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May 22, 2017

PUBLIC UTILITIES
COMMISSION

The Honorable Chair and Members of
the Hawai'i Public Utilities Commission
Kekuanaoa Building, 1st Floor
465 South King Street
Honolulu, Hawai'i 96813

Dear Commissioners

Subject Transmittal No 17-02 (Decoupling) Hawaiian Electric's RBA Rate
Adjustment Tariff Filing
Transmittal No 17-03 (Decoupling) Hawai'i Electric Light's RBA Rate
Adjustment Tariff Filing
Transmittal No 17-04 (Decoupling) Maui Electric's RBA Rate
Adjustment Tariff Filing
Hawaiian Electric Companies' Response to the Division of Consumer
Advocacy's Statement of Position

Enclosed for filing is the Hawaiian Electric Companies'¹ response to the *Division of Consumer Advocacy's Statement of Position* ("Consumer Advocate's SOP")² filed on May 12, 2017 on Transmittal Nos 17-02, 17-03 and 17-04, the Companies' Revenue Balancing Account ("RBA") Rate Adjustment tariff filings for 2017. As explained in this filing, the Companies have addressed the recommendations in the Consumer Advocate's SOP, including revising the Maui Electric RBA Rate Adjustment to reflect the removal of the Lāna'i CHP investment and depreciation expense from the Rate Adjustment Mechanism ("RAM") Revenue Adjustment, including the removal of the associated accumulated deferred income taxes ("ADIT") that the Consumer Advocate has informally concurred with. Therefore, the Companies request the Commission to approve by May 30, 2017 the tariff changes proposed in Transmittal Nos 17-02, 17-03 and 17-04 (as revised in this filing), to go into effect on June 1, 2017.

As explained in Attachment 1, although the Companies do not agree with the adjustments recommended by the Consumer Advocate on the Lāna'i CHP, in order to eliminate this as a contentious issue, Maui Electric is willing to make the adjustments for the purposes of Transmittal No 17-04 only, including the associated ADIT also being removed from the RAM.

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

² The "Consumer Advocate" is the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs.

rate base³ These adjustments reduced Maui Electric's proposed RBA Revenue Adjustment from \$14,387,565⁴ to \$14,127,506⁵ Based on the revised calculations, Maui Electric's 2017 RBA Rate Adjustment rate decreased by 0.024¢, from 1.5894¢ to 1.5654¢ per kilowatt-hour ("kWh") from the revised Transmittal No. 17-04 filing dated May 5, 2017 The overall incremental impact of the RBA Rate Adjustment proposed in this filing compared to the current 2016 RBA Rate Adjustment on a typical customer's monthly bill increased by \$0.79 for Maui customers (based on an average usage of 500 kWh) and by \$0.63 for Lāna'i and Moloka'i customers (based on an average usage of 400 kWh)

The Consumer Advocate's SOP does not call for adjustments to the Hawaiian Electric and Hawai'i Electric Light 2017 RBA Rate Adjustments proposed in Transmittal Nos. 17-02 and Transmittal No. 17-03 Therefore, the Companies hereby notify the Commission that Transmittal Nos. 17-02, 17-03, and 17-04 are ready for decision making

In the March 31, 2017 filings, the Companies proposed to revise its RBA Rate Adjustment from the current rate to the new rate effective June 1, 2017 In order for the revised RBA Rate Adjustment to be effective June 1, 2017, the Companies' respectfully request a Commission decision on these proceedings by May 30, 2017 in order for them to perform certain internal control procedures to allow completion and verification of the rate change, as described in Attachment 1

This filing includes the following attachments

- 1 Response to the Consumer Advocate's SOP in Attachment 1,
- 2 Revised tariff sheet (in clean and blacklined versions) with Maui Electric revised proposed RBA Rate Adjustment rate in Attachment 2,
- 3 Maui Electric's Revised 2017 Decoupling Calculation Workbook and Workpapers (revised and new pages are noted and changes highlighted) in Attachment 3, and
- 4 Excerpts of Hawaiian Electric's April 2017 RBA Packet provided as an illustrative example in Attachment 4

If you have any questions, please call Dean Matsuura at 543-4622

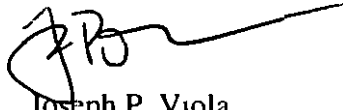
³ Based on subsequent communication with the Consumer Advocate, the Consumer Advocate informally concurred with the Company's request to remove the associated ADIT from the RAM rate base

⁴ See Maui Electric's revised RBA Rate Adjustment Tariff Filing Transmittal No. 17-04, filed on May 5, 2017

⁵ Revised RAM Revenue Adjustment of \$14,127,506 = \$14,033,650 (Consumer Advocate SOP at 18, footnote 23) + \$93,855 (Removal of associated ADIT as shown in Revised Schedule D4)

The Honorable Chair and Members of
the Hawai'i Public Utilities Commission
May 22, 2017
Page 3

Very truly yours,

A handwritten signature in black ink, appearing to read 'JP', with a long horizontal flourish extending to the right.

Joseph P. Viola
Vice President
Regulatory Affairs

Attachments

cc Division of Consumer Advocacy

TRANSMITTAL NOs 17-02, 17-03, and 17-04
HAWAIIAN ELECTRIC COMPANIES
RESPONSE TO CONSUMER ADVOCATE'S STATEMENT OF POSITION

In this attachment, the Hawaiian Electric Companies¹ respond to the recommendations in the *Division of Consumer Advocacy's Statement of Position* ("Consumer Advocate SOP"),² filed on May 12, 2017

A SPECIAL MEDICAL NEEDS PILOT PROGRAM

On April 19, 2017, the Commission issued Order No 34503 in Transmittal Nos 17-02, 17-03, and 17-04 (Consolidated), ordering the Hawaiian Electric Companies, in this response to the Consumer Advocate's Statement of Position ("Consumer Advocate SOP"), to "make appropriate adjustments such that the reductions in revenues attributable to the Special Medical Needs Pilot Program are not passed on to ultimately result in increased revenues collected from ratepayers through the Revenue Balancing Account" ("RBA")³

The Companies confirm that billing and financial reporting systems will make the needed provisions to quantify the revenue impact of this program. Starting from the month ended April 30, 2017, the Companies will incorporate an estimate of the revenue impact. The estimate may slightly overstate the amount of the discount as it will assume all enrolled customers as of the end of the month were billed and received the maximum discount (\$20) in the month. The estimate will continue to be refined to identify the enrolled customers who were billed and the amount of the discount for the billing period. A system generated report,

¹ The "Hawaiian Electric Companies" or "Companies" are Hawaiian Electric Company, Inc., Maui Electric Company, Limited and Hawai'i Electric Light Company, Inc.

² The "Consumer Advocate" is the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs.

³ Order No 34503, Transmittal Nos 17-02, 17-03, and 17-04 (Consolidated), page 8

which will identify the enrolled customers who were billed and the amount of the discount for the billing period. is under development When that report has been developed, tested, and put into production, the report will be the source for the Special Medical Needs Pilot discount adjustment incorporated in the calculation of the Revenue Balancing Account

In their monthly RBA information packets submitted to the Consumer Advocate,⁴ the Companies will make the following adjustments

- Attachment 1 – Billed Revenue Tracker and Attachment 3 – Total of Billed and Unbilled Worksheets – the Special Medical Needs Pilot revenue impact for the month will be identified as a line item adjustment to Adjusted Total Revenues Attachment 1 will cross-reference the adjustment amount to the appropriate supporting document that will be included in the packet
- Schedule B2 – Determination of Recorded Adjusted Revenues – The Special Medical Needs Pilot revenue impact for the month will be identified as a line item adjustment under the heading, “Billed Adjustments to Determine Adjusted Revenues for RBA ” Schedule B2 will contain the Special Medical Needs Pilot revenue impact by month for each calendar year beginning with 2017, which will be included in the annual decoupling filing starting from 2018⁵

⁴ Attachment 4 of this filing provides excerpts of Hawaiian Electric’s April 2017 RBA packet that Hawaiian Electric will submit to the Consumer Advocate for review, as an illustrative example of the adjustments to revenues for the Special Medical Needs Program See line items labeled as “MAP”, which identifies amounts related to the Special Medical Needs Pilot Program

⁵ The 2018 annual decoupling filings will include Schedule B2 that contains the Special Medical Needs Pilot revenue adjustment impact by month for the calendar year ended December 31, 2017

B REVIEW OF THE REVENUE BALANCING ACCOUNT

The Consumer Advocate has not identified or proposed any adjustments to the December 31, 2016 recorded RBA balances and therefore has not recommended changes to the RBA calculations in the Companies' 2017 decoupling filings. The Consumer Advocate is continuing to review the RBA calculations, the monthly information packets, and responses to informal information requests the Companies provide monthly and in the decoupling filings (See Consumer Advocate SOP at 12.)

C REVIEW OF THE RATE ADJUSTMENT MECHANISM ("RAM") CALCULATION FOR THE 2017 RAM YEAR

The Consumer Advocate SOP proposed only two matters requiring consideration by the Commission with respect to the Hawaiian Electric Companies' proposed RBA Rate Adjustment

- 1 Hawaiian Electric's Inclusion of Enterprise Resource Planning/ Enterprise Asset Management Hardware as a Major Project in Its 2017 RAM

a) Consumer Advocate's Position

The Consumer Advocate acknowledges that this issue has no actual impact on the 2017 RAM since the Hawaiian Electric RAM is based on the cap calculation. However, the Consumer Advocate takes the position that Hawaiian Electric's Rate Base RAM revenue adjustment before the cap should be reduced to account for the exclusion of the ERP/EAM hardware costs as major project shown on Schedule D3. In its response to Informal CA-IR-27, the Company stated that the August 2017 in-service date, as shown on Schedule D3, is for servers to be used to build and configure the ERP/EAM system in test mode. The ERP/EAM system itself is

scheduled to go live in October 2018. Because the estimated go-live will not occur until October 2018, the Consumer Advocate recommends that the \$2,590,000 of ERP/EAM hardware costs be removed from the Rate Base RAM. If the Commission declines to require this adjustment, the Consumer Advocate recommends that Hawaiian Electric be required to verify that there is no allowance for funds used during construction ("AFUDC") accrual for the hardware when the asset is receiving rate base treatment. (See Consumer Advocate SOP at 14.)

b) Hawaiian Electric Companies' Response

Inclusion of the ERP/EAM hardware costs in the 2017 Rate Base RAM is valid because the asset is put in use when the software is being developed beginning in 2017 and these assets do not accrue AFUDC. The accounting treatment for capital costs (e.g., hardware costs) follows the accounting for capital expenditure and software projects approved by the Commission in the past. In general, the cost of equipment and hardware will be capitalized in accordance with Generally Accepted Accounting Principles (GAAP). The standard AFUDC calculation excludes computer hardware. As described in CA-IR-27, by the projected date of August 2017, the functionality of the servers will enable the Company to build on and configure the ERP/EAM system in test mode. The servers will also provide the needed additional capacity to run the proposed design of the system.

However, as recognized by the Consumer Advocate SOP, removal of the ERP/EAM hardware from the RAM rate base would not impact Hawaiian Electric's 2017 RAM Revenue Adjustment since it is based on the RAM cap which does not

depend on a calculation of the RAM rate base in 2017. Therefore, there is no need for the Commission to address this issue at this time.

2. Removal of the Net Investment and Related Depreciation Expense for Maui Electric's Lāna'ī Combined Heat and Power ("CHP") from the 2017 RAM

a) Consumer Advocate's Position

While the Lāna'ī CHP has been out of service since March 2015 and no depreciation for ratemaking purposes has been recorded, Maui Electric proposes to include the March 2015 net investment in rate base, even though no lease payments have been received during the interim. Rates have not been changed to remove the out-of-service investment and related depreciation from cost of service. Although Lāna'ī CHP might return to service by July 2017, the Consumer Advocate recommends removal of the net investment and related depreciation expense from the 2017 RAM (See Consumer Advocate SOP at 17.)

b) Hawaiian Electric Companies' Response

The Companies do not agree with the position taken by the Consumer Advocate. However, in order to eliminate this as a contentious issue for the 2017 Maui Electric RAM Revenue Adjustment, Maui Electric is willing to remove the CHP investments from the RAM rate base and the CHP depreciation expense from the Depreciation & Amortization RAM Expense for the purposes of Transmittal No. 17-04 and reserves the right to propose inclusion of these items into revenue requirement in future RAM and rate case proceedings. Based on subsequent communication with the Consumer Advocate, the Consumer Advocate informally concurred with the Company's request to also remove the associated accumulated deferred income taxes ("ADIT").

from the RAM rate base. Accordingly, the RAM calculation in Attachment 3 removes the CHP plant in service, net of accumulated depreciation as recommended by the Consumer Advocate, and additionally removes the accumulated deferred income taxes associated with the CHP. Maui Electric will address the issues raised by the Consumer Advocate in the Maui Electric 2018 test year rate case.

D ADMINISTRATIVE ISSUES

1 RBA Tariff Language Elimination- Stipulated Settlement Agreement

a) **Consumer Advocate's Position**

The Consumer Advocate does not object to the proposed deletion of the Stipulated Settlement Agreement⁶ language from the Companies' RBA tariff. However, the Stipulated Settlement Agreement language in the RAM tariff, which includes the accounting for Customer Information System ("CIS") costs, should remain as it continues beyond the limited term applied to RAM accruals. (See Consumer Advocate SOP at 27.)

b) **Hawaiian Electric Companies' Response**

Although the Consumer Advocate SOP stated that the language related to Stipulated Settlement Agreement provisions on CIS project costs should remain in the RAM Provision tariff, there was a possible oversight in that the Consumer Advocate SOP did not also state that language related to the Campbell Industrial Park Combustion Turbine Unit 1 ("CIP CT-1") project costs should also remain in the Hawaiian

⁶ "Stipulated Settlement Agreement" refers to the *Stipulated Settlement Agreement between the Hawaiian Electric Companies and the Division of Consumer Advocacy regarding Certain Regulatory Matters*, approved by Order No 31126 in Docket No. 2008-0083.

