivity Offset shall be fixed at 0.76 percent (76/100 of one percent) and will be subtracted from the Labor Cost Escalation Rates applicable to Base Expenses to determine the authorized RAM Revenue Adjustment for each RAM Period.

g) The Base Expenses shall be the labor and non-labor operations and maintenance expense amounts approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case. Base Expenses shall not include any fuel, purchased power, IRP/DSM, pension, Other Post-Employment Benefits ("OPEB"), or Clean Energy/Renewable Energy Infrastructure or any costs that are subject to recovery through separate rate tracking mechanisms.

h) The Major Capital Projects shall be those capital investment projects that require an application before and approval by the Commission under the Commission's General Order No. 7, but excluding those projects included in the Clean Energy Infrastructure Surcharge.

i) The Baseline Capital Projects shall be the total amounts of capital investment completed and closed to Plant in Service, excluding amounts related to Major Capital Projects.

j) The Return on Investment shall be the overall weighted percentage rate of return on debt and equity capital approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case.

k) The Authorized Return on Equity shall be the percentage rate of return on equity capital approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case.

l) The Exogenous Tax Changes shall be the changes in tax laws or regulations that are estimated to impact RBA Target Revenues by five hundred thousand dollars (\$500,000) or more.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated May 1, 2013.

RATE ADJUSTMENT MECHANISM PROVISION  
Maui, Lanai, and Molokai Divisions

m) The Rate Base shall be the average net investment estimated for the RAM Period, including each of the elements of rate base reflected within the most recent rate case Decision & Order issued by the Commission, quantified in the manner prescribed in part (f) of Section 2 of the Rate Adjustment Mechanism.

n) The RAM Revenue Adjustment to be applied to determine effective Target Revenues will be the lesser of a) the RAM Revenue Adjustment Calculation or b) the RAM Revenue Adjustment Cap.

o) The RAM Revenue Adjustment Calculation shall be the change in the annual amount of revenue required for the utility to recover the sum of the O&M RAM Adjustment, Depreciation & Amortization RAM Adjustment, and Rate Base RAM - Return on Investment Adjustment, using the ratemaking conventions and calculations reflected within the most recent rate case Decision & Order issued by the Commission, quantified in the manner prescribed herein.

p) The RAM Revenue Adjustment Cap shall be based on the Target Revenues determined in accordance with the RBA and RAM tariffs as provided below.

q) The RAM Revenue Adjustment determined by this RAM Provision is to be recovered through the RBA Provision commencing on June 1 and over the subsequent 12 months after June 1.

r) Earnings Sharing Revenue Credits shall be the amounts to be returned to customers as credits through the Revenue Balancing Account ("RBA") Provision, so as to implement the earnings sharing percentages and procedures described herein, commencing on June 1 of the calendar year containing the Annual Evaluation Date and over the subsequent 12 months after June 1.

s) Major Capital Projects Credits shall be the amounts to be returned to customers through the Revenue Balancing Account Provision, to reduce a preceding year's RAM Revenue Adjustment (including interest at the rate described in the RBA Provision) for specific major capital projects that were not placed into service within the first nine months of the preceding RAM Period as expected. Because the Commission's review of the Major Capital Projects' actual costs incurred may not occur until the rate case after the RAM Revenue Adjustment for these Major Capital Projects is collected, Major Capital Projects Credits (including interest) will be returned to customers for the amount of Major Capital Projects costs that the Commission disallows for cost recovery. The Major Capital Projects Credits are to be refunded through the

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated April 15, 2015.

RATE ADJUSTMENT MECHANISM PROVISION  
Maui, Lanai, and Molokai Divisions

RBA Provision, commencing on June 1 of the calendar year containing the Annual Evaluation Date and over the subsequent 12 months after June 1.

t) Baseline Capital Projects Credits shall be the amounts to be returned to customers through the RBA Provision, to reduce a preceding year's RAM Revenue Adjustment (including interest at the rate described in the RBA Provision) for specific baseline capital projects that are disallowed by the Commission in a subsequent rate case if the disallowance reduces actual Baseline Capital Projects costs below the Baseline Capital Projects cost estimate derived using the method identified in part (f)ii. of Section 2 of the Rate Adjustment Mechanism below. Because the Commission's review of baseline capital projects may not occur until the rate case after such baseline capital projects are included in one or more RAM Revenue Adjustment filings, Baseline Capital Projects Credits shall be used to refund to customers any prior collections (i.e., Return on Investment on Rate Base and Depreciation, plus interest) relating to the amount of Baseline Capital Projects costs that the Commission subsequently disallows for cost recovery. The Baseline Capital Projects Credits are to be refunded through the RBA Provision, commencing on June 1 of the calendar year containing the Annual Evaluation Date and over the subsequent 12 months after June 1.

Rate Adjustment Mechanism

The Company shall file with the Commission, the Consumer Advocate and each party to the Company's most recent rate case proceeding, the schedules specified below:

Evaluation Period Earnings Sharing:

1. For the twelve month period ending December 31, of each year (the "Evaluation Period"), with the filing to be made no

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated April 15, 2015.

RATE ADJUSTMENT MECHANISM PROVISION (continued)

Maui, Lanai, and Molokai Divisions

later than March 31, of the year following the conclusion of the Evaluation Period. The schedules will include the following:

- a) Company's recorded actual average net plant in service, accumulated deferred income taxes, inventory, working capital, and other rate base components. The schedules shall also show the utility's depreciation expense, operating and maintenance expense, income taxes, taxes other than income taxes, and other components of income for return, revenues, and capital structure, cost of debt, overall cost of capital, and return on common equity in the format set forth in the final order establishing the Company's latest effective rates.
- b) All applicable accounting and pro forma adjustments historically required in annual reports filed with the Commission.
- c) Pro-forma adjustments to remove from recorded revenues any out-of-period Earnings Sharing Revenue Credits or Major Capital Projects Credits recorded during the Evaluation Period, and
- d) A calculation comparing the achieved return on average common equity to the following earnings sharing grid, and indicating the Earnings Sharing Revenue Credit that should be recorded within the Revenue Balancing Account to effect the prescribed sharing of earnings above authorized levels:

ROE at or below the Authorized ROE	Retained entirely by shareholders - no customer credits
First 100 basis points (one percent) over Authorized ROE	25% share credit to customers
Next 200 basis points (two percent) over Authorized ROE	50% share credit to customers
All ROE exceeding 300 basis points (three percent) over Authorized ROE	90% share credit to customers

RAM Period RAM Revenue Adjustment Calculation:

- 2) The Company shall provide additional schedules indicating the following proposed RAM Revenue Adjustment Calculation applicable for the RAM Period using the methodology set forth below:

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated April 15, 2015.



RATE ADJUSTMENT MECHANISM PROVISION (continued)

Maui, Lanai, and Molokai Divisions

- a) The O&M RAM Adjustment shall adjust Base Expenses segregated between labor and non-labor components and treated as follows:
  - i. The labor component shall be quantified for the RAM Period by application of the Labor Cost Escalation Rate, reduced to account for the Productivity Offset to labor expenses, including payroll taxes. The part of Base Expenses that represents labor costs for merit employees shall not be subject to application of the Labor Cost Escalation rate, nor be reduced by the Productivity Offset.
  - ii. The Non-labor components shall be quantified for the RAM Period by application of the Non-labor Escalation Rate to non-labor Base Expenses. Non-labor components shall exclude fuel, purchased power, pension/OPEBs, IRP/DSM or other rate adjustment provisions.
- b) Depreciation and Amortization RAM Adjustment shall be quantified for the RAM Period by application of Commission-approved accrual rates and methods to the actual recorded Plant in Service balances at the end of the Evaluation Period.
- c) The Rate Base RAM - Return on Investment Adjustment shall be determined by multiplying the applicable Pretax Rate of Return times the change in Rate Base. The Pretax Rate of Return shall include related income taxes on the equity components of the Return on Investment rate approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case. The quantification of Rate Base is specified in greater detail in part (f) of this Section 2.
- d) The revenue impact of any Exogenous Tax Changes shall be included in the RAM Period calculation of the RAM Revenue Adjustment.
- e) Revenue taxes shall be adjusted to account for the change in parts (a) through (e) of this Section 2.
- f) Rate Base for the RAM Period shall be quantified as follows:

MAUI ELECTRIC COMPANY, LTD.

RATE ADJUSTMENT MECHANISM PROVISION (Continued)

Maui, Lanai, and Molokai Divisions

- i. Plant in Service, Accumulated Depreciation, Accumulated Deferred Income Taxes and Contributions in Aid of Construction ("CIAC") shall be a two-point average of actual recorded balance sheet data at December 31 of the Evaluation Period, plus projected values at December 31 of the RAM Period determined as prescribed in parts (ii) through (v), below.
- ii. Plant in Service shall be quantified by adding to the recorded balances at December 31 of the Evaluation Period, the simple average of Baseline Capital Projects plant additions recorded in the immediately preceding five calendar years, plus the estimated cost of completed Major Capital Projects that are anticipated to be in service by September 30 of the RAM Period. The cost of Major Capital Projects shall be limited to the dollar amounts previously approved by the Commission, and shall be included at the level of recorded costs if recorded costs are lower than the budget amounts approved by the Commission, and the Commission has not yet reviewed the project costs in a rate case.
- iii. Accumulated Depreciation at December 31 of the RAM Period shall be quantified by increasing the recorded balances at December 31 of the Evaluation Period by the amount set forth in Section 2 part (b) above, consistent with rate-making treatment.
- iv. CIAC shall be quantified by adding to the recorded balance at December 31 of the Evaluation Period an estimate of the net change for the RAM Period. The net change shall be based on a simple average of cash and in-kind CIAC for the immediately preceding five calendar years for programs (i.e., numerous low cost capital projects) plus specific engineering estimates of any contributions for the Major Capital Projects anticipated to be in service by September 30 of the RAM Period.
- v. Accumulated Deferred Income Taxes shall be quantified by adding to the recorded balances at December 31 of the Evaluation Period the estimated tax effect of the depreciation timing difference (i.e., difference between book depreciation and tax depreciation) on the Baseline Capital Projects and Major Capital Projects added to rate base during the RAM Period.
- vi. Working Cash and all other elements of rate base not specifically addressed above shall be fixed at the dollar amount approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case. These elements of rate base shall be held constant until revised by a future Commission Decision & Order in a general rate case.

MAUI ELECTRIC COMPANY, LTD.

RATE ADJUSTMENT MECHANISM PROVISION (Continued)

Maui, Lanai, and Molokai Divisions

g.) See also Settlement Agreement section below

RAM REVENUE ADJUSTMENT CAP

The RAM Basis for the calculation of the RAM Revenue Adjustment Cap shall be the target revenues determined in accordance with the RBA tariff based on the results of the Company's most recent final rate case decision. The RAM Basis shall be adjusted 1) as described below in the determination of the 2014 Rate Base RAM - Return on Investment Adjustment and the 2014 Depreciation and Amortization RAM Adjustment, and 2) 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 Revenue Adjustment Cap.

The RAM Revenue Adjustment Cap shall be calculated as the RAM Basis, multiplied by the cumulative annually compounded increase(s) in the GDPPI for the years between the rate case calendar test year that established the RAM Basis and the RAM Period, adjusted to include applicable revenue taxes.

The RAM Revenue Adjustment Cap will apply to the entire RAM Revenue Adjustment, which includes the O&M RAM Adjustment, Depreciation and Amortization RAM Adjustment, and Rate Base RAM - Return on Investment Adjustment.

Exception to the calculation of the RAM Revenue Adjustment Cap:

For the calculation of the RAM Revenue Adjustment Cap for the 2015 RAM Revenue Adjustment and for each subsequent year's calculation of RAM Revenue Adjustment until the issuance of a final decision and order in the next rate case, the Target Revenues that will serve as the RAM Basis will be the 2014 annualized target revenues adjusted as described below. The 2014 RAM Revenue Adjustment used to determine the adjusted 2014 target revenues will be adjusted to use recorded 2014 end-of-year actuals for plant in service, accumulated depreciation and amortization, CIAC and accumulated deferred income taxes in the determination of the 2014 Rate Base RAM - Return on Investment Adjustment. For the determination of the 2014 Depreciation and Amortization RAM Adjustment, the Company applies the Commission-approved accrual rates and methods to the 2014 end of year balances calculated above. There is no impact to the O&M RAM Adjustment. The RAM Basis 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 order by the Commission, as described above.

The RAM Revenue Adjustment Cap for year 2015 and for each subsequent year until the issuance of a final decision and order in the next rate case shall be calculated as the RAM Basis, multiplied by the cumulative annually compounded increase(s) in the GDPPI for the years between 2014 and the RAM Period, adjusted to include

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated April 15, 2015.

RATE ADJUSTMENT MECHANISM PROVISION (Continued)

Maui, Lanai, and Molokai Divisions

applicable revenue taxes, plus the adjusted calculation of the 2014 RAM Revenue Adjustment described above.

Evaluation Procedures

Complete, indexed workpapers and electronic files supporting the RAM Adjustment, Earnings Sharing Revenue Credits, and Major and Baseline Capital Projects Credits Schedules shall be provided to the Commission, the Consumer Advocate and all other parties to the Utility's most recent rate case proceeding ("Other Rate Case Parties"), if any, coincident with the Annual Evaluation Date filing. The Company will be prepared to provide information as may be requested to ensure adequate review by the Commission, Consumer Advocate, Other Rate Case Parties, and other interested persons. The Consumer Advocate, Other Rate Case Parties, and other interested persons may propose any adjustments determined to be required to bring the schedules into compliance with the above provisions and will work collaboratively to reach agreement on any proposed adjustments.

The RAM Revenue Adjustment, and any prior year RAM Revenue Adjustments, shall be recalculated for errors in prior calculations and for subsequent Commission orders that change the basis of prior calculations. The effect of such changes to the RAM Revenue Adjustment shall be implemented as described in the Revenue Balancing Account Provision.

As described in Sections 6-61-61 and 6-61-111 of the Hawaii Administrative Rules, Title 6, Chapter 61, based upon the Company's filed schedules and in the absence of any protests submitted by the Consumer Advocate, Other Rate Case Parties, or other interested persons, not later than 15 days before the June 1 effective date of the RBA Rate Adjustment described in the RBA Provision tariff, the RBA Rate Adjustment incorporating the RAM Revenue Adjustment, Earnings Sharing Revenue Credits, and Major and Baseline Capital Projects Credits shall go into effect on the June 1 effective date, and the Commission shall confirm the commencement of the RBA Rate Adjustment in its monthly Tariff Order.

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:

MAUI ELECTRIC COMPANY, LTD.

RATE ADJUSTMENT MECHANISM PROVISION (Continued)

Maui, Lanai, and Molokai Divisions

- 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.

PROVISION FOR RECOVERY OF MAJOR PROJECTS AND CONSOLIDATED BASELINE PROJECTS

The Company may apply to the Commission for approval of recovery of revenues for Major Projects outside of and in addition to the capped RAM revenues - either through the RAM, through the Renewable Energy Infrastructure Cost Recovery Provision ("REIP"), or through another adjustment mechanism. Approval for such recovery will be made on a case by case basis. Any such application for recovery of revenues shall identify and support the specific means and extent of proposed cost recovery.

Eligibility for recovery of revenues through the RAM in excess of the RAM Revenue Adjustment Cap or through an adjustment mechanism outside of the RAM will be restricted to revenues for projects that the Company demonstrates to be prudent and reasonable, to provide customer value, to enhance to affordability of energy services, and which are not explicitly or implicitly included in otherwise effective utility target revenues or other effective means of revenue recovery.

The Company may use a programmatic approach to categorizing and consolidating related baseline projects for consideration as Major Projects. For example, multiple baseline projects that serve a related purpose or are part of a specific program may be consolidated as a Major Project for purposes of application and review.

SETTLEMENT AGREEMENT

The provisions in this section are for the sole and limited purpose of implementing 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.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated April 15, 2015.

RATE ADJUSTMENT MECHANISM PROVISION (Continued)

Maui, Lanai, and Molokai Divisions

The Company will include in the Rate Base RAM - Return on Investment Adjustment and the Depreciation and Amortization RAM Expense Adjustment, in 2013 and subsequent years, the recoverable costs of the Customer Information System ("CIS") project, net of the Stipulated and Commission approved project cost write-downs and as otherwise provided for in the Stipulated Settlement Agreement. Recovery of the CIS costs through the RAM Revenue Adjustment is for the sole purpose of this settlement agreement and does not constitute a precedent for the recovery of any other software or regulatory asset deferred costs through the RAM Revenue Adjustment.

COMMISSION'S AUTHORITY

The Commission may suspend any or all parts of this Rate Adjustment Mechanism Provision. Such suspension shall remain in place until removed by Commission Order.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated April 15, 2015.

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.

Effective June 1, 2015 to May 31, 2016

RBA Rate Adjustment

All Rate Schedules ..... 1.7229 ¢/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.

Transmittal Letter dated April 15, 2015.

Superseding Sheet No. 100E  
Effective June 1, 2014

REVISED SHEET NO. 100E  
Effective June 1, 2015

MOLOKAI DIVISION  
RATE SCHEDULES (Continued)

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
151A	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
151B	"RAM"	June 1, 2015	Rate Adjustment Mechanism Provision
151C	"RAM"	June 1, 2015	Rate Adjustment Mechanism Provision
151D	"RAM"	June 1, 2015	Rate Adjustment Mechanism Provision
151E	"RAM"	June 1, 2015	Rate Adjustment Mechanism Provision
151F	"RAM"	June 1, 2015	Rate Adjustment Mechanism Provision
151G	"RAM"	June 1, 2015	Rate Adjustment Mechanism Provision
151H	"RAM"	June 1, 2015	Rate Adjustment Mechanism Provision
151I	"RAM"	June 1, 2015	Rate Adjustment Mechanism Provision
151J	"RAM"	June 1, 2015	Rate Adjustment Mechanism Provision
152	"RBA"	June 1, 2013	Revenue Balancing Account Provision
152A	"RBA"	June 1, 2013	Revenue Balancing Account Provision
152B	"RBA"	March 1, 2014	Revenue Balancing Account Provision
152C	"RBA"	June 1, 2013	Revenue Balancing Account Provision
152D	"RBA"	June 1, 2015	Revenue Balancing Account Provision
153	EV-F	August 1, 2013	Commercial Public Electric Vehicle Charging Facility Service Pilot
153A	EV-F	July 4, 2013	Commercial Public Electric Vehicle Charging Facility Service Pilot
153B	EV-F	July 4, 2013	Commercial Public Electric Vehicle Charging Facility Service Pilot
154	EV-U	July 4, 2013	Commercial Public Electric Vehicle Charging Service Pilot

MAUI ELECTRIC COMPANY, LIMITED

Transmittal Letter Dated April 15, 2015.



RATE ADJUSTMENT MECHANISM PROVISION  
Maui, Lanai, and Molokai Divisions

Rate Adjustment Mechanism ("RAM") Provision

Purpose

This mechanism is subject to review and continuation, termination or modification in the utility's next base rate case proceeding, upon a showing by the utility and finding by the Commission that continuation or modification is appropriate. As part of its submitted testimony in the base rate case, the Company will include a summary report on the status of certain HCEI initiatives. The RAM mechanism is designed to determine the change in annual utility base revenue levels, recognizing certain estimated changes in the utility's cost to provide service. If, through the application of this mechanism, it is determined that annual utility base revenues should be decreased or increased, then the RAM Revenue Adjustment will be applied within the Revenue Balancing Account Provision. The RAM Revenue Adjustment established for a RAM Period calendar year that is also a rate case test year shall terminate on the effective date of tariff rates that are implemented pursuant to a Commission Decision & Order for that test year.

Definitions

- a) The Annual Evaluation Date shall be the Date the Company will make its annual filing under this mechanism. The Annual Evaluation Date shall be no later than March 31st of each year, commencing March 31, 2012.
- b) The Evaluation Period is defined as the historical twelve month period ending December 31, of each calendar year preceding the Annual Evaluation Date. The Evaluation Period is used solely to determine achieved earnings and any sharing of such earnings above the Authorized Return on Equity.
- c) The RAM Period is defined as the calendar year containing the Annual Evaluation Date.
- d) The Labor Cost Escalation Rate shall be the applicable annual percentage general wage rate increase provided for in currently effective union labor agreements for use in escalating wage and salary Base Expenses for union employees to determine the RAM Revenue Adjustment for each RAM Period. In the event no union labor agreement exists for a RAM Period, the most recently effective annual general percentage increase rate shall apply.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated May 1, 2013.

RATE ADJUSTMENT MECHANISM PROVISION  
Maui, Lanai, and Molokai Divisions

e) The Non-labor Cost Escalation Rate shall be the consensus estimated annual change in the Gross Domestic Product Price Indicator ("GDPPI") to escalate non-labor Base Expenses to determine the RAM Revenue Adjustment for each RAM Period. The GDPPI escalation rate shall be the consensus projection published by the Blue Chip Economic Indicators (Aspen Publishing) each February for the current RAM Period. In the event that the Blue Chip Economic Indicators forecast of the GDPPI is not available, the Consumer Advocate, Company, and other parties to the most recent rate case, with approval of the Commission, shall jointly select an alternative data source, or national economic index similar to GDPPI, as appropriate.

f) The annual Labor Productivity Offset shall be fixed at 0.76 percent (76/100 of one percent) and will be subtracted from the Labor Cost Escalation Rates applicable to Base Expenses to determine the authorized RAM Revenue Adjustment for each RAM Period.

g) The Base Expenses shall be the labor and non-labor operations and maintenance expense amounts approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case. Base Expenses shall not include any fuel, purchased power, IRP/DSM, pension, Other Post-Employment Benefits ("OPEB"), or Clean Energy/Renewable Energy Infrastructure or any costs that are subject to recovery through separate rate tracking mechanisms.

h) The Major Capital Projects shall be those capital investment projects that require an application before and approval by the Commission under the Commission's General Order No. 7, but excluding those projects included in the Clean Energy Infrastructure Surcharge.

i) The Baseline Capital Projects shall be the total amounts of capital investment completed and closed to Plant in Service, excluding amounts related to Major Capital Projects.

j) The Return on Investment shall be the overall weighted percentage rate of return on debt and equity capital approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case.

k) The Authorized Return on Equity shall be the percentage rate of return on equity capital approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case.

l) The Exogenous Tax Changes shall be the changes in tax laws or regulations that are estimated to impact RBA Target Revenues by five hundred thousand dollars (\$500,000) or more.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated May 1, 2013.

RATE ADJUSTMENT MECHANISM PROVISION (continued)

Maui, Lanai, and Molokai Divisions

m) The Rate Base shall be the average net investment estimated for the RAM Period, including each of the elements of rate base reflected within the most recent rate case Decision & Order issued by the Commission, quantified in the manner prescribed in part (f) of Section 2 of the Rate Adjustment Mechanism.

n) The RAM Revenue Adjustment to be applied to determine effective Target Revenues will be the lesser of a) the RAM Revenue Adjustment Calculation or b) the RAM Revenue Adjustment Cap.

o) The RAM Revenue Adjustment Calculation shall be the change in the annual amount of revenue required for the utility to recover the sum of the O&M RAM Adjustment, Depreciation & Amortization RAM Adjustment, and Rate Base RAM - Return on Investment Adjustment, using the ratemaking conventions and calculations reflected within the most recent rate case Decision & Order issued by the Commission, quantified in the manner prescribed herein.

p) The RAM Revenue Adjustment Cap shall be based on the Target Revenues determined in accordance with the RBA and RAM tariffs as provided below.

q) The RAM Revenue Adjustment determined by this RAM Provision is to be recovered through the RBA Provision commencing on June 1 and over the subsequent 12 months after June 1.

r) Earnings Sharing Revenue Credits shall be the amounts to be returned to customers as credits through the Revenue Balancing Account ("RBA") Provision, so as to implement the earnings sharing percentages and procedures described herein, commencing on June 1 of the calendar year containing the Annual Evaluation Date and over the subsequent 12 months after June 1.

s) Major Capital Projects Credits shall be the amounts to be returned to customers through the Revenue Balancing Account Provision, to reduce a preceding year's RAM Revenue Adjustment (including interest at the rate described in the RBA Provision) for specific major capital projects that were not placed into service within the first nine months of the preceding RAM Period as expected. Because the Commission's review of the Major Capital Projects' actual costs incurred may not occur until the rate case after the RAM Revenue Adjustment for these Major Capital Projects is collected, Major Capital Projects Credits (including interest) will be returned to customers for the amount of Major Capital Projects costs that the Commission disallows for cost recovery. The Major Capital Projects Credits are to be refunded through the

MAUI ELECTRIC COMPANY, LTD.

RATE ADJUSTMENT MECHANISM PROVISION  
Maui, Lanai, and Molokai Divisions

RBA Provision, commencing on June 1 of the calendar year containing the Annual Evaluation Date and over the subsequent 12 months after June 1.

t) Baseline Capital Projects Credits shall be the amounts to be returned to customers through the RBA Provision, to reduce a preceding year's RAM Revenue Adjustment (including interest at the rate described in the RBA Provision) for specific baseline capital projects that are disallowed by the Commission in a subsequent rate case if the disallowance reduces actual Baseline Capital Projects costs below the Baseline Capital Projects cost estimate derived using the method identified in part (f)ii. of Section 2 of the Rate Adjustment Mechanism below. Because the Commission's review of baseline capital projects may not occur until the rate case after such baseline capital projects are included in one or more RAM Revenue Adjustment filings, Baseline Capital Projects Credits shall be used to refund to customers any prior collections (i.e., Return on Investment on Rate Base and Depreciation, plus interest) relating to the amount of Baseline Capital Projects costs that the Commission subsequently disallows for cost recovery. The Baseline Capital Projects Credits are to be refunded through the RBA Provision, commencing on June 1 of the calendar year containing the Annual Evaluation Date and over the subsequent 12 months after June 1.

Rate Adjustment Mechanism

The Company shall file with the Commission, the Consumer Advocate and each party to the Company's most recent rate case proceeding, the schedules specified below:

Evaluation Period Earnings Sharing:

1. For the twelve month period ending December 31, of each year (the "Evaluation Period"), with the filing to be made no later than March 31, of the year following the conclusion of the Evaluation Period. The schedules will include the following:

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated April 15, 2015.

RATE ADJUSTMENT MECHANISM PROVISION (continued)  
Maui, Lanai, and Molokai Divisions

- a) Company's recorded actual average net plant in service, accumulated deferred income taxes, inventory, working capital, and other rate base components. The schedules shall also show the utility's depreciation expense, operating and maintenance expense, income taxes, taxes other than income taxes, and other components of income for return, revenues, and capital structure, cost of debt, overall cost of capital, and return on common equity in the format set forth in the final order establishing the Company's latest effective rates.
- b) All applicable accounting and pro forma adjustments historically required in annual reports filed with the Commission.
- c) Pro-forma adjustments to remove from recorded revenues any out-of-period Earnings Sharing Revenue Credits or Major Capital Projects Credits recorded during the Evaluation Period, and
- d) A calculation comparing the achieved return on average common equity to the following earnings sharing grid, and indicating the Earnings Sharing Revenue Credit that should be recorded within the Revenue Balancing Account to effect the prescribed sharing of earnings above authorized levels:

ROE at or below the Authorized ROE	Retained entirely by shareholders - no customer credits
First 100 basis points (one percent) over Authorized ROE	25% share credit to customers
Next 200 basis points (two percent) over Authorized ROE	50% share credit to customers
All ROE exceeding 300 basis points (three percent) over Authorized ROE	90% share credit to customers

RAM Period RAM Revenue Adjustment Calculation:

- 2) The Company shall provide additional schedules indicating the following proposed RAM Revenue Adjustment Calculation applicable for the RAM Period using the methodology set forth below:
  - a) The O&M RAM Adjustment shall adjust Base Expenses segregated between labor and non-labor components and treated as follows:

MAUI ELECTRIC COMPANY, LTD.

RATE ADJUSTMENT MECHANISM PROVISION (continued)

Maui, Lanai, and Molokai Divisions

- i. The labor component shall be quantified for the RAM Period by application of the Labor Cost Escalation Rate, reduced to account for the Productivity Offset to labor expenses, including payroll taxes. The part of Base Expenses that represents labor costs for merit employees shall not be subject to application of the Labor Cost Escalation rate, nor be reduced by the Productivity Offset.
  - ii. The Non-labor components shall be quantified for the RAM Period by application of the Non-labor Escalation Rate to non-labor Base Expenses. Non-labor components shall exclude fuel, purchased power, pension/OPEBs, IRP/DSM or other rate adjustment provisions.
- b) Depreciation and Amortization RAM Adjustment shall be quantified for the RAM Period by application of Commission-approved accrual rates and methods to the actual recorded Plant in Service balances at the end of the Evaluation Period.
  - c) The Rate Base RAM - Return on Investment Adjustment shall be determined by multiplying the applicable Pretax Rate of Return times the change in Rate Base. The Pretax Rate of Return shall include related income taxes on the equity components of the Return on Investment rate approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case. The quantification of Rate Base is specified in greater detail in part (f) of this Section 2.
  - d) The revenue impact of any Exogenous Tax Changes shall be included in the RAM Period calculation of the RAM Revenue Adjustment.
  - e) Revenue taxes shall be adjusted to account for the change in parts (a) through (e) of this Section 2.
  - f) Rate Base for the RAM Period shall be quantified as follows:

MAUI ELECTRIC COMPANY, LTD.

RATE ADJUSTMENT MECHANISM PROVISION (Continued)  
Maui, Lanai, and Molokai Divisions

- i. Plant in Service, Accumulated Depreciation, Accumulated Deferred Income Taxes and Contributions in Aid of Construction ("CIAC") shall be a two-point average of actual recorded balance sheet data at December 31 of the Evaluation Period, plus projected values at December 31 of the RAM Period determined as prescribed in parts (ii) through (v), below.
- ii. Plant in Service shall be quantified by adding to the recorded balances at December 31 of the Evaluation Period, the simple average of Baseline Capital Projects plant additions recorded in the immediately preceding five calendar years, plus the estimated cost of completed Major Capital Projects that are anticipated to be in service by September 30 of the RAM Period. The cost of Major Capital Projects shall be limited to the dollar amounts previously approved by the Commission, and shall be included at the level of recorded costs if recorded costs are lower than the budget amounts approved by the Commission, and the Commission has not yet reviewed the project costs in a rate case.
- iii. Accumulated Depreciation at December 31 of the RAM Period shall be quantified by increasing the recorded balances at December 31 of the Evaluation Period by the amount set forth in Section 2 part (b) above, consistent with rate-making treatment.
- iv. CIAC shall be quantified by adding to the recorded balance at December 31 of the Evaluation Period an estimate of the net change for the RAM Period. The net change shall be based on a simple average of cash and in-kind CIAC for the immediately preceding five calendar years for programs (i.e., numerous low cost capital projects) plus specific engineering estimates of any contributions for the Major Capital Projects anticipated to be in service by September 30 of the RAM Period.
- v. Accumulated Deferred Income Taxes shall be quantified by adding to the recorded balances at December 31 of the Evaluation Period the estimated tax effect of the depreciation timing difference (i.e., difference between book depreciation and tax depreciation) on the Baseline Capital Projects and Major Capital Projects added to rate base during the RAM Period.
- vi. Working Cash and all other elements of rate base not specifically addressed above shall be fixed at the dollar amount approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case. These elements of rate base shall be held constant until revised by a future Commission Decision & Order in a general rate case.

g.) See also Settlement Agreement section below.

MAUI ELECTRIC COMPANY, LTD.

RATE ADJUSTMENT MECHANISM PROVISION (Continued)  
Maui, Lanai, and Molokai Divisions

RAM REVENUE ADJUSTMENT CAP

The RAM Basis for the calculation of the RAM Revenue Adjustment Cap shall be the target revenues determined in accordance with the RBA tariff based on the results of the Company's most recent final rate case decision. The RAM Basis shall be adjusted 1) as described below in the determination of the 2014 Rate Base RAM - Return on Investment Adjustment and the 2014 Depreciation and Amortization RAM Adjustment, and 2) 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 Revenue Adjustment Cap.

The RAM Revenue Adjustment Cap shall be calculated as the RAM Basis, multiplied by the cumulative annually compounded increase(s) in the GDPPI for the years between the rate case calendar test year that established the RAM Basis and the RAM Period, adjusted to include applicable revenue taxes.

The RAM Revenue Adjustment Cap will apply to the entire RAM Revenue Adjustment, which includes the O&M RAM Adjustment, Depreciation and Amortization RAM Adjustment, and Rate Base RAM - Return on Investment Adjustment.

Exception to the calculation of the RAM Revenue Adjustment Cap:

For the calculation of the RAM Revenue Adjustment Cap for the 2015 RAM Revenue Adjustment and for each subsequent year's calculation of RAM Revenue Adjustment until the issuance of a final decision and order in the next rate case, the Target Revenues that will serve as the RAM Basis will be the 2014 annualized target revenues adjusted as described below. The 2014 RAM Revenue Adjustment used to determine the adjusted 2014 target revenues will be adjusted to use recorded 2014 end-of-year actuals for plant in service, accumulated depreciation and amortization, CIAC and accumulated deferred income taxes in the determination of the 2014 Rate Base RAM - Return on Investment Adjustment. For the determination of the 2014 Depreciation and Amortization RAM Adjustment, the Company applies the Commission-approved accrual rates and methods to the 2014 end of year balances calculated above. There is no impact to the O&M RAM Adjustment. The RAM Basis 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 order by the Commission, as described above.

The RAM Revenue Adjustment Cap for year 2015 and for each subsequent year until the issuance of a final decision and order in the next rate case shall be calculated as the RAM Basis, multiplied by the cumulative annually compounded increase(s) in the GDPPI for the years between 2014 and the RAM Period, adjusted to include

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated April 15, 2015.



RATE ADJUSTMENT MECHANISM PROVISION (Continued)  
Maui, Lanai, and Molokai Divisions

applicable revenue taxes, plus the adjusted calculation of the 2014 RAM Revenue Adjustment described above.

Evaluation Procedures

Complete, indexed workpapers and electronic files supporting the RAM Adjustment, Earnings Sharing Revenue Credits, and Major and Baseline Capital Projects Credits Schedules shall be provided to the Commission, the Consumer Advocate and all other parties to the Utility's most recent rate case proceeding ("Other Rate Case Parties"), if any, coincident with the Annual Evaluation Date filing. The Company will be prepared to provide information as may be requested to ensure adequate review by the Commission, Consumer Advocate, Other Rate Case Parties, and other interested persons. The Consumer Advocate, Other Rate Case Parties, and other interested persons may propose any adjustments determined to be required to bring the schedules into compliance with the above provisions and will work collaboratively to reach agreement on any proposed adjustments.

The RAM Revenue Adjustment, and any prior year RAM Revenue Adjustments, shall be recalculated for errors in prior calculations and for subsequent Commission orders that change the basis of prior calculations. The effect of such changes to the RAM Revenue Adjustment shall be implemented as described in the Revenue Balancing Account Provision.

As described in Sections 6-61-61 and 6-61-111 of the Hawaii Administrative Rules, Title 6, Chapter 61, based upon the Company's filed schedules and in the absence of any protests submitted by the Consumer Advocate, Other Rate Case Parties, or other interested persons, not later than 15 days before the June 1 effective date of the RBA Rate Adjustment described in the RBA Provision tariff, the RBA Rate Adjustment incorporating the RAM Revenue Adjustment, Earnings Sharing Revenue Credits, and Major and Baseline Capital Projects Credits shall go into effect on the June 1 effective date, and the Commission shall confirm the commencement of the RBA Rate Adjustment in its monthly Tariff Order.

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:

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated April 15, 2015.

RATE ADJUSTMENT MECHANISM PROVISION (Continued)  
Maui, Lanai, and Molokai Divisions

- 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.

PROVISION FOR RECOVERY OF MAJOR PROJECTS AND CONSOLIDATED BASELINE PROJECTS

The Company may apply to the Commission for approval of recovery of revenues for Major Projects outside of and in addition to the capped RAM revenues - either through the RAM, through the Renewable Energy Infrastructure Cost Recovery Provision ("REIP"), or through another adjustment mechanism. Approval for such recovery will be made on a case by case basis. Any such application for recovery of revenues shall identify and support the specific means and extent of proposed cost recovery.

Eligibility for recovery of revenues through the RAM in excess of the RAM Revenue Adjustment Cap or through an adjustment mechanism outside of the RAM will be restricted to revenues for projects that the Company demonstrates to be prudent and reasonable, to provide customer value, to enhance to affordability of energy services, and which are not explicitly or implicitly included in otherwise effective utility target revenues or other effective means of revenue recovery.

The Company may use a programmatic approach to categorizing and consolidating related baseline projects for consideration as Major Projects. For example, multiple baseline projects that serve a related purpose or are part of a specific program may be consolidated as a Major Project for purposes of application and review.

SETTLEMENT AGREEMENT

The provisions in this section are for the sole and limited purpose of implementing the *Stipulated Settlement Agreement between the Hawaiian Electric Companies and the Division of Consumer Advocacy*

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated April 15, 2015.

RATE ADJUSTMENT MECHANISM PROVISION (Continued)  
Maui, Lanai, and Molokai Divisions

*regarding Certain Regulatory Matters*, filed in Docket No. 2008-0083, which the Commission approved in Order No. 31126, issued on March 19, 2013.

The Company will include in the Rate Base RAM - Return on Investment Adjustment and the Depreciation and Amortization RAM Expense Adjustment, in 2013 and subsequent years, the recoverable costs of the Customer Information System ("CIS") project, net of the Stipulated and Commission approved project cost write-downs and as otherwise provided for in the Stipulated Settlement Agreement. Recovery of the CIS costs through the RAM Revenue Adjustment is for the sole purpose of this settlement agreement and does not constitute a precedent for the recovery of any other software or regulatory asset deferred costs through the RAM Revenue Adjustment.

COMMISSION'S AUTHORITY

The Commission may suspend any or all parts of this Rate Adjustment Mechanism Provision. Such suspension shall remain in place until removed by Commission Order.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated April 15, 2015.