Electric RAM Provision tariff The Stipulated Settlement Agreement (Exhibit 1, pages 1-2) states the following

The Parties agree that the recorded plant in service amount of \$194.9 million for CIP CT-1 (and the accumulated depreciation, accumulated deferred income taxes and unamortized state investment tax credits related to the recorded costs) shall be included in Hawaiian Electric's rate base as of December 31, 2012 and in the 2013 and succeeding Rate Adjustment Mechanism ("RAM") Revenue Adjustments and Hawaiian Electric rate cases until the Company retires the CIP CT-1 assets

The RAM Revenue Adjustment for 2013 and the subsequent years thereafter and subsequent Hawaiian Electric rate cases would reflect the additional revenue requirements related to the allowed portion of the CIP CT-1 project costs in excess of the project's costs previously included in rate base, along with related accumulated depreciation, accumulated deferred income taxes, unamortized ITC, and including the unamortized regulatory assets related to the carrying charge and deferred depreciation, as well as related depreciation expense and amortization of regulatory asset expenses

Thus, the Stipulated Settlement Agreement did not call for the termination of CIP CT-1 recovery through the RAM at the end of 2016

To clarify, in the Companies' March 31, 2017 filing, the Companies did not propose to delete language in the RAM tariff related to recovery through the RAM of CIS or CIP CT-1 project costs authorized by the Stipulated Settlement Agreement. The proposed tariff sheets in Attachments 1 and 1A (i.e., Sheet Nos 93I in Transmittal No. 17-02 for Hawaiian Electric, 89H in Transmittal No. 17-03 for Hawai'i Electric Light, and 96I, 107I, 151I in Transmittal No. 17-04 for Maui Electric) do not reflect the removal from the RAM Provision tariff of language concerning RAM recovery of CIS or CIP CT-1 costs authorized by the Stipulated Settlement Agreement. In Transmittal No. 17-02 (Hawaiian Electric),

Attachments 1 and 1A, Hawaiian Electric proposed to remove only the language related to the accrual of RAM revenues on a calendar year basis, as shown on tariff sheet No. 93I

E RATE CASE IMPLEMENTATION ISSUES

Additionally, in the Consumer Advocate's Statement of Position, the Consumer Advocate raised several questions relating to the change in the RAM for Hawai'i Electric Light when Hawai'i Electric Light gets a change in rates in its 2016 test year rate case (Docket No. 2015-0170). The Companies plan to address the questions raised by the Consumer Advocate in the Hawai'i Electric Light 2016 test year rate case settlement discussions and letter.

F EFFECTIVE DATE OF THE RBA RATE ADJUSTMENT

The Transmittals submitted by the Companies propose to revise their decoupling Revenue Balancing Account ("RBA") Rate Adjustment from the current rate to the new rate effective June 1, 2017.

Generally speaking, surcharge rates are changed effective the first of the month. The internal control process to ensure billing rate changes are accurate and complete takes place on the next to last business day of the month to allow for completion of the rate change verification and transport of the rate changes to the production environment in advance of the first of the month.

In order for the revised RBA Rate Adjustment to be effective June 1, 2017, the Companies' request a decision by May 30, 2017 so they can perform the internal control process described above. A decision after May 30, 2017 would delay the implementation of a revised

RBA Rate Adjustment (the Companies need approximately two days to program, test and implement a rate change in the production environment)

ATTACHMENT 2

Superseding Sheet No. 50D
Effective May 1, 2017

REVISED SHEET No. 50D
Effective June 1, 2017

MAUI DIVISION
RATE SCHEDULES (Continued)

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
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"	May 1, 2017	Purchase Power Adjustment Clause
95A	"PPAC"	May 1, 2017	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"	June 8, 2015	Rate Adjustment Mechanism Provision
96C	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
96D	"RAM"	June 1, 2017	Rate Adjustment Mechanism Provision
96E	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
96F	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
96G	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
96H	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
96I	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
97	"RBA"	June 1, 2017	Revenue Balancing Account Provision
97A	"RBA"	June 1, 2013	Revenue Balancing Account Provision
97B	"RBA"	June 1, 2017	Revenue Balancing Account Provision
97C	"RBA"	June 1, 2013	Revenue Balancing Account Provision
97D	"RBA"	June 1, 2017	Revenue Balancing Account Provision

MAUI ELECTRIC COMPANY, LIMITED

Transmittal Letter Dated May 22, 2017.

REVENUE BALANCING ACCOUNT ("RBA") PROVISION
Maui, Lanai, and Molokai Divisions

Supplement To

Schedule R	- Residential Service
Schedule G	- General Service - Non-Demand
Schedule J	- General Service - Demand
Schedule P	- Large Power Service
Schedule F	- Public Street Lighting
Schedule TOU-R	- Residential Time-of-Use Service
Schedule TOU-G	- Small Commercial Time-of-Use Service
Schedule TOU-J	- Commercial Time-of-Use Service
Schedule TOU-P	- Large Power Time-of-Use Service
Schedule SS	- Standby Service
Schedule TOU EV-	Residential Time-of-Use Service with Electric Vehicle Pilot
Schedule EV-F	- Commercial Public Electric Vehicle Charging Facility Service Pilot
Schedule TOU-RI-	Residential Interim Time-of-Use Service

All terms and provisions of the above listed rate schedules are applicable except that the total base rate charges for each billing period shall be adjusted by the Revenue Balancing Account Rate Adjustments shown below:

A: PURPOSE

The purpose of the Revenue Balancing Account ("RBA") is to record: 1) the difference between the Maui Electric Company's target revenue and recorded adjusted revenue, and 2) monthly interest applied to the simple average of the beginning and ending month balances in the RBA. In addition, the recovery provision of this tariff provides for collection or return of the calendar year-end balance in the RBA and recovery or refund of the RAM Revenue Adjustment, Earnings Sharing Revenue Credits, Major Capital Projects Credits, and Baseline Capital Projects Credits provided in the Rate Adjustment Mechanism ("RAM") Provision over the subsequent June 1st through May 31st period. Tracking of target revenue and recorded adjusted revenue commenced on the effective date of the tariff that implemented the Final Decision and Order in Maui Electric Company's 2010 test year rate case, Docket No. 2009-0163, consistent with the Final Decision and Order in the Decoupling case, Docket No. 2008-0274

MAUI ELECTRIC COMPANY, INC.

Transmittal Letter dated May 22, 2017

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

B. TARGET REVENUE.

For the purpose of the RBA, the target revenue is the annual electric revenue approved by the Public Utilities Commission in the last issued Decision & Order in the Company's most recent test year general rate case, excluding revenue for fuel and purchased power expenses that are recovered either in base rates or in a purchased power adjustment clause, excluding revenue being separately tracked or recovered through any other surcharge or rate tracking mechanism, and excluding amounts for applicable revenue taxes,

Plus: Any effective RAM Revenue Adjustment calculated under the RAM provision for years subsequent to the most recent rate case test year for which the Commission has issued a Decision & Order, and

Less: Any applicable Earnings Sharing Revenue Credits, Major Capital Projects Credits, and Baseline Capital Projects Credits calculated under the RAM provision

The target revenue shall be revised to correct for any errors in the calculation of the RAM Revenue Adjustment for any previous period and for revisions to RAM Revenue Adjustments as a result of subsequent Commission orders that change the basis of previously calculated RAM Revenue Adjustments. For any corrections of errors in previously calculated RAM Revenue Adjustments, the target revenue shall be adjusted as of the date that the corrected information would have been reflected in target revenue. For changes in the RAM Revenue Adjustment as a result of subsequently issued Commission orders, the target revenue shall be adjusted as of the effective date of tariff rates that are implemented pursuant to the subsequently issued Commission order.

The Commission and the Consumer Advocate will be notified of the target revenue revisions or corrections prior to implementation by the Company. There is no presumption that the target revenue changes are ultimately warranted or correct. In the subsequent annual March 31 decoupling filing, the utility will have the burden to demonstrate that the interim changes are warranted and correctly applied. The Consumer Advocate will provide comments regarding the changes with its Statement of Position. The RBA balance and RBA Rate Adjustment for the following year will reflect any appropriate modifications to the change made by the utility in the prior year if necessary.

Monthly Allocation Factors for the Target Revenue are as follows.

MAUI ELECTRIC COMPANY, INC.

Transmittal Letter dated May 1, 2013.

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

January	8.29%
February	7.35%
March	8.28%
April	7.88%
May	8.38%
June	8.51%
July	8.87%
August	9.00%
September	8.34%
October	8.78%
November	8.19%
December	<u>8.13%</u>
Total	100.00%

These factors are based on the MWH sales forecast that is approved by the Commission in Maui Electric Company's 2012 test year rate case and shall be updated in any subsequent test year rate case.

C BALANCING ACCOUNT ENTRIES:

Entries to the RBA will be recorded monthly. A debit entry to the RBA will be made equal to the target revenue as defined in Section B above, times the appropriate monthly allocation factor in the table above. A credit entry to the RBA will be made equal to the recorded adjusted revenue. The recorded adjusted revenue is defined to include the electric sales revenue from authorized base rates, plus revenue from any authorized interim rate increase, plus revenue from any RBA rate adjustment, but excluding revenue for fuel and purchased power expenses, IRP/DSM, any Commission Ordered one-time rate refunds or credits or other surcharges, and adjusted to remove amounts for applicable revenue taxes.

Interest will be recorded monthly to the RBA by multiplying the simple average of the beginning and ending month balance in the RBA times the Interest Rate divided by 12. The Interest Rate shall be the short term debt rate as established in deriving the consolidated cost of capital in the Company's last full rate case. The Interest Rate prior to March 1, 2014 shall be 6 percent.

D: RECOVERY OF BALANCING ACCOUNT AMOUNTS:

At the Annual Evaluation Date provided in the Rate Adjustment Mechanism Provision, the Company will file with the Commission a statement of the previous calendar year-end balance in the RBA and the RAM Revenue Adjustment for the current calendar year, along with supporting calculations.

MAUI ELECTRIC COMPANY, INC.

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

Both an amortization of the previous calendar year-end balance in the RBA, adjusted for any Earnings Sharing Revenue Credits or Major Capital Projects Credits, Baseline Capital Projects Credits or corrections, and the RAM Revenue Adjustment will be recovered through a per-kWh RBA rate adjustment, over the 12 months from June 1 of the current calendar year to May 31 of the succeeding calendar year. The recovery through the RBA Rate Adjustment of a RAM Revenue Adjustment calculated for a calendar year that is also a rate case test year shall terminate on the effective date of tariff rates that implement a Commission approved base revenue level authorized in the Company's test year rate case.

Revisions to Target Revenue based on corrections for errors and subsequently issued Commission orders, described in Section B above, will not be reflected in the RBA Rate Adjustment until a succeeding June 1 to May 31 period, unless otherwise ordered or approved by the Commission

Complete, indexed workpapers and electronic files supporting the previous year-end balance in the RBA 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

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 June 1st, the RBA Rate Adjustment shall go into effect on June 1st, and the Commission shall confirm the commencement of the RBA Rate Adjustment in its monthly Tariff Order.

E REVENUE BALANCING ACCOUNT RATE ADJUSTMENT:

The RBA Rate Adjustment is comprised of the calculated values from Section D above, adjusted to include amounts for applicable revenue taxes, and calculated based on the Company's forecast of mWh sales over the RBA Rate Adjustment recovery period

MAUI ELECTRIC COMPANY, INC.

Transmittal Letter dated May 1, 2013

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

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

RBA Rate Adjustment

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All Rate Schedules 1.5654 ¢/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: 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 22, 2017.

Superseding Sheet No. 50H
Effective June 1, 2016

REVISED SHEET NO. 50H
Effective June 1, 2017

LANAI DIVISION
RATE SCHEDULES (Continued)

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
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 8, 2015	Rate Adjustment Mechanism Provision
107C	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
107D	"RAM"	June 1, 2017	Rate Adjustment Mechanism Provision
107E	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
107F	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
107G	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
107H	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
107I	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
108	"RBA"	June 1, 2017	Revenue Balancing Account Provision
108A	"RBA"	June 1, 2013	Revenue Balancing Account Provision
108B	"RBA"	June 1, 2017	Revenue Balancing Account Provision
108C	"RBA"	June 1, 2013	Revenue Balancing Account Provision
108D	"RBA"	June 1, 2017	Revenue Balancing Account Provision

MAUI ELECTRIC COMPANY, LIMITED

Transmittal Letter Dated May 22, 2017.

REVENUE BALANCING ACCOUNT ("RBA") PROVISION
Maui, Lanai, and Molokai Divisions

Supplement To:

Schedule R	- Residential Service
Schedule G	- General Service - Non-Demand
Schedule J	- General Service - Demand
Schedule P	- Large Power Service
Schedule F	- Public Street Lighting
Schedule TOU-R	- Residential Time-of-Use Service
Schedule TOU-G	- Small Commercial Time-of-Use Service
Schedule TOU-J	- Commercial Time-of-Use Service
Schedule TOU-P	- Large Power Time-of-Use Service
Schedule SS	- Standby Service
Schedule TOU EV-	Residential Time-of-Use Service with Electric Vehicle Pilot
Schedule EV-F	- Commercial Public Electric Vehicle Charging Facility Service Pilot
Schedule TOU-RI-	Residential Interim Time-of-Use Service

All terms and provisions of the above listed rate schedules are applicable except that the total base rate charges for each billing period shall be adjusted by the Revenue Balancing Account Rate Adjustments shown below.

A: PURPOSE

The purpose of the Revenue Balancing Account ("RBA") is to record: 1) the difference between the Maui Electric Company's target revenue and recorded adjusted revenue, and 2) monthly interest applied to the simple average of the beginning and ending month balances in the RBA. In addition, the recovery provision of this tariff provides for collection or return of the calendar year-end balance in the RBA and recovery or refund of the RAM Revenue Adjustment, Earnings Sharing Revenue Credits, Major Capital Projects Credits, and Baseline Capital Projects Credits provided in the Rate Adjustment Mechanism ("RAM") Provision over the subsequent June 1st through May 31st period. Tracking of target revenue and recorded adjusted revenue commenced on the effective date of the tariff that implemented the Final Decision and Order in Maui Electric Company's 2010 test year rate case, Docket No 2009-0163, consistent with the Final Decision and Order in the Decoupling case, Docket No 2008-0274.

MAUI ELECTRIC COMPANY, INC

Transmittal Letter dated May 22, 2017.

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

B: TARGET REVENUE:

For the purpose of the RBA, the target revenue is the annual electric revenue approved by the Public Utilities Commission in the last issued Decision & Order in the Company's most recent test year general rate case, excluding revenue for fuel and purchased power expenses that are recovered either in base rates or in a purchased power adjustment clause; excluding revenue being separately tracked or recovered through any other surcharge or rate tracking mechanism; and excluding amounts for applicable revenue taxes;

Plus: Any effective RAM Revenue Adjustment calculated under the RAM provision for years subsequent to the most recent rate case test year for which the Commission has issued a Decision & Order, and

Less: Any applicable Earnings Sharing Revenue Credits, Major Capital Projects Credits, and Baseline Capital Projects Credits calculated under the RAM provision

The target revenue shall be revised to correct for any errors in the calculation of the RAM Revenue Adjustment for any previous period and for revisions to RAM Revenue Adjustments as a result of subsequent Commission orders that change the basis of previously calculated RAM Revenue Adjustments. For any corrections of errors in previously calculated RAM Revenue Adjustments, the target revenue shall be adjusted as of the date that the corrected information would have been reflected in target revenue. For changes in the RAM Revenue Adjustment as a result of subsequently issued Commission orders, the target revenue shall be adjusted as of the effective date of tariff rates that are implemented pursuant to the subsequently issued Commission order.

The Commission and the Consumer Advocate will be notified of the target revenue revisions or corrections prior to implementation by the Company. There is no presumption that the target revenue changes are ultimately warranted or correct. In the subsequent annual March 31 decoupling filing, the utility will have the burden to demonstrate that the interim changes are warranted and correctly applied. The Consumer Advocate will provide comments regarding the changes with its Statement of Position. The RBA balance and RBA Rate Adjustment for the following year will reflect any appropriate modifications to the change made by the utility in the prior year if necessary.

Monthly Allocation Factors for the Target Revenue are as follows:

MAUI ELECTRIC COMPANY, INC.

Transmittal Letter dated May 1, 2013.

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

January	8.29%
February	7.35%
March	8.28%
April	7.88%
May	8.38%
June	8.51%
July	8.87%
August	9.00%
September	8.34%
October	8.78%
November	8.19%
December	<u>8.13%</u>
Total	100.00%

These factors are based on the MWH sales forecast that is approved by the Commission in Maui Electric Company's 2012 test year rate case and shall be updated in any subsequent test year rate case

C BALANCING ACCOUNT ENTRIES:

Entries to the RBA will be recorded monthly. A debit entry to the RBA will be made equal to the target revenue as defined in Section B. above, times the appropriate monthly allocation factor in the table above. A credit entry to the RBA will be made equal to the recorded adjusted revenue. The recorded adjusted revenue is defined to include the electric sales revenue from authorized base rates, plus revenue from any authorized interim rate increase, plus revenue from any RBA rate adjustment, but excluding revenue for fuel and purchased power expenses, IRP/DSM, any Commission Ordered one-time rate refunds or credits or other surcharges, and adjusted to remove amounts for applicable revenue taxes.

Interest will be recorded monthly to the RBA by multiplying the simple average of the beginning and ending month balance in the RBA times the Interest Rate divided by 12. The Interest Rate shall be the short term debt rate as established in deriving the consolidated cost of capital in the Company's last full rate case. The Interest Rate prior to March 1, 2014 shall be 6 percent.

D: RECOVERY OF BALANCING ACCOUNT AMOUNTS:

At the Annual Evaluation Date provided in the Rate Adjustment Mechanism Provision, the Company will file with the Commission a statement of the previous calendar year-end balance in the RBA and the RAM Revenue Adjustment for the current calendar year, along with supporting calculations

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

Both an amortization of the previous calendar year-end balance in the RBA, adjusted for any Earnings Sharing Revenue Credits or Major Capital Projects Credits, Baseline Capital Projects Credits or corrections, and the RAM Revenue Adjustment will be recovered through a per-kWh RBA rate adjustment, over the 12 months from June 1 of the current calendar year to May 31 of the succeeding calendar year. The recovery through the RBA Rate Adjustment of a RAM Revenue Adjustment calculated for a calendar year that is also a rate case test year shall terminate on the effective date of tariff rates that implement a Commission approved base revenue level authorized in the Company's test year rate case.

Revisions to Target Revenue based on corrections for errors and subsequently issued Commission orders, described in Section B above, will not be reflected in the RBA Rate Adjustment until a succeeding June 1 to May 31 period, unless otherwise ordered or approved by the Commission.

Complete, indexed workpapers and electronic files supporting the previous year-end balance in the RBA 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.

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 June 1st, the RBA Rate Adjustment shall go into effect on June 1st, and the Commission shall confirm the commencement of the RBA Rate Adjustment in its monthly Tariff Order

E REVENUE BALANCING ACCOUNT RATE ADJUSTMENT:

The RBA Rate Adjustment is comprised of the calculated values from Section D above, adjusted to include amounts for applicable revenue taxes, and calculated based on the Company's forecast of mWh sales over the RBA Rate Adjustment recovery period.

MAUI ELECTRIC COMPANY, INC

Transmittal Letter dated May 1, 2013

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

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

RBA Rate Adjustment

All Rate Schedules 1 5654 ¢/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: 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 22, 2017.

Superseding Sheet No 100E
Effective June 1, 2016

REVISED SHEET NO 100E
Effective June 1, 2017

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 8, 2015	Rate Adjustment Mechanism Provision
151C	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
151D	"RAM"	June 1, 2017	Rate Adjustment Mechanism Provision
151E	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
151F	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
151G	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
151H	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
151I	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
152	"RBA"	June 1, 2017	Revenue Balancing Account Provision
152A	"RBA"	June 1, 2013	Revenue Balancing Account Provision
152B	"RBA"	June 1, 2017	Revenue Balancing Account Provision
152C	"RBA"	June 1, 2013	Revenue Balancing Account Provision
152D	"RBA"	June 1, 2017	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 22, 2017

REVENUE BALANCING ACCOUNT ("RBA") PROVISION
Maui, Lanai, and Molokai Divisions

Supplement To:

Schedule R	- Residential Service
Schedule G	- General Service - Non-Demand
Schedule J	- General Service - Demand
Schedule P	- Large Power Service
Schedule F	- Public Street Lighting
Schedule TOU-R	- Residential Time-of-Use Service
Schedule TOU-G	- Small Commercial Time-of-Use Service
Schedule TOU-J	- Commercial Time-of-Use Service
Schedule TOU-P	- Large Power Time-of-Use Service
Schedule SS	- Standby Service
Schedule TOU EV-	Residential Time-of-Use Service with Electric Vehicle Pilot
Schedule EV-F	- Commercial Public Electric Vehicle Charging Facility Service Pilot
Schedule TOU-RI-	Residential Interim Time-of-Use Service

All terms and provisions of the above listed rate schedules are applicable except that the total base rate charges for each billing period shall be adjusted by the Revenue Balancing Account Rate Adjustments shown below

A PURPOSE:

The purpose of the Revenue Balancing Account ("RBA") is to record 1) the difference between the Maui Electric Company's target revenue and recorded adjusted revenue, and 2) monthly interest applied to the simple average of the beginning and ending month balances in the RBA. In addition, the recovery provision of this tariff provides for collection or return of the calendar year-end balance in the RBA and recovery or refund of the RAM Revenue Adjustment, Earnings Sharing Revenue Credits, Major Capital Projects Credits, and Baseline Capital Projects Credits provided in the Rate Adjustment Mechanism ("RAM") Provision over the subsequent June 1st through May 31st period. Tracking of target revenue and recorded adjusted revenue commenced on the effective date of the tariff that implemented the Final Decision and Order in Maui Electric Company's 2010 test year rate case, Docket No. 2009-0163, consistent with the Final Decision and Order in the Decoupling case, Docket No. 2008-0274

MAUI ELECTRIC COMPANY, INC

Transmittal Letter dated May 22, 2017

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

B: TARGET REVENUE

For the purpose of the RBA, the target revenue is the annual electric revenue approved by the Public Utilities Commission in the last issued Decision & Order in the Company's most recent test year general rate case, excluding revenue for fuel and purchased power expenses that are recovered either in base rates or in a purchased power adjustment clause, excluding revenue being separately tracked or recovered through any other surcharge or rate tracking mechanism; and excluding amounts for applicable revenue taxes;

Plus: Any effective RAM Revenue Adjustment calculated under the RAM provision for years subsequent to the most recent rate case test year for which the Commission has issued a Decision & Order; and

Less Any applicable Earnings Sharing Revenue Credits, Major Capital Projects Credits, and Baseline Capital Projects Credits calculated under the RAM provision

The target revenue shall be revised to correct for any errors in the calculation of the RAM Revenue Adjustment for any previous period and for revisions to RAM Revenue Adjustments as a result of subsequent Commission orders that change the basis of previously calculated RAM Revenue Adjustments. For any corrections of errors in previously calculated RAM Revenue Adjustments, the target revenue shall be adjusted as of the date that the corrected information would have been reflected in target revenue. For changes in the RAM Revenue Adjustment as a result of subsequently issued Commission orders, the target revenue shall be adjusted as of the effective date of tariff rates that are implemented pursuant to the subsequently issued Commission order

The Commission and the Consumer Advocate will be notified of the target revenue revisions or corrections prior to implementation by the Company. There is no presumption that the target revenue changes are ultimately warranted or correct. In the subsequent annual March 31 decoupling filing, the utility will have the burden to demonstrate that the interim changes are warranted and correctly applied. The Consumer Advocate will provide comments regarding the changes with its Statement of Position. The RBA balance and RBA Rate Adjustment for the following year will reflect any appropriate modifications to the change made by the utility in the prior year if necessary

Monthly Allocation Factors for the Target Revenue are as follows:

MAUI ELECTRIC COMPANY, INC.

Transmittal Letter dated May 1, 2013.

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

January	8.29%
February	7.35%
March	8.28%
April	7.88%
May	8.38%
June	8.51%
July	8.87%
August	9.00%
September	8.34%
October	8.78%
November	8.19%
December	<u>8.13%</u>
Total	100.00%

These factors are based on the MWH sales forecast that is approved by the Commission in Maui Electric Company's 2012 test year rate case and shall be updated in any subsequent test year rate case.

C: BALANCING ACCOUNT ENTRIES:

Entries to the RBA will be recorded monthly. A debit entry to the RBA will be made equal to the target revenue as defined in Section B. above, times the appropriate monthly allocation factor in the table above. A credit entry to the RBA will be made equal to the recorded adjusted revenue. The recorded adjusted revenue is defined to include the electric sales revenue from authorized base rates, plus revenue from any authorized interim rate increase, plus revenue from any RBA rate adjustment, but excluding revenue for fuel and purchased power expenses, IRP/DSM, any Commission Ordered one-time rate refunds or credits or other surcharges, and adjusted to remove amounts for applicable revenue taxes.

Interest will be recorded monthly to the RBA by multiplying the simple average of the beginning and ending month balance in the RBA times the Interest Rate divided by 12. The Interest Rate shall be the short term debt rate as established in deriving the consolidated cost of capital in the Company's last full rate case. The Interest Rate prior to March 1, 2014 shall be 6 percent.

D: RECOVERY OF BALANCING ACCOUNT AMOUNTS:

At the Annual Evaluation Date provided in the Rate Adjustment Mechanism Provision, the Company will file with the Commission a statement of the previous calendar year-end balance in the RBA and the RAM Revenue Adjustment for the current calendar year, along with supporting calculations.

MAUI ELECTRIC COMPANY, INC.

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

Both an amortization of the previous calendar year-end balance in the RBA, adjusted for any Earnings Sharing Revenue Credits or Major Capital Projects Credits, Baseline Capital Projects Credits or corrections, and the RAM Revenue Adjustment will be recovered through a per-kWh RBA rate adjustment, over the 12 months from June 1 of the current calendar year to May 31 of the succeeding calendar year. The recovery through the RBA Rate Adjustment of a RAM Revenue Adjustment calculated for a calendar year that is also a rate case test year shall terminate on the effective date of tariff rates that implement a Commission approved base revenue level authorized in the Company's test year rate case.

Revisions to Target Revenue based on corrections for errors and subsequently issued Commission orders, described in Section B above, will not be reflected in the RBA Rate Adjustment until a succeeding June 1 to May 31 period, unless otherwise ordered or approved by the Commission.