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.

Effective June 1, 2015 to May 31, 2016

RBA Rate Adjustment

All Rate Schedules ..... 1.7229 ¢/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.

Transmittal Letter dated April 15, 2015.

RATE ADJUSTMENT MECHANISM PROVISION  
Maui, Lanai, and Molokai Divisions

Rate Adjustment Mechanism ("RAM") Provision

Purpose

This mechanism is subject to review and continuation, termination or modification in the utility's next base rate case proceeding, upon a showing by the utility and finding by the Commission that continuation or modification is appropriate. As part of its submitted testimony in the base rate case, the Company will include a summary report on the status of certain HCEI initiatives. The RAM mechanism is designed to determine the change in annual utility base revenue levels, recognizing certain estimated changes in the utility's cost to provide service. If, through the application of this mechanism, it is determined that annual utility base revenues should be decreased or increased, then the RAM Revenue Adjustment will be applied within the Revenue Balancing Account Provision. The RAM Revenue Adjustment established for a RAM Period calendar year that is also a rate case test year shall terminate on the effective date of tariff rates that are implemented pursuant to a Commission Decision & Order for that test year.

Definitions

- a) The Annual Evaluation Date shall be the Date the Company will make its annual filing under this mechanism. The Annual Evaluation Date shall be no later than March 31st of each year, commencing March 31, 2012.
- b) The Evaluation Period is defined as the historical twelve month period ending December 31, of each calendar year preceding the Annual Evaluation Date. The Evaluation Period is used solely to determine achieved earnings and any sharing of such earnings above the Authorized Return on Equity.
- c) The RAM Period is defined as the calendar year containing the Annual Evaluation Date.
- d) The Labor Cost Escalation Rate shall be the applicable annual percentage general wage rate increase provided for in currently effective union labor agreements for use in escalating wage and salary Base Expenses for union employees to determine the RAM Revenue Adjustment for each RAM Period. In the event no union labor agreement exists for a RAM Period, the most recently effective annual general percentage increase rate shall apply.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated May 1, 2013.

RATE ADJUSTMENT MECHANISM PROVISION  
Maui, Lanai, and Molokai Divisions

e) The Non-labor Cost Escalation Rate shall be the consensus estimated annual change in the Gross Domestic Product Price Indicator ("GDPPI") to escalate non-labor Base Expenses to determine the RAM Revenue Adjustment for each RAM Period. The GDPPI escalation rate shall be the consensus projection published by the Blue Chip Economic Indicators (Aspen Publishing) each February for the current RAM Period. In the event that the Blue Chip Economic Indicators forecast of the GDPPI is not available, the Consumer Advocate, Company, and other parties to the most recent rate case, with approval of the Commission, shall jointly select an alternative data source, or national economic index similar to GDPPI, as appropriate.

f) The annual Labor Productivity Offset shall be fixed at 0.76 percent (76/100 of one percent) and will be subtracted from the Labor Cost Escalation Rates applicable to Base Expenses to determine the authorized RAM Revenue Adjustment for each RAM Period.

g) The Base Expenses shall be the labor and non-labor operations and maintenance expense amounts approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case. Base Expenses shall not include any fuel, purchased power, IRP/DSM, pension, Other Post-Employment Benefits ("OPEB"), or Clean Energy/Renewable Energy Infrastructure or any costs that are subject to recovery through separate rate tracking mechanisms.

h) The Major Capital Projects shall be those capital investment projects that require an application before and approval by the Commission under the Commission's General Order No. 7, but excluding those projects included in the Clean Energy Infrastructure Surcharge.

i) The Baseline Capital Projects shall be the total amounts of capital investment completed and closed to Plant in Service, excluding amounts related to Major Capital Projects.

j) The Return on Investment shall be the overall weighted percentage rate of return on debt and equity capital approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case.

k) The Authorized Return on Equity shall be the percentage rate of return on equity capital approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case.

l) The Exogenous Tax Changes shall be the changes in tax laws or regulations that are estimated to impact RBA Target Revenues by five hundred thousand dollars (\$500,000) or more.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated May 1, 2013.

RATE ADJUSTMENT MECHANISM PROVISION (continued)

Maui, Lanai, and Molokai Divisions

m) The Rate Base shall be the average net investment estimated for the RAM Period, including each of the elements of rate base reflected within the most recent rate case Decision & Order issued by the Commission, quantified in the manner prescribed in part (f) of Section 2 of the Rate Adjustment Mechanism.

n) The RAM Revenue Adjustment to be applied to determine effective Target Revenues will be the lesser of a) the RAM Revenue Adjustment Calculation or b) the RAM Revenue Adjustment Cap.

o) The RAM Revenue Adjustment Calculation shall be the change in the annual amount of revenue required for the utility to recover the sum of the O&M RAM Adjustment, Depreciation & Amortization RAM Adjustment, and Rate Base RAM - Return on Investment Adjustment, using the ratemaking conventions and calculations reflected within the most recent rate case Decision & Order issued by the Commission, quantified in the manner prescribed herein.

p) The RAM Revenue Adjustment Cap shall be based on the Target Revenues determined in accordance with the RBA and RAM tariffs as provided below.

q) The RAM Revenue Adjustment determined by this RAM Provision is to be recovered through the RBA Provision commencing on June 1 and over the subsequent 12 months after June 1.

r) Earnings Sharing Revenue Credits shall be the amounts to be returned to customers as credits through the Revenue Balancing Account ("RBA") Provision, so as to implement the earnings sharing percentages and procedures described herein, commencing on June 1 of the calendar year containing the Annual Evaluation Date and over the subsequent 12 months after June 1.

s) Major Capital Projects Credits shall be the amounts to be returned to customers through the Revenue Balancing Account Provision, to reduce a preceding year's RAM Revenue Adjustment (including interest at the rate described in the RBA Provision) for specific major capital projects that were not placed into service within the first nine months of the preceding RAM Period as expected. Because the Commission's review of the Major Capital Projects' actual costs incurred may not occur until the rate case after the RAM Revenue Adjustment for these Major Capital Projects is collected, Major Capital Projects Credits (including interest) will be returned to customers for the amount of Major Capital Projects costs that the Commission disallows for cost recovery. The Major Capital Projects Credits are to be refunded through the

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated April 15, 2015.

Superseding Sheet No. 151C  
Effective March 30, 2014

REVISED SHEET NO. 151C  
Effective June 1, 2015

RATE ADJUSTMENT MECHANISM PROVISION  
Maui, Lanai, and Molokai Divisions

RBA Provision, commencing on June 1 of the calendar year containing the Annual Evaluation Date and over the subsequent 12 months after June 1.

t) Baseline Capital Projects Credits shall be the amounts to be returned to customers through the RBA Provision, to reduce a preceding year's RAM Revenue Adjustment (including interest at the rate described in the RBA Provision) for specific baseline capital projects that are disallowed by the Commission in a subsequent rate case if the disallowance reduces actual Baseline Capital Projects costs below the Baseline Capital Projects cost estimate derived using the method identified in part (f)ii. of Section 2 of the Rate Adjustment Mechanism below. Because the Commission's review of baseline capital projects may not occur until the rate case after such baseline capital projects are included in one or more RAM Revenue Adjustment filings, Baseline Capital Projects Credits shall be used to refund to customers any prior collections (i.e., Return on Investment on Rate Base and Depreciation, plus interest) relating to the amount of Baseline Capital Projects costs that the Commission subsequently disallows for cost recovery. The Baseline Capital Projects Credits are to be refunded through the RBA Provision, commencing on June 1 of the calendar year containing the Annual Evaluation Date and over the subsequent 12 months after June 1.

Rate Adjustment Mechanism

The Company shall file with the Commission, the Consumer Advocate and each party to the Company's most recent rate case proceeding, the schedules specified below:

Evaluation Period Earnings Sharing:

1. For the twelve month period ending December 31, of each year (the "Evaluation Period"), with the filing to be made no later than March 31, of the year following the conclusion of the Evaluation Period. The schedules will include the following:

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated April 15, 2015.



RATE ADJUSTMENT MECHANISM PROVISION (continued)  
Maui, Lanai, and Molokai Divisions

- a) Company's recorded actual average net plant in service, accumulated deferred income taxes, inventory, working capital, and other rate base components. The schedules shall also show the utility's depreciation expense, operating and maintenance expense, income taxes, taxes other than income taxes, and other components of income for return, revenues, and capital structure, cost of debt, overall cost of capital, and return on common equity in the format set forth in the final order establishing the Company's latest effective rates.
- b) All applicable accounting and pro forma adjustments historically required in annual reports filed with the Commission.
- c) Pro-forma adjustments to remove from recorded revenues any out-of-period Earnings Sharing Revenue Credits or Major Capital Projects Credits recorded during the Evaluation Period, and
- d) A calculation comparing the achieved return on average common equity to the following earnings sharing grid, and indicating the Earnings Sharing Revenue Credit that should be recorded within the Revenue Balancing Account to effect the prescribed sharing of earnings above authorized levels:

ROE at or below the Authorized ROE	Retained entirely by shareholders - no customer credits
First 100 basis points (one percent) over Authorized ROE	25% share credit to customers
Next 200 basis points (two percent) over Authorized ROE	50% share credit to customers
All ROE exceeding 300 basis points (three percent) over Authorized ROE	90% share credit to customers

RAM Period RAM Revenue Adjustment Calculation:

- 2) The Company shall provide additional schedules indicating the following proposed RAM Revenue Adjustment Calculation applicable for the RAM Period using the methodology set forth below:

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated April 15, 2015.

RATE ADJUSTMENT MECHANISM PROVISION (continued)

Maui, Lanai, and Molokai Divisions

- a) The O&M RAM Adjustment shall adjust Base Expenses segregated between labor and non-labor components and treated as follows:
  - i. The labor component shall be quantified for the RAM Period by application of the Labor Cost Escalation Rate, reduced to account for the Productivity Offset to labor expenses, including payroll taxes. The part of Base Expenses that represents labor costs for merit employees shall not be subject to application of the Labor Cost Escalation rate, nor be reduced by the Productivity Offset.
  - ii. The Non-labor components shall be quantified for the RAM Period by application of the Non-labor Escalation Rate to non-labor Base Expenses. Non-labor components shall exclude fuel, purchased power, pension/OPEBs, IRP/DSM or other rate adjustment provisions.
- b) Depreciation and Amortization RAM Adjustment shall be quantified for the RAM Period by application of Commission-approved accrual rates and methods to the actual recorded Plant in Service balances at the end of the Evaluation Period.
- c) The Rate Base RAM - Return on Investment Adjustment shall be determined by multiplying the applicable Pretax Rate of Return times the change in Rate Base. The Pretax Rate of Return shall include related income taxes on the equity components of the Return on Investment rate approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case. The quantification of Rate Base is specified in greater detail in part (f) of this Section 2.
- d) The revenue impact of any Exogenous Tax Changes shall be included in the RAM Period calculation of the RAM Revenue Adjustment.
- e) Revenue taxes shall be adjusted to account for the change in parts (a) through (e) of this Section 2.
- f) Rate Base for the RAM Period shall be quantified as follows:

MAUI ELECTRIC COMPANY, LTD.

RATE ADJUSTMENT MECHANISM PROVISION (Continued)

Maui, Lanai, and Molokai Divisions

- i. Plant in Service, Accumulated Depreciation, Accumulated Deferred Income Taxes and Contributions in Aid of Construction ("CIAC") shall be a two-point average of actual recorded balance sheet data at December 31 of the Evaluation Period, plus projected values at December 31 of the RAM Period determined as prescribed in parts (ii) through (v), below.
- ii. Plant in Service shall be quantified by adding to the recorded balances at December 31 of the Evaluation Period, the simple average of Baseline Capital Projects plant additions recorded in the immediately preceding five calendar years, plus the estimated cost of completed Major Capital Projects that are anticipated to be in service by September 30 of the RAM Period. The cost of Major Capital Projects shall be limited to the dollar amounts previously approved by the Commission, and shall be included at the level of recorded costs if recorded costs are lower than the budget amounts approved by the Commission, and the Commission has not yet reviewed the project costs in a rate case.
- iii. Accumulated Depreciation at December 31 of the RAM Period shall be quantified by increasing the recorded balances at December 31 of the Evaluation Period by the amount set forth in Section 2 part (b) above, consistent with rate-making treatment.
- iv. CIAC shall be quantified by adding to the recorded balance at December 31 of the Evaluation Period an estimate of the net change for the RAM Period. The net change shall be based on a simple average of cash and in-kind CIAC for the immediately preceding five calendar years for programs (i.e., numerous low cost capital projects) plus specific engineering estimates of any contributions for the Major Capital Projects anticipated to be in service by September 30 of the RAM Period.
- v. Accumulated Deferred Income Taxes shall be quantified by adding to the recorded balances at December 31 of the Evaluation Period the estimated tax effect of the depreciation timing difference (i.e., difference between book depreciation and tax depreciation) on the Baseline Capital Projects and Major Capital Projects added to rate base during the RAM Period.
- vi. Working Cash and all other elements of rate base not specifically addressed above shall be fixed at the dollar amount approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case. These elements of rate base shall be held constant until revised by a future Commission Decision & Order in a general rate case.

g.) See also Settlement Agreement section below.

MAUI ELECTRIC COMPANY, LTD.

RATE ADJUSTMENT MECHANISM PROVISION (Continued)  
Maui, Lanai, and Molokai Divisions

RAM REVENUE ADJUSTMENT CAP

The RAM Basis for the calculation of the RAM Revenue Adjustment Cap shall be the target revenues determined in accordance with the RBA tariff based on the results of the Company's most recent final rate case decision. The RAM Basis shall be adjusted 1) as described below in the determination of the 2014 Rate Base RAM - Return on Investment Adjustment and the 2014 Depreciation and Amortization RAM Adjustment, and 2) 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 Revenue Adjustment Cap.

The RAM Revenue Adjustment Cap shall be calculated as the RAM Basis, multiplied by the cumulative annually compounded increase(s) in the GDPPI for the years between the rate case calendar test year that established the RAM Basis and the RAM Period, adjusted to include applicable revenue taxes.

The RAM Revenue Adjustment Cap will apply to the entire RAM Revenue Adjustment, which includes the O&M RAM Adjustment, Depreciation and Amortization RAM Adjustment, and Rate Base RAM - Return on Investment Adjustment.

Exception to the calculation of the RAM Revenue Adjustment Cap:

For the calculation of the RAM Revenue Adjustment Cap for the 2015 RAM Revenue Adjustment and for each subsequent year's calculation of RAM Revenue Adjustment until the issuance of a final decision and order in the next rate case, the Target Revenues that will serve as the RAM Basis will be the 2014 annualized target revenues adjusted as described below. The 2014 RAM Revenue Adjustment used to determine the adjusted 2014 target revenues will be adjusted to use recorded 2014 end-of-year actuals for plant in service, accumulated depreciation and amortization, CIAC and accumulated deferred income taxes in the determination of the 2014 Rate Base RAM - Return on Investment Adjustment. For the determination of the 2014 Depreciation and Amortization RAM Adjustment, the Company applies the Commission-approved accrual rates and methods to the 2014 end of year balances calculated above. There is no impact to the O&M RAM Adjustment. The RAM Basis 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 order by the Commission, as described above.

The RAM Revenue Adjustment Cap for year 2015 and for each subsequent year until the issuance of a final decision and order in the next rate case shall be calculated as the RAM Basis, multiplied  
MAUI ELECTRIC COMPANY, LTD.

RATE ADJUSTMENT MECHANISM PROVISION (Continued)

Maui, Lanai, and Molokai Divisions

by the cumulative annually compounded increase(s) in the GDPPI for the years between 2014 and the RAM Period, adjusted to include applicable revenue taxes, plus the adjusted calculation of the 2014 RAM Revenue Adjustment described above.

Evaluation Procedures

Complete, indexed workpapers and electronic files supporting the RAM Adjustment, Earnings Sharing Revenue Credits, and Major and Baseline Capital Projects Credits Schedules shall be provided to the Commission, the Consumer Advocate and all other parties to the Utility's most recent rate case proceeding ("Other Rate Case Parties"), if any, coincident with the Annual Evaluation Date filing. The Company will be prepared to provide information as may be requested to ensure adequate review by the Commission, Consumer Advocate, Other Rate Case Parties, and other interested persons. The Consumer Advocate, Other Rate Case Parties, and other interested persons may propose any adjustments determined to be required to bring the schedules into compliance with the above provisions and will work collaboratively to reach agreement on any proposed adjustments.

The RAM Revenue Adjustment, and any prior year RAM Revenue Adjustments, shall be recalculated for errors in prior calculations and for subsequent Commission orders that change the basis of prior calculations. The effect of such changes to the RAM Revenue Adjustment shall be implemented as described in the Revenue Balancing Account Provision.

As described in Sections 6-61-61 and 6-61-111 of the Hawaii Administrative Rules, Title 6, Chapter 61, based upon the Company's filed schedules and in the absence of any protests submitted by the Consumer Advocate, Other Rate Case Parties, or other interested persons, not later than 15 days before the June 1 effective date of the RBA Rate Adjustment described in the RBA Provision tariff, the RBA Rate Adjustment incorporating the RAM Revenue Adjustment, Earnings Sharing Revenue Credits, and Major and Baseline Capital Projects Credits shall go into effect on the June 1 effective date, and the Commission shall confirm the commencement of the RBA Rate Adjustment in its monthly Tariff Order.

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:

MAUI ELECTRIC COMPANY, LTD.

RATE ADJUSTMENT MECHANISM PROVISION (Continued)  
Maui, Lanai, and Molokai Divisions

- 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.

PROVISION FOR RECOVERY OF MAJOR PROJECTS AND CONSOLIDATED BASELINE PROJECTS

The Company may apply to the Commission for approval of recovery of revenues for Major Projects outside of and in addition to the capped RAM revenues - either through the RAM, through the Renewable Energy Infrastructure Cost Recovery Provision ("REIP"), or through another adjustment mechanism. Approval for such recovery will be made on a case by case basis. Any such application for recovery of revenues shall identify and support the specific means and extent of proposed cost recovery.

Eligibility for recovery of revenues through the RAM in excess of the RAM Revenue Adjustment Cap or through an adjustment mechanism outside of the RAM will be restricted to revenues for projects that the Company demonstrates to be prudent and reasonable, to provide customer value, to enhance to affordability of energy services, and which are not explicitly or implicitly included in otherwise effective utility target revenues or other effective means of revenue recovery.

The Company may use a programmatic approach to categorizing and consolidating related baseline projects for consideration as Major Projects. For example, multiple baseline projects that serve a related purpose or are part of a specific program may be consolidated as a Major Project for purposes of application and review.

SETTLEMENT AGREEMENT

The provisions in this section are for the sole and limited purpose of implementing the *Stipulated Settlement Agreement between the*

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated April 15, 2015.

RATE ADJUSTMENT MECHANISM PROVISION (Continued)  
Maui, Lanai, and Molokai Divisions

*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.

The Company will include in the Rate Base RAM - Return on Investment Adjustment and the Depreciation and Amortization RAM Expense Adjustment, in 2013 and subsequent years, the recoverable costs of the Customer Information System ("CIS") project, net of the Stipulated and Commission approved project cost write-downs and as otherwise provided for in the Stipulated Settlement Agreement. Recovery of the CIS costs through the RAM Revenue Adjustment is for the sole purpose of this settlement agreement and does not constitute a precedent for the recovery of any other software or regulatory asset deferred costs through the RAM Revenue Adjustment.

COMMISSION'S AUTHORITY

The Commission may suspend any or all parts of this Rate Adjustment Mechanism Provision. Such suspension shall remain in place until removed by Commission Order.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated April 15, 2015.

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.

Effective June 1, 2015 to May 31, 2016

RBA Rate Adjustment

All Rate Schedules ..... 1.7229 ¢/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.

Transmittal Letter dated April 15, 2015.



# ATTACHMENT 1A

Superseding Sheet No. 50D  
Effective ~~March 1,~~  
~~2015~~ April 1, 2015

REVISED SHEET No. 50D  
Effective June 1, 2015 ~~April~~  
~~1,~~ 2015

MAUI DIVISION  
RATE SCHEDULES (Continued)

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
91.1	"TOU-G"	August 1, 2013	Small Commercial Time-of-Use
91.1A	"TOU-G"	January 12, 2011	Small Commercial Time-of-Use
91.1B	"TOU-G"	January 12, 2011	Small Commercial Time-of-Use
92.1	"TOU-J"	August 1, 2013	Commercial Time-of-Use
92.1A	"TOU-J"	January 12, 2011	Commercial Time-of-Use
92.1B	"TOU-J"	August 1, 2013	Commercial Time-of-Use
93.1	"TOU-P"	August 1, 2013	Large Power Time-of-Use
93.1A	"TOU-P"	January 12, 2011	Large Power Time-of-Use
93.1B	"TOU-P"	August 1, 2013	Large Power Time-of-Use
94-94E	"FIT"	December 30, 2011	Schedule FIT Tier 3
94.1-	"FIT"	December 30, 2011	Schedule FIT Tier 3
94.1DX			Agreement
94.2-	"FIT"	December 30, 2011	Schedule FIT Tier 3 Queuing
94.2E			and Interconnection Proc.
95	"PPAC"	April 1, 2015	Purchase Power Adjustment Clause
95A	"PPAC"	April 1, 2015	Purchase Power Adjustment Clause
95B	"PPAC"	May 4, 2012	Purchase Power Adjustment Clause
96	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
96A	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
96B	"RAM"	March 30, 2014	Rate Adjustment Mechanism Provision
96C	"RAM"	<del>March 30,</del> <del>2014</del> June 1, 2015	Rate Adjustment Mechanism Provision
96D	"RAM"	<del>May 4, 2012</del> June 1, 2015	Rate Adjustment Mechanism Provision
96E	"RAM"	<del>March 30,</del> <del>2014</del> June 1, 2015	Rate Adjustment Mechanism Provision
96F	"RAM"	<del>May 4, 2012</del> June 1, 2015	Rate Adjustment Mechanism Provision
96G	"RAM"	<del>June 1, 2015</del> March 30, 2014	Rate Adjustment Mechanism Provision
96H	"RAM"	<del>June 1, 2013</del> June 1, 2015	Rate Adjustment Mechanism Provision
96I	"RAM"	June 1, 2015	<u>Rate Adjustment Mechanism Provision</u>

MAUI ELECTRIC COMPANY, LIMITED

| Transmittal Letter Dated ~~March 20, 2015~~ April 15, 2015.

96J  
|

"RAM"

June 1, 2015

Rate Adjustment Mechanism  
Provision

MAUI ELECTRIC COMPANY, LIMITED

| Transmittal Letter Dated ~~March 20, 2015~~ April 15, 2015.

Superseding Sheet No. 50E  
 Effective ~~March 1, 2014~~ June  
 1, 2014

REVISED SHEET No. 50E  
 Effective June 1, 2015 ~~June 1,~~  
 2014

MAUI DIVISION  
RATE SCHEDULES (Continued)

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
97	"RBA"	June 1, 2013	Revenue Balancing Account Provision
97A	"RBA"	June 1, 2013	Revenue Balancing Account Provision
97B	"RBA"	March 1, 2014	Revenue Balancing Account Provision
97C	"RBA"	June 1, 2013	Revenue Balancing Account Provision
97D	"RBA"	<del>June 1, 2014</del> June 1, 2015	Revenue Balancing Account Provision
98	EV-F	August 1, 2013	Commercial Public Electric Vehicle Charging Facility Service Pilot
98A	EV-F	July 4, 2013	Commercial Public Electric Vehicle Charging Facility Service Pilot
98B	EV-F	July 4, 2013	Commercial Public Electric Vehicle Charging Facility Service Pilot
99	EV-U	July 4, 2013	Commercial Public Electric Vehicle Charging Service Pilot
99A	EV-U	July 4, 2013	Commercial Public Electric Vehicle Charging Service Pilot
99B	EV-U	July 4, 2013	Commercial Public Electric Vehicle Charging Service Pilot

MAUI ELECTRIC COMPANY, LIMITED

| Transmittal Letter Dated ~~May 14, 2014~~ April 15, 2015.

Superseding Sheet No. 50H

REVISED SHEET NO. 50H

Effective ~~June 1, 2013~~ March 30, 2014Effective~~March 30, 2014~~ June 1, 2015

## LANAI DIVISION

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
103.1	"TOU-G"	August 1, 2013	Small Commercial Time-of-Use
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104.1	"TOU-J"	August 1, 2013	Commercial Time-of-Use
104.1A	"TOU-J"	January 12, 2011	Commercial Time-of-Use
104.1B	"TOU-J"	August 1, 2013	Commercial Time-of-Use
105.1	"TOU-P"	August 1, 2013	Large Power Time-of-Use
105.1A	"TOU-P"	January 12, 2011	Large Power Time-of-Use
105.1B	"TOU-P"	August 1, 2013	Large Power Time-of-Use
106	"PPAC"	May 4, 2012	Purchase Power Adjustment Clause
106A	"PPAC"	May 4, 2012	Purchase Power Adjustment Clause
106B	"PPAC"	May 4, 2012	Purchase Power Adjustment Clause
107	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
107A	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
107B	"RAM"	<del>March 30, 2014</del> <u>June 1, 2015</u>	Rate Adjustment Mechanism Provision
107C	"RAM"	<del>March 30, 2014</del> <u>June 1, 2015</u>	Rate Adjustment Mechanism Provision
107D	"RAM"	<del>May 4, 2012</del> <u>June 1, 2015</u>	Rate Adjustment Mechanism Provision
107E	"RAM"	<del>March 30, 2014</del> <u>June 1, 2015</u>	Rate Adjustment Mechanism Provision
107F	"RAM"	<del>March 30, 2014</del> <u>June 1, 2015</u>	Rate Adjustment Mechanism Provision
107G	"RAM"	<del>June 1, 2013</del> <u>June 1, 2015</u>	Rate Adjustment Mechanism Provision
107H	"RAM"	<del>June 1, 2013</del> <u>2015</u>	Rate Adjustment Mechanism Provision
107I	"RAM"	<u>June 1, 2015</u>	<u>Rate Adjustment Mechanism Provision</u>
107J	"RAM"	<u>June 1, 2015</u>	<u>Rate Adjustment Mechanism Provision</u>

MAUI ELECTRIC COMPANY, LIMITED

~~Decision and Order No. 21908, Filed on February 7, 2014.~~Transmittal Letter Dated ~~February 26, 2014~~ April 15, 2015.

Superseding Sheet No. 50I

REVISED SHEET NO. 50I

Effective ~~March 1, 2014~~ June 1, 2014  
~~2015 June 1, 2014~~

Effective June 1,

LANAI DIVISION  
RATE SCHEDULES (Continued)

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
108	"RBA"	June 1, 2013	Revenue Balancing Account Provision
108A	"RBA"	June 1, 2013	Revenue Balancing Account Provision
108B	"RBA"	March 1, 2014	Revenue Balancing Account Provision
108C	"RBA"	June 1, 2013	Revenue Balancing Account Provision
108D	"RBA"	<del>June 1, 2014</del> <u>June 1, 2015</u>	Revenue Balancing Account Provision
109	EV-F	August 1, 2013	Commercial Public Electric Vehicle Charging Facility Service Pilot
109A	EV-F	July 4, 2013	Commercial Public Electric Vehicle Charging Facility Service Pilot
109B	EV-F	July 4, 2013	Commercial Public Electric Vehicle Charging Facility Service Pilot
110	EV-U	July 4, 2013	Commercial Public Electric Vehicle Charging Service Pilot
110A	EV-U	July 4, 2013	Commercial Public Electric Vehicle Charging Service Pilot
110B	EV-U	July 4, 2013	Commercial Public Electric Vehicle Charging Service Pilot

MAUI ELECTRIC COMPANY, LIMITED

Transmittal Letter Dated ~~May 14, 2014~~ April 15, 2015.

RATE ADJUSTMENT MECHANISM PROVISION  
Maui, Lanai, and Molokai Divisions

Rate Adjustment Mechanism ("RAM") Provision

Purpose

This mechanism is subject to review and continuation, termination or modification in the utility's next base rate case proceeding, upon a showing by the utility and finding by the Commission that continuation or modification is appropriate. As part of its submitted testimony in the base rate case, the Company will include a summary report on the status of certain HCEI initiatives. The RAM mechanism is designed to determine the change in annual utility base revenue levels, recognizing certain estimated changes in the utility's cost to provide service. If, through the application of this mechanism, it is determined that annual utility base revenues should be decreased or increased, then the RAM Revenue Adjustment will be applied within the Revenue Balancing Account Provision. The RAM Revenue Adjustment established for a RAM Period calendar year that is also a rate case test year shall terminate on the effective date of tariff rates that are implemented pursuant to a Commission Decision & Order for that test year.

Definitions

- a) The Annual Evaluation Date shall be the Date the Company will make its annual filing under this mechanism. The Annual Evaluation Date shall be no later than March 31st of each year, commencing March 31, 2012.
- b) The Evaluation Period is defined as the historical twelve month period ending December 31, of each calendar year preceding the Annual Evaluation Date. The Evaluation Period is used solely to determine achieved earnings and any sharing of such earnings above the Authorized Return on Equity.
- c) The RAM Period is defined as the calendar year containing the Annual Evaluation Date.
- d) The Labor Cost Escalation Rate shall be the applicable annual percentage general wage rate increase provided for in currently effective union labor agreements for use in escalating wage and salary Base Expenses for union employees to determine the RAM Revenue Adjustment for each RAM Period. In the event no union labor agreement exists for a RAM Period, the most recently effective annual general percentage increase rate shall apply.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated May 1, 2013.

RATE ADJUSTMENT MECHANISM PROVISION  
Maui, Lanai, and Molokai Divisions

- e) The Non-labor Cost Escalation Rate shall be the consensus estimated annual change in the Gross Domestic Product Price Indicator ("GDPPI") to escalate non-labor Base Expenses to determine the RAM Revenue Adjustment for each RAM Period. The GDPPI escalation rate shall be the consensus projection published by the Blue Chip Economic Indicators (Aspen Publishing) each February for the current RAM Period. In the event that the Blue Chip Economic Indicators forecast of the GDPPI is not available, the Consumer Advocate, Company, and other parties to the most recent rate case, with approval of the Commission, shall jointly select an alternative data source, or national economic index similar to GDPPI, as appropriate.
- f) The annual Labor Productivity Offset shall be fixed at 0.76 percent (76/100 of one percent) and will be subtracted from the Labor Cost Escalation Rates applicable to Base Expenses to determine the authorized RAM Revenue Adjustment for each RAM Period.
- g) The Base Expenses shall be the labor and non-labor operations and maintenance expense amounts approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case. Base Expenses shall not include any fuel, purchased power, IRP/DSM, pension, Other Post-Employment Benefits ("OPEB"), or Clean Energy/Renewable Energy Infrastructure or any costs that are subject to recovery through separate rate tracking mechanisms.
- h) The Major Capital Projects shall be those capital investment projects that require an application before and approval by the Commission under the Commission's General Order No. 7, but excluding those projects included in the Clean Energy Infrastructure Surcharge.
- i) The Baseline Capital Projects shall be the total amounts of capital investment completed and closed to Plant in Service, excluding amounts related to Major Capital Projects.
- j) The Return on Investment shall be the overall weighted percentage rate of return on debt and equity capital approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case.
- k) The Authorized Return on Equity shall be the percentage rate of return on equity capital approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case.
- l) The Exogenous Tax Changes shall be the changes in tax laws or regulations that are estimated to impact RBA Target Revenues by five hundred thousand dollars (\$500,000) or more.

MAUI ELECTRIC COMPANY, LTD.



Superseding Sheet No. ~~96A-96B~~  
Effective ~~June 1, 2013~~ ~~May 4, 2012~~  
~~2015~~ ~~June 1, 2013~~

REVISED SHEET NO. ~~96A96B~~  
Effective June 1,

RATE ADJUSTMENT MECHANISM PROVISION  
Maui, Lanai, and Molokai Divisions

m) The Rate Base shall be the average net investment estimated for the RAM Period, including each of the elements of rate base reflected within the most recent rate case Decision & Order issued by the Commission, quantified in the manner prescribed in part (f) of Section 2 of the Rate Adjustment Mechanism.

n) The RAM Revenue Adjustment to be applied to determine effective Target Revenues will be the lesser of a) the RAM Revenue Adjustment Calculation or b) the RAM Revenue Adjustment Cap.

~~no)~~ The RAM Revenue Adjustment Calculation —shall be the change in the annual amount of revenue required for the utility to recover the sum of the O&M RAM Adjustment, Depreciation & Amortization RAM Adjustment, and Rate Base RAM - Return on Investment Adjustment, using the ratemaking conventions and calculations reflected within the most recent rate case Decision & Order issued by the Commission, quantified in the manner prescribed herein.

p) The RAM Revenue Adjustment Cap shall be based on the Target Revenues determined in accordance with the RBA and RAM tariffs as provided below.

eq) The RAM Revenue Adjustment determined by this RAM Provision is to be recovered through the RBA Provision commencing on June 1 and over the subsequent 12 months after June 1.

pr) Earnings Sharing Revenue Credits shall be the amounts to be returned to customers as credits through the Revenue Balancing Account ("RBA") Provision, so as to implement the earnings sharing percentages and procedures described herein, commencing on June 1 of the calendar year containing the Annual Evaluation Date and over the subsequent 12 months after June 1.

qs) Major Capital Projects Credits shall be the amounts to be returned to customers through the Revenue Balancing Account Provision, to reduce a preceding year's RAM Revenue Adjustment (including interest at the rate described in the RBA Provision) for specific major capital projects that were not placed into service within the first nine months of the preceding RAM Period as expected. Because the Commission's review of the Major Capital Projects' actual costs incurred may not occur until the rate case after the RAM Revenue Adjustment for these Major Capital Projects is collected, Major Capital Projects Credits (including interest) will be returned to customers for the amount of Major Capital

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated ~~May 1, 2013~~ April 15, 2015.

Superseding Sheet No. 96B  
Effective ~~May 4, 2012~~ June 1, 2013  
~~2013~~ March 30, 2014

REVISED SHEET NO. 96B  
Effective ~~June 1,~~

RATE ADJUSTMENT MECHANISM PROVISION (continued)

Maui, Lanai, and Molokai Divisions

Projects costs that the Commission disallows for cost recovery.  
The Major Capital Projects Credits are to be refunded through the

MAUI ELECTRIC COMPANY, LTD.

Decision and Order No. 31908; Filed on February 7, 2014.  
Transmittal Letter Dated May 1, 2013 February 28, 2014.

Superseding Sheet No. 96C  
Effective March 30, 2014  
~~2015 May 4, 2012~~

REVISED SHEET NO. 96C  
Effective June 1,

RATE ADJUSTMENT MECHANISM PROVISION  
Maui, Lanai, and Molokai Divisions

RBA Provision, commencing on June 1 of the calendar year containing the Annual Evaluation Date and over the subsequent 12 months after June 1.

†) Baseline Capital Projects Credits shall be the amounts to be returned to customers through the RBA Provision, to reduce a preceding year's RAM Revenue Adjustment (including interest at the rate described in the RBA Provision) for specific baseline capital projects that are disallowed by the Commission in a subsequent rate case if the disallowance reduces actual Baseline Capital Projects costs below the Baseline Capital Projects cost estimate derived using the method identified in part (ff)ii. of Section 2 of the Rate Adjustment Mechanism below. Because the Commission's review of baseline capital projects may not occur until the rate case after such baseline capital projects are included in one or more RAM Revenue Adjustment filings, Baseline Capital Projects Credits shall be used to refund to customers any prior collections (i.e., Return on Investment on Rate Base and Depreciation, plus interest) relating to the amount of Baseline Capital Projects costs that the Commission subsequently disallows for cost recovery. The Baseline Capital Projects Credits are to be refunded through the RBA Provision, commencing on June 1 of the calendar year containing the Annual Evaluation Date and over the subsequent 12 months after June 1.

Rate Adjustment Mechanism

The Company shall file with the Commission, the Consumer Advocate and each party to the Company's most recent rate case proceeding, the schedules specified below:

Evaluation Period Earnings Sharing:

1. For the twelve month period ending December 31, of each year (the "Evaluation Period"), with the filing to be made no

MAUI ELECTRIC COMPANY, LTD.

~~Docket No. 2009-0163, Decision and Order No. 30365, Filed May 2, 2012.~~  
Transmittal Letter Dated ~~May 3, 2012~~ April 15, 2015.

Effective May 4, 2012

Effective June 1, 2015

RATE ADJUSTMENT MECHANISM PROVISION (continued)

Maui, Lanai, and Molokai Divisions

later than March 31, of the year following the conclusion of the Evaluation Period. The schedules will include the following:

- a) Company's recorded actual average net plant in service, accumulated deferred income taxes, inventory, working capital, and other rate base components. The schedules shall also show the utility's depreciation expense, operating and maintenance expense, income taxes, taxes other than income taxes, and other components of income for return, revenues, and capital structure, cost of debt, overall cost of capital, and return on common equity in the format set forth in the final order establishing the Company's latest effective rates.
- b) All applicable accounting and pro forma adjustments historically required in annual reports filed with the Commission.
- c) Pro-forma adjustments to remove from recorded revenues any out-of-period Earnings Sharing Revenue Credits or Major Capital Projects Credits recorded during the Evaluation Period, and
- d) A calculation comparing the achieved return on average common equity to the following earnings sharing grid, and indicating the Earnings Sharing Revenue Credit that should be recorded within the Revenue Balancing Account to effect the prescribed sharing of earnings above authorized levels:

ROE at or below the Authorized ROE	Retained entirely by shareholders - no customer credits
First 100 basis points (one percent) over Authorized ROE	25% share credit to customers
Next 200 basis points (two percent) over Authorized ROE	50% share credit to customers
All ROE exceeding 300 basis points (three percent) over Authorized ROE	90% share credit to customers

RAM Period RAM Revenue Adjustment Calculation:

MAUI ELECTRIC COMPANY, LTD.