Complete, indexed workpapers and electronic files supporting the previous year-end balance in the RBA 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.

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 June 1st, the RBA Rate Adjustment shall go into effect on June 1st, and the Commission shall confirm the commencement of the RBA Rate Adjustment in its monthly Tariff Order.

E REVENUE BALANCING ACCOUNT RATE ADJUSTMENT:

The RBA Rate Adjustment is comprised of the calculated values from Section D above, adjusted to include amounts for applicable revenue taxes, and calculated based on the Company's forecast of mWh sales over the RBA Rate Adjustment recovery period.

MAUI ELECTRIC COMPANY, INC.

Transmittal Letter dated May 1, 2013

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

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

RBA Rate Adjustment

All Rate Schedules 1.5654 ¢/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. 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 22, 2017.

ATTACHMENT 2A

Superseding Sheet No. 50D
Effective ~~July 1, 2016~~ May 1, 2017
~~2017~~ June 1, 2017

REVISED SHEET No. 50D
Effective ~~May 1,~~

MAUI DIVISION
RATE SCHEDULES (Continued)

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
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"	May 1, 2017	Purchase Power Adjustment Clause
95A	"PPAC"	May 1, 2017	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"	June 8, 2015	Rate Adjustment Mechanism Provision
96C	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
96D	"RAM"	June 8, 2015 <u>June 1, 2017</u>	Rate Adjustment Mechanism Provision
96E	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
96F	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
96G	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
96H	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
96I	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
97	"RBA"	June 1, 2013 <u>June 1, 2017</u>	Revenue Balancing Account Provision
97A	"RBA"	June 1, 2013	Revenue Balancing Account Provision
97B	"RBA"	June 1, 2017 <u>March 1, 2014</u>	Revenue Balancing Account Provision
97C	"RBA"	June 1, 2013	Revenue Balancing Account Provision
97D	"RBA"	June 1, 2016 <u>June 1, 2017</u>	Revenue Balancing Account Provision

MAUI ELECTRIC COMPANY, LIMITED

Transmittal Letter Dated ~~April 21, 2017~~ May 22, 2017

Superseding ~~Sheet No.~~ REVISED SHEET NO. 97
Effective June 1, 2013~~May 4, 2012~~
2013~~2017~~

REVISED SHEET NO. 97
Effective June 1,

REVENUE BALANCING ACCOUNT ("RBA") PROVISION
Maui, Lanai, and Molokai Divisions

Supplement To:

Schedule R - Residential Service
Schedule G - General Service - Non-Demand
Schedule J - General Service - Demand
Schedule P - Large Power Service
Schedule F - Public Street Lighting
Schedule TOU-R - Residential Time-of-Use Service
Schedule TOU-G - Small Commercial Time-of-Use Service
Schedule TOU-J - Commercial Time-of-Use Service
Schedule TOU-P - Large Power Time-of-Use Service
Schedule SS - Standby Service
Schedule TOU EV- Residential Time-of-Use Service with
Electric Vehicle Pilot
~~Schedule EV R - Residential Electric Vehicle Charging~~
~~Service Pilot~~
~~Schedule EV C - Commercial Electric Vehicle Charging~~
~~Service Pilot~~Schedule EV-F - Commercial
Public Electric Vehicle
Charging Facility Service Pilot
Schedule TOU-RI- Residential Interim Time-of-Use Service

All terms and provisions of the above listed rate schedules are applicable except that the total base rate charges for each billing period shall be adjusted by the Revenue Balancing Account Rate Adjustments shown below:

A. PURPOSE

The purpose of the Revenue Balancing Account ("RBA") is to record: 1) the difference between the Maui Electric Company's target revenue and recorded adjusted revenue, and 2) monthly interest applied to the simple average of the beginning and ending month balances in the RBA. In addition, the recovery provision of this tariff provides for collection or return of the calendar year-end balance in the RBA and recovery or refund of the RAM Revenue Adjustment, Earnings Sharing Revenue Credits, Major Capital Projects Credits, and Baseline Capital Projects Credits provided in the Rate Adjustment Mechanism ("RAM") Provision over the subsequent June 1st through May 31st period. Tracking of target revenue and recorded adjusted revenue commenced on the effective date of the tariff that implemented the Final Decision

MAUI ELECTRIC COMPANY, INC

Transmittal Letter dated ~~May 1, 2013~~May 22, 2017.

and Order in Maui Electric Company's 2010 test year rate case, Docket No. 2009-0163, consistent with the Final Decision and Order in the Decoupling case, Docket No 2008-0274

MAUI ELECTRIC COMPANY, INC

Docket No. 2009-0163, Decision and Order No 30196, *Instructing the Parties To File An Updated Settlement Agreement*, Filed on February 13, 2012

Transmittal Letter dated March 15, 2012.

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

B: TARGET REVENUE

For the purpose of the RBA, the target revenue is the annual electric revenue approved by the Public Utilities Commission in the last issued Decision & Order in the Company's most recent test year general rate case, excluding revenue for fuel and purchased power expenses that are recovered either in base rates or in a purchased power adjustment clause, excluding revenue being separately tracked or recovered through any other surcharge or rate tracking mechanism, and excluding amounts for applicable revenue taxes;

Plus: Any effective RAM Revenue Adjustment calculated under the RAM provision for years subsequent to the most recent rate case test year for which the Commission has issued a Decision & Order, and

Less: Any applicable Earnings Sharing Revenue Credits, Major Capital Projects Credits, and Baseline Capital Projects Credits calculated under the RAM provision

The target revenue shall be revised to correct for any errors in the calculation of the RAM Revenue Adjustment for any previous period and for revisions to RAM Revenue Adjustments as a result of subsequent Commission orders that change the basis of previously calculated RAM Revenue Adjustments. For any corrections of errors in previously calculated RAM Revenue Adjustments, the target revenue shall be adjusted as of the date that the corrected information would have been reflected in target revenue. For changes in the RAM Revenue Adjustment as a result of subsequently issued Commission orders, the target revenue shall be adjusted as of the effective date of tariff rates that are implemented pursuant to the subsequently issued Commission order.

The Commission and the Consumer Advocate will be notified of the target revenue revisions or corrections prior to implementation by the Company. There is no presumption that the target revenue changes are ultimately warranted or correct. In the subsequent annual March 31 decoupling filing, the utility will have the burden to demonstrate that the interim changes are warranted and correctly applied. The Consumer Advocate will provide comments regarding the changes with its Statement of Position. The RBA balance and RBA Rate Adjustment for the following year will reflect any appropriate modifications to the change made by the utility in the prior year if necessary.

Monthly Allocation Factors for the Target Revenue are as follows:

MAUI ELECTRIC COMPANY, INC

Transmittal Letter dated May 1, 2013

Superseding ~~Sheet No~~ REVISED SHEET NO. 97B

REVISED SHEET NO. 97B

Effective ~~January 1, 2014~~ March 1, 2014

Effective ~~March 1,~~

~~2014~~ June 1, 2017

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

January	8.29%
February	7.35%
March	8.28%
April	7.88%
May	8.38%
June	8 51%
July	8 87%
August	9 00%
September	8 34%
October	8 78%
November	8 19%
December	<u>8 13%</u>
Total	100 00%

These factors are based on the MWH sales forecast that is approved by the Commission in Maui Electric Company's 2012 test year rate case and shall be updated in any subsequent test year rate case.

C: BALANCING ACCOUNT ENTRIES:

Entries to the RBA will be recorded monthly. A debit entry to the RBA will be made equal to the target revenue as defined in Section B. above, times the appropriate monthly allocation factor in the table above. A credit entry to the RBA will be made equal to the recorded adjusted revenue. The recorded adjusted revenue is defined to include the electric sales revenue from authorized base rates, plus revenue from any authorized interim rate increase, plus revenue from any RBA rate adjustment, but excluding revenue for fuel and purchased power expenses, IRP/DSM, any Commission Ordered one-time rate refunds or credits or other surcharges, and adjusted to remove amounts for applicable revenue taxes

Interest will be recorded monthly to the RBA by multiplying the simple average of the beginning and ending month balance in the RBA times the Interest Rate divided by 12. The Interest Rate shall be the short term debt rate as established in deriving the consolidated cost of capital in the Company's last full rate case. The Interest Rate prior to March 1, 2014 shall be 6 percent.

~~Entries to the RBA to correct individual billing errors of \$5,000 or greater will be made as soon as possible. Such corrections to the RBA balance shall not require adjustments to prior calculated interest if the corrections are less than \$50,000 (in absolute value, plus or minus). In determining whether the corrections to the RBA balance are less than \$50,000 (in absolute value, plus or minus), all billing errors of \$5,000 or more that result from the same event shall be aggregated.~~

D. RECOVERY OF BALANCING ACCOUNT AMOUNTS.

MAUI ELECTRIC COMPANY, INC.

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

Transmittal Letter dated ~~February 28, 2014~~ May 22, 2017

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

Maui, Lanai, and Molokai Divisions

At the Annual Evaluation Date provided in the Rate Adjustment Mechanism Provision, the Company will file with the Commission a statement of the previous calendar year-end balance in the RBA and the RAM Revenue Adjustment for the current calendar year, along with supporting calculations.

MAUI ELECTRIC COMPANY, INC.

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

Transmittal Letter dated May 3, 2012

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

Both an amortization of the previous calendar year-end balance in the RBA, adjusted for any Earnings Sharing Revenue Credits or Major Capital Projects Credits, Baseline Capital Projects Credits or corrections, and the RAM Revenue Adjustment will be recovered through a per-kWh RBA rate adjustment, over the 12 months from June 1 of the current calendar year to May 31 of the succeeding calendar year. The recovery through the RBA Rate Adjustment of a RAM Revenue Adjustment calculated for a calendar year that is also a rate case test year shall terminate on the effective date of tariff rates that implement a Commission approved base revenue level authorized in the Company's test year rate case.

Revisions to Target Revenue based on corrections for errors and subsequently issued Commission orders, described in Section B above, will not be reflected in the RBA Rate Adjustment until a succeeding June 1 to May 31 period, unless otherwise ordered or approved by the Commission.

Complete, indexed workpapers and electronic files supporting the previous year-end balance in the RBA 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.

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 June 1st, the RBA Rate Adjustment shall go into effect on June 1st, and the Commission shall confirm the commencement of the RBA Rate Adjustment in its monthly Tariff Order.

E: REVENUE BALANCING ACCOUNT RATE ADJUSTMENT:

The RBA Rate Adjustment is comprised of the calculated values from Section D above, adjusted to include amounts for applicable revenue taxes, and calculated based on the Company's forecast of mWh sales over the RBA Rate Adjustment recovery period.

MAUI ELECTRIC COMPANY, INC.

Transmittal Letter dated May 1, 2013

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

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

RBA Rate Adjustment

All Rate Schedules ~~1-40821~~ 5654 ¢/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.~~

HG: 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

Superseding Sheet No. 50H

REVISED SHEET NO. 50H

Effective June 1, 2016~~June 8, 2015~~
~~2016~~June 1, 2017

Effective ~~June 1,~~

LANAI DIVISION

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
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 8, 2015	Rate Adjustment Mechanism Provision
107C	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
107D	"RAM"	June 8, 2015 <u>June 1, 2017</u>	Rate Adjustment Mechanism Provision
107E	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
107F	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
107G	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
107H	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
107I	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
108	"RBA"	June 1, 2017 <u>June 1, 2013</u>	Revenue Balancing Account Provision
108A	"RBA"	June 1, 2013	Revenue Balancing Account Provision
108B	"RBA"	June 1, 2017 <u>March 1, 2014</u>	Revenue Balancing Account Provision
108C	"RBA"	June 1, 2013	Revenue Balancing Account Provision
108D	"RBA"	June 1, 2016 <u>June 1, 2017</u>	Revenue Balancing Account Provision

RATE SCHEDULES (Continued)

MAUI ELECTRIC COMPANY, LIMITED

Transmittal Letter Dated ~~March 31, 2016~~May 22, 2017.

REVENUE BALANCING ACCOUNT ("RBA") PROVISION
Maui, Lanai, and Molokai Divisions

Supplement To

Schedule R - Residential Service
Schedule G - General Service - Non-Demand
Schedule J - General Service - Demand
Schedule P - Large Power Service
Schedule F - Public Street Lighting
Schedule TOU-R - Residential Time-of-Use Service
Schedule TOU-G - Small Commercial Time-of-Use Service
Schedule TOU-J - Commercial Time-of-Use Service
Schedule TOU-P - Large Power Time-of-Use Service
Schedule SS - Standby Service
Schedule TOU EV- Residential Time-of-Use Service with
Electric Vehicle Pilot
~~Schedule EV R - Residential Electric Vehicle Charging~~
~~Service Pilot~~
~~Schedule EV C - Commercial Electric Vehicle Charging~~
~~Service Pilot~~Schedule EV-F - Commercial
Public Electric Vehicle
Charging Facility Service Pilot
Schedule TOU-RI- Residential Interim Time-of-Use Service

All terms and provisions of the above listed rate schedules are applicable except that the total base rate charges for each billing period shall be adjusted by the Revenue Balancing Account Rate Adjustments shown below:

A: PURPOSE

The purpose of the Revenue Balancing Account ("RBA") is to record: 1) the difference between the Maui Electric Company's target revenue and recorded adjusted revenue, and 2) monthly interest applied to the simple average of the beginning and ending month balances in the RBA. In addition, the recovery provision of this tariff provides for collection or return of the calendar year-end balance in the RBA and recovery or refund of the RAM Revenue Adjustment, Earnings Sharing Revenue Credits, Major Capital Projects Credits, and Baseline Capital Projects Credits provided in the Rate Adjustment Mechanism ("RAM") Provision over the subsequent June 1st through May 31st period. Tracking of target revenue and recorded adjusted revenue commenced on the effective date of the tariff that implemented the Final Decision and Order in Maui Electric Company's 2010 test year rate case, Docket

MAUI ELECTRIC COMPANY, INC

Transmittal Letter dated ~~May 1, 2013~~May 22, 2017.

No. 2009-0163, consistent with the Final Decision and Order in the Decoupling case, Docket No. 2008-0274

MAUI ELECTRIC COMPANY, INC.

Docket No 2009-0163; Decision and Order No. 30196, *Instructing the Parties To File An Updated Settlement Agreement*, Filed on February 13, 2012

Transmittal Letter dated March 15, 2012

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

B: TARGET REVENUE.

For the purpose of the RBA, the target revenue is the annual electric revenue approved by the Public Utilities Commission in the last issued Decision & Order in the Company's most recent test year general rate case, excluding revenue for fuel and purchased power expenses that are recovered either in base rates or in a purchased power adjustment clause; excluding revenue being separately tracked or recovered through any other surcharge or rate tracking mechanism, and excluding amounts for applicable revenue taxes;

Plus: Any effective RAM Revenue Adjustment calculated under the RAM provision for years subsequent to the most recent rate case test year for which the Commission has issued a Decision & Order, and

Less: Any applicable Earnings Sharing Revenue Credits, Major Capital Projects Credits, and Baseline Capital Projects Credits calculated under the RAM provision.

The target revenue shall be revised to correct for any errors in the calculation of the RAM Revenue Adjustment for any previous period and for revisions to RAM Revenue Adjustments as a result of subsequent Commission orders that change the basis of previously calculated RAM Revenue Adjustments. For any corrections of errors in previously calculated RAM Revenue Adjustments, the target revenue shall be adjusted as of the date that the corrected information would have been reflected in target revenue. For changes in the RAM Revenue Adjustment as a result of subsequently issued Commission orders, the target revenue shall be adjusted as of the effective date of tariff rates that are implemented pursuant to the subsequently issued Commission order.

The Commission and the Consumer Advocate will be notified of the target revenue revisions or corrections prior to implementation by the Company. There is no presumption that the target revenue changes are ultimately warranted or correct. In the subsequent annual March 31 decoupling filing, the utility will have the burden to demonstrate that the interim changes are warranted and correctly applied. The Consumer Advocate will provide comments regarding the changes with its Statement of Position. The RBA balance and RBA Rate Adjustment for the following year will reflect any appropriate modifications to the change made by the utility in the prior year if necessary.

Monthly Allocation Factors for the Target Revenue are as follows

MAUI ELECTRIC COMPANY, INC.

Transmittal Letter dated May 1, 2013.

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

Maui, Lanai, and Molokai Divisions

January	8.29%
February	7.35%
March	8.28%
April	7.88%
May	8.38%
June	8.51%
July	8.87%
August	9.00%
September	8.34%
October	8.78%
November	8.19%
December	<u>8.13%</u>
Total	100.00%

These factors are based on the MWH sales forecast that is approved by the Commission in Maui Electric Company's 2012 test year rate case and shall be updated in any subsequent test year rate case.

C: BALANCING ACCOUNT ENTRIES:

Entries to the RBA will be recorded monthly. A debit entry to the RBA will be made equal to the target revenue as defined in Section B above, times the appropriate monthly allocation factor in the table above. A credit entry to the RBA will be made equal to the recorded adjusted revenue. The recorded adjusted revenue is defined to include the electric sales revenue from authorized base rates, plus revenue from any authorized interim rate increase, plus revenue from any RBA rate adjustment, but excluding revenue for fuel and purchased power expenses, IRP/DSM, any Commission Ordered one-time rate refunds or credits or other surcharges, and adjusted to remove amounts for applicable revenue taxes.

Interest will be recorded monthly to the RBA by multiplying the simple average of the beginning and ending month balance in the RBA times the Interest Rate divided by 12. The Interest Rate shall be the short term debt rate as established in deriving the consolidated cost of capital in the Company's last full rate case. The Interest Rate prior to March 1, 2014 shall be 6 percent.

~~Entries to the RBA to correct individual billing errors of \$5,000 or greater will be made as soon as possible. Such corrections to the RBA balance shall not require adjustments to prior calculated interest if the corrections are less than \$50,000 (in absolute value, plus or minus). In determining whether the corrections to the RBA balance are less than \$50,000 (in absolute value, plus or minus), all billing errors of \$5,000 or more that result from the same event shall be aggregated.~~

D: RECOVERY OF BALANCING ACCOUNT AMOUNTS:

MAUI ELECTRIC COMPANY, INC.

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

Maui, Lanai, and Molokai Divisions

At the Annual Evaluation Date provided in the Rate Adjustment Mechanism Provision, the Company will file with the Commission a statement of the previous calendar year-end balance in the RBA and the RAM Revenue Adjustment for the current calendar year, along with supporting calculations.

MAUI ELECTRIC COMPANY, INC.

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

Transmittal Letter dated May 3 2012

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

Both an amortization of the previous calendar year-end balance in the RBA, adjusted for any Earnings Sharing Revenue Credits or Major Capital Projects Credits, Baseline Capital Projects Credits or corrections, and the RAM Revenue Adjustment will be recovered through a per-kWh RBA rate adjustment, over the 12 months from June 1 of the current calendar year to May 31 of the succeeding calendar year. The recovery through the RBA Rate Adjustment of a RAM Revenue Adjustment calculated for a calendar year that is also a rate case test year shall terminate on the effective date of tariff rates that implement a Commission approved base revenue level authorized in the Company's test year rate case.

Revisions to Target Revenue based on corrections for errors and subsequently issued Commission orders, described in Section B above, will not be reflected in the RBA Rate Adjustment until a succeeding June 1 to May 31 period, unless otherwise ordered or approved by the Commission.

Complete, indexed workpapers and electronic files supporting the previous year-end balance in the RBA 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.

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 June 1st, the RBA Rate Adjustment shall go into effect on June 1st, and the Commission shall confirm the commencement of the RBA Rate Adjustment in its monthly Tariff Order.

E REVENUE BALANCING ACCOUNT RATE ADJUSTMENT

The RBA Rate Adjustment is comprised of the calculated values from Section D above, adjusted to include amounts for applicable revenue taxes, and calculated based on the Company's forecast of mWh sales over the RBA Rate Adjustment recovery period.

MAUI ELECTRIC COMPANY, INC

Transmittal Letter dated May 1, 2013

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

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

RBA Rate Adjustment

All Rate Schedules ~~1-40821.5654~~ ¢/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.~~

HG: 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.

Effective June 1, 2016~~June 8, 2015~~
~~2016~~June 1, 2017Effective ~~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"	June 8, 2015	Rate Adjustment Mechanism Provision
151C	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
151D	"RAM"	June 8, 2015 <u>June 1, 2017</u>	Rate Adjustment Mechanism Provision
151E	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
151F	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
151G	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
151H	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
151I	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
152	"RBA"	June 1, 2013 <u>June 1, 2017</u>	Revenue Balancing Account Provision
152A	"RBA"	June 1, 2013	Revenue Balancing Account Provision
152B	"RBA"	June 1, 2017 <u>March 1, 2014</u>	Revenue Balancing Account Provision
152C	"RBA"	June 1, 2013	Revenue Balancing Account Provision
152D	"RBA"	June 1, 2017 <u>June 1, 2016</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 ~~March 31, 2016~~May 22, 2017

Superseding Sheet No. 152
Effective June 1, 2013~~May 4, 2012~~
~~2013~~2017

REVISED SHEET NO. 152
Effective June 1,

REVENUE BALANCING ACCOUNT ("RBA") PROVISION
Maui, Lanai, and Molokai Divisions

Supplement To:

Schedule R - Residential Service
Schedule G - General Service - Non-Demand
Schedule J - General Service - Demand
Schedule P - Large Power Service
Schedule F - Public Street Lighting
Schedule TOU-R - Residential Time-of-Use Service
Schedule TOU-G - Small Commercial Time-of-Use Service
Schedule TOU-J - Commercial Time-of-Use Service
Schedule TOU-P - Large Power Time-of-Use Service
Schedule SS - Standby Service
Schedule TOU EV- Residential Time-of-Use Service with
Electric Vehicle Pilot
~~Schedule EV R - Residential Electric Vehicle Charging~~
~~Service Pilot~~
~~Schedule EV C - Commercial Electric Vehicle Charging~~
~~Service Pilot~~Schedule EV-F - Commercial
Public Electric Vehicle
Charging Facility Service Pilot
Schedule TOU-RI- Residential Interim Time-of-Use Service

All terms and provisions of the above listed rate schedules are applicable except that the total base rate charges for each billing period shall be adjusted by the Revenue Balancing Account Rate Adjustments shown below.

A. PURPOSE:

The purpose of the Revenue Balancing Account ("RBA") is to record: 1) the difference between the Maui Electric Company's target revenue and recorded adjusted revenue, and 2) monthly interest applied to the simple average of the beginning and ending month balances in the RBA. In addition, the recovery provision of this tariff provides for collection or return of the calendar year-end balance in the RBA and recovery or refund of the RAM Revenue Adjustment, Earnings Sharing Revenue Credits, Major Capital Projects Credits, and Baseline Capital Projects Credits provided in the Rate Adjustment Mechanism ("RAM") Provision over the subsequent June 1st through May 31st period. Tracking of target revenue and recorded adjusted revenue commenced on the effective date of the tariff that implemented the Final Decision and Order in Maui Electric Company's 2010 test year rate case, Docket

MAUI ELECTRIC COMPANY, INC.

Transmittal Letter dated ~~May 1, 2013~~May 22, 2017.

No. 2009-0163, consistent with the Final Decision and Order in the Decoupling case, Docket No 2008-0274

MAUI ELECTRIC COMPANY, INC.

Docket No. 2009-0163; Decision and Order No 30196, *Instructing the Parties To File An Updated Settlement Agreement*, Filed on February 13, 2012

Transmittal Letter dated March 15, 2012.

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

B TARGET REVENUE

For the purpose of the RBA, the target revenue is the annual electric revenue approved by the Public Utilities Commission in the last issued Decision & Order in the Company's most recent test year general rate case, excluding revenue for fuel and purchased power expenses that are recovered either in base rates or in a purchased power adjustment clause, excluding revenue being separately tracked or recovered through any other surcharge or rate tracking mechanism; and excluding amounts for applicable revenue taxes,

Plus Any effective RAM Revenue Adjustment calculated under the RAM provision for years subsequent to the most recent rate case test year for which the Commission has issued a Decision & Order, and

Less: Any applicable Earnings Sharing Revenue Credits, Major Capital Projects Credits, and Baseline Capital Projects Credits calculated under the RAM provision.

The target revenue shall be revised to correct for any errors in the calculation of the RAM Revenue Adjustment for any previous period and for revisions to RAM Revenue Adjustments as a result of subsequent Commission orders that change the basis of previously calculated RAM Revenue Adjustments. For any corrections of errors in previously calculated RAM Revenue Adjustments, the target revenue shall be adjusted as of the date that the corrected information would have been reflected in target revenue. For changes in the RAM Revenue Adjustment as a result of subsequently issued Commission orders, the target revenue shall be adjusted as of the effective date of tariff rates that are implemented pursuant to the subsequently issued Commission order.

The Commission and the Consumer Advocate will be notified of the target revenue revisions or corrections prior to implementation by the Company. There is no presumption that the target revenue changes are ultimately warranted or correct. In the subsequent annual March 31 decoupling filing, the utility will have the burden to demonstrate that the interim changes are warranted and correctly applied. The Consumer Advocate will provide comments regarding the changes with its Statement of Position. The RBA balance and RBA Rate Adjustment for the following year will reflect any appropriate modifications to the change made by the utility in the prior year if necessary.

Monthly Allocation Factors for the Target Revenue are as follows:

MAUI ELECTRIC COMPANY, INC.

Superseding ~~Sheet No~~ REVISED SHEET NO. 152B

REVISED SHEET NO. 152B

Effective ~~January 1, 2014~~ March 1, 2014 Effective ~~March 1, 2014~~ June 1, 2017

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

Maui, Lanai, and Molokai Divisions

January	. 8 29%
February	7.35%
March	8.28%
April	7.88%
May	8.38%
June	8.51%
July	8.87%
August	9.00%
September	8.34%
October	8.78%
November	8.19%
December	<u>8.13%</u>
Total	100 00%

These factors are based on the MWH sales forecast that is approved by the Commission in Maui Electric Company's 2012 test year rate case and shall be updated in any subsequent test year rate case.

C. BALANCING ACCOUNT ENTRIES

Entries to the RBA will be recorded monthly. A debit entry to the RBA will be made equal to the target revenue as defined in Section B above, times the appropriate monthly allocation factor in the table above. A credit entry to the RBA will be made equal to the recorded adjusted revenue. The recorded adjusted revenue is defined to include the electric sales revenue from authorized base rates, plus revenue from any authorized interim rate increase, plus revenue from any RBA rate adjustment, but excluding revenue for fuel and purchased power expenses, IRP/DSM, any Commission Ordered one-time rate refunds or credits or other surcharges, and adjusted to remove amounts for applicable revenue taxes.

Interest will be recorded monthly to the RBA by multiplying the simple average of the beginning and ending month balance in the RBA times the Interest Rate divided by 12. The Interest Rate shall be the short term debt rate as established in deriving the consolidated cost of capital in the Company's last full rate case. The Interest Rate prior to March 1, 2014 shall be 6 percent.