~~Docket No. 2009-0163, Decision and Order No. 30365, Filed May 2, 2012.~~

Transmittal Letter Dated May 3, 2012 April 15, 2015.

Superseding Sheet No. 96E  
Effective ~~May 4, 2012~~ March 30, 2014  
~~2015 June 1, 2013~~

REVISED SHEET NO. 96E  
Effective June 1,

RATE ADJUSTMENT MECHANISM PROVISION (continued)

Maui, Lanai, and Molokai Divisions

- 2) The Company shall provide additional schedules indicating the following proposed RAM Revenue Adjustment calculations Calculation applicable for the RAM Period using the methodology set forth below:
  - a) The O&M RAM Adjustment shall adjust Base Expenses segregated between labor and non-labor components and treated as follows:
    - i. The labor component shall be quantified for the RAM Period by application of the Labor Cost Escalation Rate, reduced to account for the Productivity Offset to labor expenses, including payroll taxes. The part of Base Expenses that represents labor costs for merit employees shall not be subject to application of the Labor Cost Escalation rate, nor be reduced by the Productivity Offset.
    - ii. The Non-labor components shall be quantified for the RAM Period by application of the Non-labor Escalation Rate to non-labor Base Expenses. Non-labor components shall exclude fuel, purchased power, pension/OPEBs, IRP/DSM or other rate adjustment provisions.
  - b) Depreciation and Amortization RAM Adjustment shall be quantified for the RAM Period by application of Commission-approved accrual rates and methods to the actual recorded Plant in Service balances at the end of the Evaluation Period.
  - c) The Rate Base RAM - Return on Investment Adjustment shall be determined by multiplying the applicable Pretax Rate of Return times the change in Rate Base. The Pretax Rate of Return shall include related income taxes on the equity components of the Return on Investment rate approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case. The quantification of Rate Base is specified in greater detail in part (f) of this Section 2.
  - d) The revenue impact of any Exogenous Tax Changes shall be included in the RAM Period calculation of the RAM Revenue Adjustment.
  - e) Revenue taxes shall be adjusted to account for the change in parts (a) through (d) of this Section 2.
  - f) Rate Base for the RAM Period shall be quantified as follows:

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated ~~May 1, 2013~~ April 15, 2015.

June 1, 2015

RATE ADJUSTMENT MECHANISM PROVISION (Continued)

Maui, Lanai, and Molokai Divisions

- i. Plant in Service, Accumulated Depreciation, Accumulated Deferred Income Taxes and Contributions in Aid of Construction ("CIAC") shall be a two-point average of actual recorded balance sheet data at December 31 of the Evaluation Period, plus projected values at December 31 of the RAM Period determined as prescribed in parts (ii) through (v), below.
- ii. Plant in Service shall be quantified by adding to the recorded balances at December 31 of the Evaluation Period, the simple average of Baseline Capital Projects plant additions recorded in the immediately preceding five calendar years, plus the estimated cost of completed Major Capital Projects that are anticipated to be in service by September 30 of the RAM Period. The cost of Major Capital Projects shall be limited to the dollar amounts previously approved by the Commission, and shall be included at the level of recorded costs if recorded costs are lower than the budget amounts approved by the Commission, and the Commission has not yet reviewed the project costs in a rate case.
- iii. Accumulated Depreciation at December 31 of the RAM Period shall be quantified by increasing the recorded balances at December 31 of the Evaluation Period by the amount set forth in Section 2 part (b) above, consistent with rate-making treatment.
- iv. CIAC shall be quantified by adding to the recorded balance at December 31 of the Evaluation Period an estimate of the net change for the RAM Period. The net change shall be based on a simple average of cash and in-kind CIAC for the immediately preceding five calendar years for programs (i.e., numerous low cost capital projects) plus specific engineering estimates of any contributions for the Major Capital Projects anticipated to be in service by September 30 of the RAM Period.
- v. Accumulated Deferred Income Taxes shall be quantified by adding to the recorded balances at December 31 of the Evaluation Period the estimated tax effect of the depreciation timing difference (i.e., difference between book depreciation and tax depreciation) on the Baseline Capital Projects and Major Capital Projects added to rate base during the RAM Period.
- ~~v~~-vi. Working Cash and all other elements of rate base not specifically addressed above shall be fixed at the dollar amount approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case. These elements of rate base shall be held constant until revised by a

MAUI ELECTRIC COMPANY, LTD.

~~Docket No. 2009-0163, Decision and Order No. 30365, Filed May 2, 2012.~~

Transmittal Letter Dated ~~May 3, 2012~~ April 15, 2015.

RATE ADJUSTMENT MECHANISM PROVISION (Continued)

Maui, Lanai, and Molokai Divisions  
future Commission Decision & Order in a general rate  
case.

g)-

h)-

ghg.) See also Settlement Agreement section below

RAM REVENUE ADJUSTMENT CAP

The RAM Basis for the calculation of the RAM Revenue Adjustment Cap shall be the target revenues determined in accordance with the RBA tariff based on the results of the Company's most recent final rate case decision. The RAM Basis shall be adjusted 1) as described below in the determination of the 2014 Rate Base RAM - Return on Investment Adjustment and the 2014 Depreciation and Amortization RAM Adjustment, and 2) 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 Revenue Adjustment Cap.

The RAM Revenue Adjustment Cap shall be calculated as the RAM Basis, multiplied by the cumulative annually compounded increase(s) in the GDPPI for the years between the rate case calendar test year that established the RAM Basis and the RAM Period, adjusted to include applicable revenue taxes.

The RAM Revenue Adjustment Cap will apply to the entire RAM Revenue Adjustment, which includes the O&M RAM Adjustment, Depreciation and Amortization RAM Adjustment, and Rate Base RAM - Return on Investment Adjustment.

Exception to the calculation of the RAM Revenue Adjustment Cap:

For the calculation of the RAM Revenue Adjustment Cap for the 2015 RAM Revenue Adjustment and for each subsequent year's calculation of RAM Revenue Adjustment until the issuance of a final decision and order in the next rate case, the Target Revenues that will serve as the RAM Basis will be the 2014 annualized target revenues adjusted as described below. The 2014 RAM Revenue Adjustment used to determine the adjusted 2014 target revenues will be adjusted to use recorded 2014 end-of-year actuals for plant in service, accumulated depreciation and amortization, CIAC and accumulated deferred income taxes in the determination of the 2014 Rate Base RAM - Return on Investment Adjustment. For the determination of the 2014 Depreciation and Amortization RAM Adjustment, the Company applies the Commission-approved accrual rates and methods to the 2014 end of year balances calculated above. There is no impact to the O&M RAM Adjustment. The RAM Basis shall be adjusted to exclude or otherwise appropriately account for adjustments for the recovery of revenues for previously explicitly stipulated and approved

MAUI ELECTRIC COMPANY, LTD.

Superseding Sheet No. 96F  
Effective March 30, 2014

REVISED SHEET NO. 96F  
Effective May 4, 2012

June 1, 2015

RATE ADJUSTMENT MECHANISM PROVISION (Continued)

Maui, Lanai, and Molokai Divisions

exceptional matters or other matters specifically order by the Commission, as described above.

The RAM Revenue Adjustment Cap for year 2015 and for each subsequent year until the issuance of a final decision and order in the next rate case shall be calculated as the RAM Basis, multiplied by the cumulative annually compounded increase(s) in the GDPPI for the years between 2014 and the RAM Period, adjusted to include

MAUI ELECTRIC COMPANY, LTD.

~~Docket No. 2009-0163; Decision and Order No. 30365, Filed May 2, 2012.~~

~~Transmittal Letter Dated May 3, 2012~~ April 15, 2015.



June 1, 2015

RATE ADJUSTMENT MECHANISM PROVISION (Continued)

Maui, Lanai, and Molokai Divisions

applicable revenue taxes, plus the adjusted calculation of the 2014  
RAM Revenue Adjustment described above.

Evaluation Procedures

Complete, indexed workpapers and electronic files supporting the RAM Adjustment, Earnings Sharing Revenue Credits, and Major and Baseline Capital Projects Credits Schedules shall be provided to the Commission, the Consumer Advocate and all other parties to the Utility's most recent rate case proceeding ("Other Rate Case Parties"), if any, coincident with the Annual Evaluation Date filing. The Company will be prepared to provide information as may be requested to ensure adequate review by the Commission, Consumer Advocate, Other Rate Case Parties, and other interested persons. The Consumer Advocate, Other Rate Case Parties, and other interested persons may propose any adjustments determined to be required to bring the schedules into compliance with the above provisions and will work collaboratively to reach agreement on any proposed adjustments.

The RAM Revenue Adjustment, and any prior year RAM Revenue Adjustments, shall be recalculated for errors in prior calculations and for subsequent Commission orders that change the basis of prior calculations. The effect of such changes to the RAM Revenue Adjustment shall be implemented as described in the Revenue Balancing Account Provision.

As described in Sections 6-61-61 and 6-61-111 of the Hawaii Administrative Rules, Title 6, Chapter 61, based upon the Company's filed schedules and in the absence of any protests submitted by the Consumer Advocate, Other Rate Case Parties, or other interested persons, not later than 15 days before the June 1 effective date of the RBA Rate Adjustment described in the RBA Provision tariff, the RBA Rate Adjustment incorporating the RAM Revenue Adjustment, Earnings Sharing Revenue Credits, and Major and Baseline Capital Projects Credits shall go into effect on the June 1 effective date, and the Commission shall confirm the commencement of the RBA Rate Adjustment in its monthly Tariff Order.

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:

MAUI ELECTRIC COMPANY, LTD.

~~Docket No. 2009-0163; Decision and Order No. 30365, Filed May 2, 2012.~~

Transmittal Letter Dated ~~May 3, 2012~~ April 15, 2015.

RATE ADJUSTMENT MECHANISM PROVISION (Continued)

Maui, Lanai, and Molokai Divisions

- 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.

PROVISION FOR RECOVERY OF MAJOR PROJECTS AND CONSOLIDATED BASELINE PROJECTS

The Company may apply to the Commission for approval of recovery of revenues for Major Projects outside of and in addition to the capped RAM revenues - either through the RAM, through the Renewable Energy Infrastructure Cost Recovery Provision ("REIP"), or through another adjustment mechanism. Approval for such recovery will be made on a case by case basis. Any such application for recovery of revenues shall identify and support the specific means and extent of proposed cost recovery.

Eligibility for recovery of revenues through the RAM in excess of the RAM Revenue Adjustment Cap or through an adjustment mechanism outside of the RAM will be restricted to revenues for projects that the Company demonstrates to be prudent and reasonable, to provide customer value, to enhance to affordability of energy services, and which are not explicitly or implicitly included in otherwise effective utility target revenues or other effective means of revenue recovery.

The Company may use a programmatic approach to categorizing and consolidating related baseline projects for consideration as Major Projects. For example, multiple baseline projects that serve a related purpose or are part of a specific program may be consolidated as a Major Project for purposes of application and review.

SETTLEMENT AGREEMENT

The provisions in this section are for the sole and limited purpose of implementing 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.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated ~~May 1, 2013~~ April 15, 2015.

RATE ADJUSTMENT MECHANISM PROVISION (Continued)

Maui, Lanai, and Molokai Divisions

The Company will include in the Rate Base RAM - Return on Investment Adjustment and the Depreciation and Amortization RAM Expense Adjustment, in 2013 and subsequent years, the recoverable costs of the Customer Information System ("CIS") project, net of the Stipulated and Commission approved project cost write-downs and as otherwise provided for in the Stipulated Settlement Agreement. Recovery of the CIS costs through the RAM Revenue Adjustment is for the sole purpose of this settlement agreement and does not constitute a precedent for the recovery of any other software or regulatory asset deferred costs through the RAM Revenue Adjustment.

COMMISSION'S AUTHORITY

The Commission may suspend any or all parts of this Rate Adjustment Mechanism Provision. Such suspension shall remain in place until removed by Commission Order.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated ~~May 1, 2013~~ April 15, 2015.

Superseding Sheet No. 97D  
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~~2015 June 1, 2014~~

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.

Effective June 1, ~~2014~~ 2015 to May 31, ~~2015~~ 2016

RBA Rate Adjustment

All Rate Schedules ..... 1. ~~6239~~ 7229 ¢/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.

Transmittal Letter dated ~~May 14, 2014~~ April 15, 2015.

Superseding Sheet No. 100E

REVISED SHEET NO. 100E

Effective ~~March 30, 2014~~ June 1, 2014  
2015 June 1, 2014Effective June 1,MOLOKAI DIVISION  
RATE SCHEDULES (Continued)

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
151A	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
151B	"RAM"	<del>March 30,</del> <u>2014 June 1, 2015</u>	Rate Adjustment Mechanism Provision
151C	"RAM"	<del>March 30,</del> <u>2014 June 1, 2015</u>	Rate Adjustment Mechanism Provision
151D	"RAM"	<del>May 4, 2012</del> <u>June 1, 2015</u>	Rate Adjustment Mechanism Provision
151E	"RAM"	<del>March 30,</del> <u>2014 June 1, 2015</u>	Rate Adjustment Mechanism Provision
151F	"RAM"	<del>March 30,</del> <u>2014 June 1, 2015</u>	Rate Adjustment Mechanism Provision
151G	"RAM"	<del>June 1, 2013</del> <u>June 1, 2015</u>	Rate Adjustment Mechanism Provision
151H	"RAM"	June 1, <del>2013</del> <u>2015</u>	Rate Adjustment Mechanism Provision
<u>151I</u>	<u>"RAM"</u>	<u>June 1, 2015</u>	<u>Rate Adjustment Mechanism Provision</u>
<u>151J</u>	<u>"RAM"</u>	<u>June 1, 2015</u>	<u>Rate Adjustment Mechanism Provision</u>
152	"RBA"	June 1, 2013	Revenue Balancing Account Provision
152A	"RBA"	June 1, 2013	Revenue Balancing Account Provision
152B	"RBA"	March 1, 2014	Revenue Balancing Account Provision
152C	"RBA"	June 1, 2013	Revenue Balancing Account Provision
152D	"RBA"	<del>June 1, 2014</del> <u>June 1, 2015</u>	Revenue Balancing Account Provision
153	EV-F	August 1, 2013	Commercial Public Electric Vehicle Charging Facility Service Pilot
153A	EV-F	July 4, 2013	Commercial Public Electric Vehicle Charging Facility Service Pilot
153B	EV-F	July 4, 2013	Commercial Public Electric Vehicle Charging Facility Service Pilot
154	EV-U	July 4, 2013	Commercial Public Electric Vehicle Charging Service Pilot

MAUI ELECTRIC COMPANY, LIMITED

Transmittal Letter Dated ~~May 14, 2014~~ April 15, 2015.

RATE ADJUSTMENT MECHANISM PROVISION  
Maui, Lanai, and Molokai Divisions

Rate Adjustment Mechanism ("RAM") Provision

Purpose

This mechanism is subject to review and continuation, termination or modification in the utility's next base rate case proceeding, upon a showing by the utility and finding by the Commission that continuation or modification is appropriate. As part of its submitted testimony in the base rate case, the Company will include a summary report on the status of certain HCEI initiatives. The RAM mechanism is designed to determine the change in annual utility base revenue levels, recognizing certain estimated changes in the utility's cost to provide service. If, through the application of this mechanism, it is determined that annual utility base revenues should be decreased or increased, then the RAM Revenue Adjustment will be applied within the Revenue Balancing Account Provision. The RAM Revenue Adjustment established for a RAM Period calendar year that is also a rate case test year shall terminate on the effective date of tariff rates that are implemented pursuant to a Commission Decision & Order for that test year.

Definitions

- a) The Annual Evaluation Date shall be the Date the Company will make its annual filing under this mechanism. The Annual Evaluation Date shall be no later than March 31st of each year, commencing March 31, 2012.
- b) The Evaluation Period is defined as the historical twelve month period ending December 31, of each calendar year preceding the Annual Evaluation Date. The Evaluation Period is used solely to determine achieved earnings and any sharing of such earnings above the Authorized Return on Equity.
- c) The RAM Period is defined as the calendar year containing the Annual Evaluation Date.
- d) The Labor Cost Escalation Rate shall be the applicable annual percentage general wage rate increase provided for in currently effective union labor agreements for use in escalating wage and salary Base Expenses for union employees to determine the RAM Revenue Adjustment for each RAM Period. In the event no union labor agreement exists for a RAM Period, the most recently effective annual general percentage increase rate shall apply.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated May 1, 2013.

RATE ADJUSTMENT MECHANISM PROVISION  
Maui, Lanai, and Molokai Divisions

e) The Non-labor Cost Escalation Rate shall be the consensus estimated annual change in the Gross Domestic Product Price Indicator ("GDPPI") to escalate non-labor Base Expenses to determine the RAM Revenue Adjustment for each RAM Period. The GDPPI escalation rate shall be the consensus projection published by the Blue Chip Economic Indicators (Aspen Publishing) each February for the current RAM Period. In the event that the Blue Chip Economic Indicators forecast of the GDPPI is not available, the Consumer Advocate, Company, and other parties to the most recent rate case, with approval of the Commission, shall jointly select an alternative data source, or national economic index similar to GDPPI, as appropriate.

f) The annual Labor Productivity Offset shall be fixed at 0.76 percent (76/100 of one percent) and will be subtracted from the Labor Cost Escalation Rates applicable to Base Expenses to determine the authorized RAM Revenue Adjustment for each RAM Period.

g) The Base Expenses shall be the labor and non-labor operations and maintenance expense amounts approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case. Base Expenses shall not include any fuel, purchased power, IRP/DSM, pension, Other Post-Employment Benefits ("OPEB"), or Clean Energy/Renewable Energy Infrastructure or any costs that are subject to recovery through separate rate tracking mechanisms.

h) The Major Capital Projects shall be those capital investment projects that require an application before and approval by the Commission under the Commission's General Order No. 7, but excluding those projects included in the Clean Energy Infrastructure Surcharge.

i) The Baseline Capital Projects shall be the total amounts of capital investment completed and closed to Plant in Service, excluding amounts related to Major Capital Projects.

j) The Return on Investment shall be the overall weighted percentage rate of return on debt and equity capital approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case.

k) The Authorized Return on Equity shall be the percentage rate of return on equity capital approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case.

l) The Exogenous Tax Changes shall be the changes in tax laws or regulations that are estimated to impact RBA Target Revenues by five hundred thousand dollars (\$500,000) or more.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated May 1, 2013.

RATE ADJUSTMENT MECHANISM PROVISION (continued)

Maui, Lanai, and Molokai Divisions

m) The Rate Base shall be the average net investment estimated for the RAM Period, including each of the elements of rate base reflected within the most recent rate case Decision & Order issued by the Commission, quantified in the manner prescribed in part (gf) of Section 2 of the Rate Adjustment Mechanism.

n) The RAM Revenue Adjustment to be applied to determine effective Target Revenues will be the lesser of a) the RAM Revenue Adjustment Calculation or b) the RAM Revenue Adjustment Cap.

~~no)~~ The RAM Revenue Adjustment Calculation shall be the change in the annual amount of revenue required for the utility to recover the sum of the O&M RAM Adjustment, Depreciation & Amortization RAM Adjustment, and Rate Base RAM - Return on Investment Adjustment, using the ratemaking conventions and calculations reflected within the most recent rate case Decision & Order issued by the Commission, quantified in the manner prescribed herein.

p) The RAM Revenue Adjustment Cap shall be based on the Target Revenues determined in accordance with the RBA and RAM tariffs as provided below.

~~eq)~~ The RAM Revenue Adjustment determined by this RAM Provision is to be recovered through the RBA Provision commencing on June 1 and ~~over~~ the subsequent 12 months after June 1.

~~pr)~~ Earnings Sharing Revenue Credits shall be the amounts to be returned to customers as credits through the Revenue Balancing Account ("RBA") Provision, so as to implement the earnings sharing percentages and procedures described herein, commencing on June 1 of the calendar year containing the Annual Evaluation Date and over the subsequent 12 months after June 1.

~~qs)~~ Major Capital Projects Credits shall be the amounts to be returned to customers through the Revenue Balancing Account Provision, to reduce a preceding year's RAM Revenue Adjustment (including interest at the rate described in the RBA Provision) for specific major capital projects that were not placed into service within the first nine months of the preceding RAM Period as expected. Because the Commission's review of the Major Capital Projects' actual costs incurred may not occur until the rate case after the RAM Revenue Adjustment for these Major Capital Projects is collected, Major Capital Projects Credits (including interest) will be returned to customers for the amount of Major Capital Projects costs that the Commission disallows for cost recovery. The Major Capital Projects Credits are to be refunded through the

MAUI ELECTRIC COMPANY, LTD.



Superseding Sheet No. 107C  
Effective ~~May 4, 2012~~ March 30, 2014  
~~2015 March 30, 2014~~

REVISED SHEET NO. 107C  
Effective June 1,

RATE ADJUSTMENT MECHANISM PROVISION  
Maui, Lanai, and Molokai Divisions

RBA Provision, commencing on June 1 of the calendar year containing the Annual Evaluation Date and over the subsequent 12 months after June 1.

†) Baseline Capital Projects Credits shall be the amounts to be returned to customers through the RBA Provision, to reduce a preceding year's RAM Revenue Adjustment (including interest at the rate described in the RBA Provision) for specific baseline capital projects that are disallowed by the Commission in a subsequent rate case if the disallowance reduces actual Baseline Capital Projects costs below the Baseline Capital Projects cost estimate derived using the method identified in part (gf)ii. of Section 2 of the Rate Adjustment Mechanism below. Because the Commission's review of baseline capital projects may not occur until the rate case after such baseline capital projects are included in one or more RAM Revenue Adjustment filings, Baseline Capital Projects Credits shall be used to refund to customers any prior collections (i.e., Return on Investment on Rate Base and Depreciation, plus interest) relating to the amount of Baseline Capital Projects costs that the Commission subsequently disallows for cost recovery. The Baseline Capital Projects Credits are to be refunded through the RBA Provision, commencing on June 1 of the calendar year containing the Annual Evaluation Date and over the subsequent 12 months after June 1.

Rate Adjustment Mechanism

The Company shall file with the Commission, the Consumer Advocate and each party to the Company's most recent rate case proceeding, the schedules specified below:

Evaluation Period Earnings Sharing:

1. For the twelve month period ending December 31, of each year (the "Evaluation Period"), with the filing to be made no later than March 31, of the year following the conclusion of the Evaluation Period. The schedules will include the following:

MAUI ELECTRIC COMPANY, LTD.

~~Decision and Order No. 31908; Filed on February 7, 2014.~~  
~~Transmittal Letter Dated February 28, 2014~~ April 15, 2015.

Effective May 4, 2012

Effective June 1, 2015

RATE ADJUSTMENT MECHANISM PROVISION (continued)

Maui, Lanai, and Molokai Divisions

~~later than March 31, of the year following the conclusion of the Evaluation Period. The schedules will include the following.~~

- a) Company's recorded actual average net plant in service, accumulated deferred income taxes, inventory, working capital, and other rate base components. The schedules shall also show the utility's depreciation expense, operating and maintenance expense, income taxes, taxes other than income taxes, and other components of income for return, revenues, and capital structure, cost of debt, overall cost of capital, and return on common equity in the format set forth in the final order establishing the Company's latest effective rates.
- b) All applicable accounting and pro forma adjustments historically required in annual reports filed with the Commission.
- c) Pro-forma adjustments to remove from recorded revenues any out-of-period Earnings Sharing Revenue Credits or Major Capital Projects Credits recorded during the Evaluation Period, and
- d) A calculation comparing the achieved return on average common equity to the following earnings sharing grid, and indicating the Earnings Sharing Revenue Credit that should be recorded within the Revenue Balancing Account to effect the prescribed sharing of earnings above authorized levels:

ROE at or below the Authorized ROE	Retained entirely by shareholders - no customer credits
First 100 basis points (one percent) over Authorized ROE	25% share credit to customers
Next 200 basis points (two percent) over Authorized ROE	50% share credit to customers
All ROE exceeding 300 basis points (three percent) over Authorized ROE	90% share credit to customers

RAM Period RAM Revenue Adjustment Calculation:

MAUI ELECTRIC COMPANY, LTD.

~~Docket No. 2009-0163; Decision and Order No. 30365, Filed May 2, 2012.~~

Transmittal Letter Dated May 3, 2012 April 15, 2015.

RATE ADJUSTMENT MECHANISM PROVISION (continued)

Maui, Lanai, and Molokai Divisions

- 2) The Company shall provide additional schedules indicating the following proposed RAM Revenue Adjustment Calculation ~~ealeulations~~ applicable for the RAM Period using the methodology set forth below:

- a) The O&M RAM Adjustment shall adjust Base Expenses segregated between labor and non-labor components and treated as follows:
- i. The labor component shall be quantified for the RAM Period by application of the Labor Cost Escalation Rate, reduced to account for the Productivity Offset to labor expenses, including payroll taxes. The part of Base Expenses that represents labor costs for merit employees shall not be subject to application of the Labor Cost Escalation rate, nor be reduced by the Productivity Offset.
  - ii. The Non-labor components shall be quantified for the RAM Period by application of the Non-labor Escalation Rate to non-labor Base Expenses. Non-labor components shall exclude fuel, purchased power, pension/OPEBs, IRP/DSM or other rate adjustment provisions.
- b) Depreciation and Amortization RAM Adjustment shall be quantified for the RAM Period by application of Commission-approved accrual rates and methods to the actual recorded Plant in Service balances at the end of the Evaluation Period.
- ~~e) b) The Rate Base RAM - Return on Investment Adjustment shall be equal to the prior RAM Period's Rate Base RAM - Return on Investment Calculation plus 90% 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 Calculation. If the prior RAM Period is a rate case test year, then the Rate Base RAM - Return on Investment Adjustment shall be equal to 90% of the current RAM Period's Rate Base RAM - Return on Investment Calculation.~~
- d) c) The Rate Base RAM - Return on Investment Calculation Adjustment shall be determined by multiplying the applicable Pretax Rate of Return times the change in Rate Base. The Pretax Rate of Return shall include related income taxes on the equity components of the Return on Investment rate approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case. The quantification of Rate Base is specified in greater detail in part (f) of this Section 2.

MAUI ELECTRIC COMPANY, LTD.

~~Decision and Order No. 31908, Filed February 7, 2014.~~

Transmittal Letter Dated ~~February 28, 2014~~ April 15, 2015.

Effective May 4, 2012

Effective June 1, 2015

RATE ADJUSTMENT MECHANISM PROVISION (continued)

Maui, Lanai, and Molokai Divisions

- ~~e)~~ d) The revenue impact of any Exogenous Tax Changes shall be included in the RAM Period calculation of the RAM Revenue Adjustment.
- ~~f)~~ e) Revenue taxes shall be adjusted to account for the change in parts (a) through (e) of this Section 2.
- ~~g)~~ f) Rate Base for the RAM Period shall be quantified as follows:

MAUI ELECTRIC COMPANY, LTD.

~~Docket No. 2009-0163, Decision and Order No. 30365, Filed May 2, 2012.~~

Transmittal Letter Dated ~~May 3, 2012~~ April 15, 2015.

RATE ADJUSTMENT MECHANISM PROVISION (Continued)

Maui, Lanai, and Molokai Divisions

- i. Plant in Service, Accumulated Depreciation, Accumulated Deferred Income Taxes and Contributions in Aid of Construction ("CIAC") shall be a two-point average of actual recorded balance sheet data at December 31 of the Evaluation Period, plus projected values at December 31 of the RAM Period determined as prescribed in parts (ii) through (v), below.
- ii. Plant in Service shall be quantified by adding to the recorded balances at December 31 of the Evaluation Period, the simple average of Baseline Capital Projects plant additions recorded in the immediately preceding five calendar years, plus the estimated cost of completed Major Capital Projects that are anticipated to be in service by September 30 of the RAM Period. The cost of Major Capital Projects shall be limited to the dollar amounts previously approved by the Commission, and shall be included at the level of recorded costs if recorded costs are lower than the budget amounts approved by the Commission, and the Commission has not yet reviewed the project costs in a rate case.
- iii. Accumulated Depreciation at December 31 of the RAM Period shall be quantified by increasing the recorded balances at December 31 of the Evaluation Period by the amount set forth in Section 2 part (b) above, consistent with rate-making treatment.
- iv. CIAC shall be quantified by adding to the recorded balance at December 31 of the Evaluation Period an estimate of the net change for the RAM Period. The net change shall be based on a simple average of cash and in-kind CIAC for the immediately preceding five calendar years for programs (i.e., numerous low cost capital projects) plus specific engineering estimates of any contributions for the Major Capital Projects anticipated to be in service by September 30 of the RAM Period.
- v. Accumulated Deferred Income Taxes shall be quantified by adding to the recorded balances at December 31 of the Evaluation Period the estimated tax effect of the depreciation timing difference (i.e., difference between book depreciation and tax depreciation) on the Baseline Capital Projects and Major Capital Projects added to rate base during the RAM Period.
- vi. Working Cash and all other elements of rate base not specifically addressed above shall be fixed at the dollar amount approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case. These elements of rate base shall be held constant until revised by a future Commission Decision & Order in a general rate case.

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~~Decision and Order No. 31908, Filed on February 7, 2014.~~

Transmittal Letter Dated ~~February 28, 2014~~ April 15, 2015.

| hg.) See also Settlement Agreement section below.

RATE ADJUSTMENT MECHANISM PROVISION (Continued)  
Maui, Lanai, and Molokai Divisions

RAM REVENUE ADJUSTMENT CAP

The RAM Basis for the calculation of the RAM Revenue Adjustment Cap shall be the target revenues determined in accordance with the RBA tariff based on the results of the Company's most recent final rate case decision. The RAM Basis shall be adjusted 1) as described below in the determination of the 2014 Rate Base RAM - Return on Investment Adjustment and the 2014 Depreciation and Amortization RAM Adjustment, and 2) 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 Revenue Adjustment Cap.

The RAM Revenue Adjustment Cap shall be calculated as the RAM Basis, multiplied by the cumulative annually compounded increase(s) in the GDPPI for the years between the rate case calendar test year that established the RAM Basis and the RAM Period, adjusted to include applicable revenue taxes.

The RAM Revenue Adjustment Cap will apply to the entire RAM Revenue Adjustment, which includes the O&M RAM Adjustment, Depreciation and Amortization RAM Adjustment, and Rate Base RAM - Return on Investment Adjustment.

Exception to the calculation of the RAM Revenue Adjustment Cap:

For the calculation of the RAM Revenue Adjustment Cap for the 2015 RAM Revenue Adjustment and for each subsequent year's calculation of RAM Revenue Adjustment until the issuance of a final decision and order in the next rate case, the Target Revenues that will serve as the RAM Basis will be the 2014 annualized target revenues adjusted as described below. The 2014 RAM Revenue Adjustment used to determine the adjusted 2014 target revenues will be adjusted to use recorded 2014 end-of-year actuals for plant in service, accumulated depreciation and amortization, CIAC and accumulated deferred income taxes in the determination of the 2014 Rate Base RAM - Return on Investment Adjustment. For the determination of the 2014 Depreciation and Amortization RAM Adjustment, the Company applies the Commission-approved accrual rates and methods to the 2014 end of year balances calculated above. There is no impact to the O&M RAM Adjustment. The RAM Basis 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 order by the Commission, as described above.

The RAM Revenue Adjustment Cap for year 2015 and for each subsequent year until the issuance of a final decision and order in the next rate case shall be calculated as the RAM Basis, multiplied

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated ~~May 1, 2013~~ April 15, 2015.

by the cumulative annually compounded increase(s) in the GDPPI for  
the years between 2014 and the RAM Period, adjusted to include



Superseding Sheet No. ~~107G-107H~~  
Effective June 1, 2013 ~~May 4, 2012~~  
~~1, 2013~~

REVISED SHEET NO. 107HG  
Effective June 1, 2015 ~~June~~

RATE ADJUSTMENT MECHANISM PROVISION (Continued)  
Maui, Lanai, and Molokai Divisions

applicable revenue taxes, plus the adjusted calculation of the 2014  
RAM Revenue Adjustment described above.

-Evaluation Procedures

Complete, indexed workpapers and electronic files supporting the RAM Adjustment, Earnings Sharing Revenue Credits, and Major and Baseline Capital Projects Credits Schedules shall be provided to the Commission, the Consumer Advocate and all other parties to the Utility's most recent rate case proceeding ("Other Rate Case Parties"), if any, coincident with the Annual Evaluation Date filing. The Company will be prepared to provide information as may be requested to ensure adequate review by the Commission, Consumer Advocate, Other Rate Case Parties, and other interested persons. The Consumer Advocate, Other Rate Case Parties, and other interested persons may propose any adjustments determined to be required to bring the schedules into compliance with the above provisions and will work collaboratively to reach agreement on any proposed adjustments.

The RAM Revenue Adjustment, and any prior year RAM Revenue Adjustments, shall be recalculated for errors in prior calculations and for subsequent Commission orders that change the basis of prior calculations. The effect of such changes to the RAM Revenue Adjustment shall be implemented as described in the Revenue Balancing Account Provision.

As described in Sections 6-61-61 and 6-61-111 of the Hawaii Administrative Rules, Title 6, Chapter 61, based upon the Company's filed schedules and in the absence of any protests submitted by the Consumer Advocate, Other Rate Case Parties, or other interested persons, not later than 15 days before the June 1 effective date of the RBA Rate Adjustment described in the RBA Provision tariff, the RBA Rate Adjustment incorporating the RAM Revenue Adjustment, Earnings Sharing Revenue Credits, and Major and Baseline Capital Projects Credits shall go into effect on the June 1 effective date, and the Commission shall confirm the commencement of the RBA Rate Adjustment in its monthly Tariff Order.

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:

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated ~~May 1, 2013~~ April 15, 2015.

RATE ADJUSTMENT MECHANISM PROVISION (Continued)  
Maui, Lanai, and Molokai Divisions

- 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.

PROVISION FOR RECOVERY OF MAJOR PROJECTS AND CONSOLIDATED BASELINE PROJECTS

The Company may apply to the Commission for approval of recovery of revenues for Major Projects outside of and in addition to the capped RAM revenues - either through the RAM, through the Renewable Energy Infrastructure Cost Recovery Provision ("REIP"), or through another adjustment mechanism. Approval for such recovery will be made on a case by case basis. Any such application for recovery of revenues shall identify and support the specific means and extent of proposed cost recovery.

Eligibility for recovery of revenues through the RAM in excess of the RAM Revenue Adjustment Cap or through an adjustment mechanism outside of the RAM will be restricted to revenues for projects that the Company demonstrates to be prudent and reasonable, to provide customer value, to enhance to affordability of energy services, and which are not explicitly or implicitly included in otherwise effective utility target revenues or other effective means of revenue recovery.

The Company may use a programmatic approach to categorizing and consolidating related baseline projects for consideration as Major Projects. For example, multiple baseline projects that serve a related purpose or are part of a specific program may be consolidated as a Major Project for purposes of application and review.

SETTLEMENT AGREEMENT

The provisions in this section are for the sole and limited purpose of implementing the *Stipulated Settlement Agreement between the Hawaiian Electric Companies and the Division of Consumer Advocacy*

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated ~~May 1, 2013~~ April 15, 2015.

RATE ADJUSTMENT MECHANISM PROVISION (Continued)  
Maui, Lanai, and Molokai Divisions

*regarding Certain Regulatory Matters*, filed in Docket No. 2008-0083, which the Commission approved in Order No. 31126, issued on March 19, 2013.

The Company will include in the Rate Base RAM - Return on Investment Adjustment and the Depreciation and Amortization RAM Expense Adjustment, in 2013 and subsequent years, the recoverable costs of the Customer Information System ("CIS") project, net of the Stipulated and Commission approved project cost write-downs and as otherwise provided for in the Stipulated Settlement Agreement. Recovery of the CIS costs through the RAM Revenue Adjustment is for the sole purpose of this settlement agreement and does not constitute a precedent for the recovery of any other software or regulatory asset deferred costs through the RAM Revenue Adjustment.

COMMISSION'S AUTHORITY

The Commission may suspend any or all parts of this Rate Adjustment Mechanism Provision. Such suspension shall remain in place until removed by Commission Order.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated ~~May 1, 2013~~ April 15, 2015.

RATE ADJUSTMENT MECHANISM PROVISION  
Maui, Lanai, and Molokai Divisions

Rate Adjustment Mechanism ("RAM") Provision

Purpose

This mechanism is subject to review and continuation, termination or modification in the utility's next base rate case proceeding, upon a showing by the utility and finding by the Commission that continuation or modification is appropriate. As part of its submitted testimony in the base rate case, the Company will include a summary report on the status of certain HCEI initiatives. The RAM mechanism is designed to determine the change in annual utility base revenue levels, recognizing certain estimated changes in the utility's cost to provide service. If, through the application of this mechanism, it is determined that annual utility base revenues should be decreased or increased, then the RAM Revenue Adjustment will be applied within the Revenue Balancing Account Provision. The RAM Revenue Adjustment established for a RAM Period calendar year that is also a rate case test year shall terminate on the effective date of tariff rates that are implemented pursuant to a Commission Decision & Order for that test year.

Definitions

- a) The Annual Evaluation Date shall be the Date the Company will make its annual filing under this mechanism. The Annual Evaluation Date shall be no later than March 31st of each year, commencing March 31, 2012.
- b) The Evaluation Period is defined as the historical twelve month period ending December 31, of each calendar year preceding the Annual Evaluation Date. The Evaluation Period is used solely to determine achieved earnings and any sharing of such earnings above the Authorized Return on Equity.
- c) The RAM Period is defined as the calendar year containing the Annual Evaluation Date.
- d) The Labor Cost Escalation Rate shall be the applicable annual percentage general wage rate increase provided for in currently effective union labor agreements for use in escalating wage and salary Base Expenses for union employees to determine the RAM Revenue Adjustment for each RAM Period. In the event no union labor agreement exists for a RAM Period, the most recently effective annual general percentage increase rate shall apply.