~~Entries to the RBA to correct individual billing errors of \$5,000 or greater will be made as soon as possible. Such corrections to the RBA balance shall not require adjustments to prior calculated interest if the corrections are less than \$50,000 (in absolute value, plus or minus). In determining whether the corrections to the RBA balance are less than \$50,000 (in absolute value, plus or minus), all billing errors of \$5,000 or more that result from the same event shall be aggregated.~~

D RECOVERY OF BALANCING ACCOUNT AMOUNTS

MAUI ELECTRIC COMPANY, INC.

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

Transmittal Letter dated ~~February 28, 2014~~ May 22, 2017

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

Maui, Lanai, and Molokai Divisions

At the Annual Evaluation Date provided in the Rate Adjustment Mechanism Provision, the Company will file with the Commission a statement of the previous calendar year-end balance in the RBA and the RAM Revenue Adjustment for the current calendar year, along with supporting calculations.

MAUI ELECTRIC COMPANY, INC.

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

Transmittal Letter dated May 3, 2012.

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

Both an amortization of the previous calendar year-end balance in the RBA, adjusted for any Earnings Sharing Revenue Credits or Major Capital Projects Credits, Baseline Capital Projects Credits or corrections, and the RAM Revenue Adjustment will be recovered through a per-kWh RBA rate adjustment, over the 12 months from June 1 of the current calendar year to May 31 of the succeeding calendar year. The recovery through the RBA Rate Adjustment of a RAM Revenue Adjustment calculated for a calendar year that is also a rate case test year shall terminate on the effective date of tariff rates that implement a Commission approved base revenue level authorized in the Company's test year rate case.

Revisions to Target Revenue based on corrections for errors and subsequently issued Commission orders, described in Section B above, will not be reflected in the RBA Rate Adjustment until a succeeding June 1 to May 31 period, unless otherwise ordered or approved by the Commission.

Complete, indexed workpapers and electronic files supporting the previous year-end balance in the RBA 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.

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 June 1st, the RBA Rate Adjustment shall go into effect on June 1st, and the Commission shall confirm the commencement of the RBA Rate Adjustment in its monthly Tariff Order.

E. REVENUE BALANCING ACCOUNT RATE ADJUSTMENT

The RBA Rate Adjustment is comprised of the calculated values from Section D above, adjusted to include amounts for applicable revenue taxes, and calculated based on the Company's forecast of mWh sales over the RBA Rate Adjustment recovery period.

MAUI ELECTRIC COMPANY, INC

Transmittal Letter dated May 1, 2013.

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

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

RBA Rate Adjustment

All Rate Schedules ~~1.40821~~1.5654 ¢/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.~~

HG: 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 ~~March 31, 2016~~May 22, 2017.

ATTACHMENT 3

MAUI ELECTRIC COMPANY, LIMITED
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF 2017 REVENUE BALANCING ACCOUNT RATE ADJUSTMENT

Line No	Description (a)	Reference (b)	Amount (c)	Rate Amount (d)
<u>RECONCILIATION OF RBA BALANCE</u>				
1	RBA Prior calendar year-end balance	Schedule B	\$ 2 620 523	
2	Revenue Tax Factor	Schedule C	1 0975	
3	Revenue for RBA Balance			\$ 2,876,024
<u>RATE ADJUSTMENT MECHANISM "RAM" AMOUNT</u>				
4	Total RAM Revenue Adjustment Allowed (Note 2)	Schedule A1		\$ 14,127,505
5	<u>EARNINGS SHARING REVENUE CREDITS - 2015 ROE</u>	Schedule H		\$ -
5a	ESM Adjustment - 2013 (Note 3)	Schedule H1	(14,607)	
5b	ESM Adjustment - 2014 (Note 3)	Schedule H2	(25,071)	\$ (39,677)
6	<u>PUC-ORDERED MAJOR OR BASELINE CAPITAL PROJECTS CREDITS</u>	Schedule I		\$ -
7	TOTAL RBA REVENUE ADJUSTMENT	Sum Col (d)		\$ 16,963,852
8	GWH SALES VOLUME ESTIMATE JUNE 2017 - MAY 2018	MECO-WP-A-001		1,083 7
9	RBA RATE ADJUSTMENT, RBA Balance - ¢ per kWh	Note (1)		1 5654
10	MONTHLY BILL IMPACT @ 600 KWH - Maui Division			\$ 9.39
	MONTHLY BILL IMPACT @ 500 KWH - Maui Division			\$ 7.83
11	MONTHLY BILL IMPACT @ 400 KWH - Molokai and Lanai Divisions			\$ 6.26

Note (1) 2016 RBA Rate Adjustment Breakdown

	Col (d)	Rate Adjustment cents per kWh	Percentage Share
RBA Balance	\$ 2 876,024	0 26538928	16 9535%
RAM Amount	\$ 14,127,505	1 30363624	83 2801%
Earnings Sharing Revenue Credits	\$ (39,677)	-0 00386128	-0 2338%
Major or Baseline Capital Projects Credits	\$ -	0 00000000	0 0000%
	\$ 16,963,852	1 56536424	100 00%

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

Note (3) The adjustments on line 5a and 5b represent additional refunds in the years the ESM was triggered in 2013 and 2014, plus interest for the period June 2014/15-May 2017. In July 2016, the Companies discovered the interest expense accrued for financial statement purposes had erroneously been overstated since May 2012 due to the incorrect programming of a report developed when the Customer Information System was implemented. The report miscalculated accrued interest on released deposits and for deposits that had been transferred to the new Customer Information System. The misstatement was deemed immaterial and no prior period adjustment was warranted for financial reporting purposes. However, it resulted in understatements of the Earnings Sharing Mechanism in the years which the ESM was triggered. See Schedule H1 and H2 for the recalculation of the Earnings Sharing Mechanism in those years.

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

Line No	Description (a)	Reference (b)	Amount (c)
RAM REVENUE ADJUSTMENT DETERMINED ACCORDING TO EXISTING TARIFFS AND PROCEDURES			
1	O&M RAM	Schedule C	\$ 4,902,267
2	Rate Base RAM - Return on Investment	Schedule D	\$ 5,546,688
3	Depreciation & Amortization RAM Expense	Schedule E	\$ 4,477,118
4	Total RAM Revenue Adjustment		\$ 14,926,073
5	Less Adjustment for Change in On-cost Clearing Allocation	Note 3	\$ (798,567)
6	Total Adjusted RAM Revenue Adjustment		\$ 14,127,506
RAM REVENUE ADJUSTMENT CAP			
7	RAM Cap for 2017 RAM Revenue Adjustment	Schedule J	\$ 15,066,192
8	Plus Exceptional and Other Matters	Schedule K	393,373
9	2017 Cap - Total RAM Revenue Adjustment (Note 2)		\$ 15,459,565
10	Total RAM Revenue Adjustment Allowed (Note 1)	Lesser of Line 6 or Line 9	\$ 14,127,506 To Sch A

Note 1 RAM Revenue Adjustment Allowed

See Order No 32735, filed March 31, 2015, paragraph 106, page 94

"The RAM Revenue Adjustment to be applied to determine effective Target Revenues will be the lesser of (a) the RAM Revenue Adjustment determined according to existing tariffs and procedures or (b) a RAM Revenue Adjustment Cap ("RAM Cap) to be calculated as specified "

Note 2 Total RAM Cap

See Order No 32735, filed March 31, 2015, paragraph 110, page 96

"The RAM Cap will apply to the entire RAM Revenue Adjustment including the O&M RAM, Rate Base RAM (including Major Capital Projects and Baseline Projects), and the Depreciation and Amortization RAM "

Note 3 Order No 32866, paragraph 18 required the Company to adjust its 2015 RAM Revenue Adjustment to reflect the O&M expense reduction impact associated with the change in on-cost clearing allocation identified by the Company. The adjustment made to the 2015 RAM revenue adjustment was based on the 2014 O&M expense impact of the change in on-cost clearing allocation. In calculating the 2017 RAM revenue adjustment determined according to existing tariffs and procedures, the adjustment has been updated to reflect the 2016 O&M impact of the change in on-cost clearing allocation. See MECO-WP-A1-001 for the calculation.

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

Line No	Description	Reference	D&O No 31288 Docket No 2011-0092 Amounts	D&O No 31288 Docket No 2011-0092 Amounts	D&O No 31288 Docket No 2011-0092 Amounts	D&O No 31288 Docket No 2011-0092 Amounts	D&O No 31288 Docket No 2011-0092 Amounts	D&O No 31288 Docket No 2011-0092 Amounts
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	<u>Last Rate Case Annual Electric Revenue at Approved Rate Levels</u>	Note (1)	\$000s	\$ 416 810	\$ 416 810	\$ 416 810	\$ 416 810	\$ 416 810
2	Less Fuel Expense	Note (1)	\$000s	\$ (212 580)	\$ (212 580)	\$ (212 580)	\$ (212 580)	\$ (212 580)
3	Purchased Power Expense	Note (1)	\$000s	\$ (44 856)	\$ (44 856)	\$ (44 856)	\$ (44 856)	\$ (44 856)
4	Revenue Taxes on Line 1 (8.885% statutory rates)		\$000s	\$ (37 034)	\$ (37 034)	\$ (37 034)	\$ (37 034)	\$ (37 034)
5	Last Rate Order Target Annual Revenues	Sum Lines 1 thru 4	\$000s	\$ 122 340	\$ 122 340	\$ 122 340	\$ 122 340	\$ 122 340
6	Add Authorized RAM Revenues Transmittal No 15-05	Tariff Transmittal	\$000s	\$ 10 122	\$ 10 122			
7	Less Revenue Taxes on Line 11 at 8.885%		\$000s	\$ (899)	\$ (899)			
8	Net RAM Adjustment Test Year +3	Lines 6+7	\$000s	\$ 9,223	\$ 9,223			
9	(Not Used)							
10	(Not Used)							
11	Authorized RAM Revenues Transmittal No 16-03	Tariff Transmittal	\$000s		\$ 12 556	\$ 12 556		
12	Less Revenue Taxes on Line 11 at 8.885%		\$000s		\$ (1 116)	\$ (1 116)		
13	Net RAM Adjustment Test Year +4	Lines 11+12	\$000s		\$ 11 440	\$ 11 440		
14	Authorized RAM Revenues	Sch A, line 4	\$000s				\$ 12,556	\$ 12,556
15	Less Revenue Taxes on Line 14 at 8.885%		\$000s				\$ (1,116)	\$ (1,116)
16	Net RAM Adjustment Test Year +5	Lines 14+15	\$000s				\$ 11,440	\$ 11,440
17	Less EARNINGS SHARING REVENUE CREDITS	Sch H or Sch A, Ln 5	\$000s	\$ (521)	\$ (521)			\$ (40)
18	Less Revenue Taxes on Line 14 at 8.885%		\$000s	\$ 46	\$ 46			\$ 4
19	Net Earnings Sharing Revenue Credits	Lines 17 + 18	\$000s	\$ (474)	\$ (474)			\$ (36)
20	<u>PUC-ORDERED MAJOR OR BASELINE CAPITAL CREDITS</u>	Sch I or Sch A, Ln 6	\$000s					
21	Total Annual Target Revenues							
22	June 1 2014 Annualized Revenues + 2014 RAM Revenues	Lines 5 + 8 + 19	\$000s	\$ 131 089	\$ 131 089			
23	June 1 2015 Annualized Revenues + 2015 RAM Revenues	Lines 5 + 13 + 19	\$000s			\$ 133 781	\$ 133 781	
24	June 1 2016 Annualized Revenues + 2016 RAM Revenues	Lines 5 + 16 + 19	\$000s					\$ 135,000
25	<u>Distribution of Target Revenues by Month in Dollars</u>	Note (2)	Note (3)	2015	2016	2016	2017	2018
26	January	8.29%	8.46%		\$10 882 147		\$11 080 431	\$11 506 137
27	February	7.35%	7.50%		\$9 648 161		\$9 832 891	\$10 250 422
28	March	8.28%	8.45%		\$10 868 039		\$11 077 053	\$11 502 519
29	April	7.88%	8.04%		\$10 343 808		\$10 541 929	\$10 951 913
30	May	8.38%	8.55%		\$11 000 128		\$11 210 833	\$11 627 785
31	June - effective date of RAM Change is June 8 2015	8.51%	8.66%	\$10 993 823		\$11 384 749	\$11 603 328	\$11 980 181
32	July	8.87%	9.05%	\$11 643 338		\$11 866 360	\$12 040 275	\$12 418 650
33	August	9.00%	9.17%	\$11 812 879		\$12 040 275	\$12 214 190	\$12 592 565
34	September	8.34%	8.51%	\$10 947 692		\$11 157 321	\$11 371 236	\$11 749 601
35	October	8.78%	8.96%	\$11 525 358		\$11 745 957	\$11 960 572	\$12 338 937
36	November	8.19%	8.36%	\$10 751 059		\$10 956 650	\$11 171 261	\$11 540 626
37	December	8.13%	8.29%	\$10 671 531		\$10 876 381	\$11 091 992	\$11 502 519
38	Total Distributed Target Revenues	100.00%	100.00%	\$78 345 680	\$52 743 283	\$60 027 693	\$53 753 137	\$54,113,841

Footnotes:

1 Docket No 2011-0092 Final amounts derived from MECO Revised Results of Operations Exhibit 1A, Page 1 filed June 17 2013