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RATE ADJUSTMENT MECHANISM PROVISION  
Maui, Lanai, and Molokai Divisions

e) The Non-labor Cost Escalation Rate shall be the consensus estimated annual change in the Gross Domestic Product Price Indicator ("GDPPI") to escalate non-labor Base Expenses to determine the RAM Revenue Adjustment for each RAM Period. The GDPPI escalation rate shall be the consensus projection published by the Blue Chip Economic Indicators (Aspen Publishing) each February for the current RAM Period. In the event that the Blue Chip Economic Indicators forecast of the GDPPI is not available, the Consumer Advocate, Company, and other parties to the most recent rate case, with approval of the Commission, shall jointly select an alternative data source, or national economic index similar to GDPPI, as appropriate.

f) The annual Labor Productivity Offset shall be fixed at 0.76 percent (76/100 of one percent) and will be subtracted from the Labor Cost Escalation Rates applicable to Base Expenses to determine the authorized RAM Revenue Adjustment for each RAM Period.

g) The Base Expenses shall be the labor and non-labor operations and maintenance expense amounts approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case. Base Expenses shall not include any fuel, purchased power, IRP/DSM, pension, Other Post-Employment Benefits ("OPEB"), or Clean Energy/Renewable Energy Infrastructure or any costs that are subject to recovery through separate rate tracking mechanisms.

h) The Major Capital Projects shall be those capital investment projects that require an application before and approval by the Commission under the Commission's General Order No. 7, but excluding those projects included in the Clean Energy Infrastructure Surcharge.

i) The Baseline Capital Projects shall be the total amounts of capital investment completed and closed to Plant in Service, excluding amounts related to Major Capital Projects.

j) The Return on Investment shall be the overall weighted percentage rate of return on debt and equity capital approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case.

k) The Authorized Return on Equity shall be the percentage rate of return on equity capital approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case.

l) The Exogenous Tax Changes shall be the changes in tax laws or regulations that are estimated to impact RBA Target Revenues by five hundred thousand dollars (\$500,000) or more.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated May 1, 2013.

RATE ADJUSTMENT MECHANISM PROVISION (continued)

Maui, Lanai, and Molokai Divisions

m) The Rate Base shall be the average net investment estimated for the RAM Period, including each of the elements of rate base reflected within the most recent rate case Decision & Order issued by the Commission, quantified in the manner prescribed in part (gf) of Section 2 of the Rate Adjustment Mechanism.

n) The RAM Revenue Adjustment to be applied to determine effective Target Revenues will be the lesser of a) the RAM Revenue Adjustment Calculation or b) the RAM Revenue Adjustment Cap.

~~no)~~ The RAM Revenue Adjustment Calculation shall be the change in the annual amount of revenue required for the utility to recover the sum of the O&M RAM Adjustment, Depreciation & Amortization RAM Adjustment, and Rate Base RAM - Return on Investment Adjustment, using the ratemaking conventions and calculations reflected within the most recent rate case Decision & Order issued by the Commission, quantified in the manner prescribed herein.

p) The RAM Revenue Adjustment Cap shall be based on the Target Revenues determined in accordance with the RBA and RAM tariffs as provided below.

~~eq)~~ The RAM Revenue Adjustment determined by this RAM Provision is to be recovered through the RBA Provision commencing on June 1 and over the subsequent 12 months after June 1.

~~pr)~~ Earnings Sharing Revenue Credits shall be the amounts to be returned to customers as credits through the Revenue Balancing Account ("RBA") Provision, so as to implement the earnings sharing percentages and procedures described herein, commencing on June 1 of the calendar year containing the Annual Evaluation Date and over the subsequent 12 months after June 1.

~~qs)~~ Major Capital Projects Credits shall be the amounts to be returned to customers through the Revenue Balancing Account Provision, to reduce a preceding year's RAM Revenue Adjustment (including interest at the rate described in the RBA Provision) for specific major capital projects that were not placed into service within the first nine months of the preceding RAM Period as expected. Because the Commission's review of the Major Capital Projects' actual costs incurred may not occur until the rate case after the RAM Revenue Adjustment for these Major Capital Projects is collected, Major Capital Projects Credits (including interest) will be returned to customers for the amount of Major Capital Projects costs that the Commission disallows for cost recovery. The Major Capital Projects Credits are to be refunded through the

MAUI ELECTRIC COMPANY, LTD.

~~Decision and Order No. 31908, Filed on February 7, 2014.~~  
~~Transmittal Letter Dated February 28, 2014~~ April 15, 2015.

Superseding Sheet No. 151C  
Effective ~~May 4, 2012~~ March 30, 2014  
~~2015~~ March 30, 2014

REVISED SHEET NO. 151C  
Effective June 1,

RATE ADJUSTMENT MECHANISM PROVISION  
Maui, Lanai, and Molokai Divisions

RBA Provision, commencing on June 1 of the calendar year containing the Annual Evaluation Date and over the subsequent 12 months after June 1.

†) Baseline Capital Projects Credits shall be the amounts to be returned to customers through the RBA Provision, to reduce a preceding year's RAM Revenue Adjustment (including interest at the rate described in the RBA Provision) for specific baseline capital projects that are disallowed by the Commission in a subsequent rate case if the disallowance reduces actual Baseline Capital Projects costs below the Baseline Capital Projects cost estimate derived using the method identified in part (g)ii. of Section 2 of the Rate Adjustment Mechanism below. Because the Commission's review of baseline capital projects may not occur until the rate case after such baseline capital projects are included in one or more RAM Revenue Adjustment filings, Baseline Capital Projects Credits shall be used to refund to customers any prior collections (i.e., Return on Investment on Rate Base and Depreciation, plus interest) relating to the amount of Baseline Capital Projects costs that the Commission subsequently disallows for cost recovery. The Baseline Capital Projects Credits are to be refunded through the RBA Provision, commencing on June 1 of the calendar year containing the Annual Evaluation Date and over the subsequent 12 months after June 1.

Rate Adjustment Mechanism

The Company shall file with the Commission, the Consumer Advocate and each party to the Company's most recent rate case proceeding, the schedules specified below:

Evaluation Period Earnings Sharing:

1. For the twelve month period ending December 31, of each year (the "Evaluation Period"), with the filing to be made no later than March 31, of the year following the conclusion of the Evaluation Period. The schedules will include the following:

MAUI ELECTRIC COMPANY, LTD.

~~Decision and Order No. 31908, Filed on February 7, 2014.~~  
~~Transmittal Letter Dated February 28, 2014~~ April 15, 2015.

Effective May 4, 2012

Effective June 1, 2015

RATE ADJUSTMENT MECHANISM PROVISION (continued)

Maui, Lanai, and Molokai Divisions

~~later than March 31, of the year following the conclusion of the Evaluation Period. The schedules will include the following.~~

- a) Company's recorded actual average net plant in service, accumulated deferred income taxes, inventory, working capital, and other rate base components. The schedules shall also show the utility's depreciation expense, operating and maintenance expense, income taxes, taxes other than income taxes, and other components of income for return, revenues, and capital structure, cost of debt, overall cost of capital, and return on common equity in the format set forth in the final order establishing the Company's latest effective rates.
- b) All applicable accounting and pro forma adjustments historically required in annual reports filed with the Commission.
- c) Pro-forma adjustments to remove from recorded revenues any out-of-period Earnings Sharing Revenue Credits or Major Capital Projects Credits recorded during the Evaluation Period, and
- d) A calculation comparing the achieved return on average common equity to the following earnings sharing grid, and indicating the Earnings Sharing Revenue Credit that should be recorded within the Revenue Balancing Account to effect the prescribed sharing of earnings above authorized levels:

ROE at or below the Authorized ROE	Retained entirely by shareholders - no customer credits
First 100 basis points (one percent) over Authorized ROE	25% share credit to customers
Next 200 basis points (two percent) over Authorized ROE	50% share credit to customers
All ROE exceeding 300 basis points (three percent) over Authorized ROE	90% share credit to customers

RAM Period RAM Revenue Adjustment Calculation:

MAUI ELECTRIC COMPANY, LTD.

~~Docket No. 2009-0163; Decision and Order No. 30365, Filed May 2, 2012.~~

Transmittal Letter Dated May 3, 2012 April 15, 2015.



RATE ADJUSTMENT MECHANISM PROVISION (continued)

Maui, Lanai, and Molokai Divisions

- 2) The Company shall provide additional schedules indicating the following proposed RAM Revenue Adjustment Calculation ~~calculations~~ applicable for the RAM Period using the methodology set forth below:
  - a) The O&M RAM Adjustment shall adjust Base Expenses segregated between labor and non-labor components and treated as follows:
    - i. The labor component shall be quantified for the RAM Period by application of the Labor Cost Escalation Rate, reduced to account for the Productivity Offset to labor expenses, including payroll taxes. The part of Base Expenses that represents labor costs for merit employees shall not be subject to application of the Labor Cost Escalation rate, nor be reduced by the Productivity Offset.
    - ii. The Non-labor components shall be quantified for the RAM Period by application of the Non-labor Escalation Rate to non-labor Base Expenses. Non-labor components shall exclude fuel, purchased power, pension/OPEBs, IRP/DSM or other rate adjustment provisions.
  - b) Depreciation and Amortization RAM Adjustment shall be quantified for the RAM Period by application of Commission-approved accrual rates and methods to the actual recorded Plant in Service balances at the end of the Evaluation Period.
  - ~~c) The Rate Base RAM - Return on Investment Adjustment shall be equal to the prior RAM Period's Rate Base RAM - Return on Investment Calculation plus 90% 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 Calculation. If the prior RAM Period is a rate case test year, then the Rate Base RAM - Return on Investment Adjustment shall be equal to 90% of the current RAM Period's Rate Base RAM - Return on Investment Calculation.~~
  - d) c) The Rate Base RAM - Return on Investment Calculation Adjustment shall be determined by multiplying the applicable Pretax Rate of Return times the change in Rate Base. The Pretax Rate of Return shall include related income taxes on the equity components of the Return on Investment rate approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case. The quantification of Rate Base is specified in greater detail in part (g) of this Section 2.
  - e) d) The revenue impact of any Exogenous Tax Changes shall be included in the RAM Period calculation of the RAM Revenue Adjustment.

MAUI ELECTRIC COMPANY, LTD.

Effective May 4, 2012

Effective June 1, 2015

RATE ADJUSTMENT MECHANISM PROVISION (continued)

Maui, Lanai, and Molokai Divisions

~~f)~~e) Revenue taxes shall be adjusted to account for the  
change in parts (a) through (e) of this Section 2.

~~g)~~f) Rate Base for the RAM Period shall be quantified as  
follows:

MAUI ELECTRIC COMPANY, LTD.

~~Docket No. 2009-0163; Decision and Order No. 30365, Filed May 2,~~  
~~2012.~~

Transmittal Letter Dated ~~May 3, 2012~~April 15, 2015.

RATE ADJUSTMENT MECHANISM PROVISION (Continued)

Maui, Lanai, and Molokai Divisions

- i. Plant in Service, Accumulated Depreciation, Accumulated Deferred Income Taxes and Contributions in Aid of Construction ("CIAC") shall be a two-point average of actual recorded balance sheet data at December 31 of the Evaluation Period, plus projected values at December 31 of the RAM Period determined as prescribed in parts (ii) through (v), below.
- ii. Plant in Service shall be quantified by adding to the recorded balances at December 31 of the Evaluation Period, the simple average of Baseline Capital Projects plant additions recorded in the immediately preceding five calendar years, plus the estimated cost of completed Major Capital Projects that are anticipated to be in service by September 30 of the RAM Period. The cost of Major Capital Projects shall be limited to the dollar amounts previously approved by the Commission, and shall be included at the level of recorded costs if recorded costs are lower than the budget amounts approved by the Commission, and the Commission has not yet reviewed the project costs in a rate case.
- iii. Accumulated Depreciation at December 31 of the RAM Period shall be quantified by increasing the recorded balances at December 31 of the Evaluation Period by the amount set forth in Section 2 part (b) above, consistent with rate-making treatment.
- iv. CIAC shall be quantified by adding to the recorded balance at December 31 of the Evaluation Period an estimate of the net change for the RAM Period. The net change shall be based on a simple average of cash and in-kind CIAC for the immediately preceding five calendar years for programs (i.e., numerous low cost capital projects) plus specific engineering estimates of any contributions for the Major Capital Projects anticipated to be in service by September 30 of the RAM Period.
- v. Accumulated Deferred Income Taxes shall be quantified by adding to the recorded balances at December 31 of the Evaluation Period the estimated tax effect of the depreciation timing difference (i.e., difference between book depreciation and tax depreciation) on the Baseline Capital Projects and Major Capital Projects added to rate base during the RAM Period.
- vi. Working Cash and all other elements of rate base not specifically addressed above shall be fixed at the dollar amount approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case. These elements of rate base shall be held constant until revised by a future Commission Decision & Order in a general rate case.

MAUI ELECTRIC COMPANY, LTD.

Superseding Sheet No. 96G

Effective ~~May 4, 2012~~ June 1, 2013  
~~1, 2013~~

REVISED SHEET NO. 96G

Effective June 1, 2015~~June~~

RATE ADJUSTMENT MECHANISM PROVISION (Continued)

Maui, Lanai, and Molokai Divisions

hg.) See also Settlement Agreement section below.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated May 1, 2013.

Superseding Sheet No. 108D  
Effective ~~June 1, 2013~~ June 1, 2014  
~~2015~~ June 1, 2014

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.

Effective June 1, ~~2014~~ 2015 to May 31, ~~2015~~ 2016

RBA Rate Adjustment

All Rate Schedules ..... 1. ~~6239~~ 7229 ¢/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.

Transmittal Letter dated May ~~14, 2014~~ April 15, 2015.

Superseding Sheet No. 151G  
Effective ~~May 4, 2012~~ June 1, 2013  
~~1, 2013~~

REVISED SHEET NO. 151G  
Effective June 1, 2015~~June~~

RATE ADJUSTMENT MECHANISM PROVISION (Continued)  
Maui, Lanai, and Molokai Divisions

RAM REVENUE ADJUSTMENT CAP

The RAM Basis for the calculation of the RAM Revenue Adjustment Cap shall be the target revenues determined in accordance with the RBA tariff based on the results of the Company's most recent final rate case decision. The RAM Basis shall be adjusted 1) as described below in the determination of the 2014 Rate Base RAM - Return on Investment Adjustment and the 2014 Depreciation and Amortization RAM Adjustment, and 2) 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 Revenue Adjustment Cap.

The RAM Revenue Adjustment Cap shall be calculated as the RAM Basis, multiplied by the cumulative annually compounded increase(s) in the GDPPI for the years between the rate case calendar test year that established the RAM Basis and the RAM Period, adjusted to include applicable revenue taxes.

The RAM Revenue Adjustment Cap will apply to the entire RAM Revenue Adjustment, which includes the O&M RAM Adjustment, Depreciation and Amortization RAM Adjustment, and Rate Base RAM - Return on Investment Adjustment.

Exception to the calculation of the RAM Revenue Adjustment Cap:

For the calculation of the RAM Revenue Adjustment Cap for the 2015 RAM Revenue Adjustment and for each subsequent year's calculation of RAM Revenue Adjustment until the issuance of a final decision and order in the next rate case, the Target Revenues that will serve as the RAM Basis will be the 2014 annualized target revenues adjusted as described below. The 2014 RAM Revenue Adjustment used to determine the adjusted 2014 target revenues will be adjusted to use recorded 2014 end-of-year actuals for plant in service, accumulated depreciation and amortization, CIAC and accumulated deferred income taxes in the determination of the 2014 Rate Base RAM - Return on Investment Adjustment. For the determination of the 2014 Depreciation and Amortization RAM Adjustment, the Company applies the Commission-approved accrual rates and methods to the 2014 end of year balances calculated above. There is no impact to the O&M RAM Adjustment. The RAM Basis 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 order by the Commission, as described above.

The RAM Revenue Adjustment Cap for year 2015 and for each subsequent year until the issuance of a final decision and order in  
MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated ~~May 1, 2013~~ April 15, 2015.

Superseding Sheet No. ~~96G-96H~~  
Effective ~~May 4, 2012~~ June 1, 2013  
~~1, 2013~~

REVISED SHEET NO. ~~96G96H~~  
Effective June 1, 2015~~June~~

RATE ADJUSTMENT MECHANISM PROVISION (Continued)

Maui, Lanai, and Molokai Divisions

the next rate case shall be calculated as the RAM Basis, multiplied by the cumulative annually compounded increase(s) in the GDPPI for the years between 2014 and the RAM Period, adjusted to include applicable revenue taxes, plus the adjusted calculation of the 2014 RAM Revenue Adjustment described above.

Evaluation Procedures

Complete, indexed workpapers and electronic files supporting the RAM Adjustment, Earnings Sharing Revenue Credits, and Major and Baseline Capital Projects Credits Schedules shall be provided to the Commission, the Consumer Advocate and all other parties to the Utility's most recent rate case proceeding ("Other Rate Case Parties"), if any, coincident with the Annual Evaluation Date filing. The Company will be prepared to provide information as may be requested to ensure adequate review by the Commission, Consumer Advocate, Other Rate Case Parties, and other interested persons. The Consumer Advocate, Other Rate Case Parties, and other interested persons may propose any adjustments determined to be required to bring the schedules into compliance with the above provisions and will work collaboratively to reach agreement on any proposed adjustments.

The RAM Revenue Adjustment, and any prior year RAM Revenue Adjustments, shall be recalculated for errors in prior calculations and for subsequent Commission orders that change the basis of prior calculations. The effect of such changes to the RAM Revenue Adjustment shall be implemented as described in the Revenue Balancing Account Provision.

As described in Sections 6-61-61 and 6-61-111 of the Hawaii Administrative Rules, Title 6, Chapter 61, based upon the Company's filed schedules and in the absence of any protests submitted by the Consumer Advocate, Other Rate Case Parties, or other interested persons, not later than 15 days before the June 1 effective date of the RBA Rate Adjustment described in the RBA Provision tariff, the RBA Rate Adjustment incorporating the RAM Revenue Adjustment, Earnings Sharing Revenue Credits, and Major and Baseline Capital Projects Credits shall go into effect on the June 1 effective date, and the Commission shall confirm the commencement of the RBA Rate Adjustment in its monthly Tariff Order.

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

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated ~~May 1, 2013~~ April 15, 2015.

Superseding Sheet No. 151G  
Effective ~~May 4, 2012~~ June 1, 2013  
~~1, 2013~~

REVISED SHEET NO. 151G  
Effective June 1, 2015~~June~~

RATE ADJUSTMENT MECHANISM PROVISION (Continued)  
Maui, Lanai, and Molokai Divisions  
tariff. The notice to customers shall include the following  
information:

MAUI ELECTRIC COMPANY, LTD.

| Transmittal Letter Dated ~~May 1, 2013~~ April 15, 2015.



~~Superseding Sheet No. 151H-~~  
~~Effective May 4, 2012~~  
~~1, 2013~~

REVISED SSHEET NO. 151H151I  
Effective June 1, 2015June

RATE ADJUSTMENT MECHANISM PROVISION (Continued)  
Maui, Lanai, and Molokai Divisions

- 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.

PROVISION FOR RECOVERY OF MAJOR PROJECTS AND CONSOLIDATED BASELINE PROJECTS

The Company may apply to the Commission for approval of recovery of revenues for Major Projects outside of and in addition to the capped RAM revenues - either through the RAM, through the Renewable Energy Infrastructure Cost Recovery Provision ("REIP"), or through another adjustment mechanism. Approval for such recovery will be made on a case by case basis. Any such application for recovery of revenues shall identify and support the specific means and extent of proposed cost recovery.

Eligibility for recovery of revenues through the RAM in excess of the RAM Revenue Adjustment Cap or through an adjustment mechanism outside of the RAM will be restricted to revenues for projects that the Company demonstrates to be prudent and reasonable, to provide customer value, to enhance to affordability of energy services, and which are not explicitly or implicitly included in otherwise effective utility target revenues or other effective means of revenue recovery.

The Company may use a programmatic approach to categorizing and consolidating related baseline projects for consideration as Major Projects. For example, multiple baseline projects that serve a related purpose or are part of a specific program may be consolidated as a Major Project for purposes of application and review.

SETTLEMENT AGREEMENT

The provisions in this section are for the sole and limited purpose of implementing the *Stipulated Settlement Agreement* between the

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated May 1, 2013April 15, 2015.

~~Superseding Sheet No. 151H-~~  
~~Effective May 4, 2012~~  
~~1, 2013~~

REVISED SHEET NO. ~~151H~~151J  
Effective June 1, 2015~~June~~

RATE ADJUSTMENT MECHANISM PROVISION (Continued)  
Maui, Lanai, and Molokai Divisions

*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.

The Company will include in the Rate Base RAM - Return on Investment Adjustment and the Depreciation and Amortization RAM Expense Adjustment, in 2013 and subsequent years, the recoverable costs of the Customer Information System ("CIS") project, net of the Stipulated and Commission approved project cost write-downs and as otherwise provided for in the Stipulated Settlement Agreement. Recovery of the CIS costs through the RAM Revenue Adjustment is for the sole purpose of this settlement agreement and does not constitute a precedent for the recovery of any other software or regulatory asset deferred costs through the RAM Revenue Adjustment.

COMMISSION'S AUTHORITY

The Commission may suspend any or all parts of this Rate Adjustment Mechanism Provision. Such suspension shall remain in place until removed by Commission Order.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated ~~May 1, 2013~~April 15, 2015.

Superseding Sheet No. 152D  
Effective ~~June 1, 2013~~ June 1, 2014  
~~2015 June 1, 2014~~

REVISED SHEET No. 152D  
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.

Effective June 1, ~~2014-2015~~ to May 31, ~~2015~~2016

RBA Rate Adjustment

All Rate Schedules ..... 1.~~6239~~7229 ¢/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.

Transmittal Letter dated ~~May 14, 2014~~ April 15, 2015.

Attachment 2 – List of Schedules and Workpapers

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

**MAUI ELECTRIC COMPANY, LIMITED**  
**DECOUPLING CALCULATION WORKBOOK**  
**DETERMINATION OF 2015 REVENUE BALANCING ACCOUNT RATE ADJUSTMENT**

Line No.	Description (a)	Reference (b)	Amount (c)	Rate Amount (d)
<b><u>RECONCILIATION OF RBA BALANCE:</u></b>				
1	RBA Prior calendar year-end balance	Schedule B	\$ 6,789,533	
2	Revenue Tax Factor	Schedule C	1.0975	
3	Revenue for RBA Balance			\$ 7,451,513
<b><u>RATE ADJUSTMENT MECHANISM "RAM" AMOUNT:</u></b>				
4	Total RAM Revenue Adjustment Allowed	Schedule A1, Note (2)		\$ 12,038,517
5	<u>EARNINGS SHARING REVENUE CREDITS - 2014 ROE:</u>	Schedule H		\$ (520,522)
6	<u>PUC-ORDERED MAJOR OR BASELINE CAPITAL PROJECTS CREDITS:</u>	Schedule I		\$ -
7	TOTAL RBA REVENUE ADJUSTMENT - Revised	Sum Col. (d)		\$ 18,969,507
8	GWH SALES VOLUME ESTIMATE JUNE 2015 - MAY 2016	MECO-WP-A-001		1,101.025
9	RBA RATE ADJUSTMENT, RBA Balance - ¢ per kWh - Revised	Note (1)		<u>1.7229</u>
10	MONTHLY BILL IMPACT @ 600 KWH - Maui Division - Revised			<u>\$ 10.34</u>
11	MONTHLY BILL IMPACT @ 400 KWH - Molokai and Lanai Divisions - Revised			<u>\$ 8.89</u>

Note (1): 2015 RBA Rate Adjustment Breakdown

	Col. (d)	Rate Adjustment cents per kWh	Percentage Share
RBA Balance	\$ 7,451,513	0.67677963	39.2815%
RAM Amount	\$ 12,038,517	1.09339176	63.4625%
Earnings Sharing Revenue Credits	\$ (520,522)	-0.04727616	-2.7440%
Major or Baseline Capital Projects Credits	\$ -	0.00000000	0.0000%
	\$ 18,969,507	1.72289523	100.00%

Note (2): Total RAM Revenue Adjustment Allowed is the sum of the RAM Cap + Exceptional and Other Projects. See Decision and 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>			
		3/31/15 Decoupling Filing,	
1	O&M RAM	Sch A	\$ 2,784,684
2	Rate Base RAM - Return on Investment (Note 2)	Schedule D	\$ 6,849,188
		3/31/15 Decoupling Filing,	
3	Depreciation & Amortization RAM Expense	Sch E, Line 200	\$ 3,394,698
4	Total Adjusted RAM Revenue Adjustment		<b>\$ 13,008,570</b>
<b>RAM REVENUE ADJUSTMENT CAP</b>			
5	RAM Cap for 2015 RAM Revenue Adjustment	Schedule J	\$ 11,608,217
6	Plus: Exceptional and Other Matters	Schedule K	430,300
7	2015 Cap - Total Adjusted RAM Revenue Adjustment (Note 3)		<b>\$ 12,038,517</b>
8	Total RAM Revenue Adjustment Allowed (Note 1)	Lesser of Line 4 or Line 7	<b>\$ 12,038,517</b> To Sch A, line 4

**Note 1** RAM Revenue Adjustment Allowed:

See Decision and 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** See Decision and Order No. 32735, filed March 31, 2015, paragraph 79, page 82:

"The amendments to the RAM implemented by this Order replace and terminate the previous interim limitations on RAM year Rate Base RAM adjustments required pursuant to Order No. 31908,"

and paragraph 3, page 6:

"The 90% adjustment shall be removed in favor of the GDPPI cap."

Therefore, the 10% reduction pursuant to Order No. 31908 has been eliminated from the calculation of 2014's Rate Base RAM- Return on Investment.

**Note 3** Total RAM Cap:

See Decision and Order No. 32735, filed March 31, 2015, paragraph 110, page 98:

"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."

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-affected Balances Subject to Interest	Interest at 6% or 1.25%/year	Ending Balance
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Monthly RBA Balance and Activity (Monthly PUC Rpt., Pg. 8A)										
1	2013 December	\$ 9,181,027	\$ 10,163,458	\$ 10,095,800	\$ 67,658	\$ (455,271)	\$ (88,595)	n/a	\$ 44,644	\$ 8,789,863
2	January 2014 Adjustments - (Note 1)									\$ (12,125)
3	REVISED 2013 December									\$ 8,777,538
4										
5	2014 January	\$ 8,789,863	\$ 10,383,870	\$ 9,793,420	\$ 590,450	\$ (432,879)	\$ (8,226)	n/a	\$ 44,296	\$ 8,982,304
6	February	\$ 8,982,304	\$ 9,206,447	\$ 9,199,215	\$ 7,232	\$ (401,038)	\$ -	n/a	\$ 43,927	\$ 8,632,425
7	March	\$ 8,632,425	\$ 10,371,345	\$ 9,831,482	\$ 439,863	\$ (426,425)	\$ 10,643	n/a	\$ 9,010	\$ 8,665,517
8	April	\$ 8,665,517	\$ 8,870,313	\$ 9,675,102	\$ 195,211	\$ (416,736)	\$ -	n/a	\$ 8,911	\$ 8,452,803
9	May	\$ 8,452,803	\$ 10,496,802	\$ 10,112,790	\$ 383,812	\$ (443,005)	\$ (41,405)	\$ 5,120,503	\$ 5,334	\$ 8,357,838
10	June	\$ 8,357,838	\$ 11,050,868	\$ 10,228,912	\$ 821,978	\$ (739,633)	\$ -	\$ 5,130,772	\$ 5,345	\$ 8,445,126
11	July	\$ 8,445,126	\$ 11,518,376	\$ 10,880,195	\$ 638,181	\$ (803,716)	\$ (1,948)	\$ 5,113,484	\$ 5,327	\$ 8,302,070
12	August	\$ 8,302,070	\$ 11,687,191	\$ 11,008,364	\$ 680,827	\$ (808,393)	\$ -	\$ 5,033,930	\$ 5,244	\$ 8,182,848
13	September	\$ 8,182,848	\$ 10,830,130	\$ 10,430,754	\$ 399,376	\$ (771,042)	\$ (90)	\$ 4,885,199	\$ 5,089	\$ 7,815,981
14	October	\$ 7,815,981	\$ 11,401,504	\$ 10,940,596	\$ 460,908	\$ (819,165)	\$ -	\$ 4,865,353	\$ 4,860	\$ 7,492,584
15	November	\$ 7,492,584	\$ 10,635,343	\$ 10,706,893	\$ 425,650	\$ (744,815)	\$ -	\$ 4,491,485	\$ 4,847	\$ 7,148,296
16	December	\$ 7,148,296	\$ 10,557,429	\$ 10,185,837	\$ 371,592	\$ (734,758)	\$ -	\$ 4,255,947	\$ 4,433	\$ 6,789,533
17	2015 January	\$ -	\$ 10,785,201	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	February	\$ -	\$ 9,544,539	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	March	\$ -	\$ 10,752,215	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	April	\$ -	\$ 10,232,785	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	May	\$ -	\$ 10,862,073	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	June	\$ -	\$ 11,388,951	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	July	\$ -	\$ 11,870,740	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	August	\$ -	\$ 12,044,719	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	September	\$ -	\$ 11,181,440	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	October	\$ -	\$ 11,750,293	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	November	\$ -	\$ 10,900,665	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	December	\$ -	\$ 10,880,396	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Sources of Data	Sch. B1	Sch. B2	Col (c) - (d)	Note (2)	Note (1)	Col (b)+(g)+(e)+(f)/2/8)	Note (3), (4)	Col (b)+(f)+(g)
				Composite Federal & State Income Tax Rate		38.91% (k)		
				Income Tax Factor (1 / 1-tax rate)		1.636929 (l)		

Note (1): Adjustment Summary:

Note (1): <u>Adjustment Summary</u>						
	Month	Worksheet Reference	RBA True-up Adjustment Sch B2, Line 21	RBA Interest Adjustments	Total Adjustment	Adjustment Description
29	2014 January	MECO-WP-B-002	(8,203)	(23)	(8,226)	Correction for error in December 2013 RBA calculation
30	January	MECO-WP-B-002	(2,892)	(7)	(2,899)	Correction for error in December 2013 RBA calculation to properly state the Dec 2013 balance. The correction was made in Jan 2014 directly to Recorded Adjusted Revenue and therefore, does not appear in the "Adjustment" column of Schedule B above.
31	March	MECO-WP-B-003	10,643	-	10,643	Out of period billing adjustments
32	May	MECO-WP-B-004		(41,405)	(41,405)	Adj to reflect interest calculated on RBA bal, net of def taxes, for January to April 2014
33	July	MECO-WP-B-005	(1,948)		(1,948)	Adj to correct out of period billing adjustment from March
34	September	MECO-WP-B-006	(90)		(90)	Adjustment to correct August variance to RBA

Note (2)

Amounts represent recovery of prior years' RBA balance through the RBA rate adjustment effective June 1, 2013 for the period June 2013 through May 2014 and June 1, 2014 for the period June 2014 through May 2015

Note (3)

In Decision and Order No. 31908 filed in February 7, 2014, the Commission ordered the Company to utilize the short term debt rate as established in deriving the consolidated cost of capital in the last full rate case in computing interest on the outstanding RBA balance. The Commission approved the RBA tariff amendments for the Company implementing the revised interest rate effective as of March 1, 2014 in Decision and Order No. 32001 filed March 31, 2014. As a result, the interest rate used to compute the RBA interest was changed from 6% to 1.25% as of March 1, 2014

Note (4)

In connection with Decision and Order No. 31908 on Schedule A of the Decoupling Investigation, issued on February 7, 2014, the Company received approval on April 28, 2014 from the Internal Revenue Service to change its tax treatment of RBA revenues from the book accrual method of revenue balancing account ("RBA") revenue recognition to a recognition method based on when rates are adjusted and revenues are collected, effective January 1, 2014. Accordingly, in May 2014, the Company made an adjustment of <\$41,405>, as reflected in Note 1 to the RBA balance for the interest on a net-of-income tax RBA balance for the period January 1 - April 30, 2014. Starting with May 2014, Schedule B has been updated to calculate interest based on a net-of-income tax RBA balance

**MAUI ELECTRIC COMPANY, LIMITED**  
**DECOUPLING CALCULATION WORKBOOK**  
**DETERMINATION OF TARGET REVENUE**

Line No.	Description	Reference	D&O No. 31288 Docket No. 2011-0082 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. 2011-0082 Amounts
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Last Rate Case Annual Electric Revenue at Approved Rate Levels	Note (1)	\$000s \$ 418,810	\$ 418,810	\$ 418,810	\$ 418,810	\$ 418,810	\$ 418,810
2	Less: Fuel Expense	Note (1)	\$000s \$ (212,580)	\$ (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)	\$ (44,856)
4	Revenue Taxes on Line 1 (8.885% statutory rates)		\$000s \$ (37,034)	\$ (37,034)	\$ (37,034)	\$ (37,034)	\$ (37,034)	\$ (37,034)
5	Last Rate Order Target Annual Revenues	Sum Lines 1..4	\$000s \$ 122,340	\$ 122,340	\$ 122,340	\$ 122,340	\$ 122,340	\$ 122,340
6	Add: Authorized RAM Revenues - Transmittal No. 13-01	Tariff Transmittal	\$000s \$ 3,239	\$ 3,239	\$ -	\$ -	\$ -	\$ -
7	Less: Revenue Taxes on Line 6 at 8.885%		\$000s \$ (288)	\$ (288)	\$ -	\$ -	\$ -	\$ -
8	Net RAM Adjustment - Test Year +1	Lines 6+7	\$000s \$ 2,952	\$ 2,952	\$ -	\$ -	\$ -	\$ -
9	Reverse June 2013 and July 2013 RAM		\$000s \$ (541)	\$ (541)	\$ -	\$ -	\$ -	\$ -
10	Adjusted RAM for August 2013 to May 2014, Annualized	Lines 8+9	\$000s \$ 2,917	\$ 2,917	\$ -	\$ -	\$ -	\$ -
11	Authorized RAM Revenues - Transmittal No. 14-05	Sch. A, line 7	\$000s \$ -	\$ -	\$ 8,617	\$ 8,617	\$ -	\$ -
12	Less: Revenue Taxes on Line 11 at 8.885%		\$000s \$ -	\$ -	\$ (786)	\$ (786)	\$ -	\$ -
13	Net RAM Adjustment - Test Year +2	Lines 11+12 + Aug to May Factors)	\$000s \$ -	\$ -	\$ 7,851	\$ 7,851	\$ -	\$ -
14	Authorized RAM Revenues	Sch. A, line 4	\$000s \$ -	\$ -	\$ -	\$ -	\$ 12,036	\$ 12,036
15	Less: Revenue Taxes on Line 14 at 8.885%		\$000s \$ -	\$ -	\$ -	\$ -	\$ (1,070)	\$ (1,070)
16	Net RAM Adjustment - Test Year +3	Lines 14+15	\$000s \$ -	\$ -	\$ -	\$ -	\$ 10,966	\$ 10,966
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 9	\$000s \$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	Total Annual Target Revenues		\$000s \$ 125,258	\$ 125,258	\$ -	\$ -	\$ -	\$ -
22	August 1, 2013 Annualized Revenues + Adj 2013 RAM Revenues	Lines 5 + 10	\$000s \$ 125,258	\$ 125,258	\$ -	\$ -	\$ -	\$ -
23	June 1, 2014 Annualized Revenues + 2014 RAM Revenues	Lines 5 + 13 + 19	\$000s \$ -	\$ -	\$ 129,858	\$ 129,858	\$ -	\$ -
24	June 1, 2015 Annualized Revenues + 2015 RAM Revenues	Lines 5 + 18 + 19	\$000s \$ -	\$ -	\$ -	\$ -	\$ 132,835	\$ 132,835
25	Distribution of Target Revenues by Month in Dollars	Note (2)	2013	2014	2014	2015	2015	2016
26	January	8.29%	-	\$10,363,870	-	\$10,765,201	-	\$11,012,628
27	February	7.35%	-	\$9,206,447	-	\$9,544,539	-	\$9,783,378
28	March	6.28%	-	\$10,371,345	-	\$10,752,215	-	\$10,886,742
29	April	7.88%	-	\$9,870,313	-	\$10,232,785	-	\$10,467,402
30	May	6.36%	-	\$10,486,602	-	\$10,882,073	-	\$11,131,577
31	June - June 1st is assumed effective date of RAM	6.51%	-	-	\$11,050,888	-	\$11,304,263	-
32	July	8.87%	-	-	\$11,518,378	-	\$11,762,466	-
33	August	9.00%	\$11,273,201	-	\$11,667,191	-	\$11,955,155	-
34	September	8.54%	\$10,446,499	-	\$10,830,130	-	\$11,078,443	-
35	October	8.76%	\$10,967,833	-	\$11,401,504	-	\$11,662,918	-
36	November	8.19%	\$10,256,613	-	\$10,635,343	-	\$10,879,191	-
37	December	8.13%	\$10,183,458	-	\$10,557,428	-	\$10,799,480	-
38	Total Distributed Target Revenue		100.00% \$53,159,404	\$50,328,577	\$77,680,861	\$52,176,813	\$79,461,928	\$53,373,123

**Footnotes:**

- Docket No. 2011-0082 Interim amounts derived from Interim Decision & Order, Exhibit A, page 1, dated May 21, 2012.  
Docket No. 2011-0092 Final amounts derived from MECO Revised Results of Operations, Exhibit 1A, Page 1, filed June 17, 2013
- RBA Tariff effective June 1, 2012 based on 2012 test year



**BROADBAND ELECTRIC COMPANY, LIMITED**  
**RECORDING CALCULATION WORKBOOK**  
**DETERMINATION OF RECORDED ADJUSTED REVENUES**

Line No.	Description	January 2014	February 2014	March 2014	April 2014	May 2014	June 2014	July 2014	August 2014	September 2014	October 2014	November 2014	December 2014
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
<b>SALES REVENUES</b>													
1	Current month's billed revenues	37,851,832	33,500,798	33,840,117	33,643,343	36,322,880	36,083,457	38,107,246	37,780,302	37,353,021	37,785,488	35,424,074	34,610,277
2	Revenue PAF over/loss	(518,514)	(457,225)	(456,038)	(453,807)	(481,759)	(477,446)	(514,821)	(555,850)	(556,435)	(564,063)	(528,481)	(453,348)
3	Revenue State Server non-revenue	-	-	-	36,888	31,282	19	85	(1)	1	8	-	-
4	Other values	(8,872)	(5,813)	(2,141)	(8,024)	(7,156)	(8,330)	(4,589)	(7,107)	(5,888)	(8,082)	(7,803)	(8,138)
5 =	sum 1-4	37,329,446	33,038,761	33,382,046	33,190,363	36,368,887	36,578,859	37,667,738	37,187,547	36,791,338	37,233,243	34,888,788	34,146,793
<b>UNBILLED REVENUES</b>													
6	Current month's unbilled revenue	18,588,058	15,350,834	16,828,118	17,228,472	17,353,874	17,158,807	17,880,820	18,354,028	17,223,908	17,824,428	16,008,253	17,679,948
7	Revenue prior month's unbilled revenues	(17,852,612)	(15,389,829)	(15,350,834)	(16,828,118)	(17,228,472)	(17,353,874)	(17,158,807)	(17,880,820)	(18,354,028)	(17,223,908)	(17,824,428)	(16,008,253)
8 = 7	Unbilled revenues per Unbilled Sales and Revenue Estimate	(2,363,166)	(2,039,035)	(1,528,718)	(1,599,646)	(1,274,601)	(1,944,867)	(532,014)	(863,106)	(1,130,118)	(700,520)	81,826	(227,301)
9	Recovery of 12/31/12 RBA balance through RBA Rate Adjustment beginning 6/1/13	(415,081)	(440,145)	(468,008)	(487,374)	(496,204)	-	-	-	-	-	-	-
10	Recovery of 12/31/13 RBA balance through RBA Rate Adjustment beginning 6/1/14	-	-	-	-	-	-	-	-	-	-	-	-
11	Adjustment for ECAC account	73,800	823,800	(80,800)	(434,400)	52,000	(587,308)	(104,300)	(17,000)	800,500	(385,000)	(528,800)	(628,300)
12	Reversal of ECAC account	(41,888)	(284,200)	(264,200)	(264,200)	(215,534)	(215,534)	(215,534)	(249,900)	249,900	249,900	(2,389,389)	(278,389)
13	Adjustment for PPAC account	(13,700)	18,820	(32,887)	13,088	(25,735)	8,385	(19,784)	(95,788)	(119,847)	(118,288)	(89,383)	(71,928)
14	Reversal of PPAC account	85,088	106,888	104,688	106,702	5,863	8,863	2,151	2,191	2,191	2,191	75,140	75,140
15	ISP Non-labor adjustment	(2,080)	(2,216)	(2,381)	(2,611)	(2,901)	(3,258)	(3,637)	(4,037)	(4,453)	(4,914)	(5,414)	(5,964)
16	ESM Refund Account	-	-	-	-	-	-	-	-	-	-	-	-
17	Revenue ESM Refund Previously Accrued	-	-	-	-	-	31,207	32,527	33,006	30,564	32,197	30,034	28,814
18	Other manual adjustments	(232,800)	-	-	-	-	-	-	-	-	-	-	-
19	RBA gross up for revenue losses	37,577	705	42,893	19,296	37,427	80,154	64,182	64,390	33,945	44,945	41,507	36,235
20	Accrual of current month's RBA (PUC Monthly Financial Report pg. 6)	560,450	7,232	439,863	195,211	383,812	821,876	858,181	885,827	199,176	860,528	425,450	371,592
21	Adjust prior month RBA balance	(8,283)	-	10,543	-	-	-	(1,848)	-	(80)	-	-	-
22	Adjust prior month RBA related revenue losses	(897)	-	1,026	-	-	-	(180)	-	-	-	-	-
23 =	sum 8-22	41,841	63,501	(225,120)	(820,858)	(248,152)	(147,887)	(482,813)	31,389	561,268	(455,577)	(1,102,087)	(1,878,448)
24 =	23 + 5	(2,362,815)	(194,934)	(1,606,864)	(271,984)	(198,761)	(843,884)	79,881	894,476	(468,499)	366,143	(1,898,343)	(1,297,683)
25 =	24 + 23	34,976,631	32,843,826	34,775,206	32,918,378	36,164,256	34,834,734	37,637,738	37,882,022	36,322,839	37,678,494	33,990,445	32,849,110
<b>Billed Adjustments to Determine Adjusted Revenues for RBA</b>													
26	Revenue 2010 stream increase	-	-	-	-	-	-	-	-	-	-	-	-
27	Revenue ECAC revenues	(1,673,317)	(1,783,785)	(1,887,285)	(1,981,148)	(1,942,284)	(1,914,687)	(1,708,348)	(1,435,288)	(823,888)	(804,028)	(878,803)	(832,251)
28	Revenue ECAC surcharge adjustment	-	-	(41,457)	(43,420)	(88,874)	(149,473)	(158,138)	(161,582)	(185,820)	(168,488)	(118,827)	(78,638)
29	Revenue PPAC revenues	(87,448)	(47,080)	(41,457)	(43,420)	(88,874)	(149,473)	(158,138)	(161,582)	(185,820)	(168,488)	(118,827)	(78,638)
30	Revenue CSM/PPAC revenues	(2,563)	(2,184)	(2,176)	1,171	125	(2,838)	(2,887)	(2,847)	(2,886)	(3,073)	(3,171)	(2,783)
31	Revenue revenue losses of PPAC revenues	(36,365)	(31,171)	(31,104)	(30,868)	(32,858)	(32,564)	(36,484)	(37,898)	(37,810)	(38,473)	(35,909)	(30,821)
32	Revenue revenue losses on billed revenues	(3,142,731)	(2,788,586)	(2,784,227)	(2,777,852)	(3,072,719)	(2,883,558)	(3,188,372)	(3,188,490)	(3,188,474)	(3,218,308)	(3,007,788)	(2,887,588)
33	Revenue losses full (adjusted for revenue losses)	(17,741,807)	(18,498,543)	(19,600,388)	(18,428,424)	(18,882,557)	(18,530,854)	(17,373,717)	(17,452,084)	(17,781,808)	(18,571,378)	(17,311,083)	(16,311,083)
34	Revenue power purchase energy (adjusted for revenue losses)	(8,678,880)	(8,122,888)	(8,146,740)	(8,142,358)	(8,378,782)	(8,338,032)	(8,550,448)	(8,487,001)	(8,521,717)	(8,588,534)	(8,348,100)	(8,308,938)
35	Revenue other billing adjustments (adjusted for revenue losses)	(82,474)	-	10,841	-	-	-	-	-	-	-	-	-
<b>Unbilled Adjustments to Determine Adjusted Revenues for RBA</b>													
36	Revenue 2010 stream increase	-	-	-	-	-	-	-	-	-	-	-	-
37	Revenue ECAC revenues	228,848	(180,717)	28,811	34,825	(125,279)	219,362	(38,112)	228,823	217,274	(16,952)	(147,587)	400,383
38 =	37 + 36	-	-	-	-	-	-	-	-	-	-	-	-
39 =	38 + 37	(31,734)	(388,800)	325,000	886,800	163,534	582,834	318,833	(232,820)	(1,000,400)	(44,800)	734,889	1,164,889
40	Revenue PPAC revenues	2,488	11,830	(5,862)	1,407	(52,078)	1,228	(2,258)	(7,883)	4,577	(3,477)	36,366	458
41 =	40 + 39	(28,246)	(376,970)	329,862	888,207	111,456	584,062	316,575	(240,697)	(995,823)	(48,277)	771,255	1,165,343
42 =	41 + 40	(25,758)	(365,140)	323,999	889,614	112,912	585,290	318,833	(240,697)	(995,823)	(48,277)	771,255	1,165,343
43 = 14	Revenue PPAC account	(81,368)	(128,318)	(75,834)	(121,770)	16,352	(15,348)	8,803	93,888	106,748	118,188	24,243	(53,212)
44	Revenue ESM revenue	198	(17)	(105)	(245)	22	28	(42)	(92)	47	(42)	26	44
45	ISP Non-labor adjustment	2,080	2,216	2,381	2,611	2,901	(3,258)	3,637	4,037	4,453	4,914	5,414	(5,964)
46	Revenue ESM Refund Account and Reversal	-	-	-	-	-	(28,854)	(32,527)	(33,006)	(30,564)	(32,197)	(30,034)	28,814
47	Other manual adjustments	232,800	-	-	-	-	-	-	-	-	-	-	-
48	Revenue RBA account	(860,450)	(7,232)	(439,863)	(195,211)	(383,812)	(821,876)	(858,181)	(885,827)	(199,176)	(860,528)	(425,450)	(371,592)
49	Revenue RBA gross up for revenue losses	(57,577)	(705)	(42,893)	(19,296)	(37,427)	(80,154)	(64,182)	(64,390)	(33,945)	(44,945)	(41,507)	(36,235)
50	Revenue prior month RBA adjustment	10,100	-	(1,883)	-	-	-	2,136	-	-	-	-	-
51	Revenue revenue losses, net unbilled revenues	234,881	77,083	(75,834)	(15,984)	41,636	48,871	34,883	178	158,883	19,377	74,829	46,183
52	Revenue losses full (adjusted for revenue losses)	1,151,888	174,877	(515,588)	(257,981)	88,008	184,130	(180,548)	(421,674)	423,285	(287,788)	40,523	17,447
53	Revenue power purchase energy (adjusted for revenue losses)	227,284	27,826	(124,208)	(43,819)	(12,443)	32,009	(48,528)	(151,778)	87,250	(77,732)	12,534	22,450
54 =	sum 39-53	25,163,513	(23,654,822)	(24,542,824)	(23,121,638)	(25,851,488)	(24,707,822)	(28,777,534)	(28,885,958)	(25,781,764)	(28,537,890)	(23,898,855)	(21,865,928)
55 =	54 + 25	8,792,428	8,188,218	8,911,482	9,476,182	18,112,789	18,328,912	19,860,198	11,886,364	18,438,764	19,848,894	18,991,893	18,183,217
56 =	55 + 51	8,792,428	8,188,218	8,911,482	9,476,182	18,112,789	18,328,912	19,860,198	11,886,364	18,438,764	19,848,894	18,991,893	18,183,217

MECO WP-B-001 page 1 of 2  
MECO WP-B-001 page 2 of 2

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

Line No.	Description (a)	Reference (b)	D&O No. 31288 Docket No. 2011-0092 Approved (c)	Footnote 4 Previously Approved RAM (d)	O&M Subject to Escalation Col (c) + (d) (e)	Net Inflation Indices Footnote 2 (f)	2015 O&M RAM Adjustment Col (e) * (f) (g)
1	Base BU Labor Expenses	Schedule C1	\$ 14,330	\$ -	\$ 14,330	6.65%	\$ 953
2	Base Non-Labor Expense	Schedule C2	33,338	-	33,338	4.46%	1,488
3	Payroll Taxes	Footnote 1	1,167	-	1,167	6.65%	78
4	Subtotal Expense Increase - RAM Adjustment before revenue taxes						\$ 2,519
5	Revenue Tax Factor (Footnote 3)						1.0975
6	O&M RAM (Subtotal Expenses x Rev Tax Factor)						<u>\$ 2,765</u>

\* 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>	(36.66% * 1,849)	\$ 1,849
Payroll Taxes related to Bargaining Unit labor		<u>\$ (682)</u>
		\$ 1,167

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

(2) Escalation Rates

	2013	2014	2015	
Labor:				
Bargaining Unit Wage Increase	2.88%	3.00%	2.91%	(See MECO-WP-C-001)
Less: Labor Productivity Offset	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>	

2013 Labor Cost Escalation	1.0212	A (2013 non-labor escalation plus 1)
2014 Labor Cost Escalation	1.0224	B (2014 non-labor escalation plus 1)
2015 Labor Cost Escalation	<u>1.0215</u>	C (2015 non-labor escalation plus 1)
2013-2015 Compounded Labor Cost Escalation	1.0665	D = A * B * C
2013-2015 Compounded Labor Cost %	0.0665	E = D - 1

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

2013 Non-Labor Cost Escalation	1.0170	F (2013 non-labor escalation plus 1)
2014 Non-Labor Cost Escalation	1.0160	G (2014 non-labor escalation plus 1)
2015 Non-Labor Cost Escalation	<u>1.0110</u>	H (2015 non-labor escalation plus 1)
2013-2015 Compounded Non-Labor Cost Escalation	1.0446	I = F * G * H
2015 Compounded Non-Labor Cost %	0.0446	J = I - 1

(3) Computation of Revenue Tax Factor

Public Service Tax Rate	0.05885
PUC Fees Rate	0.00500
Franchise Tax Rate	<u>0.02500</u>
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 *MECO Revised Results of Operations, Tariff Sheets and Refund Plan*, filed on June 17, 2013, in Docket No. 2011-0092. Adjustment is non-BU labor.  
(130)  
8,366

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

(4) sum of columns (d) and (e)

MAUI ELECTRIC COMPANY, LIMITED  
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	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	33,338	

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

Line No.	Description (a)	AMOUNTS (IN THOUSANDS) (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</u> (Decision & Order No. 31288, Docket No. 2011-0092, page 113, dated May 31, 2013) Att. 1A, page 2):						
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%	1.636929	0.16%
6	Common Equity	231,310	56.86%	9.00%	5.12%	1.636929	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)						<u>\$ 58,542.6</u>
9	PRETAX RATE OF RETURN (Line 7, Col g)						10.66%
10	PRETAX RETURN REQUIREMENT						<u>\$ 6,240.6</u>
11	REVENUE TAX FACTOR (1/(1-8.885%))						1.0975
12	RATE BASE RAM - RETURN ON INVESTMENT \$000						<u>\$ 6,849.2</u>

\* Amounts may not add due to rounding.

Footnote:

(1) Composite Federal & State Income Tax Rate  
Income Tax Factor ( 1 / 1-tax rate)

38.91%  
1.636929121

(FILED 3-31-15)  
(REVISED 4-15-15)

**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		MECO 2015 RAM Rate Base		
		Beg. Balance 12/31/2011 (b)	Budgeted Balance 12/31/2012 (c)	Adjusted Recorded at 12/31/2014 (d)	RAM Projected Amounts (e)	Estimated at 12/31/2015 (f)
				Note (1)	See Detail Below	
1	Net Cost of Plant in Service	\$ 465,783	\$ 493,298	\$ 574,208	\$ 17,824	\$ 592,032
2	Property Held for Future Use	1,303	1,303			
3	Fuel Inventory	18,577	18,577			
4	Materials & Supplies Inventories	13,387	13,387			
5	Unamort Net SFAS 109 Reg Asset	8,405	8,842			
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			2,428	(233)	2,195
11	not used					
12	Total Additions	\$ 515,593	\$ 548,732	\$ 629,758	\$ 17,591	\$ 647,348
13	Unamortized CIAC	\$ (74,766)	\$ (83,821)	\$ (89,218)	\$ (3,288)	\$ (91,485)
14	Customer Advances	(4,649)	(4,599)			
15	Customer Deposits	(4,348)	(4,812)			
16	Accumulated Def Income Taxes	(42,143)	(55,666)			
17	Unamortized State ITC (Gross)	(12,150)	(12,752)			
18	Unearned Interest Income	-	-			
19	Unamortized Gain on Sale	-	-			
20	Total Deductions	\$ (138,054)	\$ (161,650)	\$ (195,298)	\$ (3,802)	\$ (199,100)
21	Working Cash (Note 3)	10,590	10,590	10,590		10,590
22	Rate Base at Proposed Rates	\$ 388,129	\$ 398,672	\$ 445,049		\$ 458,838
23	Average Rate Base		\$ 393,401			\$ 451,944
24	Change in Rate Base					\$ 88,843
25	<b>Column (e) Projected Changes to Rate Base:</b>					
26	Plant - Baseline Capital Project Additions		Reference	Amount		
27	Major CIP Project Additions		Schedule D2	42,481		
28	Accumulated Depreciation/Amortization Change		Schedule E	(24,637)		
29	Net Plant		Sum Lines 26-28	17,824		
30	Accum. Deferred Income Taxes - Baseline and Major Capital Projects		Schedule F	(534)		
31	Projected CIAC Additions - Baseline		Schedule G1	(5,175)		
32	Projected CIAC Additions - Major CIP		Schedule D3	-		
33	Less: Amortization of CIAC		Schedule G	1,908		
34	Total Change in CIAC in Rate Base		Sum: Lines 31-33	(3,288)		

\* Amounts may not add due to rounding

**Notes:**

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

	Plant in Service	Acc. Depr.	CIAC Net	Schedule D4 ADIT
(A) Unadjusted Balance - recorded	\$ 1,049,725	\$ (450,273)	\$ (88,218)	\$ (85,570)
(A) Add: Asset Retirement Obligation		\$ (256)		
(A) Reg Liab-Cost of Removal (net salvage)		\$ (27,951)		
<b>Adjustment:</b>				
Lanai CHP*	3,500	(536)	-	-
Total Adjustment	\$ 3,500	\$ (536)	\$ -	\$ -
<b>Adjusted Balance</b>	<b>\$ 1,053,225</b>	<b>\$ (479,017)</b>	<b>\$ (88,218)</b>	<b>\$ (85,570)</b>

\* Lanai CHP: As discussed in the Stipulated Settlement Letter in Docket No. 2009-0183, 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 2014, filed February 26, 2015.

(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)

(4) The accumulated deferred income tax balance has been adjusted to incorporate a revision as shown and described in Schedule K1 - Note 2a.

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 (e)			3/31/2011	3/30/2012	3/22/2013	3/28/2014	3/27/2015
				2010 (b)	2011 (c)	2012 (d)	2013 (e)	2014 (f)
1	Total Plant Additions (Sum of Exhs. 1, 2, and 3 of Reports)			30,311,101	38,439,290	48,276,242	57,973,110	49,632,312
2								
3	Less Major Projects: (+\$2.5 Million)	Dkt No.	Item No.					
4								
5	2006 In-service:							
6	Maui Dual-Train Combined Cycle No. 2-Unit No. 1I	7744	PN-314 M3141001	20,513 <sup>(1)</sup>				
7								
8	2009 In-service: NOTE (3)							
9	CHP Manele Bay Hotel	2006-0186	M0000540	(101,942) <sup>(1)</sup>	584 <sup>(1)</sup>			
10								
11	2010 In-Service:							
12	6th Increment Distribution Rebuild	01-0148	M0000266	(904,737)	(2,867,104)			
13								
14	2011 In-Service:							
15	M14 Capital Overhaul	NOTE (2)	M0001275		(3,688,795)			
16								
17	2012 In-service:							
18	None							
19								
20	2013 In-service:							
21	Major Overhaul of M16 - NOTE (4)	2012-0038	M0001571				(2,865,973)	80,406
22								
23								
24	Total Net Plant Additions (excluding major projects)			29,324,935	29,883,955	48,276,242	55,107,136	49,712,718
25								
26	Last Five-Year Average							\$ 42,460,998
27								
28								
29								
30								

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>2015 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 2015 RAV</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, 2014				
2	Depreciation Related Account 282	MECO-WP-D4-001	(48,896,114)	(3,250,223)	(52,146,337)
3	Other Deferred Income Taxes	MECO-WP-D4-001	(28,801,095)	(4,622,575)	(33,423,670)
4	Total Recorded Deferred Income Taxes - Utility		(77,697,209)	(7,872,798)	<u>\$ (85,570,007)</u>
					To Schedule D1

**MAUI ELECTRIC COMPANY, LIMITED**  
**DECOUPLING CALCULATION WORKBOOK**  
**DETERMINATION OF DEPRECIATION & 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	6,847,880		6,847,880	0.0289	197,904
4	312.00	51,254,841		51,254,841	0.0375	1,922,057
5	314.00	48,276,735		48,276,735	0.0589	2,843,500
6	315.00	8,948,513		8,948,513	0.0419	374,943
7	<b>MAUI STEAM PRODUCTION</b>	<b>115,327,969</b>	<b>-</b>	<b>115,327,969</b>	<b>0.0483</b>	<b>5,338,404</b>
8						
9	340.00	-		-	0.0000	-
10	341.00	34,861,215		34,861,215	0.0117	405,536
11	342.00	4,200,155		4,200,155	0.0097	40,741
12	343.00	42,457,757		42,457,757	0.0080	339,682
13	344.00	107,913,209		107,913,209	0.0164	1,789,777
14	345.00	28,718,881		28,718,881	0.0157	450,883
15	<b>MAUI OTHER PRODUCTION</b>	<b>217,951,017</b>	<b>-</b>	<b>217,951,017</b>	<b>0.0138</b>	<b>3,006,599</b>
16						
17	<b>MAUI TOTAL PRODUCTION</b>	<b>333,278,986</b>	<b>-</b>	<b>333,278,986</b>	<b>0.0250</b>	<b>8,345,003</b>
18						
19	350.20	-		-	0.0000	-
20	350.00	2,446,576		2,446,576	0.0158	38,856
21	352.00	7,256,836		7,256,836	0.0202	148,584
22	353.00	50,576,426		50,576,426	0.0158	799,108
23	355.00	31,586,828		31,586,828	0.0187	527,500
24	356.00	27,011,478		27,011,478	0.0175	472,701
25	357.00	714,085		714,085	0.0158	11,354
26	358.00	1,193,803		1,193,803	0.0198	23,637
27	<b>MAUI TRANSMISSION</b>	<b>120,785,831</b>	<b>-</b>	<b>120,785,831</b>	<b>0.0167</b>	<b>2,019,540</b>
28						
29	360.20	-		-	0.0000	-
30	360.00	1,376,243		1,376,243	0.0203	27,938
31	361.00	1,483,312		1,483,312	0.0120	17,580
32	362.00	46,458,254		46,458,254	0.0134	622,541
33	363.00	2,140,265		2,140,265	0.0182	41,093
34	364.00	34,871,043		34,871,043	0.0170	592,808
35	365.00	58,109,739		58,109,739	0.0185	958,811
36	366.00	59,809,422		59,809,422	0.0203	1,210,071
37	367.00	70,808,457		70,808,457	0.0117	829,459
38	368.00	80,163,914		80,163,914	0.0222	1,335,839
39	369.10	24,325,574		24,325,574	0.0378	919,507
40	369.20	55,096,587		55,096,587	0.0232	1,278,241
41	370.00	9,798,862	2,270,495	12,069,357	0.0192	231,732
42	373.00	12,038,525		12,038,525	0.0187	225,120
43	<b>MAUI DISTRIBUTION</b>	<b>436,280,187</b>	<b>2,270,495</b>	<b>438,530,692</b>	<b>0.0190</b>	<b>8,289,518</b>
44						
45	389.20	-		-	0.0000	-
46	390.00	11,299,582		11,299,582	0.0108	119,776
47	<b>MAUI GENERAL</b>	<b>11,299,582</b>	<b>-</b>	<b>11,299,582</b>	<b>0.0108</b>	<b>119,776</b>
48						
49	392.10	6,247,827		6,247,827	0.0536	334,884
50	392.20	4,269,530		4,269,530	0.0305	130,221
51	<b>MAUI TRANSPORTATION</b>	<b>10,517,357</b>	<b>-</b>	<b>10,517,357</b>	<b>0.0442</b>	<b>465,104</b>
52						
53	<b>TOTAL MAUI DIVISION</b>	<b>912,141,953</b>	<b>2,270,495</b>	<b>914,412,448</b>	<b>0.0211</b>	<b>19,238,941</b>
54						

Line No.	NARUC Account	Recorded Depreciable/Amort. Balance	Adjustments	Adjusted Depreciable/Amort. Balance	PUC Approved Accrual Rate Dkt. 2009-0288	Annual Accrual
	(a)	(b) Footnote (1)	(c) Footnote (2)	(d)	(e)	(f)
55	<b>LANAI</b>					
56	340.0L	-		-	0.0000	-
57	341.0L	4,080,334		4,080,334	0.0454	185,247
58	342.0L	1,914,270		1,914,270	0.0304	58,194
59	343.0L	1,619,547		1,619,547	0.0360	58,304
60	344.0L	8,247,506		8,247,506	0.0234	192,992
61	345.0L	3,245,825		3,245,825	0.0253	82,114
62	<b>LANAI OTHER PRODUCTION</b>	19,107,282	-	19,107,282	0.0302	578,851
63						
64	360.1L	152,209		152,209	0.0203	3,090
65	362.0L	2,185,915		2,185,915	0.0185	38,068
66	364.0L	2,069,001		2,069,001	0.0185	38,277
67	365.0L	2,870,643		2,870,643	0.0185	47,388
68	366.0L	1,280,128		1,280,128	0.0211	27,011
69	367.0L	2,323,200		2,323,200	0.0122	28,343
70	368.0L	804,319		804,319	0.0208	16,730
71	369.1L	1,040,771		1,040,771	0.0380	39,549
72	369.2L	1,068,921		1,068,921	0.0256	27,384
73	370.0L	490,506		490,506	0.0195	9,585
74	373.0L	265,072		265,072	0.0168	4,400
75	<b>LANAI DISTRIBUTION</b>	14,550,684	-	14,550,684	0.0191	277,762
76						
77	389.2L	-		-	0.0000	-
78	390.0L	801,698		801,698	0.0138	11,063
79	<b>LANAI GENERAL</b>	801,698	-	801,698	0.0138	11,063
80						
81	392.1L	958,996		958,996	0.0088	8,247
82	392.2L	347,822		347,822	0.0875	30,434
83	<b>LANAI TRANSPORTATION</b>	1,306,818	-	1,306,818	0.0296	38,682
84						
85	Lanai CHP - Production	-	3,010,000	3,010,000	0.0319	96,019
86	Lanai CHP - Distribution	-	490,000	490,000	0.0230	11,270
87	<b>LANAI RATEMAKING ADJUSTMENT</b>	-	3,500,000	3,500,000	0.0307	107,289
88						
89	<b>TOTAL LANAI DIVISION</b>	35,766,482	3,500,000	39,266,482	0.0258	1,011,847
90						
91	<b>MOLOKAI</b>					
92	302.0M	-		-	0.0000	-
93	<b>INTANGIBLE PLANT</b>	-	-	-	0.0000	-
94						
95	340.0M	-		-	0.0000	-
96	341.0M	2,850,558		2,850,558	0.0447	118,480
97	342.0M	1,927,423		1,927,423	0.0452	87,120
98	343.0M	2,009,008		2,009,008	0.0258	51,431
99	344.0M	11,228,090		11,228,090	0.0354	397,474
100	345.0M	4,623,549		4,623,549	0.0266	122,986
101	<b>MOLOKAI OTHER PRODUCTION</b>	22,438,628	-	22,438,628	0.0346	777,491
102						
103	350.1M	-		-	0.0000	-
104	353.0M	805,475		805,475	0.0232	14,047
105	354.0M	38,669		38,669	0.0233	901
106	355.0M	117,065		117,065	0.0077	901
107	356.0M	260,344		260,344	0.0097	2,525
108	<b>MOLOKAI TRANSMISSION</b>	1,021,553	-	1,021,553	0.0180	18,375
109						
110	360.1M	29,136		29,136	0.0202	589
111	361.1M	59,259		59,259	0.0068	391
112	362.0M	1,285,089		1,285,089	0.0183	20,947
113	364.0M	3,936,416		3,936,416	0.0224	88,176
114	365.0M	3,078,822		3,078,822	0.0177	54,495
115	366.0M	136,064		136,064	0.0227	3,089
116	367.0M	3,788,878		3,788,878	0.0174	65,892
117	368.0M	1,655,493		1,655,493	0.0225	37,249
118	369.1M	1,521,282		1,521,282	0.0406	61,764
119	369.2M	1,083,204		1,083,204	0.0261	28,272
120	370.0M	512,572		512,572	0.0121	6,202
121	373.0M	330,608		330,608	0.0152	5,025
122	<b>MOLOKAI DISTRIBUTION</b>	17,414,824	-	17,414,824	0.0214	372,089
123						
124	389.2M	56,383		56,383	0.0003	17
125	390.0M	694,144		694,144	0.0085	5,900
126	<b>MOLOKAI TOTAL GENERAL</b>	750,526	-	750,526	0.0079	5,917
127						
128	392.1M	738,282		738,282	0.0000	-
129	392.2M	349,181		349,181	0.0000	-
130	<b>MOLOKAI TRANSPORTATION</b>	1,087,444	-	1,087,444	0.0000	-
131						
132	<b>TOTAL MOLOKAI DIVISION</b>	42,712,975	-	42,712,975	0.0275	1,173,872
133						
134						
135	<b>UTILITY TOTAL DEPRECIATION</b>	990,621,410	5,770,495	996,391,905	0.0216	21,424,480
136						

Line No.	NARUC Account (a)	Recorded Depreciable/Amort. Balance (b)	Adjustments (c)	Adjusted Depreciable/Amort. Balance (d)	PUC Approved Accrual Rate Dkt. 2009-0286 (e)	Annual Accrual (f)
137	Amortization Amounts					
138						
139	MAUI					
140	316.00	3,204,022		3,204,022	0.0500	\$ 160,201
141	346.00	14,996,500		14,996,500	0.0500	749,825
142	MAUI PRODUCTION	18,200,523	-	18,200,523	0.0500	910,026
143						
144	391.10	2,357,088		2,357,088	0.2000	471,418
145	391.20	448,412		448,412	0.1000	44,841
146	391.30	1,271,728		1,271,728	0.0667	84,824
147	393.00	568,540		568,540	0.0400	22,742
148	394.00	6,288,873		6,288,873	0.0400	251,547
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	21,242,842		21,242,842	0.0667	1,416,884
152	398.00	1,155,200		1,155,200	0.0667	77,052
153	MAUI GENERAL	33,943,584	-	33,943,584	0.0710	2,408,521
154						
155	TOTAL MAUI DIVISION	52,144,107	-	52,144,107	0.0636	3,318,547
156						
157	LANAI					
158	346.0L	1,192,731		1,192,731	0.0500	59,637
159	LANAI OTHER PRODUCTION	1,192,731	-	1,192,731	0.0500	59,637
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	36,529		36,529	0.0400	1,461
165	397.0L	821,693		821,693	0.0667	54,807
166	398.0L	34,054		34,054	0.0667	2,271
167	LANAI GENERAL	923,087	-	923,087	0.0694	64,074
168						
169	TOTAL LANAI DIVISION	2,115,818	-	2,115,818	0.0585	123,711
170						
171						
172	MOLOKAI					
173	346.0M	1,940,988		1,940,988	0.0500	97,049
174	MOLOKAI OTHER PRODUCTION	1,940,988	-	1,940,988	0.0500	97,049
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	104,317		104,317	0.0400	4,173
180	397.0M	1,030,344		1,030,344	0.0667	68,724
181	398.0M	32,143		32,143	0.0667	2,144
182	MOLOKAI GENERAL	1,187,498	-	1,187,498	0.0655	77,795
183						
184	TOTAL MOLOKAI DIVISION	3,128,486	-	3,128,486	0.0559	174,844
185						
186	Net Unrecovered Amortization - Footnote (3)					(404,262)
187						
188	UTILITY TOTAL AMORTIZATION	57,388,411	-	57,388,411	0.0560	3,212,840
189						
190	TOTAL RAM DEPRECIATION / AMORTIZATION					\$ 24,637,300
191	LESS: Vehicle Depreciation (A/C 392 above)					\$ (503,786)
192	LESS: Depreciation & Amortization in Current Revenues				Footnote (4)	\$ (20,933,000)
193						
194	RAM Adjustment for Depreciation & Amortization					\$ 3,200,514
195	RAM Adjustment for CIAC Amortization				Sch. G	\$ (340,533)
196	RAM Adjustment for CIS Amortization				MECO-WP-D1-001, page 2	\$ 233,099
197	Total RAM Adjustment for Depreciation & Amortization					\$ 3,093,079
198	Times: Factor for Revenue Taxes					1.0975
199						
200	RAM DEPRECIATION & AMORTIZATION					\$ 3,394,898

Footnotes:

(1) Depreciable Balance	\$ 990,621,410	Line 135
Amortizable Balance	57,388,411	Line 188
Total Utility Plant per Schedule	\$ 1,048,009,821	

Add: Land, Land Rights, Franchises &  
Consents as of 12/31/14 not included in  
Schedule

1,714,890  
Total Utility Plant per G/L \$ 1,049,724,711

December 2014 Monthly Financial Report filed 2/26/15

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

Adjust meter balances to actual <sup>1</sup>	2,270,495	
Lanai CHP	3,500,000	MECO-WP-1303, Dkt. No. 2014-0318
Total Adjustment	\$ 5,770,495	Column (c)

<sup>1</sup> Meters were erroneously retired in 2014 and reinstated in early 2015. This adjustment corrects the depreciable balance to properly state the 2015 depreciation expense.

(3) Net Unrecovered Amortization:

Account	Net Unrecovered Amortization (c) <sup>2</sup>	Annual Recovery (c) / 5 years <sup>3</sup>
318.00	297,187	34,872
346.00	(1,793,299)	(209,218)
391.10	243,160	28,389
391.20	281,487	32,840
391.30	183,845	19,115
393.00	(100,913)	(11,773)
394.20	331,090	38,627
394.30	90,755	10,588
395.10	201,529	23,512
395.20	-	-
395.40	(2,856)	(333)
396.00	(8,091)	(711)
397.00	(3,100,803)	(381,780)
398.00	(70,198)	(8,180)
Over-recovered Amortization	(3,485,105)	
Annual Recovery (increases amortization expense annually for five years)		(404,292)

<sup>2</sup> Source: MECO 2012 Test Year Rate Case, Docket No. 2011-0092, CA-IR-181, Attachment 1, column (E)

<sup>3</sup> Note: 2015 is the last year of recovery. Amortization began in August 2010, therefore only 7 months of amortization will be recognized in 2015.