2 RBA Tariff effective June 1 2012 based on 2012 test year

3 Derivation of RAM and Earnings Sharing Revenue Allocation for June 8 2015 to May 31 2016

	Scale to total 100.00%
June is a partial month	
January	8.29%
February	7.35%
March	8.28%
April	7.88%
May	8.38%
June - effective date of RAM Change is June 8 2015	8.52%
July	8.87%
August	9.00%
September	8.34%
October	8.78%
November	8.19%
December	8.13%
Total Distributed Target Revenues	98.01%

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

Line No	Description (a)	January 2016 (b)	February 2016 (c)	March 2016 (d)	April 2016 (e)	May 2016 (f)	June 2016 (g)	July 2016 (h)	August 2016 (i)	September 2016 (j)	October 2016 (k)	November 2016 (l)	December 2016 (m)
BILLED REVENUES													
1	Current month's billed revenues (SAP014w)	25 650 519	24 019 287	23 328 534	25 005 833	23 742 691	25 713 342	27 622 158	29 139 746	28 651 748	26 736 646	25 959 017	24 752 138
2	Remove PBF revenues	(257 361)	(244 989)	(239 145)	(248 932)	(239 204)	(262 312)	(298 865)	(337 281)	(334 293)	(317 648)	(314 709)	(310 648)
3	Remove Solar Saver non-revenues				26 541	24 273	64	1	7				
4	Other entries												
5 =													
sum 1 4	BILLED REVENUES	25,393,158	23,774,298	23,089,390	24,783,242	23,527,760	25,451,094	27,323,293	28,802,470	28,317,453	26,418,998	25,644,308	24,441,490
UNBILLED REVENUES													
6	Current month's unbilled revenue (Unbilled Sales and Revenue Est)	12 284 736	10 978 917	12 493 962	12 167 838	12 742 903	12 812 030	13 795 403	14 489 262	12 515 829	13 523 120	11 449 591	12 314 187
7	Reverse prior month's unbilled revenues (Unbilled Sales and Revenue Est)	(11 905 544)	(12 284 736)	(10 978 917)	(12 493 962)	(12 167 836)	(12 742 903)	(12 812 030)	(13,795 403)	(14 489,262)	(12 515 829)	(13 523 120)	(11 449,591)
8 = 6+7	Unbilled revenues per Unbilled Sales and Revenue Estimate	379 191	(1 307 819)	1 517 045	(326 126)	575 067	69 127	983 373	693 859	(1 973 433)	1 007 291	(2 073 529)	884 597
9	Recovery of 12/31/14 RBA balance through RBA Rate Adjustment beginning 6/1/15	(658 650)	(809 131)	(835 681)	(826 452)	(651 846)							
10	Recovery of 12/31/15 RBA balance through RBA Rate Adjustment beginning 6/1/16						(259 359)	(279 891)	(287 004)	(264 507)	(277 750)	(251 583)	(264 673)
11	Adjustment for ECAC accrual	(354 400)	482 100	(1 291 300)	(177 600)	316 200	(451 000)	(979 700)	(314 700)	192 800	(1 242 400)	338 400	(271 400)
12	Reversal of ECAC accrual	572 434	69 800	69 800	69 800	387 867	387 867	387 866	107 467	107 467	107 466	367 199	367 199
13	Adjustment for PPAC accrual	(3 050)	(870)	(762)		128	(680)	(29)	8				(2)
14	Reversal of PPAC accrual	94 092	28 397	28 397	28 400		4 482						
15	Redress Big Wind surcharge carrying costs	(99)	(94)	(89)	(84)	(79)	(73)	(68)	(62)	(57)	(51)	(46)	(40)
16	Redress excess DSM revenues	6 099	5 090	5 224	(778)	(13)	7	(49)	36	-	(52)	31	25
17	ESM Refund Accrual												
18	Reverse ESM Refund Previously Accrued	44 036	39 039	43 984	41 850	44 505							
19	Other manual adjustments												
20	RBA gross up for revenue taxes	35 314	(30 422)	26 366	(98)	18 371	79 825	47 765	42 372	52 049	47 374	64 749	41 450
21	Accrual of current month's RBA (PUC Monthly Financial Report pg 9A)	362 139	(311 976)	270 378	(1 004)	188,390	818 602	489 823	434,523	533 759	485 812	663 994	425 166
22	Adjust prior period RBA balance								639				23 899
23	Adjust prior period RBA related revenue taxes								62				2 331
24 =													
sum 9-23	Miscellaneous unbilled accruals	97 914	(327 687)	(1 483 663)	(665 967)	303 523	569 671	(334 283)	(16 659)	621 511	(879 602)	1 182 744	323 964
25 = 8+24	UNBILLED REVENUES	477 106	(1 835 686)	33,382	(992 053)	878 589	638 798	649,090	677 200	(1,351 922)	127 689	(890 785)	1 188,561
26 = 5+25	TOTAL REVENUES PER G/L (PUC Monthly Financial Report pg 3)	25 870 264	22 138,612	23 122 771	23 791 149	24 406,349	26,089,892	27,972,382	29 479 670	26,965 530	26 546 687	24 763 523	25 630 050
Billed Adjustments to Determine Adjusted Revenues for RBA													
27	Remove interim refund/increase								148	1			
28	Remove ECAC revenues	8 068 223	8 660 718	8 723 373	8 471 650	8 733 970	9 150 487	7 767 962	7 424 028	7 601 473	7 778 388	8 682 824	8 673 471
29	Remove PPAC revenues	90 491	57 020	27 220	28,272	14 031	1 556	2 275	6	(0)			(2)
30	Remove REIP revenues	(9 540)	(9 194)	(8 804)	(9 042)	(8 772)	(9 488)	(9 668)	(10 001)	(9 924)	(9 401)	(9 458)	(9 154)
31	Remove DSM/PR/ISS revenues	4 353	4 306	4 272	1 815	(791)	(837)	(854)	(777)	(876)	(822)	(848)	(794)
32	Remove revenue taxes of PBF revenues	(17 553)	(18 709)	(16 311)	(16 978)	(16 315)	(17 891)	(20 384)	(23 004)	(22 800)	(21 665)	(21 465)	(21 188)
33	Remove Solar Saver revenues				1 311	1 199	3		(1)				
34	Remove revenue taxes on billed revenues	(2 978 063)	(2 884 998)	(2 827 131)	(2 955 175)	(2 865 509)	(3 071 982)	(3 115 314)	(3 215 736)	(3 188 411)	(3 035 604)	(3 047 125)	(2 939 498)
35	Remove base fuel (adjusted for revenue taxes)	(16 350 328)	(15 683 921)	(15 245 724)	(15 959 313)	(15 477 694)	(16 778 010)	(17 076 493)	(17 732 631)	(17 610 810)	(16,690 511)	(16 791 220)	(16 347 758)
36	Remove power purchase energy (adjusted for revenue taxes)	(3 265 605)	(3 169 020)	(3 097 301)	(3 204 042)	(3 112 293)	(3 377 317)	(3 445 816)	(3 576 173)	(3 558 182)	(3 363 089)	(3 385 270)	(3 289 355)
37	Remove other billing adjustments (adjusted for revenue taxes)	6	6	6					(1,205)				23 899
Unbilled Adjustments to Determine Adjusted Revenues for RBA													
38	Remove ECAC revenues	206 380	588 791	(121 847)	(345 414)	1 185 474	(1 345 110)	(192,229)	(71 988)	(20 230)	505 299	183 852	(118 780)
39 = 11 + 12	Remove ECAC accrual	(218 034)	(551 900)	1 221 500	107 800	(704 067)	73 133	591 834	207 233	(300 267)	1 134 934	(705 599)	(95 789)
40	Remove PPAC revenues	550	(29 292)	416	126	(13 903)	2 245	(2 304)	2	(0)			
41 = 13 + 14	Remove PPAC accrual	(91 042)	(27 727)	(27 635)	(28 400)	(126)	(3 802)	29	(8)				2
42	Remove REIP revenues	(180)	211	(178)	162	(473)	309	(250)	(156)	557	(442)	555	(227)
43	Remove Big Wind surcharge carrying costs	99	94	89	84	79	73	68	62	57	51	46	40
44	Remove DSM revenues	100	(39)	129	(2 589)	(45)	21	(19)	(10)	53	(53)	56	(4)
45	Remove excess DSM revenues	(6 099)	(5 090)	(5 224)	778	13	(7)	49	(36)		52	(31)	(25)
46 = 17 + 18	Remove ESM Refund Reversal	(44 036)	(39 039)	(43 984)	(41 850)	(44 505)							
47	Other manual adjustments												
48	Remove RBA accruals	(362 139)	311 976	(270 378)	1 004	(188 390)	(816 602)	(489 823)	(434 523)	(533 759)	(485 812)	(683 994)	(425 168)
49	Remove RBA gross up for revenue taxes	35 314	30 422	(26 366)	98	(18 371)	(79 825)	(47 765)	(42 372)	(52 049)	(47 374)	(64 749)	(41 480)
50	Remove prior month RBA adjustment								(701)				(26,230)
51	Remove revenue taxes on unbilled revenues	6 451	120 594	(87 517)	115 531	(97 226)	138 186	(45 196)	(29 738)	200 584	(109 671)	190 197	(42 728)
52	Remove base fuel (adjusted for revenue taxes)	(257 625)	386 166	(639 152)	330 273	(810 091)	518 058	(427 138)	(304 708)	955 747	(783 042)	967 734	(426 053)
53	Remove power purchase energy (adjusted for revenue taxes)	(70 351)	78 149	(103 564)	57,561	(170 805)	97 054	(84 812)	(61 630)	196 849	(157 778)	203 828	(92 020)
54 =													
sum 27 53	Total billed and unbilled adjustments to determine adjusted revenues for RBA	(15 350 255)	(12 178 475)	(12 524 110)	(13 446 337)	(13 594 611)	(15 523 745)	(16 595 846)	(17 873 919)	(16 341 969)	(15 286 542)	(14 460 868)	(15 178 835)
55 =	RECORDED ADJUSTED REVENUES FOR RBA DETERMINATION												
26 + 54	(PUC Monthly Financial Report pg 9A 1)	10 520,008	9 960 137	10 598 661	10,344,812	10 811 738	10 566 147	11,376 537	11 605 752	10 623 562	11,260 146	10,292,656	10,451,215

NOTE Totals may not add exactly due to rounding

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

Line No	Description	Reference	D&O No 31288 Docket No 2011-0092 Approved	Footnote 4 Previously Approved RAM	O&M Subject to Escalation Col (c) + (d)	Net Inflation Indices Footnote 2	2016 O&M RAM Adjustment Col (e) * (f)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Base BU Labor Expenses	Schedule C1	\$ 14,330		\$ 14,330	11 29%	\$ 1,617
2	Base Non-Labor Expense	Schedule C2	\$ 33,338		\$ 33,338	8 15%	\$ 2,718
3	Payroll Taxes	Footnote 1	\$ 1 167		\$ 1 167	11 29%	\$ 132
4	Subtotal Expense Increase - RAM Adjustment before revenue taxes						\$ 4,467
5	Revenue Tax Factor (Footnote 3)						1 0975
6	O&M RAM (Subtotal Expenses x Rev Tax Factor)						\$ 4,902
							To Schedule A1

* Amounts may not add due to rounding

Footnotes

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

Less Portion of payroll taxes related to non-BU labor ^A	(36 86% * 1,849)	\$ 1 849
Payroll Taxes related to Bargaining Unit labor		\$ (682)
		\$ 1 167

^A See Schedule C1 for calculation of percentage related to non-BU labor

(2) Escalation Rates

	2013	2014	2015	2016	2017	
Labor						
Bargaining Unit Wage Increase	2 88%	3 00%	2 91%	3 07%	2 75%	(See MECO-WP-C-001)
Less Labor Productivity Offset	0 76%	0 76%	0 76%	0 76%	0 76%	Approved in Final D&O in Docket No 2008-0274 page 51, filed on August 31, 2010
Labor Cost Escalation Rate	2 12%	2 24%	2 15%	2 31%	1 99%	

2013 Labor Cost Escalation	1 0212	A (2013 labor escalation plus 1)
2014 Labor Cost Escalation	1 0224	B (2014 labor escalation plus 1)
2015 Labor Cost Escalation	1 0215	C (2015 labor escalation plus 1)
2016 Labor Cost Escalation	1 0231	D (2016 labor escalation plus 1)
2017 Labor Cost Escalation	1 0199	E (2017 labor escalation plus 1)
2013-2017 Compounded Labor Cost Escalation	1 11	F = A * B * C * D * E
2013-2017 Compounded Labor Cost %	0 1129	G = F - 1

	2013	2014	2015	2016	2017	
Non-Labor						
GDP Price Index	1 70%	1 60%	1 10%	1 50%	2 0%	(See MECO-WP-C-002)

2013 Non-Labor Cost Escalation	1 0170	H (2013 non-labor escalation plus 1)
2014 Non-Labor Cost Escalation	1 0160	I (2014 non-labor escalation plus 1)
2015 Non-Labor Cost Escalation	1 0110	J (2015 non-labor escalation plus 1)
2016 Non-Labor Cost Escalation	1 0150	K (2016 non-labor escalation plus 1)
2017 Non-Labor Cost Escalation	1 0200	L (2016 non-labor escalation plus 1)
2013-2017 Compounded Non-Labor Cost Escalation	1 08	M = H * I * J * K * L
2017 Compounded Non-Labor Cost %	0 0815	N = M - 1

(3) Computation of Revenue Tax Factor

Public Service Tax Rate	0 05885
PUC Fees Rate	0 00500
Franchise Tax Rate	0 02500
Total Revenue Tax Rate	0 08885
Revenue Tax Factor	
= 1 / (1 - Total Revenue Tax Rate)	1 0975