(4) Depreciation & Amortization in Current Revenues<sup>4</sup>:

	Depr/Amort Expense
Total Depreciation	21,347,000
LESS: Vehicle Depreciation (A/C 392)	(414,000)
Net Depreciation in Current Revenues	20,933,000

<sup>4</sup> 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**

<u>Line No.</u>	<u>NARUC Account</u> (a)	<u>Reference</u> (b)	<u>Projected ADIT Change</u> (c)
1	State Tax Depreciation	Schedule F1	1,372,798
2	Effective Federal Tax Rate	MECO-WP-F-001	32.8947%
3	Federal Deferred Tax on State Tax Depreciation		<u>451,578</u>
4	Add back State Tax Depreciation		(1,372,798)
5	Federal Tax Depreciation	Schedule F1	<u>1,372,798</u>
6	Federal/State Difference		-
7	Tax Rate on Federal Only Adjustment	MECO-WP-F-001	35%
8	Federal Deferred Tax Adjustment		<u>-</u>
9	Total Federal Deferred Taxes		<u>451,578</u>
	<b>STATE DEFERRED TAXES</b>		
10	State Tax Depreciation	Schedule F1	1,372,798
11	Effective State Tax Rate	MECO-WP-F-001	6.0150%
12	Total State Deferred Taxes		<u>82,574</u>
13	TOTAL FED AND STATE DEFERRED TAXES		<u>534,153</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, 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)
	MECO Note: There were no Major Capital Projects in 2015.			
1	Assumed Value of 2015 Major Capital Projects Plant Items			\$ -
2	Assumed Value of 2015 Major Capital Projects - CIAC nontaxable			\$ -
3	Assumed Value of 2015 Major Capital Projects - Total			\$ -
		FED YR 1	FED YR 1	STATE YR 1
4	Tax Classification of Major Capital Project Additions	TAX RATE	TAX DEPR	TAX RATE
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	12/31/14 Beginning Balance	Sch. G1	\$ (88,217,709)	
2				
3	<u>2015 CIAC Additions:</u>			
4	Baseline 5-Yr Average	Sch. G1	(5,175,200)	
5	Major Projects	Sch. G2	-	
6	Net Additions		<u>(5,175,200)</u>	
7				
8	<u>2015 CIAC Amortization:</u>			
9	Estimated Amortization	Sch. G3	1,907,533	\$ (1,907,533)
10				
11	12/31/15 Ending Balance		<u>\$ (91,485,376)</u>	(1,907,533)
12				
13	LESS: CIAC Amortization in Current Revenues - NOTE (1)			<u>(1,567,000)</u>
14				
15	RAM Adjustment for CIAC Amortization			<u>\$ (340,533)</u>

Note (1):

Per Attachment 1A, page 62, of MECO-DCA Revised Updated Joint Statement of Probable Entitlement, dated May 14, 2012 in MECO'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: (Note A)

Line No.	Description (a)	2/22/2011		2/21/2012		2/19/2013		2/21/2014		2/26/2015	
		2010 (d)	2011 (e)	2011 (e)	2012 (f)	2012 (f)	2013 (g)	2013 (g)	2014 (h)	2014 (h)	2015 (i)
1	CIAC Balance, January 1 (Dec Rpt. pg. 10)	(72,393,407)	(73,969,015)	(73,969,015)	(74,765,860)	(74,765,860)	(82,211,127)	(82,211,127)	(85,047,271)	(85,047,271)	
2	Less: CIAC Amortization (Dec Rpt. pg. 2)	2,743,432	2,018,844	2,018,844	1,738,802	1,738,802	1,733,766	1,733,766	1,816,856	1,816,856	
3	Less: CIAC Balance, December 31 (Dec Rpt. pg. 10)	73,969,015	74,765,860	74,765,860	82,211,127	82,211,127	85,047,271	85,047,271	88,217,709	88,217,709	
4											
5	<b>Total CIAC Additions</b>	<b>4,319,040</b>	<b>2,815,689</b>	<b>2,815,689</b>	<b>9,184,069</b>	<b>9,184,069</b>	<b>4,569,910</b>	<b>4,569,910</b>	<b>4,987,293</b>	<b>4,987,293</b>	
6											
7	<u>Less Major Projects:</u>										
8											
9	<u>2008 In-service:</u>										
10	Maui 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	8th 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>4,319,040</b>	<b>2,815,689</b>	<b>2,815,689</b>	<b>9,184,069</b>	<b>9,184,069</b>	<b>4,569,910</b>	<b>4,569,910</b>	<b>4,987,293</b>	<b>4,987,293</b>	
28											
29	<b>Last Five-Year Average</b>									<b>5,175,200</b>	

**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 worksheet 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>2015 Major Capital Project CIAC Additions by Project</u>			
2	None			\$ -
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13	Total Major Project CIAC Additions for 2015 RAM			<u>\$ -</u>

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

Line No.	Description (a)	2013		2014		2015
		Balance (b)		Amortization (c)	Balance (d)	Amortization (e)
1	<u>CIAc by Vintage:</u>					
2	1980	\$ 2,847	\$	(138)	\$ 2,709	(138)
3	1981	\$ 29,321	\$	(1,304)	\$ 28,018	(1,304)
4	1981 L	\$ 79	\$	(3)	\$ 75	(3)
5	1982	\$ 44,058	\$	(1,865)	\$ 42,193	(1,865)
6	1982	\$ 103,543	\$	(4,382)	\$ 99,160	(4,382)
7	1982 L	\$ 23	\$	(1)	\$ 22	(1)
8	1983	\$ 18,458	\$	(667)	\$ 15,791	(667)
9	1983 L	\$ 6	\$	(0)	\$ 6	(0)
10	1984	\$ 51,095	\$	(1,986)	\$ 49,109	(1,986)
11	1984 L	\$ 6	\$	(0)	\$ 5	(0)
12	1985	\$ 123,223	\$	(4,606)	\$ 118,617	(4,606)
13	1986	\$ 165,279	\$	(5,951)	\$ 159,328	(5,951)
14	1986 L	\$ 93	\$	(3)	\$ 90	(3)
15	1987	\$ 160,181	\$	(5,563)	\$ 154,597	(5,563)
16	1987 L	\$ 2,324	\$	(81)	\$ 2,244	(81)
17	1988	\$ 219,157	\$	(7,354)	\$ 211,804	(7,354)
18	1988 L	\$ 32,637	\$	(1,095)	\$ 31,542	(1,095)
19	1989	\$ 394,915	\$	(12,816)	\$ 382,098	(12,816)
20	1989 L	\$ 62,112	\$	(2,016)	\$ 60,096	(2,016)
21	1989 MO	\$ 82,955	\$	(2,698)	\$ 80,258	(2,698)
22	1990	\$ 503,873	\$	(15,833)	\$ 488,040	(15,833)
23	1990 L	\$ 28,852	\$	(907)	\$ 27,945	(907)
24	1990 MO	\$ 5,232	\$	(164)	\$ 5,067	(164)
25	1991	\$ 675,818	\$	(20,583)	\$ 655,234	(20,583)
26	1991 L	\$ 27,419	\$	(835)	\$ 26,584	(835)
27	1991 MO	\$ 9,431	\$	(287)	\$ 9,144	(287)
28	1992	\$ 519,827	\$	(15,361)	\$ 504,466	(15,361)
29	1992 L	\$ 81,441	\$	(1,816)	\$ 59,625	(1,816)
30	1992 MO	\$ 27,225	\$	(805)	\$ 26,421	(805)
31	1993 IK	\$ 2,291,159	\$	(65,758)	\$ 2,225,401	(65,758)
32	1993	\$ 447,793	\$	(12,850)	\$ 434,943	(12,850)
33	1993 L	\$ 65,446	\$	(1,878)	\$ 63,568	(1,878)
34	1993 MO	\$ 18,659	\$	(535)	\$ 18,124	(535)
35	1994	\$ 447,059	\$	(12,469)	\$ 434,591	(12,469)
36	1994 L	\$ (11,502)	\$	321	\$ (11,181)	321
37	1994 MO	\$ 8,123	\$	(227)	\$ 7,896	(227)
38	1993 IK	\$ 278,620	\$	(7,995)	\$ 270,624	(7,995)
39	1995	\$ 466,150	\$	(12,646)	\$ 453,504	(12,646)
40	1995 L	\$ 3,568	\$	(97)	\$ 3,471	(97)
41	1995 MO	\$ 67,888	\$	(1,842)	\$ 66,046	(1,842)
42	1996	\$ 535,016	\$	(14,129)	\$ 520,887	(14,129)
43	1996 L	\$ 10,829	\$	(286)	\$ 10,543	(286)
44	1996 MO	\$ 74,688	\$	(1,972)	\$ 72,716	(1,972)
45	1996 IK	\$ 98,702	\$	(2,607)	\$ 96,096	(2,607)
46	1997	\$ 423,902	\$	(10,905)	\$ 412,997	(10,905)
47	1997 L	\$ 64,059	\$	(1,648)	\$ 62,411	(1,648)
48	1997 MO	\$ 55,349	\$	(1,424)	\$ 53,925	(1,424)
49	1998	\$ 755,850	\$	(18,955)	\$ 736,894	(18,955)
50	1998 L	\$ 23,505	\$	(589)	\$ 22,916	(589)
51	1998 MO	\$ 17,086	\$	(429)	\$ 16,667	(429)
52	1999	\$ 988,626	\$	(24,184)	\$ 964,443	(24,184)
53	1999 L	\$ 5,782	\$	(142)	\$ 5,650	(142)
54	1999 MO	\$ (765)	\$	19	\$ (766)	19
55	2000	\$ 891,400	\$	(21,283)	\$ 870,117	(21,283)
56	2000 L	\$ 4,066	\$	(97)	\$ 3,969	(97)
57	2000 MO	\$ 22,302	\$	(532)	\$ 21,769	(532)
58	2001	\$ 1,391,233	\$	(32,439)	\$ 1,358,794	(32,439)
59	2001 L	\$ 97,160	\$	(2,265)	\$ 94,895	(2,265)
60	2001 MO	\$ 36,752	\$	(857)	\$ 35,895	(857)

SCHEDULE G3  
PAGE 2 OF 2

Line No.	Description (a)		2013 Balance (b)	2014		2015 Amortization (e)
				Amortization (c)	Balance (d)	
61		2002	\$ 994,682	\$ (22,663)	\$ 972,019	(22,663)
62		2002 L	\$ 11,527	\$ (263)	\$ 11,264	(263)
63		2002 MO	\$ 8,958	\$ (204)	\$ 8,754	(204)
64		2003	\$ 6,431,709	\$ (143,264)	\$ 6,288,444	(143,264)
65		2003 L	\$ 511,031	\$ (11,383)	\$ 499,648	(11,383)
66		2003 MO	\$ 18,547	\$ (413)	\$ 18,134	(413)
67		2004	\$ 2,050,752	\$ (44,682)	\$ 2,006,070	(44,682)
68		2004 L	\$ 103,768	\$ (2,281)	\$ 101,507	(2,281)
69		2004 MO	\$ 33,573	\$ (731)	\$ 32,841	(731)
70		2005	\$ 6,041,523	\$ (128,817)	\$ 5,912,706	(128,817)
71		2005 L	\$ 351,232	\$ (7,489)	\$ 343,743	(7,489)
72		2005 MO	\$ 1,446,912	\$ (30,851)	\$ 1,416,061	(30,851)
73		2006	\$ 8,757,424	\$ (182,817)	\$ 8,574,607	(182,817)
74		2006 L	\$ 83,471	\$ (1,743)	\$ 81,728	(1,743)
75		2006 MO	\$ 401,128	\$ (8,374)	\$ 392,755	(8,374)
76		2007	\$ 8,160,237	\$ (166,858)	\$ 7,993,379	(166,858)
77		2007 L	\$ 34,994	\$ (716)	\$ 34,278	(716)
78		2007 MO	\$ 107,883	\$ (2,206)	\$ 105,677	(2,206)
79		2008	\$ 7,945,873	\$ (159,212)	\$ 7,786,661	(159,212)
80		2008 L	\$ 493,275	\$ (9,884)	\$ 483,392	(9,884)
81		2008 MO	\$ 37,417	\$ (750)	\$ 36,667	(750)
82		2009	\$ 7,314,674	\$ (143,679)	\$ 7,170,995	(143,679)
83		2009 L	\$ 361,534	\$ (7,101)	\$ 354,433	(7,101)
84		2009 MO	\$ 63,325	\$ (1,244)	\$ 62,081	(1,244)
85		2010	\$ 4,047,325	\$ (77,961)	\$ 3,969,364	(77,961)
86		2010 L	\$ (4,897)	\$ 94	\$ (4,803)	94
87		2010 MO	\$ 15,456	\$ (298)	\$ 15,158	(298)
88		2011	\$ 2,651,918	\$ (50,115)	\$ 2,601,803	(50,115)
89		2011 L	\$ 10,291	\$ (194)	\$ 10,096	(194)
90		2011 MO	\$ 46,824	\$ (885)	\$ 45,939	(885)
91		2012	\$ 8,930,836	\$ (165,386)	\$ 8,765,450	(165,386)
92		2012 L	\$ 55,193	\$ (1,022)	\$ 54,171	(1,022)
93		2012 MO	\$ 31,057	\$ (575)	\$ 30,482	(575)
94		2013	\$ 4,448,923	\$ (80,890)	\$ 4,368,034	(80,890)
95		2013 L	\$ 51,424	\$ (935)	\$ 50,489	(935)
96		2013 MO	\$ 69,563	\$ (1,265)	\$ 68,298	(1,265)
97		2014	\$ 4,844,992		\$ 4,844,992	(88,091)
98		2014 L	\$ 89,963		\$ 89,963	(1,636)
99		2014 MO	\$ 52,338		\$ 52,338	(952)
100	Total CIAC Amortization for 2015 RAM		85,047,271	(1,816,855)	88,217,709	(1,907,533)

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)	Rate-making Basis Return on Equity		
			Operating Income (c)	Rate Base (d)	Rate of Return (e)
		PUC Report, p. 2A and MECO-WP-H-001			
1	Reported Operating Income before ratemaking adj.		\$ 31,940	\$ 439,038	
2	<u>Ratemaking Adjustments to Line 1:</u>				
2a	Incentive Compensation Expenses (net of tax)	MECO-WP-H-002	519		
2b	Discretionary and Other Expenses Not Recoverable (net of tax)	MECO-WP-H-002	183		
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	(3,699)		
2e	Remove Accrued Earnings Sharing Refund	MECO-WP-H-006	283		
3	Ratemaking Basis Amounts - Post Tax	Sum Lines 1 & 2	\$ 29,237	\$ 439,038	
4	<u>Ratemaking Capitalization</u>		Balances	Ratios	Cost Rate
5	Short-Term Debt (12 mo. Avg)		\$ 13,683	3.02%	0.54%
6	Long-Term Debt (Simple Avg)		\$ 172,494	38.08%	5.11%
7	Hybrid Securities (Simple Avg)		\$ 9,445	2.08%	7.27%
8	Preferred Stock (Simple Avg)		\$ 4,764	1.05%	8.21%
9	Common Equity (Simple Avg)		\$ 252,634	55.77%	9.00%
10	Total Capitalization	MECO-WP-H-004	\$ 453,019	100.00%	7.22%
11	Line 3 Rate Base Amount			\$ 439,038	
12	Weighted Cost of Debt	Sum lines 5-9		2.1116%	
13	Synchronized Interest Expense			\$ 9,271	
	Income Tax Factor	Note 1		1.8369	
13a	Synchronized Interest Expense, net of tax			\$ 5,663	
14	Post Tax Income Available for Preferred & Common (Line 3 - Line 13a)				\$ 23,573
17	Less: Preferred Income Requirement (Line 8 Weighted Cost times Rate Base)				\$ 379
18	Income Available for Common Stock				\$ 23,194
19	Ratemaking Equity Investment (Line 9 Ratio times Rate Base)				\$ 244,837
20	Return on Equity for Decoupling Earnings Sharing	Line 18/Line 19			9.47%
21	<u>Earnings Sharing Revenue Credits:</u>				
			Basis Points		
22	Achieved ROE (basis points)		947		
23	Authorized Return (basis points)	D&O 30505 in Dkt. No. 2010-0080, filed on June 29, 2012	900		
24	ROE for sharing (basis points)		47		
25	Sharing Grid per RAM Provision		First 100 bp	Next 200 bp	All over 300 bp
26	Distribution of Excess ROE (basis points)		47	0	0
27	Ratepayer Share of Excess Earnings		25%	50%	90%
28	Ratepayer Earnings Share - Basis Points		12	-	-
29	Revenue Credit per Basis Point (Note 2)				44
30	Earnings Sharing Revenue Credits (thousands)				\$ 520,522

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)	\$ 244,837
	Basis Point = 1/100 of a percent	0.01%
	Earnings Required per Basis Point (thousands)	\$ 24.48
	Times: Income Tax Conversion Factor	1.636929121
	Pretax Income Required per Basis Point (thousands)	\$ 40
	Times: Revenue Tax Conversion Factor	1.0975
	Revenue Requirement per Basis Point (thousands)	\$ 44

**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 Subject to GDDPI escalation	MECO-WP-J-001	143,927
2	Gross Domestic Product Price Index (GDPPI)	MECO-WP-C-002	0.011
3	RAM Cap Increase	Line 1 x 2	1,583
4	Adjusted 2014 RAM Revenue Adjustment	MECO-WP-J-001	10,025
5	RAM Cap for 2015 RAM Revenue Adjustment	Line 3 + 4	11,608

Note 1 Target Revenues:

See Decision and Order No. 32735, filed March 31, 2015, paragraph 107, page 94:

"The RAM Cap shall be based on the Target Revenues determined in accordance with the RBA and RAM tariffs as provided below ("Basis"), times the cumulative annually compounded increase(s) in GDPPI for intervening years, adjusted to include applicable revenue taxes."



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

<u>Line No.</u>	<u>Description</u> (a)	<u>Reference</u> (b)	<u>Amount \$000</u> (c)
1	CIS Deferred Cost	Schedule K1	\$ 430.3
2	2015 Revenue Adjustment for Exceptional & Other Matters		<u>\$ 430.3</u>

Note 1    Exceptional and Other Matters:  
See Decision and Order No. 32735, filed March 31, 2015, paragraph 107, page 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 the HECO Companies) and CIS costs (for all of the HECO 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 2015 RAM Rate Base (Note 1)						
Line No.	Description	Reference	Recorded at 12/31/2014	RAM Projected Amounts	Estimated at 12/31/2015	
	(a)	(b)	(e)	(f)	(g)	
1	CIS Def Cost	MECO-WP-D1-001, page 1	\$ 2,428	\$ (233)	\$ 2,195	
2	CIS ADIT - 28400	Note 2	(844)	47	(796)	
3	Total	Line 1 + 2	\$ 1,584	\$ (186)	\$ 1,398	
4	2015 Average Balance				\$ 1,491.3	
5	Change in Rate Base				\$ 1,491.3	
6	Pretax Rate of Return	Schedule D			10.66%	
7	Pretax Return Requirement	Line 5 x 6			\$ 159.0	
8	Revenue Requirement \$00C	Line 7 x 11			\$ 174.5	
9	CIS Amortization	MECO-WP-D1-001, page 1			\$ 233.1	
10	Revenue Requirement \$00C	Line 9 x 11			\$ 255.8	
11	Revenue Tax Factor (1/(1-8.885%))	Schedule D			1.0975	
12	Total Return on/of Investment \$000	Line 8 + 10			\$ 430.3	

Note 1 See Decision and 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 HECO) and CIS costs (for all of the HECO 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.

Note 2 #28400 Customer Information System

	Reference	Federal	State	Total
1	Balance at 12/31/14	(480,010)	(85,341)	(565,351)
2	ADIT adj. to correct prior year nonutility allocation	118,617	24,813	143,430
3	AFUDC ADIT Adjustment	(356,709)	(65,226)	(421,935)
4	Balance at 12/31/14, as adjusted	(718,102)	(125,754)	(843,856)
5	2015 Tax Amortization	(86,800)	(173,600)	
6	State Tax Deduction	10,442		
7	Tax Rate	35.0000%	6.0150%	
8	2015 Deferred Taxes	(26,725)	(10,442)	(37,167)
9	2015 Book Amortization	217,370	217,370	
10	Tax Rate	32.8947%	6.0150%	
11	2015 Deferred Taxes	71,503	13,075	84,578
12	Balance at 12/31/15	(673,324)	(123,122)	(796,446)

Note 2a		Federal	State	Total
	Balance at 12/31/14	(480,010)	(85,341)	(565,351)
	AFUDC ADIT Adjustment	(356,709)	(65,226)	(421,935)
		(836,719)	(150,567)	(987,286)
	Corrected Balance at 12/31/14	(718,102)	(125,755)	(843,857)
	Adjustment to correct ADIT for nonutility allocation--misallocation resulted in an overstatement of ADIT/understatement of rate base.	118,617	24,813	143,430

Note 2b ADIT on originating AFUDC was recorded to AFUDC Debt and Equity in the years incurred. This ADIT was properly included in rate base in the past, but there was no need to separate this until the RAM Cap was instituted. The ADIT is calculated as follows:

	Base	32.89% Federal	6.02% State	Total
AFUDC on CIS deferred costs	(1,084,396)	(356,709)	(65,226)	(421,935)

Note 2c For tax purposes, CIS costs are amortized over 36 month and are fully amortized in 2015.

Maui Electric Company, Ltd.  
2015 - 2016 Revenue and Expense Forecast  
MWH SALES

	2015												2016					Total
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jan	Feb	Mar	Apr	May	
Maui	86,524	90,344	92,792	86,722	93,099	87,409	88,801	89,590	81,091	84,804	81,296	83,895						1,046,367
Lanai	2,231	2,290	2,313	2,232	2,233	2,209	2,165	2,281	2,046	2,243	2,182	2,222						26,647
Molokai	2,268	2,351	2,433	2,388	2,464	2,355	2,390	2,365	2,190	2,302	2,203	2,302						28,011
Total	91,023	94,985	97,538	91,342	97,796	91,973	93,356	94,236	85,327	89,349	85,681	88,419						1,101,025

Source: Maui Electric Company, Ltd. Revenue and Expense forecast completed in May 2014

**Maul Electric Company, Ltd.**  
**Adjustment for Prior Year RBA Accrual**  
**Recovery of December 31, 2012 RBA Balance**

Line			2014				
			January	February	March	April	May
1	Billed RBA Revenues	Note 1	809,311	706,948	713,765	709,476	772,483
2	Net Unbilled Revenues	Note 1	(55,796)	(8,860)	28,515	15,938	(1,342)
3	Total billed + Unbilled		753,514	698,088	742,281	725,414	771,141
4	x % Share for RBA	Note 2	63.05%	63.05%	63.05%	63.05%	63.05%
5	RBA Revenues (Recovery of 12/31/12 RBA balance)		475,091	440,145	468,008	457,374	486,204
6			Schedule B2				
7	Less: Revenue Taxes	0.08885	(42,212)	(39,107)	(41,583)	(40,638)	(43,199)
8	RBA Revenues (Recovery of 12/31/12 RBA balance),		432,879	401,038	426,425	416,736	443,005
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, 2013 - May 31, 2014:

RBA Rate Adjustment effective June 1, 2013	a	0.8071	Transmittal No. 13-01 (Decoupling) - RBA Rate Adjustment (Revised May 14, 2013)
		cents per kWh	
Revenue for RBA Balance	b	5,832,704	Transmittal No. 13-01 (Decoupling) - RBA Rate Adjustment (Revised May 14, 2013)
Revenue for RAM Revenue Adjustment	c	3,417,932	Transmittal No. 13-01 (Decoupling) - RBA Rate Adjustment (Revised May 14, 2013)
Total RBA Revenue Adjustment	d	9,250,636	
Percentage share for RBA Balance	e = b/d	63.05%	Transmittal No. 13-01 (Decoupling) - RBA Rate Adjustment (Revised May 14, 2013)
Percentage share for RAM Revenue Adjustment	f = c/d	36.95%	Transmittal No. 13-01 (Decoupling) - RBA Rate Adjustment (Revised May 14, 2013)
RBA Rate Adjustment for RBA Balance	f = a x e	0.50890826	cents per kWh
RBA Rate Adjustment for RAM Revenue Adjustment	g = a - f	0.29821737	cents per kWh

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

Line			2014						
			June	July	August	September	October	November	December
1	Billed RBA Revenues	Note 1	1,150,003	1,611,655	1,602,414	1,610,739	1,637,242	1,522,265	1,500,482
2	Net Unbilled Revenues	Note 1	357,375	25,883	40,578	(39,776)	31,771	(5,146)	(3,445)
3	Total billed + Unbilled		1,507,378	1,637,537	1,642,992	1,570,964	1,669,013	1,517,119	1,497,037
4	x % Share for RBA	Note 2	53.87%	53.87%	53.87%	53.87%	53.87%	53.87%	53.87%
5	RBA Revenues (Recovery of 12/31/13 RBA balance)		811,977	882,090	885,028	846,229	899,045	817,225	806,407
6			Schedule B2						
7	Less: Revenue Taxes	0.08885	(72,144)	(78,374)	(78,635)	(75,187)	(79,880)	(72,610)	(71,649)
8	RBA Revenues (Recovery of 12/31/13 RBA balance),		739,833	803,716	806,393	771,042	819,165	744,615	734,758
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:

RBA Rate Adjustment effective June 1, 2014	a	1.6239 Transmittal No. 14-05 (Decoupling) - RBA Rate Adjustment (Revised May 14, 2014)
		cents per kWh
Revenue for RBA Balance	b	9,633,348 Transmittal No. 14-05 (Decoupling) - RBA Rate Adjustment (Revised May 14, 2014)
Revenue for RAM Revenue Adjustment	c	8,616,991 Transmittal No. 14-05 (Decoupling) - RBA Rate Adjustment (Revised May 14, 2014)
Earnings Sharing Revenue Credits	d	(366,713) Transmittal No. 14-05 (Decoupling) - RBA Rate Adjustment (Revised May 14, 2014)
Total RBA Revenue Adjustment	e	17,883,626
Percentage share for RBA Balance	f = b/e	53.8669% Transmittal No. 14-05 (Decoupling) - RBA Rate Adjustment (Revised May 14, 2014)
Percentage share for RAM Revenue Adjustment	g = c/e	48.1837% Transmittal No. 14-05 (Decoupling) - RBA Rate Adjustment (Revised May 14, 2014)
Percentage share for Earnings Sharing Revenue Credits	h = d/e	-2.0506% Transmittal No. 14-05 (Decoupling) - RBA Rate Adjustment (Revised May 14, 2014)
RBA Rate Adjustment for RBA Balance	i = a x f	0.87477039 cents per kWh
RBA Rate Adjustment for RAM Revenue Adjustment	j = a x g	0.78247861 cents per kWh
RBA Rate Adjustment for Earnings Sharing Revenue Credits	k = a x h	(0.03329989) cents per kWh

**MECO-WP-B-002**  
**MAUI ELECTRIC COMPANY, LIMITED**  
**JAN 2014 ADJUSTMENT - CORRECTION TO DECEMBER 2013 CALCULATION**

MECO-WP-B-002  
PAGE 1 OF 1

**REVENUE BALANCING ACCOUNT - REVENUE TRACKER**

(a)	(b)	(c)
	<b>Dec-13</b>	<b>Total</b>
<b>AS PREVIOUSLY STATED</b>		
L1 Monthly Target Revenue	\$10,183,458	
L2 Recorded Adjusted Revenue	10,095,600	
L3 = L1 - L2 Target vs. Actual Revenue	87,858	
L4 Reversal of Previous Year Accrual	(455,271)	
L5 = L3 + L4 Net RBA Change	(367,413)	
L6 = prior month L10 Beginning RBA Balance	9,181,370	
L7 = L5 + L6 End Balance Before Interest	8,813,957	
L8 = (L6 + L7) ÷ 2 Balance Subject to Interest	8,997,663	
L9 = L8 x 6% ÷ 12 Interest income/(expense)	44,988	
L10 = L7 + L9 Ending RBA Balance	8,858,945	

Target vs. Actual Difference:		
L11 Recorded Adjusted Revenues - Unadjusted	10,095,600	
L12 Adjustment 1	9,203	9,203
L13 Adjustment 2	2,892	2,892
L14 = L11 + L12 + L13 Revised Recorded Adjusted Revenues	10,107,695	
L15 = L1 Target	10,183,458	
L16 = L15 - L14 Revised RBA adjustment	75,763	

<b>AS REVISED</b>		
	<b>Dec-13</b>	
L17 = L1 Monthly Target Revenue	10,183,458	
L18 = L14 Recorded Adjusted Revenue	10,107,695	
L19 = L17 - L18 Target vs. Actual Revenue	75,763	
L20 Reversal of Previous Year Accrual	(455,271)	
L21 = L19 + L20 Net RBA Change	(379,508)	
L22 = prior month L26 Beginning RBA Balance	9,181,370	
L23 = L21 + L22 End Balance Before Interest	8,801,862	
L24 = (L22 + L23) ÷ 2 Balance Subject to Interest	8,991,616	
L25 = L24 x 6% ÷ 12 Interest income/(expense)	44,958	
L26 = L23 + L25 Ending RBA Balance	8,846,820	
L27 = L19 Revised Adjustment to Revenue	75,763	
L28 = L3 RBA Adjustment Recorded to Revenue	87,858	
L29 = L27 - L28 Adjustment to Revenue	(12,095)	\$ (12,095)
L30 = L25 Revised Interest	44,958	
L31 = L9 Interest Recorded	44,988	
L32 = L30 - L31 Adjustment to Interest	(30)	\$ (30)

Note (1):  
Amounts may not add due to rounding.

Note (2):  
After the December 2013 month close, Maui Electric identified two errors in the calculation of the month's Recorded Adjusted Revenues: (1) The net RBA impact to December for the out of period billing adjustments was a \$4,601 increase to the month's recorded adjusted revenue. However, it was input into the calculation as a decrease, thus resulting in the understatement of the recorded adjusted revenue and an overstatement of the RBA adjustment. The Company quantified the impact to be a \$9,226 (\$9,203 RBA and related interest of \$23) decrease to the RBA balance. (2) The amount of RAM revenue recognized in December related to the billing adjustments was understated by \$2,892, which resulted in an understatement of recorded adjusted revenue in the amount of \$2,899 (\$2,892 of RBA and related interest of \$7). As these amounts totaled \$12,125 and were not material to the financial statements, the adjustment was recorded as January 2014 activity.

MECO-WP-B-003  
MAUI ELECTRIC COMPANY, LIMITED  
MAR 2014 ADJUSTMENT - OUT OF PERIOD BILLING ADJUSTMENT

MECO-WP-B-003  
PAGE 1 OF 1

REVENUE BALANCING ACCOUNT - REVENUE TRACKER

(a)		(b)	(c)	(d)	(e)	(f)	(g)
		Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Total
<b>AS PREVIOUSLY STATED</b>							
L1	Monthly Target Revenue	\$10,258,613	\$10,183,458	\$10,383,870	\$9,206,447	\$10,371,345	
L2	Recorded Adjusted Revenue	9,736,718	10,095,600	9,793,420	9,199,215	9,931,482	
L3 = L1 - L2	Target vs. Actual Revenue	521,895	87,858	590,450	7,232	439,863	
L4	Reversal of Previous Year Accrual	(399,926)	(455,271)	(432,879)	(401,038)	(426,425)	
L5 = L3 + L4	Net RBA Change	121,969	(367,413)	157,571	(393,806)	13,438	
L6 = prior month L10	Beginning RBA Balance	9,013,684	9,112,432	8,780,437	8,982,305	8,632,425	
L7 = L5 + L6	End Balance Before Interest	9,135,653	8,745,019	8,938,008	8,588,498	8,645,863	
L8 = (L6 + L7) + 2	Balance Subject to Interest	9,074,669	8,928,726	8,859,223	8,785,402	8,639,144	
L9 = L8 x 6% + 12	Interest income/(expense)	45,373	44,644	44,296	43,927	8,999	
L10 = L7 + L9	Ending RBA Balance	9,181,027	8,789,663	8,982,305	8,632,425	8,654,863	
L11	Target vs. Actual Adjusted Difference:						
L12 = L2	Recorded Adjusted Revenues - Unadjusted	9,736,718	10,095,600	9,793,420	9,199,215	9,931,482	
L13	Adjustment	(2,934)	(3,727)	(2,988)	(1,786)	792	(10,643)
L14 = L12 + L13	Revised Recorded Adjusted Revenues	9,733,784	10,091,873	9,790,432	9,197,429	9,932,273	
L15 = L1	Target	10,258,613	10,183,458	10,383,870	9,206,447	10,371,345	
L16 = L15 - L14	Revised RBA adjustment	524,829	91,585	593,438	9,018	439,071	
<b>AS REVISED</b>							
L17 = L1	Monthly Target Revenue	\$10,258,613	\$10,183,458	\$10,383,870	\$9,206,447	\$10,371,345	
L18 = L14	Recorded Adjusted Revenue	9,733,784	10,091,873	9,790,432	9,197,429	9,932,273	
L19 = L17 - L18	Target vs. Actual Revenue	524,829	91,585	593,438	9,018	439,071	
L20	Reversal of Previous Year Accrual	(399,926)	(455,271)	(432,879)	(401,038)	(426,425)	
L21 = L19 + L20	Net RBA Change	124,903	(363,686)	160,559	(392,020)	12,646	
L22 = prior month L26	Beginning RBA Balance	9,013,684	9,183,968	8,865,292	9,070,579	8,722,932	
L23 = L21 + L22	End Balance Before Interest	9,138,587	8,820,282	9,025,851	8,678,559	8,735,578	
L24 = (L22 + L23) + 2	Balance Subject to Interest	9,076,135	9,002,125	8,945,572	8,874,569	8,729,255	
L25 = L24 x 6% + 12	Interest income/(expense)	45,381	45,011	44,728	44,373	9,093	
L26 = L23 + L25	Ending RBA Balance	9,183,968	8,865,292	9,070,579	8,722,932	8,744,671	
L27 = L19	Revised Adjustment to Revenue	524,829	91,585	593,438	9,018	439,071	
L28 = L3	RBA Adjustment Recorded to Revenue	521,895	87,858	590,450	7,232	439,863	
L29 = L27 - L28	Adjustment to Revenue	2,934	3,727	2,988	1,786	(792)	\$ 10,643

Note (1):  
Amounts may not add due to rounding.

Note (2):  
In March 2014, the Company recorded an adjustment to the RBA balance related to out of period billing adjustments that were processed in March for revenues related to the periods of October 2013 to March 2014. In March 2014, the Company identified one customer account which was underbilled and one account which was overbilled. The underbilled customer was due to not being able to bill in a timely manner. The overbilled customer was due to a change in rate schedule. The Company quantified the net impact to be an \$10,643 increase to the RBA balance.

MECO-WP-B-004  
MAUI ELECTRIC COMPANY, LIMITED  
MAY 2014 ADJUSTMENT - RBA INTEREST ADJUSTMENT

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-affected Balance Subject to Interest	Interest at 6% or 1.25%/year	Ending Balance
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Monthly RBA Balance and Activity ( Monthly PUC Rpt, Pg. 8A)										
1	2013 December	\$ 9,181,027	\$ 10,183,458	\$ 10,095,600	\$ 87,858	\$ (455,271)	\$ (68,505)	n/a	\$ 44,644	\$ 8,769,063
2	January 2014 Adjustment									\$ (12,125)
3	REVISED 2013 December									\$ 8,777,538
4										
5	2014 January	\$ 8,789,663	\$ 10,383,870	\$ 9,793,420	\$ 590,450	\$ (432,879)	\$ (8,228)	\$ 5,412,099	\$ 27,060	\$ 8,965,098
6	February	\$ 8,965,068	\$ 9,208,447	\$ 9,189,215	\$ 7,232	\$ (401,038)	\$ -	\$ 5,356,472	\$ 26,782	\$ 8,508,044
7	March	\$ 8,508,044	\$ 10,371,345	\$ 9,931,482	\$ 439,863	\$ (426,425)	\$ 10,643	\$ 5,263,152	\$ 5,482	\$ 8,827,808
8	April	\$ 8,827,808	\$ 9,870,313	\$ 9,675,102	\$ 195,211	\$ (416,741)	\$ -	\$ 5,202,939	\$ 5,420	\$ 8,411,497
9	May	\$ -	\$ 10,498,802	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	June	\$ -	\$ 11,050,688	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	July	\$ -	\$ 11,518,376	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	August	\$ -	\$ 11,687,191	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	September	\$ -	\$ 10,830,130	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	October	\$ -	\$ 11,401,504	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	November	\$ -	\$ 10,635,343	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	December	\$ -	\$ 10,557,429	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
								01/14 - 04/14 RBA Interest Revised	\$ 64,744	
								01/14 - 04/14 RBA Interest Recorded	\$ 106,145	MECO-WP-B-004 (Page 2 of 2)
								RBA Interest Adjustment	\$ (41,401)	
								Adj. to true up ending April RBA Balance	\$ (4)	
								RBA Interest Adjustment	\$ (41,405)	

Note (1)

In connection with Decision and Order No. 31908 on Schedule A of the Decoupling Investigation, issued on February 7, 2014, the Company received approval on April 28, 2014 from the Internal Revenue Service to change its tax treatment of RBA revenues from the book accrual method of revenue balancing account ("RBA") revenue recognition to a recognition method based on when rates are adjusted and revenues are collected, effective January 1, 2014. Accordingly, in May 2014, the Company made an adjustment of <\$41,405> to the RBA balance for the interest on a net-of-income tax RBA balance for the period January 1 - April 30, 2014. Starting with May 2014, Schedule B has been updated to calculate interest based on a net-of-income tax RBA balance. The amount of the interest adjustment was also filed with the Public Utilities Commission on May 19, 2014 as part of "Docket No. 2013-0141 - Decoupling Investigation - Hawaiian Electric Companies' Report on the Progress of Investigating the Tax Treatment of the Decoupling Revenue Included in the RBA Balance".



MECO-WP-B-0004  
MAUI ELECTRIC COMPANY, LIMITED  
MAY 2014 ADJUSTMENT - RBA INTEREST ADJUSTMENT

MECO-WP-B-004  
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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	Interest at 8% or 1.25%/year	Adjustment for prior year RBA recovery	Adjustment	Ending Balance
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Monthly RBA Balance and Activity ( Monthly PUC Rpt., Pg 9A)									
1	2013 December	\$ 9,181,027	\$ 10,183,458	\$ 10,095,600	\$ 87,858	\$ 44,644	\$ (455,271)	\$ (68,595)	\$ 8,789,663
2	January 2014 Adjustments								\$ (12,125)
3	REVISED 2013 December								<b>\$ 8,777,538</b>
4									
5	2014 January	\$ 8,789,663	\$ 10,383,870	\$ 9,793,420	\$ 590,450	\$ 44,296	\$ (432,879)	\$ (9,228)	\$ 8,982,304
6	February	\$ 8,982,304	\$ 9,208,447	\$ 9,198,215	\$ 7,232	\$ 43,927	\$ (401,038)	\$ -	\$ 8,632,425
7	March	\$ 8,632,425	\$ 10,371,345	\$ 9,931,482	\$ 439,863	\$ 9,010	\$ (426,425)	\$ 10,643	\$ 8,665,517
8	April	\$ 8,665,517	\$ 9,870,313	\$ 9,675,102	\$ 195,211	\$ 8,911	\$ (416,738)	\$ -	\$ 8,452,903
9	May	\$ -	\$ 10,498,602	\$ -	\$ 10,498,602	\$ 5,467	\$ -	\$ -	\$ 10,502,069
10	June	\$ -	\$ 11,050,888	\$ -	\$ 11,050,888	\$ 5,756	\$ -	\$ -	\$ 11,056,844
11	July	\$ -	\$ 11,518,376	\$ -	\$ 11,518,376	\$ 5,999	\$ -	\$ -	\$ 11,524,375
12	August	\$ -	\$ 11,687,191	\$ -	\$ 11,687,191	\$ 6,087	\$ -	\$ -	\$ 11,693,278
13	September	\$ -	\$ 10,830,130	\$ -	\$ 10,830,130	\$ 5,641	\$ -	\$ -	\$ 10,835,771
14	October	\$ -	\$ 11,401,504	\$ -	\$ 11,401,504	\$ 5,938	\$ -	\$ -	\$ 11,407,442
15	November	\$ -	\$ 10,635,343	\$ -	\$ 10,635,343	\$ 5,539	\$ -	\$ -	\$ 10,640,882
16	December	\$ -	\$ 10,557,429	\$ -	\$ 10,557,429	\$ 5,499	\$ -	\$ -	\$ 10,562,928

01/14-04/14 RBA Interest Recorded \$ 106,145 MECO-WP-B-004 (Page 1 of 2)

MECO-WP-B-005  
MAUI ELECTRIC COMPANY, LIMITED  
JULY 2014 ADJUSTMENT - RBA BALANCE CORRECTION

MECO-WP-B-005  
PAGE 1 OF 1

REVENUE BALANCING ACCOUNT - REVENUE TRACKER

(a)		(b)	(c)	(d)	(f)
		Nov-13	Dec-13	Jan-14	Total
<b>AS PREVIOUSLY STATED</b>					
L1	Monthly Target Revenue	\$10,258,613	\$10,183,458	\$10,383,870	
L2	Recorded Adjusted Revenue	9,733,784	10,091,873	9,790,432	
L3 = L1 - L2	Target vs. Actual Revenue	524,829	91,585	593,438	
L4	Reversal of Previous Year Accrual	(399,926)	(455,271)	(432,879)	
L5 = L3 + L4	Net RBA Change	124,903	(363,686)	160,559	
L6 = prior month L10	Beginning RBA Balance	9,013,684	9,183,969	8,865,293	
L7 = L5 + L6	End Balance Before Interest	9,138,587	8,820,283	9,025,852	
L8 = (L6 + L7) ÷ 2	Balance Subject to Interest	9,076,135	9,002,126	8,945,573	
L9 = L8 x 6% ÷ 12	Interest income/(expense)	45,381	45,011	44,728	
L10 = L7 + L9	Ending RBA Balance	9,183,969	8,865,293	9,070,580	
L11	Target vs. Actual Adjusted Difference:				
L12 = L2	Recorded Adjusted Revenues - Unadjusted	9,733,784	10,091,873	9,790,432	
L13	Adjustment	-	1,332	616	1,948
L14 = L12 + L13	Revised Recorded Adjusted Revenues	9,733,784	10,093,205	9,791,048	
L15 = L1	Target	10,258,613	10,183,458	10,383,870	
L16 = L15 - L14	Revised RBA adjustment	524,829	90,253	592,822	
<b>AS REVISED</b>					
L17 = L1	Monthly Target Revenue	\$10,258,613	\$10,183,458	\$10,383,870	
L18 = L14	Recorded Adjusted Revenue	9,733,784	10,093,205	9,791,048	
L19 = L17 - L18	Target vs. Actual Revenue	524,829	90,253	592,822	
L20	Reversal of Previous Year Accrual	(399,926)	(455,271)	(432,879)	
L21 = L19 + L20	Net RBA Change	124,903	(365,018)	159,943	
L22 = prior month L26	Beginning RBA Balance	9,013,684	9,183,968	8,863,957	
L23 = L21 + L22	End Balance Before Interest	9,138,587	8,818,950	9,023,900	
L24 = (L22 + L23) ÷ 2	Balance Subject to Interest	9,076,135	9,001,459	8,943,929	
L25 = L24 x 6% ÷ 12	Interest income/(expense)	45,381	45,007	44,720	
L26 = L23 + L25	Ending RBA Balance	9,183,968	8,863,957	9,068,620	
L27 = L19	Revised Adjustment to Revenue	524,829	90,253	592,822	
L28 = L3	RBA Adjustment Recorded to Revenue	524,829	91,585	593,438	
L29 = L27 - L28	Adjustment to Revenue	-	(1,332)	(616)	\$ (1,948)

Note (1):  
Amounts may not add due to rounding.

Note (2):  
In July 2014, the Company recorded an adjustment to the RBA balance related to the two out of period billing adjustments recorded in March 2014. In determining the billing adjustment in March, the Company used an incorrect multiplier and incorrect energy usage in recalculating the customer's bill. This adjustment is to correct for this error.

**MECO-WP-B-006**  
**MAUI ELECTRIC COMPANY, LIMITED**  
**SEP 2014 ADJUSTMENT - RBA BALANCE CORRECTION**

**MECO-WP-B-006**  
**PAGE 1 OF 1**

**REVENUE BALANCING ACCOUNT - REVENUE TRACKER**

(a)		(b)	(l)
		<b>Aug-14</b>	<b>Total</b>
<b>AS PREVIOUSLY STATED</b>			
L1	Monthly Target Revenue	\$11,687,191	
L2	Recorded Adjusted Revenue	11,006,364	
L3 = L1 - L2	Target vs. Actual Revenue	680,827	
L4	Reversal of Previous Year Accrual	(806,393)	
L5 = L3 + L4	Net RBA Change	(125,566)	
L6 = prior month L10	Beginning RBA Balance	8,302,970	
L7 = L5 + L6	End Balance Before Interest	8,177,404	
L8 = (L6 + L7) ÷ 2	Balance Subject to Interest	5,033,930	
L9 = L8 x 6% ÷ 12	Interest income/(expense)	5,244	
L10 = L7 + L9	Ending RBA Balance	8,182,649	
L11	Target vs. Actual Adjusted Difference:		
L12 = L2	Recorded Adjusted Revenues - Unadjusted	11,006,364	
L13	Adjustment	(90)	(90)
L14 = L12 + L13	Revised Recorded Adjusted Revenues	11,006,274	
L15 = L1	Target	11,687,191	
L16 = L15 - L14	Revised RBA adjustment	680,917	
<b>AS REVISED</b>		<b>Aug-14</b>	
L17 = L1	Monthly Target Revenue	\$11,687,191	
L18 = L14	Recorded Adjusted Revenue	11,006,274	
L19 = L17 - L18	Target vs. Actual Revenue	680,917	
L20	Reversal of Previous Year Accrual	(806,393)	
L21 = L19 + L20	Net RBA Change	(125,476)	
L22 = prior month L26	Beginning RBA Balance	8,302,970	
L23 = L21 + L22	End Balance Before Interest	8,177,494	
L24 = (L22 + L23) ÷ 2	Balance Subject to Interest	5,033,958	
L25 = L24 x 6% ÷ 12	Interest income/(expense)	5,244	
L26 = L23 + L25	Ending RBA Balance	8,182,738	
L27 = L19	Revised Adjustment to Revenue	680,917	
L28 = L3	RBA Adjustment Recorded to Revenue	680,827	
L29 = L27 - L28	Adjustment to Revenue	90	\$ 90

Note (1):  
Amounts may not add due to rounding.

Note (2):  
In September 2014, the Company determined the RBA balance was overstated by \$90 due to a miscalculation of the August 2014 ECAC surcharge RBA adjustment. This adjustment is to correct for this error.

Maui Electric Company, Ltd.

Bargaining Unit Wage Increase per Collective Bargaining Agreements - Effective January 1, 2011 and July 1, 2013

Wage Increases:		1/1/2011	1.75%	(Note 1)	
(non-compounded)		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)	
<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%

(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, 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®

**Top Analysts' Forecasts of the U.S. Economic Outlook for the Year Ahead**  
**Vol. 40, No.2, February 10, 2015**

## 2 ■ BLUE CHIP ECONOMIC INDICATORS ■ FEBRUARY 10, 2015

## 2015 Real GDP Forecast Unchanged At 3.2%

FEBRUARY 2015 Forecast For 2015 SOURCE	Percent Change 2015 From 2014 (Full Year-Over-Prior Year)										Average For 2015			Total Units-2015		2015
	1	2	3	4	5	6	7	8	9		10	11	12	13	14	15
	Real GDP (Chained (2009\$) Index	GDP Price (Cur.\$) Index	Nominal GDP (Cur.\$) Index	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.)	Net Exports (2009\$)
Moody's Analytics	3.7 H	1.4	5.1	1.1	2.8 L	3.8	3.8 H	5.7	14.8 H		0.2	2.9 H	5.3	1.43 H	16.8	-473.3
Societe Generale	3.7 H	1.3	5.0	0.0	na	4.2	3.6	5.5	6.3		0.4	2.3	5.3	1.20	17.6	-470.7
Naroff Economic Advisors*	3.6	2.1 H	5.8 H	0.9	4.3	3.0	3.5	7.2	4.3		0.4	2.6	5.3	1.16	16.9	-495.0
BNP Paribas North America	3.5	na	na	0.1	4.9	4.2	3.4	6.4	5.7		na	2.7	5.3	1.20	na	-452.0
PNC Financial Services Group	3.5	1.0	4.5	1.0	3.9	3.1	3.0	5.3	na		0.5	2.3	5.3	1.09	17.1	-437.3
Economist Intelligence Unit	3.4	1.6	5.0	1.5 H	3.2	2.9	2.8	5.6	na		0.4	2.6	5.4	1.20	16.8	-472.0
ACT Research	3.3	1.2	4.5	0.1	4.1	2.5 L	3.2	5.8	na		0.6	2.5	5.5	1.15	17.0	-465.9
Bank of America Merrill Lynch	3.3	0.3	3.7	-0.3	4.4	na	3.7	5.2	na		0.2	2.3	5.3	1.17	17.3	-495.2
Credit Suisse	3.3	0.9	4.2	0.4	5.2 H	na	3.4	4.5	7.0		na	2.5	5.3	1.05	na	-462.5
DuPont***	3.3	1.0	4.3	0.0	4.1	3.4	3.6	4.5	-1.9 L		0.4	2.1	5.5	1.15	17.0	-469.5
Fannie Mae	3.3	1.3	4.6	0.6	4.1	3.1	3.3	4.7	9.6		0.4	2.0	5.4	1.16	16.4 L	-444.5
General Motors	3.3	1.3	4.6	0.5	3.8	3.5	3.5	5.8	7.0		0.2	2.5	5.3	1.18	na	-467.0
Goldman Sachs & Co.**	3.3	0.6	4.0	0.0	4.1	3.0	3.5	4.4	na		0.3	2.6	5.4	1.17	na	-465.4
High Frequency Economics	3.3	0.9	4.2	0.7	4.5	4.0	3.6	4.1	3.0		0.8 H	2.6	5.2	1.13	17.2	-484.9
Morgan Stanley*	3.3	0.8	4.1	-0.2	3.6	3.3	3.4	4.5	8.0		0.0 L	2.7	5.3	1.22	17.1	-460.2
MUFG Union Bank	3.3	1.8	5.1	1.1	4.1	na	3.4	7.7 H	7.0		0.3	2.6	5.2	1.20	16.9	-470.0
National Assn. of Home Builders	3.3	1.2	4.5	0.8	4.7	2.7	3.0	4.8	na		0.5	2.2	5.6	1.17	16.7	-445.0
Northern Trust Company*	3.3	0.8	4.1	0.6	3.2	3.1	3.6	5.4	na		0.3	2.5	5.5	1.20	16.9	-496.6
Standard & Poors Corp.*	3.3	1.7	5.0	1.0	4.3	4.0	3.3	5.5	9.4		0.3	2.5	5.5	1.20	17.0	na
Swiss Re	3.3	-0.2 L	3.1 L	-0.3	3.8	3.1	3.4	5.7	7.7		0.7	2.4	5.3	1.18	16.7	-477.5
Turning Points (Micrometrics)	3.3	1.3	4.6	0.4	3.3	3.0	3.0	4.7	11.4		0.1	2.7	5.6	1.16	16.7	-454.3
U.S. Chamber of Commerce	3.3	0.7	4.1	0.6	4.1	2.7	3.7	5.5	6.6		0.3	2.2	5.4	1.10	na	-500.6
UCLA Business Forecasting Proj.*	3.3	1.0	4.3	1.0	3.3	2.8	3.5	5.5	12.5		0.5	2.4	5.4	1.21	17.0	-447.8
Comerica	3.2	1.2	4.4	0.4	4.5	4.3 H	2.5 L	7.4	na		0.3	2.5	5.2	1.09	17.1	-434.0
Ford Motor Company*	3.2	1.4	4.6	0.6	3.8	3.6	3.6	5.2	na		0.6	2.7	5.4	1.19	na	-478.5
J P Morgan Chase	3.2	0.9	4.1	-0.5	3.8	4.0	3.7	5.5	0.8		na	2.2	5.4	1.10	16.8	-507.3
MacroFin Analytics	3.2	1.1	4.3	0.9	4.6	2.8	3.2	4.9	7.4		0.3	2.2	5.6	1.15	16.6	-462.5
National Assn. of Realtors	3.2	1.5	4.8	1.0	4.0	2.8	3.0	4.7	7.5		0.5	2.3	5.7 H	1.21	16.9	-472.5
Nomura Securities	3.2	1.3	4.4	-0.3	4.1	3.2	3.6	4.0	na		0.5	2.3	5.3	1.12	16.7	-516.3
RDO Economics	3.2	0.6	3.9	0.0	4.2	3.1	3.4	5.7	9.2		0.6	2.6	5.2	1.10	17.0	-496.0
Wells Capital Management	3.2	1.5	4.8	0.4	4.1	3.5	3.6	3.9	5.3		0.5	2.0	5.6	1.13	16.7	-480.3
AIG	3.1	1.3	4.5	0.6	3.7	3.5	3.3	4.7	7.3		0.3	2.1	5.4	1.21	17.0	-405.6 H
BMO Capital Markets*	3.1	1.1	4.2	0.2	4.0	3.8	3.5	3.5 L	3.6		0.1	1.9 L	5.3	1.22	17.0	-512.0
FedEx Corporation	3.1	1.2	4.3	0.5	3.9	3.0	3.2	5.4	5.0		0.3	2.3	5.4	1.12	17.0	-482.9
Inform - Univ. of Maryland	3.1	1.1	4.3	0.6	4.0	3.0	3.0	5.9	6.9		0.3	2.6	5.5	1.17	16.9	-452.4
Macroeconomic Advisers, LLC**	3.1	1.2	4.4	0.4	4.1	3.7	3.7	4.7	5.5		0.2	2.1	5.4	1.13	16.9	-499.0
Mesirow Financial	3.1	1.2	4.4	0.4	4.3	3.7	3.7	5.0	6.0		0.2	2.1	5.2	1.15	18.2 H	-490.3
Oxford Economics	3.1	1.2	4.3	0.3	3.7	3.2	3.3	4.8	8.0		0.1	2.0	5.5	1.20	16.9	-440.9
Action Economics	3.0	1.1	4.1	0.0	4.3	3.9	3.6	4.5	6.5		0.4	2.0	5.4	1.10	17.0	-501.6
Amherst Pierpont Securities	3.0	1.4	4.4	0.2	4.2	3.4	3.0	5.0	6.0		0.6	2.9 H	5.4	1.16	16.7	-463.0
Barclays*	3.0	0.9	4.0	-0.1	3.5	na	3.1	5.9	na		na	2.0	5.3	1.18	na	-497.3
Daiwa Capital Markets America	3.0	1.1	4.1	0.2	4.1	3.2	3.3	5.9	4.6		0.5	2.3	5.5	1.08	16.8	-524.0
Eaton Corporation	3.0	1.3	4.4	1.1	3.5	2.8	3.0	5.4	5.8		0.3	2.4	5.5	1.17	16.7	-451.7
Georgia State University*	3.0	1.2	4.2	0.5	3.3	3.1	3.3	4.3	7.5		0.3	2.1	5.5	1.12	16.5	-476.1
IHS Global Insight	3.0	1.5	4.3	-0.6 L	na	3.5	3.5	4.3	6.9		0.4	2.3	5.6	1.18	16.9	-542.8 L
Moody's Capital Markets	3.0	1.0	4.0	0.6	3.4	3.1	3.0	3.8	2.3		0.3	2.4	5.6	1.15	16.8	-453.0
SOM Economics, Inc.	3.0	1.2	4.3	0.1	3.9	3.4	2.6	5.9	4.0		0.3	2.1	5.3	1.12	17.2	-443.0
UBS	3.0	1.1	4.1	-0.1	3.4	3.1	3.2	5.2	na		0.6	2.0	5.6	1.25	na	-495.6
Conference Board*	2.9	0.8	3.7	0.0	3.5	3.1	3.2	4.7	2.1		0.4	2.2	5.4	1.16	16.9	-488.8
Econoclast	2.9	1.3	4.2	1.3	3.7	3.2	3.0	3.9	4.5		0.3	2.2	5.4	1.16	16.8	-502.0
RBS	2.9	1.2	4.1	0.2	3.6	3.5	3.2	4.4	8.0		0.2	2.5	5.5	1.12	16.8	-495.0
RBC Capital Markets	2.8 L	0.8	3.7	0.1	3.8	na	2.7	4.3	na		0.4	2.6	5.1 L	1.04 L	16.9	-448.0
Wells Fargo	2.8 L	1.1	3.9	0.4	4.3	3.0	3.3	5.4	4.0		0.6	2.2	5.5	1.17	17.1	-507.2
<b>2015 Consensus: Feb. Avg.</b>	<b>3.2</b>	<b>1.1</b>	<b>4.3</b>	<b>0.4</b>	<b>3.9</b>	<b>3.3</b>	<b>3.3</b>	<b>5.1</b>	<b>6.3</b>		<b>0.4</b>	<b>2.4</b>	<b>5.4</b>	<b>1.16</b>	<b>16.9</b>	<b>-475.5</b>
Top 10 Avg.	3.5	1.6	5.0	1.1	4.6	4.0	3.7	6.4	9.9		0.6	2.7	5.6	1.23	17.3	-439.8
Bottom 10 Avg.	2.9	0.6	3.8	-0.2	3.3	2.8	2.9	4.1	2.7		0.1	2.0	5.2	1.09	16.6	-511.3
January Avg.	3.2	1.5	4.7	0.8	3.8	3.1	3.0	5.9	7.0		0.4	2.7	5.5	1.17	16.9	-457.3
Historical data: 2011	1.6	2.1	3.7	3.2	3.3	2.5	2.3	7.7	4.0		0.1	2.8	9.0	0.61	12.7	-459.4
2012	2.3	1.8	4.2	2.1	3.8	3.0	1.8	7.2	11.3		0.1	1.8	8.1	0.78	14.4	-452.5
2013	2.2	1.5	3.7	1.5	2.9	-0.2	2.4	3.0	4.2		0.1	2.4	7.4	0.92	15.5	-420.4
2014	2.4	1.5	3.9	1.6	4.2	2.4	2.5	6.1	na		0.0	2.5	6.2	1.01	16.4	-452.6
Number Of Forecasts Changed From A Month Ago:																
Down	23	46	42	49	11	4	2	34	20		15	48	26	14	11	44
Same	14	4	4	3	11	7	5	10	11		28	4	23	26	22	3
Up	16	2	6	1	29	37	46	9	7		5	0	4	13	12	5
February Median	3.2	1.2	4.3	0.4	4.0	3.2	3.3	5.2	6.6		0.3	2.3	5.4	1.16	16.9	-472.9
February Diffusion Index	43%	8%	15%	5%	68%	84%	92%	26%	33%		40%	4%	29%	49%	51%	13%

\*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**  
**EXHIBIT A**

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3%

*3%*

(2.91%)

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
CL8	METER READER												
	1st 3 mos.	20.83	$\times 1.03 =$	21.45	$\times 1.0291 =$	22.07		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 (MAALAEAE)												
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 (MAALAEAE)												
		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		34.82	
	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, Ltd.**  
**CIS in 2015 RAM Calculations**  
**Summary**  
(\$ in 000's)

Line	Description	Rate Base CIS Deferred Costs		Rate Base CIS Deferred Costs	
		Recoverable at 12/31/14	2015 Amortization (12 months) (Note 3)	Recoverable at 12/31/15	
1	CIS Deferred Cost (Note 1)	\$ 6,293	(606)	\$ 5,687	
2	CIS Deferred O&M Reclass (Note 1)	493	(47)	445	
3	Carrying charges (Note 2)	403	(38)	364	
4	Write-Off (Note 2)	(4,761)	458	(4,302)	
5 = sum 1 - 4	CIS deferred costs recoverable	2,428	(233)	2,195	

- (1) See Exhibit B, Attachment 2, page 3 of the CIS Project Final Cost Report that filed on April 1, 2013, in Docket No. 04-0268.
- (2) See Exhibit 2, p.1, of the 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.
- (3) Amortized over 12 years, per Exhibit 1, page 2 of 3, footnote 1 of the 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. Refer to CIS Amortization schedule included.



**Maui Electric Company, Ltd.  
CIS in 2015 RAM Calculations  
CIS Amortization Schedule**

		CIS Final Cost - Amort (Rate Base Impact)			Rounded (\$ in 000's)
Amort. Period		144 months			
Reg Asset Balance					
Bal. 5/2013		<u>2,797,191</u>			
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		

2015 Amortization  
(233,099)

**Maui Electric Company, Ltd.**  
**CIS in 2015 RAM Calculations**  
**CIS Amortization Schedule (continued)**

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		CIS Final Cost -		
		Amort		Rounded (\$ in 000's)
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	
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	1,729
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	

**Maui Electric Company, Ltd.**  
**CIS in 2015 RAM Calculations**  
**CIS Amortization Schedule (continued)**

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		CIS Final Cost -		
		Amort		Rounded (\$ in 000's)
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	
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	

**Maui Electric Company, Ltd.**  
**CIS in 2015 RAM Calculations**  
**CIS Amortization Schedule (continued)**

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		CIS Final Cost -		
		Amort		Rounded (\$ in 000's)
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

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/P	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	1,728,682
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.  
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Estimated Book Depreciation  
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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

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

			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	128,807
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

Maui Electric Company, Ltd.  
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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, LTD.  
DEFERRED INCOME TAXES

Line No.	DR(CR) LIAB	Description	DR(CR) FEDERAL DEF TAX	DR(CR) STATE DEF TAX	Note 1 DR(CR) TOTAL DEF TAX
			12/31/2014	12/31/2014	12/31/2014
1	28310	Rate Case Costs	(87,283)	(12,305)	(79,588)
2	28311	Rev Bond Diff	(688,361)	(137,720)	(806,081)
3	28312	Prepaid Expenses	(289,157)	(52,874)	(342,031)
4	28313	Uncoll Accts	70,780	12,943	83,723
5	28314	Computer Software Costs	4,433	(575)	3,858
6	28315	Cost of Removal	(18,009,623)	(2,926,134)	(18,935,757)
7	28316	Disc Wkrs Cmp	247,549	45,266	292,815
8	28318	Pension Cst - Book Expense	13,220,038	2,417,371	15,637,409
9	28318	Pension Cst - Tax Deduction	(14,272,572)	(2,609,841)	(16,882,413)
10	28318	Pension Cst - Excess (non-qual)	(1,669)	(304)	(1,973)
11	28318	Pension Tracking	(3,036,695)	(555,282)	(3,591,977)
12	28319	Cap Items Chg	(15,080)	(2,757)	(17,837)
13	28323	Cap Int	1,974,783	484,253	2,459,036
14	28324	CIAC	12,280,577	3,227,795	15,508,372
15	28325	Cust Adv	739,348	135,193	874,539
16	28326	Int IRS Adj	75,501	(4,243)	71,258
17	28327	Exec Incen Comp	143,217	42,838	185,855
18	28327	Exec Incen Comp \$481(a) adj.	81,843	11,308	73,151
19	28328	Vacation Accrual	(85,562)	(20,246)	(105,808)
20	28331	CWIP Debt Transition	(48,156)	(8,440)	(54,596)
21	28332	CWIP Equity Transition	(135,920)	(24,854)	(160,774)
22	28333	Plant Trans (AFUDC)	(252,086)	(46,006)	(298,182)
23	28334	FAS 109 Flow Through	(585)	(107)	(692)
24	28335	CWIP Equity Net	(4,195,029)	(767,091)	(4,962,120)
25	28336	CWIP Debt	(2,054,481)	(375,876)	(2,430,157)
26	28337	CWIP Equity Gross-Up	(2,672,071)	(488,808)	(3,160,679)
27	28338	Reg Liab Fed ITC	182,976	29,802	192,778
28	28339	OPEB - Book Expense	7,286,109	1,332,313	8,618,422
29	28339	OPEB - Tax Deduction	(7,244,085)	(1,324,632)	(8,568,717)
30	28339	OPEB - Exec. Life	534,594	87,755	632,349
31	28339	OPEB - Exec. Life Tax Deduction	(28,464)	(5,205)	(33,669)
32	28339	OPEB Tracking	429,683	78,570	508,253
33	28340	IRP/DSM Costs	(297,388)	(70,427)	(367,815)
34	28342	Deficit Def Tax	8,604	1,573	10,177
35	28343	Gen Liab Reserve	1,290,180	235,917	1,528,097
36	28344	G/L on ACRS Retirals	(1,852,351)	(342,193)	(2,194,544)
37	28400	Customer Information System	(480,010)	(85,341)	(565,351)
38	28404	Emission Fees Accrued	150,289	27,482	177,771
39	28405	Hawaii R&D Credit	748	137	885
40	28407	Oil Spill Clean-Up	-	-	-
41	28408	Legal Fees Deferred for Tax	109,020	19,936	128,956
42	28408	Percentage Repair Allowance	(525,190)	(208,145)	(733,335)
43	28409	BPI Costs	(5,241)	(961)	(6,202)
44	28410	QUIPS Amortization	(111,018)	(20,300)	(131,318)
45	28412	Sun Power for Schools	(3,076)	(562)	(3,638)
46	28413	Other	28,724	(3)	28,721
47	28414	Deferred Comp-Restricted Stock	9,118	1,669	10,787
48	28415	FIN 48 Interest	-	-	-
49	28416	FIN 48 Tax	(2)	3	1
50	28417	SFAS 158 - AOCI	-	-	-
51	28418	Manele Bay CHP Lease	154,968	28,337	183,303
52	28419	HR Suite	(268,247)	(48,686)	(314,933)
53	28420	Solar Saver Program	72,891	13,330	86,221
54	28421	Reg Liab Fed Energy Credits	(29,886)	(5,459)	(35,325)
55	28477	State Energy Tax Credits	16,153	2,955	19,108
56	28478	Repairs Deduction	(16,091,825)	(3,243,131)	(19,334,956)
57	28479	CHP Direct Lease vs. Book Depr.	21,500	3,931	25,431
58	28480	Reg Asset/Liability - SFAS 109	178,856	32,705	211,561
59	28481	Charitable Contribution NOL	11,274	-	11,274
60	28482	Budget System	(88,703)	(15,890)	(104,593)
61	28483	ERP/EAM Replacement Costs	114,921	21,015	135,936
62	28484	IVR Project	116,532	28,227	144,759
63	28486	Power Plant Project Costs	-	-	-
64	28487	Franchise Tax Liability	318,689	58,275	376,964
65	28487	Capital Loss Limited	4,370	488	4,858
66	28488	2011 NOL Benefit not Utilized	8,909,098	-	8,909,098
67	28488	2012 NOL Benefit not Utilized	2,588,445	-	2,588,445
68	28489	Reserve for Reg. Liability Refund	42,337	8,145	50,482
69	28490	RBA Revenue	(2,233,401)	(408,383)	(2,641,784)
70	28491	R&D Tax Credit limited	28,486	-	28,486
71	ACCOUNT 283, excluding state ITC		(21,852,585)	(5,433,149)	(27,085,734)
72	28309	State ITC	4,643,866	849,164	5,493,030
73	TOTAL ACCOUNT 283000		(17,008,719)	(4,583,985)	(21,592,704)
74	28210000	Accelerated Depreciation	(48,896,116)	(3,250,222)	(52,146,338)
75	28210100	Accel. Depr. - Excess	-	-	-
76	28210200	Accel. Depr. - Deficit	2	(1)	1
77	TOTAL ACCOUNT 282		(48,896,114)	(3,250,223)	(52,146,337)
78	TOTAL DEF INCOME TAX - UTILITY		(65,904,833)	(7,834,208)	(73,739,041)

Line No.	DR(CR) LIAB	Description	DR(CR)	DR(CR)	Note 1
			FEDERAL	STATE	DR(CR)
			DEF TAX	DEF TAX	TOTAL
			12/31/2014	12/31/2014	12/31/2014
79	<b>RATE BASE CALCULATION</b>				
80	Total 283 Deferred Tax		(17,008,719)	(4,583,985)	(21,592,704)
81	Less:				
82	28326	Int IRS Adj	75,501.00	(4,243.00)	71,258
83	28327	Exec Incen Comp	143,217.00	42,638.00	185,855
84	28327	Exec Incen Comp \$481(a) adj.	61,843.00	11,308.00	73,151
85	28328	Vacation Accrual	(85,582.00)	(20,248.00)	(105,808)
86	28313	Uncoll Accts Allow	70,780.00	12,943.00	83,723
87	28316	Disc Wkrs Crp	247,549.00	45,266.00	292,815
88	28343	Gen Liab Reserve	1,290,180.00	235,917.00	1,526,097
89	28318	Pensn Cst (nonqual)	(1,669.00)	(304.00)	(1,973)
90	28310	Rate Case Costs Excluded as of TY2010	-	-	-
91	28339	OPEB Exec Life	506,130.00	82,550.00	598,680
92	28340	IRP/DSM Costs	(297,388.00)	(70,427.00)	(367,815)
93	28400	CIS Carrying Costs at Full Debt rate	(41,605)	(7,608)	(49,213)
94	28407	Fuel/Oil Spill Liab Reserve	-	-	-
95	28414	Deferred Comp-Restricted Stock	9,118.00	1,669.00	10,787
96	28415	FIN 48 Interest	-	-	-
97	28418	FIN 48 Tax	(2.00)	3.00	1
98	28416	SFAS 158 - AOCI	-	-	-
99	28483	ERP EAM Project	114,921.00	21,015.00	135,936
100	28484	IVR Project	118,532.00	28,227.00	144,759
101	28486	Unbilled Franchise Tax	318,689.00	58,275.00	376,964
102	28490	RBA Revenue	(2,233,401.00)	(408,393.00)	(2,641,794)
103	28488	NOL Carryforward (Note 1)	11,497,543.00	-	11,497,543
104			<u>11,792,376</u>	<u>38,590</u>	<u>11,830,966</u>
105	Total 283 Deferred Taxes for Rate Base		(28,801,095)	(4,622,575)	(33,423,670)
106	Total 282 Deferred Taxes for Rate Base		<u>(48,696,114)</u>	<u>(3,250,223)</u>	<u>(52,146,337)</u>
107	Total Deferred Tax for Rate Base		<u>(77,697,209)</u>	<u>(7,872,798)</u>	<u>(85,570,007)</u>

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 agreed to an adjustment to increase ADIT in consideration of the need for a quick resolution of the 2013 decoupling proceeding and the precedential nature of this ADIT item. For the current decoupling proceeding, Maui Electric has excluded this item in arriving at Other Deferred Income Taxes. Again, the adjustment is a general concession to the ADIT balance and Maui Electric does not concede to the CA's position.

**MAUI ELECTRIC COMPANY, LTD.**  
**ADIT Relating to CIS Adjustments for Carrying Costs**  
**2014**

+ = addback  
 - = deduct

	Add'l Debt	32.8947% Def Fed	6.0150% Def State	Total Def Tax
2012 (1)	113,472	37,326	6,825	44,151
2013				
CIS interest (5/12 - 5/13) (1)	32,234	10,603	1,939	12,542
CIS amort beg 6/13	(7,083)	(2,330)	(426)	(2,756)
Total CIS	25,151	8,273	1,513	9,786
Balance as of 12/31/13	138,623	45,599	8,338	53,937
2014 Amortization	(12,142)	(3,994)	(730)	(4,724)
Balance as of 12/31/14	126,481	41,605	7,608	49,213

MECO-WP-D4-001

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.

**NOTES:**

- (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.

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



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  
2015

			A	B	C = A x B	D = A - C
	MECO-WP- F1-002 5-Year			MECO-WP-F1- 001 pg.2 Repairs		
	LIFE	AVERAGE	Plant Adds	Allocation	Repairs Deduction	Depreciable Basis
Structural	39	1,277,849				
Steam Production	20	494,842	494,842	21.76%	107,656	387,186
Non-Steam Production	15	6,074,946	6,074,946	21.76%	1,321,639	4,753,307
ROW	50	71,103				
Transmission	20	3,073,091	3,073,091	42.65%	1,310,762	1,762,329
Distribution	20	25,734,076	25,734,076	21.68%	5,578,704	20,155,372
Distribution - Street Lights	7	223,014	223,014	21.68%	48,346	174,668
Distribution - EV Fast Charger	7	9,789	9,789	21.68%	2,122	7,667
Computer Data	5	504,836				
Comp/Off/Furn/Tools	7	150,063				
Vehicles	-	1,229,958				
General	20	1,884,164				
Communication	20	1,739,447				
Land	-	(6,180)				
TOTAL		<u>42,460,998</u>	<u>35,609,758</u>		<u>8,369,229</u>	<u>27,240,529</u>
		from Sch D2			to Sch F1	

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  
2015**

Repairs %: Note 1			Distribution	Transmission	Note 2 Generation
Book basis repairs					
1	2010		3,395,009	1,074,383	1,500,000
2	2011		5,109,057	948,114	2,430,000
3	2012		5,320,976	1,284,956	1,500,000
4	2013		8,212,829	2,099,894	1,500,000
5	2014		6,947,634	1,137,714	1,625,006
6	Total book basis repairs		28,985,505	6,545,061	8,555,006
Book basis adds					
7	2010	MECO WP-F1-002	20,785,394	1,536,304	5,011,827
8	2011	MECO WP-F1-002	15,784,899	2,095,102	7,869,318
9	2012	MECO WP-F1-002	29,582,294	5,615,857	8,236,091
10	2013	MECO WP-F1-002	33,883,264	3,523,926	10,736,684
11	2014	MECO WP-F1-002	33,671,758	2,573,753	7,469,383
12	Total book basis adds		133,707,609	15,344,942	39,323,303
Repairs % (Line 6 / Line 12)			21.678276%	42.652888%	21.755564%

Note 1> Price Waterhouse Coopers (PWC) assisted MECO 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 repairs costs included in book additions

Note 2> In 2014, MECO is including an estimate of generation repairs based on an initial analysis of prior year repairs prepared by PWC.

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

**Programs:**

Description	Life	2014	2013	2012	2011	2010	Less: Major Projects	Total	Average	% Average
Structural	39	-	166,307	165,830	173,243	187,592	-	692,972	138,594	0.72%
Steam Production	20	24,566	44,332	52,160	25,739	85,209	-	232,006	46,401	0.24%
Other Production	15	438,231	125,953	94,925	119,553	63,683	-	842,345	168,469	0.87%
Right of Way	50	92,351	88,340	59,067	32,048	56,117	-	327,923	65,585	0.34%
Transmission	20	482,017	744,297	1,000,184	944,560	1,152,483	-	4,323,541	864,708	4.48%
Distribution	20	23,908,822	18,655,863	16,924,355	10,663,035	10,611,334	-	80,763,409	16,152,682	83.68%
Distribution - Street Lights	7	297,151	158,125	84,551	54,011	70,254	-	664,092	132,818	0.69%
Computers	5	114,774	157,187	-	99,442	167,248	-	538,651	107,730	0.56%
Office Furniture & Eq	7	690,592	1,867	4,126	1,734	1,143	-	699,462	139,892	0.73%
Transportation	-	1,109,813	1,143,903	812,971	839,518	1,233,406	-	5,139,611	1,027,920	5.33%
General	20	125,820	674,966	226,832	806,977	374,418	-	2,209,013	441,803	2.29%
Communications	20	56,599	(18,541)	9,400	56,426	5,449	-	109,333	21,867	0.11%
Land	-	(30,898)	-	-	-	-	-	(30,898)	(6,180)	-0.03%
<b>Total - Programs</b>		<b>27,309,838</b>	<b>21,942,599</b>	<b>19,434,401</b>	<b>13,816,286</b>	<b>14,008,336</b>	<b>-</b>	<b>96,511,460</b>	<b>19,302,289</b>	<b>100.00%</b>

**Projects:**

Description	Life	2014	2013	2012	2011	2010	Less: Major Projects	Total	Average	% Average
Structural	39	252,940	2,076,141	1,563,770	1,595,581	207,842	-	5,696,274	1,139,255	4.92%
Steam Production	20	451,191	219,839	140,627	294,534	1,136,016	-	2,242,207	448,441	1.94%
Other Production	15	6,555,395	10,346,560	7,948,379	7,429,492	3,726,919	(6,474,362) (1)	29,532,383	5,906,477	25.50%
Right of Way	50	5,696	2,494	15,617	381	3,395	-	27,583	5,518	0.02%
Transmission	20	2,091,736	2,779,629	4,615,673	1,150,542	383,821	20,513 (2)	11,041,914	2,208,383	9.54%
Distribution	20	9,280,483	14,957,425	12,531,660	5,067,853	9,942,767	(3,673,219) (3)	47,906,969	9,581,394	41.37%
Distribution - Street Lights	7	185,304	62,907	41,728	-	161,039	-	450,978	90,196	0.39%
Distribution - EV Fast Charger	7	-	48,944	-	-	-	-	48,944	9,789	0.04%
Computers	5	446,767	664,400	206,134	533,637	134,594	-	1,985,532	397,106	1.72%
Office Furniture & Eq	7	-	-	-	50,852	-	-	50,852	10,171	0.04%
Transportation	-	-	643,277	230,213	84,595	52,103	-	1,010,188	202,038	0.87%
General	20	1,742,078	90,748	375,841	4,939,059	64,079	-	7,211,805	1,442,361	6.23%
Communication	20	1,310,885	4,138,147	1,172,199	1,476,477	490,190	-	8,587,898	1,717,580	7.42%
<b>Total - Projects</b>		<b>22,322,474</b>	<b>36,030,511</b>	<b>28,841,841</b>	<b>22,623,003</b>	<b>16,302,765</b>	<b>(10,327,068)</b>	<b>115,793,526</b>	<b>23,158,709</b>	<b>100.00%</b>
<b>Total</b>		<b>49,632,312</b>	<b>57,973,110</b>	<b>48,276,242</b>	<b>36,439,289</b>	<b>30,311,101</b>	<b>(10,327,068)</b>	<b>212,304,986</b>	<b>42,460,998</b>	

Summary	Life	2014	2013	2012	2011	2010		Total Average	Allocation %
Structural	39	252,940	2,242,448	1,729,600	1,768,824	395,434	Structural - 39 yrs	1,277,849	3.01%
Steam Production	20	475,757	264,171	192,787	320,273	1,221,225	Steam Production - 20 yrs	494,842	1.17%
Other Production	15	6,993,626	10,472,513	8,043,304	7,549,045	3,790,602	Other Production - 15 yrs	6,074,946	14.31%
Right of Way	50	98,048	90,834	74,684	32,429	59,512	Right of Way - 50 yrs	71,103	0.17%
Transmission	20	2,573,753	3,523,926	5,615,857	2,095,102	1,536,304	WP-F1-001 p. 2 Transmission - 20 yrs	3,073,091	7.24%
Distribution	20	33,189,304	33,613,288	29,458,015	15,730,888	20,554,101	WP-F1-001 p. 2 Distribution - 20 yrs	25,734,076	60.61%
Distribution - Street Lights	7	482,454	221,032	126,279	54,011	231,293	WP-F1-001 p. 2 Street Lights - 7 yrs	223,014	0.53%
Distribution - EV Fast Charger	7	-	48,944	-	-	-	EV Fast Charger - 7 yrs	9,789	0.02%
Computers	5	561,542	821,587	206,134	633,079	301,842	Computer Data - 5 yrs	504,836	1.19%
Office Furniture & Eq	7	690,592	1,867	4,126	52,586	1,143	Furniture, Fixtures & Equip - 7 yrs	150,063	0.35%
Transportation	-	1,109,813	1,787,180	1,043,184	924,113	1,285,509	Transportation	1,229,958	2.90%
General	20	1,867,898	765,714	602,673	5,746,036	438,497	General - 20 yrs	1,884,164	4.44%
Communication	20	1,367,483	4,119,606	1,181,599	1,532,903	495,639	Communications - 20 yrs	1,739,447	4.10%
Land	-	(30,898)	-	-	-	-	Land	(6,180)	-0.01%
<b>Total - Programs &amp; Projects</b>		<b>49,632,312</b>	<b>57,973,110</b>	<b>48,276,242</b>	<b>36,439,289</b>	<b>30,311,101</b>	<b>Total (net of Major Projects)</b>	<b>42,460,998</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) Maalea Dual Train Combined Cycle -2010

(20,513)	Schedule D2 (2010)
<b>Total</b>	<b>(20,513)</b>

- (3) CHP Manale Bay Hotel - 2010
- CHP Manale Bay Hotel - 2011
- 6th Increment Distribution Rebuild - 2010
- 6th Increment Distribution Rebuild - 2011

101,942	Schedule D2 (2010)
(564)	Schedule D2 (2011)
904,737	Schedule D2 (2010)
2,867,104	Schedule D2 (2011)
<b>Total</b>	<b>3,873,219</b>

WP-F1-001 p. 1

**Maui Electric Company, Ltd.**  
**Average Rate Base**  
**(\$ THOUSANDS)**

Line	Description	12/31/14	12/31/13
1	<u>Investments in Assets Serving Customers</u>		
2	Net Plant in Service	599,451.7	570,018.2
3	Materials & Supplies (Excl stores)	17,392.7	14,857.1
4	Fuel Oil inventory	17,709.9	20,275.0
5	Property Held for Future Use	1,302.5	1,302.5
6	Lease receivable - CHP	5,949.9	6,387.8
7	Unamortized system development costs	3,568.9	3,726.7
8	Regulatory Assets	20,712.9	20,740.8
9	Total Investment in Assets	666,088.5	637,308.1
10			
11	<u>Funds from Non-Investors</u>		
12	Unamortized Contributions	(88,217.7)	(85,047.3)
13	Customer Advances	(5,285.7)	(5,244.5)
14	Customer Deposits	(3,906.4)	(3,994.9)
15	Deferred Income taxes	(85,570.0)	(70,300.0)
16	Unamortized ITC	(14,172.0)	(13,743.6)
17	Unearned interest - CHP	(2,921.0)	(3,255.4)
18	Regulatory Liabilities	(29,799.0)	(32,507.5)
19	Total Deductions	(229,871.8)	(214,093.2)
20			
21	Working Cash	8,889.7	9,753.5
22			
23	Rate Base	445,106.5	432,968.4
24			
25	Simple Average Rate Base	439,037.5	

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

	RATE BASE	Reference	Month End	
			Dec-14	Dec-13
1	TOTAL UTILITY PLANT	Note (2), p. 8	815,135	585,050
2	Adjustments:			
3	Construction Work in Progress	Note (2), p. 8	(11,819)	(11,030)
4	Retirement Work in Progress	Note (2), p. 8	(2,562)	(2,699)
5	Asset Retirement Obligation	Note (2), p. 10	(256)	(256)
6	Regulatory Liability for Cost of Removal	Note (2), p. 10	(27,951)	(31,904)
7	DEPRECIATED COST OF UTILITY PLANT IN SERVICE *	Note 1	572,547	539,161
8				
9	REGULATORY ASSETS - SFAS 109	Note (2), p. 9	8,188	8,372
10	REG ASSET- CONTRIB vs. NPPC	GL #18676030	3,100	3,100
11	REGULATORY ASSET - PENSION NPPC vs. Rates	GL #18676040	9,232	9,332
12	REGULATORY ASSET - OPEB NPBC vs. Rates	GL #18677040	194	(297)
13				
14	MATERIALS & SUPPLIES INVENTORIES	Note (2), p. 8	17,393	14,857
15				
16	FUEL STOCK	Note (2), p. 8	17,710	20,275
17				
18	UNAMORTIZED DEFERRED HR SUITE-PHASE 1	GL #186080	859	986
19	UNAMORTIZED DEFERRED BUDGET SYSTEM PROJECT	GL #186077	282	313
20	UNAMORTIZED DEFERRED CIS COSTS	MECO-WP-D1-001	2,428	2,661
21				
22	CHP LEASE RECEIVABLE, NET	Note (3)	3,029	3,132
23				
24	WORKING CASH:	MECO-WP-H-007	8,890	9,754
25				
26	DEDUCTIONS:			
27	Unamortized Contributions in Aid of Construction	Note (2), p. 10	88,218	85,047
28	Customer Advances for Construction	Note (2), p. 10	5,286	5,245
29	Deferred Income Taxes	Sch. D1	85,570	70,300
30	Unamortized Investment Tax Cr - 1962 Revenue Act & STC	GL #255200	14,172	13,744
31	Customer Deposits	GL #23501000	3,906	3,995
32	Regulatory Liability other	GL #25400007/25400010	92	82
33	Regulatory Liability Tracker True-up	GL #25400004	0	191
34	Regulatory Liability OPEB True-up	GL #25400002	1,500	74
35	TOTAL DEDUCTIONS		198,743	178,678
36				
37	MONTH ENDED RATE BASE		445,107	432,968

## Notes:

(1) Includes Property Held for Future Use balance of \$1,302,500 at December 31, 2014 and 2013.

(2) See Maui Electric Company, Ltd. Monthly Financial Report - December 2014, page 8, 9 or 10, filed February 26, 2015.

(3) CHP Lease Receivable, net is computed as follows:

CHP Lease Receivable				
Current	17401800	434	438	
Non-current	18601800	5,516	5,950	
CHP Unearned Interest				
Current	24201800	(323)	(334)	
Non-current	25301800	(2,598)	(2,921)	
		3,029	3,132	

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

Line	Description	Account/Activity No.	2014	Net of Tax @ 38.91%	Rounded 000s	
1	<u>Incentive Compensation</u>					
2	LTIP and EICP expense	M8M723MAUNENMAZZZZ900	850,355	519,484	519	⇒ Line 2a
3						
4	<u>Discretionary and Other Expenses Not Recoverable</u>					
5	Executive Life expense	HR000120	(47,804)			
6	Executive Life in OPEB	Provided by HEI	65,251			
7	HEIRS	HR000087, HR000089, HR000143	42,646			
8	EEI Dues (allowed portion)	Invoiced amount allocated to MECO	22,063			
9	HEI charges for incentive compensation	Provided by HEI	215,842			
10	Service awards	AD000249	1,635			
11	Subtotal		299,433	182,924	183	⇒ Line 2b
12						
13	Total adjustment to operating income		<u>1,149,788</u>	702,408		

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

Line	Description	Source	2014	Rounded 000s
1	Total Interest Charges	Dec. 2014 PUC report	\$ 9,888,484	
2				
3	Less:			
4	Interest on Customer Deposits	Account 43105000	(302,706)	
5	AFUDC-Debt	NARUC 420030	(91,047)	
6				
7	Add:			
8	Amort of Inv Inc Differential	NARUC 403030	10,662	11 ➡ Line 2c
9				
10	Total		9,505,393	
11		Tax rate	38.91%	
12				
13			3,698,548	(3,699) ➡ Line 2d



MAUI ELECTRIC COMPANY, LTD  
Ratemaking Capitalization - Cost Rate  
Dec-14

	Simple Average Balance*	Ratios	Cost Rate	Weighted Cost of Debt
MECO-WP-H-005				
Short-Term Debt	13,683,333	3.02%	0.54%	0.02%
Long-Term Debt	172,493,513	38.08%	5.11%	1.94%
Hybrid Securities	9,444,841	2.08%	7.27%	0.15%
Preferred Stock	4,763,734	1.05%	8.21%	0.09%
Common Equity	252,633,817	55.77%	9.00%	5.02%
	453,019,237	100.00%		7.22%

	NARUC/ GL Code	YTD Dec 2014	Rounded (000s)	Cost Rate
Short-Term Debt:				
430	430	723,557		
Less: Interest on QUIDS		(650,000)		
Int Exp-Commercial Paper	43100000	0		
Int Exp-SCF Loans	43108000	0		
Int Inc-Assoc Cos.	419300	0		
		73,557	74	0.54% Sch. H
Long-Term Debt:				
Amort of Debt Disc & Exp	428	490,787		
Less: Hybrid Sec Amort of Iss Exp		(36,168)		
Interest on Long-Term Debt	427	8,340,938		
Amort Inv Inc Differential	403030	10,662		
		8,806,220	8,806	5.11% Sch. H
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		
		686,168	686	7.27% Sch. H
Preferred Stock:				
Amort of Pfd Stk Iss Exp	42501000	10,060		
Preferred Stock dividends	437	381,252		
		391,312	391	8.21% Sch. H

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

(a) Description	(b) Reference	(c) 12/31/2014	(d) 12/31/2013
1 <u>Long-Term Debt</u>	PUC Monthly Fin'l Report	\$ 176,000,000	\$ 176,000,000
2			
3 Unamortized Costs:			
4 Unamortized Debt Exp	1811	(1,045,801)	(1,162,588)
5 Unamortized Debt Discount	1812	-	-
6 Reg Asset-Debt Exp	186710	(2,181,626)	(2,444,240)
7			
8			
9 Investment Income Differential	2531	(3,474)	(3,631)
10 Reg Asset-Inv Inc Differential	186750	(80,452)	(91,164)
11			
12 NET LONG-TERM DEBT		<u>172,688,648</u>	<u>172,298,377</u>
13			
14 Simple Average Long-term Debt		<u>\$ 172,493,513</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	(165,963)	(179,511)
21 QUIDS 2	186716	(171,528)	(183,780)
22 QUIDS 3	181442	(199,584)	(209,952)
23			
24			
25 NET Hybrid Securities		<u>\$ 9,462,925</u>	<u>\$ 9,426,757</u>
26			
27 Simple Average Hybrid Securities		<u>\$ 9,444,841</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	(140,847)	(150,908)
37			
38 NET Preferred Stock		<u>4,768,764</u>	<u>4,758,703</u>
39			
40 Simple Average Preferred Stock		<u>\$ 4,763,734</u>	MECO-WP-H-004
41			
42			
43 <u>Common Equity</u>	PUC Monthly Fin'l Report	\$ 256,692,339	\$ 248,648,287
44			
45 Unamortized Costs:			
46 Preferred Stock Expense	2143	90,389	90,389
47 AOCI	211	(186,292)	(67,479)
48			
49 NET Common Equity		<u>\$ 256,596,436</u>	<u>\$ 248,671,197</u>
50			
51 Simple Average Common Equity		<u>\$ 252,633,817</u>	MECO-WP-H-004

	(a)	(b)	(c)	
	Description	Reference	12/31/2014	
1	<u>Short-Term Debt*</u>			
2	Balance at			
3	1/31/2014	PUC Monthly Fin'l Report	\$ 16,500,000	
4	2/28/2014		18,800,000	
5	3/31/2014		19,500,000	
6	4/30/2014		13,300,000	
7	5/31/2014		16,800,000	
8	6/30/2014		20,200,000	
9	7/31/2014		12,000,000	
10	8/31/2014		12,800,000	
11	9/30/2014		10,800,000	
12	10/31/2014		10,300,000	
13	11/30/2014		7,600,000	
14	12/31/2014		5,600,000	
15	Average		\$ 13,683,333	MECO-WP-H-004

\*Short-term debt is based on a 12 month average (i.e. average of balance at January 31, 2014 through December 31, 2014).

**MAUI ELECTRIC COMPANY**  
**Earning Sharing Credits Recorded (net of tax)**  
**2014**

	<u>2013 ESM</u>	<u>2014 ESM</u>	
Earnings Sharing Credits Recorded		503,584	
True-up (June 2014)	4,403		
Revenue Taxes @ 8.885%	(391)	(44,743)	
	<u>4,012</u>	<u>458,841</u>	
Income Taxes @38.9097744%	(1,561)	(178,534)	
Reduction to operating income	<u>2,451</u>	<u>280,307</u>	282,758

MAUI ELECTRIC COMPANY, LTD.  
WORKING CASH  
2014

Line No.	Description	Reference	2014	Net Collection Lag (Days)	Amount
	(a)	(b)	(c)	(d)	(e)=(c)/365x(d)
				Note (1)	
1	Fuel Oil				
2	Maui	GL #501 and 547	178,181,282	22.6	11,032,594
3	Lanai	GL #547L	7,165,805	17.7	347,492
4	Molokai	GL #547M	7,865,951	18.7	402,995
5					
6	Purchased Power				
7	Maui	GL #555 and 55508M	60,466,913	-5.9	(977,410)
8	Lanai	GL #555L	494,038	-11.2	(15,160)
9					
10	Current Income Taxes				
11	Income Tax	PUC pg 2	13,983,524		
12	Reversal of Tax Related to Int Synch Replacement	Sch H-Line 2d	3,698,548		
13	Tax Related to Int Synch	Sch H-line 13 - 13a	(3,607,232)		
14	Total	Sum of Line 4-8	14,074,840	-3.2	(123,396)
15					
16	Revenue Taxes				
17	Franchise				
18	Maui	GL #40801000	9,858,499		
19	Lanai	GL #40801L00	303,734		
20	Molokai	GL #40801M00	334,774		
21	PSC				
22	Maui	GL #40802000	23,667,028		
23	Lanai	GL #40802L00	735,457		
24	Molokai	GL #40802M00	812,421		
25	PUC Fee				
26	Maui	GL #40803000	2,010,793		
27	Lanai	GL #40803L00	62,486		
28	Molokai	GL #40803M00	69,025		
29	Total	Sum of Line 21-32	37,854,216	-50.5	(5,237,364)
30					
31	Total Operations	Trial Balance p. 21	44,290,295		
32	Total Maintenance	Trial Balance p. 21	17,218,335		
33	Total O&M		61,508,630		
34	O&M Labor	Labor in O&M report	23,843,545	23.9	1,561,262
35	O&M Non-Labor		37,665,085	18.4	1,898,733
36					
37	Working Cash				<u>8,889,746</u>

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**  
**DECOUPLING CALCULATION WORKBOOK**  
**DETERMINATION OF ADJUSTED 2014 TARGET REVENUES**

Line No.	Description (a)	Reference (b)	Amount \$000 (c)
1	O&M RAM	5/14/14 Decoupling Filing, Sch. A	\$ 1,967
2	Rate Base RAM - Return on Investment	MECO-WP-J-002, p.1	4,919
3	Depreciation & Amortization RAM Expense	MECO-WP-J-002, p.6	3,139
4	<b>2014 Total Adjusted RAM Revenue Adjustment</b>		<b>\$ 10,025</b> Sch J
5	Last Rate Order Target Annual Revenues	Schedule B1	\$ 122,340
6	Earnings Sharing Credit	Schedule B1	\$ (334)
7			\$ 122,006
8	Revenue Tax Factor (1/(1-8.885%))		1.0975
9	<b>Last Rate Order Target Annual Revenues plus Revenue Taxes</b>	Line 7 x 8	<b>\$ 133,902</b>
10	<b>2014 Adjusted Target Revenues subject to GDPPI Escalation</b>	Line 4 + 9 (Note 1)	<b>\$ 143,927</b> Sch J

Note 1 See Decision and 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, the 2014 RAM revenue requirement for CIS Deferred Cost is excluded from the 2014 Adjusted Target Revenues subject to GDPPI escalation.

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

Line No.	Description (a)	AMOUNTS (IN THOUSANDS) (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</u> (Decision & Order No. 31288, Docket No. 2011-0092, page 113, dated May 31, 2013) Att. 1A, page 2):						
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%	1.636929121	0.16%
6	Common Equity	231,310	56.86%	9.00%	5.12%	1.636929121	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 MECO-WP-J-002, p. 2)						\$ 43,958.1
9	PRETAX RATE OF RETURN (Line 7, Col g)						10.66%
10	PRETAX RETURN REQUIREMENT						\$ 4,885.9
11	REVENUE TAX FACTOR (1/(1-8.885%))						1.0975
12	RATE BASE RAM - RETURN ON INVESTMENT \$000						\$ 5,142.9
13	Less: Exceptional and Other Matters (From MECO-WP-J-002, p. 3)						\$ (223.8)
14	RATE BASE RAM - RETURN ON INVESTMENT \$000						\$ 4,919.1

\* Amounts may not add due to rounding.

Footnote:

(1) Composite Federal & State Income Tax Rate 38.91%  
Income Tax Factor ( 1 / 1-tax rate) 1.636929121

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		MECO 2014 RAM Rate Base		
		Beg. Balance 12/31/2011 (b)	Budgeted Balance 12/31/2012 (c)	Adjusted Recorded at 12/31/2013 (d)	RAM Projected Amounts (e)	Actual Adjusted Recorded at 12/31/2014 (f)
1	Net Cost of Plant in Service	\$ 465,783	\$ 493,298	\$ 540,929	\$ 15,758	\$ 574,208
2	Property Held for Future Use	1,303	1,303			
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			2,661	(233)	2,428
11	not used					
12	Total Additions	\$ 515,593	\$ 549,732	\$ 596,712	\$ 15,525	\$ 629,758
13	Unamortized CIAC	\$ (74,766)	\$ (83,821)	\$ (85,047)	\$ (4,060)	\$ (88,218)
14	Customer Advances	(4,649)	(4,599)			
15	Customer Deposits	(4,346)	(4,812)			
16	Accumulated Def Income Taxes	(42,143)	(55,668)	(70,931)	(522)	(85,427)
17	Unamortized State ITC (Gross)	(12,150)	(12,752)			
18	Unearned Interest Income	-	-			
19	Unamortized Gain on Sale	-	-			
20	Total Deductions	\$ (138,054)	\$ (161,650)	\$ (177,632)	\$ (4,582)	\$ (185,299)
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	\$ 429,670		\$ 446,049
23	Average Rate Base		\$ 393,401			\$ 437,359
24	Change in Rate Base					\$ 43,959

MECO-WP-J-002, p. 1

25	Column (e) Projected Changes to Rate Base:	Reference	Amount
26	Plant - Baseline Capital Project Additions	Schedule D2	39,082
27	Major CIP Project Additions	Schedule D3	-
28	Accumulated Depreciation/Amortization Change	Schedule E	(23,324)
29	Net Plant	Sum Lines 26-28	15,758
30	Accum. Deferred Income Taxes - Baseline and Major Capital Projects	Schedule F	(522)
31	Projected CIAC Additions - Baseline	Schedule G1	(5,877)
32	Projected CIAC Additions - Major CIP	Schedule D3	-
33	Less: Amortization of CIAC	Schedule G	1,817
34	Total Change in CIAC in Rate Base	Sum: Lines 31-33	(4,060)

\* Amounts may not add due to rounding

Notes:

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

	Plant in Service	Acc. Depr.	CIAC Net	Schedule D4 ADIT
(A) Unadjusted Balance - recorded	\$ 1,008,096	\$ (438,078)	\$ (85,047)	\$ (61,894)
(A) Add: Asset Retirement Obligation		\$ (256)		
(A) Reg Liab-Cost of Removal (net salvage)		\$ (31,904)		
Adjustment:				
Lanai CHP*	MECO-WP-J-002, p. 1	3,500	(429)	-
Total Adjustment	\$ 3,500	\$ (429)	\$ -	\$ -
CIS Adjustment	Sch D4, line 6			\$ 54
ADIT Relating to NOL Carryforward	Sch D4, line 7			\$ (8,360)
ADIT on IVR	Sch D4, line 8			\$ (97)
ADIT on ERP	Sch D4, line 9			\$ (91)
ADIT on Franchise Tax Liability	Sch D4, line 10			\$ (442)
Adjusted Balance	\$ 1,011,596	\$ (470,667)	\$ (85,047)	\$ (70,931)

\* 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 2013, filed February 21, 2014.

(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)

(4) See Adjusted Recorded at 12/31/14 for the respective line items per Schedule D1 of Transmittal No. 15-05 (Decoupling) filed on March 31, 2015

(5) The revenue requirement impact of the CIS Deferred Cost balances are separately calculated on WP-J-002, page 3, therefore, there are no adjustments of this balance reflected on this workbook.



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

Line No.	Description (a)	Reference (b)	MECO 2014 RAM Rate Base (Note 1)		
			Adjusted Recorded at 12/31/2013 (e)	RAM Projected Amounts (f)	Adjusted Recorded at 12/31/2014 (g)
1	CIS Def Cost	MECO-WP-J-002, p.2 MECO-WP-D4-001	\$ 2,661	\$ (233)	\$ 2,428
2	CIS ADIT - 28400	ADIT/SCHEDULE K1	(420)	-	(844)
3	Total	Line 1 + 2	\$ 2,241	\$ (233)	\$ 1,584
4	2014 Average Balance				\$ 1,912.5
5	Change in Rate Base				<u>\$ 1,912.5</u>
6	Pretax Rate of Return	Schedule D			10.66%
7	Pretax Return Requirement	Line 5 x 6			\$ 203.9
8	Revenue Requirement \$000	Line 7 x 11			<u>\$ 223.8</u>
9	CIS Amortization	MECO-WP-D1-001			\$ 233.1
10	Revenue Requirement \$000	Line 9 x 11			<u>\$ 255.8</u>
11	Revenue Tax Factor (1/(1-8.885%))	Schedule D			1.0975
12	Total Return on/of Investment \$000	Line 8 + 10			<u>\$ 479.6</u>

Note 1 See Decision and 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 HECO) and CIS costs (for all of the HECO 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, LIMITED**  
**DECOUPLING CALCULATION WORKBOOK**  
**DETERMINATION OF DEPRECIATION & AMORTIZATION RAMP ADJUSTMENT**

SCHEDULE E  
(REVISED 4-15-15)  
PAGE 1 OF 4

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	6,847,880	-	6,847,880	0.0289	197,904
4	312.00	51,254,841	-	51,254,841	0.0375	1,922,057
5	314.00	48,278,735	-	48,278,735	0.0589	2,843,500
6	315.00	8,948,513	-	8,948,513	0.0419	374,943
7	<b>MAUI STEAM PRODUCTION</b>	<b>115,327,969</b>	<b>-</b>	<b>115,327,969</b>	<b>0.0483</b>	<b>5,338,404</b>
8						
9	340.00	-	-	-	0.0000	-
10	341.00	34,661,215	-	34,661,215	0.0117	405,538
11	342.00	4,200,155	-	4,200,155	0.0097	40,741
12	343.00	42,457,757	-	42,457,757	0.0080	339,662
13	344.00	107,913,209	-	107,913,209	0.0164	1,769,777
14	345.00	28,718,681	-	28,718,681	0.0157	450,883
15	<b>MAUI OTHER PRODUCTION</b>	<b>217,951,017</b>	<b>-</b>	<b>217,951,017</b>	<b>0.0138</b>	<b>3,006,599</b>
16						
17	<b>MAUI TOTAL PRODUCTION</b>	<b>333,278,986</b>	<b>-</b>	<b>333,278,986</b>	<b>0.0250</b>	<b>8,345,003</b>
18						
19	350.20	-	-	-	0.0000	-
20	350.00	2,446,576	-	2,446,576	0.0158	38,658
21	352.00	7,256,636	-	7,256,636	0.0202	146,584
22	353.00	50,576,426	-	50,576,426	0.0158	799,108
23	355.00	31,586,828	-	31,586,828	0.0167	527,500
24	356.00	27,011,478	-	27,011,478	0.0175	472,701
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>120,785,831</b>	<b>-</b>	<b>120,785,831</b>	<b>0.0167</b>	<b>2,019,540</b>
28						
29	360.20	-	-	-	0.0000	-
30	360.00	1,378,243	-	1,378,243	0.0203	27,938
31	361.00	1,463,312	-	1,463,312	0.0120	17,560
32	362.00	46,458,254	-	46,458,254	0.0134	622,541
33	363.00	2,140,265	-	2,140,265	0.0192	41,093
34	364.00	34,871,043	-	34,871,043	0.0170	592,808
35	365.00	58,109,739	-	58,109,739	0.0165	958,811
36	366.00	59,609,422	-	59,609,422	0.0203	1,210,071
37	367.00	70,808,457	-	70,808,457	0.0117	828,459
38	368.00	60,163,914	-	60,163,914	0.0222	1,335,639
39	369.10	24,325,574	-	24,325,574	0.0378	919,507
40	369.20	55,096,587	-	55,096,587	0.0232	1,278,241
41	370.00	9,798,882	2,270,495	12,069,357	0.0192	231,732
42	373.00	12,038,525	-	12,038,525	0.0187	225,120
43	<b>MAUI DISTRIBUTION</b>	<b>436,260,197</b>	<b>2,270,495</b>	<b>438,530,692</b>	<b>0.0190</b>	<b>8,289,518</b>
44						
45	389.20	-	-	-	0.0000	-
46	390.00	11,299,582	-	11,299,582	0.0106	119,776
47	<b>MAUI GENERAL</b>	<b>11,299,582</b>	<b>-</b>	<b>11,299,582</b>	<b>0.0106</b>	<b>119,776</b>
48						
49	392.10	6,247,827	-	6,247,827	0.0536	334,884
50	392.20	4,269,530	-	4,269,530	0.0305	130,221
51	<b>MAUI TRANSPORTATION</b>	<b>10,517,357</b>	<b>-</b>	<b>10,517,357</b>	<b>0.0442</b>	<b>465,104</b>
52						
53	<b>TOTAL MAUI DIVISION</b>	<b>912,141,953</b>	<b>2,270,495</b>	<b>914,412,448</b>	<b>0.0211</b>	<b>19,238,941</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	4,080,334		4,080,334	0.0454	185,247
58	342.0L	1,914,270		1,914,270	0.0304	58,194
59	343.0L	1,619,547		1,619,547	0.0360	58,304
60	344.0L	8,247,508		8,247,508	0.0234	192,992
61	345.0L	3,245,625		3,245,625	0.0253	82,114
62	<b>LANAI OTHER PRODUCTION</b>	19,107,282	-	19,107,282	0.0302	578,851
63						
64	360.1L	152,209		152,209	0.0203	3,090
65	362.0L	2,185,915		2,185,915	0.0165	36,068
66	364.0L	2,069,001		2,069,001	0.0185	38,277
67	365.0L	2,870,643		2,870,643	0.0165	47,368
68	366.0L	1,280,128		1,280,128	0.0211	27,011
69	367.0L	2,323,200		2,323,200	0.0122	28,343
70	368.0L	804,319		804,319	0.0208	16,730
71	369.1L	1,040,771		1,040,771	0.0380	39,549
72	369.2L	1,068,921		1,068,921	0.0256	27,364
73	370.0L	490,506		490,506	0.0195	9,565
74	373.0L	265,072		265,072	0.0166	4,400
75	<b>LANAI DISTRIBUTION</b>	14,550,884	-	14,550,884	0.0191	277,782
76						
77	389.2L	-		-	0.0000	-
78	390.0L	801,698		801,698	0.0138	11,083
79	<b>LANAI GENERAL</b>	801,698	-	801,698	0.0138	11,083
80						
81	392.1L	958,996		958,996	0.0088	8,247
82	392.2L	347,822		347,822	0.0875	30,434
83	<b>LANAI TRANSPORTATION</b>	1,306,818	-	1,306,818	0.0296	38,682
84						
85	Lanai CHP - Production	-	3,010,000	3,010,000	0.0319	96,019
86	Lanai CHP - Distribution	-	490,000	490,000	0.0230	11,270
87	<b>LANAI RATEMAKING ADJUSTMENT</b>	-	3,500,000	3,500,000	0.0307	107,289
88						
89	<b>TOTAL LANAI DIVISION</b>	35,766,482	3,500,000	39,266,482	0.0258	1,011,847
90						
91	<b>MOLOKAI</b>					
92	302.0M	-		-	0.0000	-
93	<b>INTANGIBLE PLANT</b>	-		-	0.0000	-
94						
95	340.0M	-		-	0.0000	-
96	341.0M	2,650,558		2,650,558	0.0447	118,480
97	342.0M	1,927,423		1,927,423	0.0452	87,120
98	343.0M	2,009,008		2,009,008	0.0258	51,431
99	344.0M	11,228,090		11,228,090	0.0354	397,474
100	345.0M	4,823,549		4,823,549	0.0286	122,986
101	<b>MOLOKAI OTHER PRODUCTION</b>	22,438,626	-	22,438,626	0.0346	777,491
102						
103	350.1M	-		-	0.0000	-
104	353.0M	605,475		605,475	0.0232	14,047
105	354.0M	38,669		38,669	0.0233	901
106	355.0M	117,065		117,065	0.0077	901
107	356.0M	260,344		260,344	0.0097	2,525
108	<b>MOLOKAI TRANSMISSION</b>	1,021,553	-	1,021,553	0.0180	18,375
109						
110	360.1M	29,136		29,136	0.0202	589
111	361.1M	59,259		59,259	0.0068	391
112	362.0M	1,285,089		1,285,089	0.0163	20,947
113	364.0M	3,936,416		3,936,416	0.0224	88,176
114	365.0M	3,078,822		3,078,822	0.0177	54,495
115	366.0M	136,064		136,064	0.0227	3,089
116	367.0M	3,766,878		3,766,878	0.0174	65,892
117	368.0M	1,655,493		1,655,493	0.0225	37,249
118	369.1M	1,521,282		1,521,282	0.0408	61,764
119	369.2M	1,083,204		1,083,204	0.0261	28,272
120	370.0M	512,572		512,572	0.0121	6,202
121	373.0M	330,608		330,608	0.0152	5,025
122	<b>MOLOKAI DISTRIBUTION</b>	17,414,824	-	17,414,824	0.0214	372,089
123						
124	389.2M	58,383		58,383	0.0003	17
125	390.0M	694,144		694,144	0.0085	5,900
126	<b>MOLOKAI TOTAL GENERAL</b>	750,526	-	750,526	0.0079	5,917
127						
128	392.1M	738,282		738,282	0.0000	-
129	392.2M	349,161		349,161	0.0000	-
130	<b>MOLOKAI TRANSPORTATION</b>	1,087,444	-	1,087,444	0.0000	-
131						
132	<b>TOTAL MOLOKAI DIVISION</b>	42,712,975	-	42,712,975	0.0275	1,173,872
133						
134						
135	<b>UTILITY TOTAL DEPRECIATION</b>	990,621,410	5,770,495	996,391,905	0.0216	21,424,480
136						

Line No.	NARUC Account	Recorded Depreciable/Amort. Balance	Adjustments	Adjusted Depreciable/Amort. Balance	PUC Approved Accrual Rate Dkt. 2008-0286	Annual Accrual
	(a)	(b)	(c)	(d)	(e)	(f)
137	<b>Amortization Amounts</b>					
138						
139	<b>MAUI</b>					
140	315.00	3,204,022		3,204,022	0.0500	\$ 160,201
141	346.00	14,996,500		14,996,500	0.0500	749,825
142	<b>MAUI PRODUCTION</b>	18,200,523	-	18,200,523	0.0500	910,026
143						
144	391.10	2,357,088		2,357,088	0.2000	471,416
145	391.20	448,412		448,412	0.1000	44,841
146	391.30	1,271,728		1,271,728	0.0687	84,824
147	393.00	568,540		568,540	0.0400	22,742
148	394.00	6,288,673		6,288,673	0.0400	251,547
149	395.00	470,747		470,747	0.0687	31,399
150	396.00	140,554		140,554	0.0556	7,815
151	397.00	21,242,642		21,242,642	0.0687	1,418,884
152	398.00	1,155,200		1,155,200	0.0687	77,052
153	<b>MAUI GENERAL</b>	33,943,584	-	33,943,584	0.0710	2,408,521
154						
155	<b>TOTAL MAUI DIVISION</b>	52,144,107	-	52,144,107	0.0638	3,318,547
156						
157	<b>LANAI</b>					
158	346.0L	1,192,731		1,192,731	0.0500	59,637
159	<b>LANAI OTHER PRODUCTION</b>	1,192,731	-	1,192,731	0.0500	59,637
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	0.0687	197
164	394.0L	36,529		36,529	0.0400	1,481
165	397.0L	821,693		821,693	0.0687	54,807
166	398.0L	34,054		34,054	0.0687	2,271
167	<b>LANAI GENERAL</b>	923,087	-	923,087	0.0684	64,074
168						
169	<b>TOTAL LANAI DIVISION</b>	2,115,818	-	2,115,818	0.0585	123,711
170						
171						
172	<b>MOLOKAI</b>					
173	346.0M	1,940,988		1,940,988	0.0500	97,049
174	<b>MOLOKAI OTHER PRODUCTION</b>	1,940,988	-	1,940,988	0.0500	97,049
175						
176	391.1M	10,308		10,308	0.2000	2,062
177	391.2M	-		-	0.1000	-
178	391.3M	10,387		10,387	0.0687	693
179	394.0M	104,317		104,317	0.0400	4,173
180	397.0M	1,030,344		1,030,344	0.0687	68,724
181	398.0M	32,143		32,143	0.0687	2,144
182	<b>MOLOKAI GENERAL</b>	1,187,498	-	1,187,498	0.0655	77,795
183						
184	<b>TOTAL MOLOKAI DIVISION</b>	3,128,486	-	3,128,486	0.0559	174,844
185						
186	<b>Net Unrecovered Amortization - Footnote (3)</b>					(404,262)
187						
188	<b>UTILITY TOTAL AMORTIZATION</b>	57,388,411	-	57,388,411	0.0560	3,212,840
189						
190	<b>TOTAL RAM DEPRECIATION / AMORTIZATION</b>					\$ 24,637,300
191	LESS: Vehicle Depreciation (A/C 392 above)					\$ (503,786)
192	LESS: Depreciation & Amortization in Current Revenues				Footnote (4)	\$ (20,933,000)
193						
194	RAM Adjustment for Depreciation & Amortization					\$ 3,200,514
195	RAM Adjustment for CIAC Amortization				Sch. G	\$ (340,533)
196	RAM Adjustment for CIS Amortization				MECO-WP-D1-001, page 2	\$ 233,099
197	Total RAM Adjustment for Depreciation & Amortization					\$ 3,093,079
198	Times: Factor for Revenue Taxes					1.0975
199						
200	<b>RAM DEPRECIATION &amp; AMORTIZATION</b>					\$ 3,394,698
201						
202	RAM Adjustment for CIS Def Cost Amortization (from Line 196)					\$ (233,099)
203	Depreciation and Amortization for Exceptional and Other Matters					\$ (233,099)
204	Times: Factor for Revenue Taxes					1.0975
205	Total Depreciation and Amortization for Exceptional and Other Matters					\$ (255,829)
206						
207	<b>ADJUSTED RAM DEPRECIATION &amp; AMORTIZATION (Line 200 - 205)</b>					\$ 3,138,869

Footnotes:

- (1) Depreciable Balance \$ 990,621,410 Line 135  
Amortizable Balance 57,388,411 Line 188  
Total Utility Plant per Schedule \$ 1,048,009,821

Add Land, Land Rights, Franchises &  
Consents as of 12/31/14 not included in  
Schedule

Total Utility Plant per G/L \$ 1,714,890

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

Adjust meter balances to actual<sup>1</sup> 2,270,495  
Lanai CHP 3,500,000  
Total Adjustment \$ 5,770,495

MECO-WP-1303, Dkt. No. 2014-0318  
Column (c)

<sup>1</sup> Meters were erroneously retired in 2014 and reinstated in early 2015. This adjustment corrects the depreciable balance to properly state the 2015 depreciation expense

SCHEDULE E  
(REVISED 4-15-15)  
PAGE 4 OF 4

(3) Net Unrecovered Amortization:

Account	Net Unrecovered Amortization (c) <sup>2</sup>	Annual Recovery (c) / 5 years <sup>3</sup>
316.00	297,187	34,672
346.00	(1,793,299)	(209,218)
391.10	243,160	28,389
391.20	281,467	32,840
391.30	183,845	19,115
393.00	(100,913)	(11,773)
394.20	331,090	38,827
394.30	90,755	10,588
395.10	201,529	23,512
395.20	-	-
395.40	(2,858)	(333)
396.00	(6,091)	(711)
397.00	(3,100,803)	(381,780)
398.00	(70,198)	(8,190)
Over-recovered Amortization	(3,465,105)	
Annual Recovery (increases amortization expense annually for five years)		(404,282)

<sup>2</sup> Source: MECO 2012 Test Year Rate Case, Docket No. 2011-0092, CA-IR-181, Attachment 1, column (E)

<sup>3</sup> Note: 2015 is the last year of recovery. Amortization began in August 2010, therefore only 7 months of amortization will be recognized in 2015

(4) Depreciation & Amortization in Current Revenues<sup>4</sup>:

	Depr/Amort Expense
Total Depreciation	21,347,000
LESS: Vehicle Depreciation (A/C 392)	(414,000)
Net Depreciation in Current Revenues	20,933,000

<sup>4</sup> 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  
CIS - TAX AMORTIZATION SCHEDULE

MECO-WP-K1-001  
(NEW 4-15-15)  
PAGE 1 OF 1

Line No.			Basis					ADIT		
			Book	Fed Tax	State Tax	Fed Book - Tax Diff	State Book - Tax Diff	Federal 0.35	State 0.060150376	Total
1	CIS Book Basis	186050	7,268,099	7,268,099	7,268,099					
2		18670201	569,000	569,000	569,000					
3		18670202	452,064	452,064	452,064					
4		18670203	32,566	32,566	32,566					
5		18670204	(270,172)	(270,172)	(270,172)					
6	Total Book Basis		8,051,557	8,051,557	8,051,557					
7	AFUDC			(1,084,396)	(1,084,396)					
8	Writedown of CIS Costs		(5,500,000)	(5,500,000)	(5,500,000)					
9			2,551,557	1,467,161	1,467,161					
10	Book Tax Differences			95,239	95,239					
11	Post Go Live carrying charge		56,885							
12	Amortization - 2012		0	(954,800)	(347,200)					
13	Amortization - 2013		(126,798)	(260,400)	(520,800)					
14	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)
15	Amortization - 2014		(217,370)	(260,400)	(520,800)					
16	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)
17	Amortization - 2015		(217,370)	(86,800)	(173,600)					
18	Balance as of 12/31/15		2,046,904	0	0	2,046,904	2,046,904	(673,324)	(123,122)	(796,446)