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

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

	(a)	(b)	(c)	(d)	(e)	(f)
Line No	DESCRIPTION	BU LABOR (Note 1)	Non-BU LABOR (Note 2)	TOTAL LABOR	NON-LABOR (Note 3)	TOTAL (Note 4)
1	Operation and Maintenance	14,330	8,366	22,696	38,682	61,378
2	Percentage of Total O&M Labor	63 14%	36 86%	100%		

* amounts may not add due to rounding

Footnotes

- (1) See Parties' Stipulated Settlement Letter, filed April, 20, 2012 in Docket No 2011-0092, MECO T-11, Attachment 8, page 2
Only the breakdown of 2012 test year labor expense between BU and non-BU is required
- (2) 8,496 Transmittal No 13-01 (Decoupling), Schedule C1 (With Settlement)
Exhibit 1C, Page 16, Item 45, of *MECO Revised Results of Operations, Tariff
Sheets and Refund Plan*, filed on June 17, 2013, in Docket No 2011-0092
(130) Adjustment is non-BU labor
8,366
- (3) 41,954 Transmittal No 13-01 (Decoupling), Schedule C1 (With Settlement)
Exhibit 1C, Page 21, Items 41-45, of *MECO Revised Results of Operations, Tariff
Sheets and Refund Plan*, filed on June 17, 2013, in Docket No 2011-0092
(3,272) Adjustment is non-labor
38,682
- (4) sum of columns (d) and (e)

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

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

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

Line No	Description	AMOUNTS (\$ 000)	PERCENT OF TOTAL	COST RATE	POST TAX WEIGHTED EARNINGS REQMTS	INCOME TAX FACTOR Note (1)	PRETAX WEIGHTED EARNINGS REQMTS
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	<u>PUC APPROVED CAPITAL STRUCTURE & COSTS (Note (2))</u>						
2	Short-Term Debt	\$ 5,003	1 23%	1 25%	0 02%	1 000000	0 02%
3	Long-Term Debt	156,370	38 44%	5 06%	1 95%	1 000000	1 95%
4	Hybrid Securities	9,373	2 30%	7 32%	0 17%	1 000000	0 17%
5	Preferred Stock	4,744	1 17%	8 25%	0 10%	1 6369291	0 16%
6	Common Equity	231,310	56 86%	9 00%	5 12%	1 6369291	8 38%
7	Total Capitalization	<u>\$ 406,800</u>	<u>100 00%</u>		<u>7 34%</u>		<u>10 66%</u>
8	RAM CHANGE IN RATE BASE \$000 (From Schedule D1)						<u>\$ 47,409 6</u>
9	PRETAX RATE OF RETURN (Line 7, Col g)						<u>10 66%</u>
10	PRETAX RETURN REQUIREMENT						<u>\$ 5,053 9</u>
11	REVENUE TAX FACTOR (1/(1-8 885%))						<u>1 0975</u>
12	RATE BASE RAM - RETURN ON INVESTMENT \$000						<u>\$ 5,546 7</u>
* Amounts may not add due to rounding							To Schedule A1

Notes

- (1) Composite Federal & State Income Tax Rate 38 91%
Income Tax Factor (1 / 1-tax rate) 1 6369291
- (2) Decision & Order No 31288, Docket No 2011-0092, page 113, dated May 31, 2013

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

Line No	Description	MECO 2012 Test Year Rate Base		MECO 2017 RAM Rate Base		
		Beg Balance 12/31/2011	Budgeted Balance 12/31/2012	Adjusted Recorded at 12/31/2016	RAM Projected Amounts	Estimated at 12/31/2017
	(a)	(b)	(c)	(d)	(e)	(f)
				Note (1)	See Detail Below	
1	Net Cost of Plant in Service	\$ 465,783	\$ 493,298	\$ 660,748	\$ 18,023	\$ 619,773
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	Contnb in Excess of NPPC	3,101	8,400			
10	CIS Deferred Cost (see MECO-WP-D1-001)			1,962	(233)	1,729
11	not used				Not Updated	
12	Total Additions	\$ 515,593	\$ 549,732	\$ 655,832	\$ 18,790	\$ 674,622
13	Unamortized CIAC	\$ (74,766)	\$ (83,821)	\$ (97,870)	\$ (4,305)	\$ (102,175)
14	Customer Advances	(4,649)	(4,599)			
15	Customer Deposits	(4,346)	(4,812)			
16	Accumulated Def Income Taxes	(42,143)	(55,666)	(110,418)	(5,822)	(116,240)
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)	\$ (229,843)	\$ (10,127)	\$ (240,070)
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	\$ 436,479		\$ 445,142
23	Average Rate Base		\$ 393,401			\$ 440,811
24	Change in Rate Base					\$ 47,410
						To Schedule D
25	Column (e) Projected Changes to Rate Base		Reference	Amount		
26	Plant - Baseline Capital Project Additions		Schedule D2 Line 29	44,886		
27	Major CIP Project Additions		Schedule D3	-		
28	Accumulated Depreciation/Amortization Change		Schedule E Line 189	(25,883)		
29	Net Plant		Sum Lines 26-28	19,023		
30	Accum Def Income Taxes - Baseline and Major Capital Projects		Schedule F Line 13	(5,822)		
31	Projected CIAC Additions - Baseline		Schedule G1 Line 29	(6,459)		
32	Projected CIAC Additions - Major CIP		Schedule G2	-		
33	Less Amortization of CIAC		Schedule G Line 9	2,154		
34	Total Change in CIAC in Rate Base		Sum Lines 31-33	(4,305)		

* Amounts may not add due to rounding

Notes

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

	Plant in Service	Acc Depr	Schedule G CIAC Net	Schedule D4 ADIT
(A) Unadjusted Balance - recorded	\$ 1,111,200	\$ (481,135)	\$ (97,870)	\$ (110,418)
(A) Add Asset Retirement Obligation		\$ (256)		
(A) Reg Liab-Cost of Removal (net salvage)		\$ (29,061)		
<u>Adjustment</u>				
Lanai CHP** MECO-WP-D1-002 p 2			-	-
Total Adjustment	\$ -	\$ -	\$ -	\$ -
Adjusted Balance	\$ 1,111,200	\$ (510,452)	\$ (97,870)	\$ (110,418)

** 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

For the current decoupling proceeding Maui Electric is reflecting an adjustment to exclude the net investment in CHP property at Manele for purposes of expediting the Commission's review but intends to raise this issue in its next rate case filing

(A) Source Maui Electric Company Limited Monthly Financial Report - December 2016, filed February 24, 2017

(2) Column (b) & (c) from Docket No. 2011-0092 D&O No. 31288 Exhibit B filed May 31, 2013

(3) Decision & Order No. 31288 p 94 (\$10,590k = \$10,672k less \$82k)

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

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

Line No	Description (a)	3/22/2013		3/28/2014		3/27/2015		3/29/2016		3/30/2017	
		2012 (b)	2013 (c)	2014 (d)	2015 (e)	2016 (f)					
1	Total Plant Additions (Sum of Exhs 1, 2, and 3 of Reports)	48,276,242	57,973,110	49,632,312	33,268,857	38,070,465					
2											
3	Less Major Projects (+\$2.5 Million)										
4											
5	<u>2010 In-Service</u>										
6	6th Increment Distribution Rebuild										
7											
8	<u>2013 In-service</u>										
9	Major Overhaul of M16 - NOTE (1)										
10											
11											
12											
13											
14											
15											
16											
17											
18											
19											
20											
21											
22											
23											
24											
25											
26											
27	Total Net Plant Additions (excluding major projects)	48,276,242	55,107,138	49,712,718	33,264,422	38,070,465					
28											
29	Last Five-Year Average										

\$ 44,886,197
To Schedule D1 Line 26

NOTE (1)
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>2017 Major Capital Project Plant Additions by Project</u>			
2				\$ -
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13	Total Major Capital Projects Qualifying for 2017 RAM			\$ - To Sch D1

See Schedule G2 for related CIAC (if applicable)

Note 1 The Kuihelani Substation project (Decision and Order No 33584, Docket No 2015-0070) was removed due to a change in the estimated in service date to October 2017 from August 2017

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, 2016	J			
2	Depreciation Related Account 282	MECO-WP-D4-001	(55,732,268)	(4,798,818)	(60,531,085)
3	Other Deferred Income Taxes	MECO-WP-D4-001	(42,864,335)	(7,023,049)	(49,887,384)
4	Total Recorded Deferred Income Taxes - Utility		(98,596,603)	(11,821,866)	(110,418,470)

To Schedule D1

Note Additional information only for the purpose of 5/22/2017 filing

Schedule D4 filed 5-5-17	111,220,694
Difference	802,224
Rate of Return Schedule D	10.66%
	85,517
Revenue Tax Schedule D	1.0975
Rate Base RAM Adjustment	93,855

MAUI ELECTRIC COMPANY, LIMITED
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF DEPRECIATION AND AMORTIZATION RAMP 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	Plant Accounts					
2	310 00				0 0000	
3	311 00	6 886 607		6 886 607	0 0289	199,023
4	312 00	51,423 886		51 423,886	0 0375	1 928 396
5	314 00	49 868 474		49 868 474	0 0589	2,937,253
6	315 00	9,036 164		9 036 164	0 0419	378,615
7	MAUI STEAM PRODUCTION	<u>117 215 131</u>		<u>117,215,131</u>	<u>0 0464</u>	<u>5 443 287</u>
8						
9	340 00				0 0000	
10	341 00	35,263,974		35 263,974	0 0117	412 589
11	342 00	4 461 648		4,461 648	0 0097	43 278
12	343 00	46 011 380		46 011 380	0 0080	368 091
13	344 00	108 553 863		108,553 863	0 0164	1 780 283
14	345 00	29 492 410		29 492 410	0 0157	463,031
15	MAUI OTHER PRODUCTION	<u>223,783,275</u>		<u>223 783 275</u>	<u>0 0137</u>	<u>3 067 272</u>
16						
17	MAUI TOTAL PRODUCTION	<u>340,998,406</u>		<u>340,998 406</u>	<u>0 0250</u>	<u>8 510 559</u>
18						
19	350 20	-		-	0 0000	
20	350 00	2 451 955		2,451 955	0 0158	38,741
21	352 00	7 256 636		7 256 636	0 0202	146 584
22	353 00	54 240 973		54 240 973	0 0158	857 007
23	355 00	32 926 809		32 926 809	0 0167	549,878
24	356 00	26 830 389		26 830 389	0 0175	469 532
25	357 00	714 085		714 085	0 0159	11 354
26	358 00	1 195 018		1 195 018	0 0198	23 661
27	MAUI TRANSMISSION	<u>125 615 865</u>		<u>125 615 865</u>	<u>0 0167</u>	<u>2 096 757</u>
28						
29	360 20				0 0000	
30	360 00	1,577,801		1 577,801	0 0203	32 029
31	361 00	1 690 746		1 690 746	0 0120	20 289
32	362 00	51 593 506		51 593 506	0 0134	691 353
33	363 00	2 140 265		2 140 265	0 0192	41 093
34	364 00	41 085 126		41 085 126	0 0170	698 447
35	365 00	60 610 997		60 610 997	0 0165	1 000 081
36	366 00	62 189 738		62 189 738	0 0203	1 262 452
37	367 00	76 631 914		76 631 914	0 0117	896 593
38	368 00	66 032 964		66 032 964	0 0222	1 465 932
39	369 10	27 834 466		27 834 466	0 0378	1 052 143
40	369 20	62,594 474		62 594 474	0 0232	1,452 192
41	370 00	13 600 815		13 600 815	0 0192	261 136
42	373 00	13 526 099		13 526 099	0 0187	252 938
43	MAUI DISTRIBUTION	<u>481 108,911</u>		<u>481,108,911</u>	<u>0 0190</u>	<u>9,126 678</u>
44						
45	389 20	-		-	0 0000	
46	390 00	11 694 979		11 694 979	0 0106	123 967
47	MAUI GENERAL	<u>11 694 979</u>		<u>11 694 979</u>	<u>0 0106</u>	<u>123 967</u>
48						
49	392 10	6 352 645		6 352 645	0 0536	340 502
50	392 20	4,102,230		4,102 230	0 0305	125 118
51	MAUI TRANSPORTATION	<u>10,454 875</u>		<u>10 454 875</u>	<u>0 0445</u>	<u>465 620</u>
52						
53	TOTAL MAUI DIVISION	<u>969 873 036</u>		<u>969 873 036</u>	<u>0 0210</u>	<u>20 323,581</u>
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	LANAI					
56	340 0L			-	0 0000	
57	341 0L	4 085 725		4 085,725	0 0454	185,492
58	342 0L	1 971 458		1 971 458	0 0304	59 932
59	343 0L	1 693 466		1 693,466	0 0360	60 965
60	344 0L	8,464 976		8 464 976	0 0234	198 080
61	345 0L	3 739 081		3 739 081	0 0253	94 599
62	LANAI OTHER PRODUCTION	19,954 705	-	19,954 705	0 0300	599,068
63						
64	360 1L	153 345		153 345	0 0203	3 113
65	362 0L	2 225 776		2 225 776	0 0165	36,725
66	364 0L	2 203 704		2 203 704	0 0185	40 768
67	365 0L	3 040 770		3 040,770	0 0165	50 173
68	366 0L	1 280 128		1 280 128	0 0211	27 011
69	367 0L	2 339 144		2 339 144	0 0122	28,537
70	368 0L	1,132 504		1 132 504	0 0208	23 556
71	369 1L	1 213 987		1 213,987	0 0380	46,132
72	369 2L	1,139 461		1,139 461	0 0256	29 170
73	370 0L	451 519		451 519	0 0195	8 805
74	373 0L	265 072		265 072	0 0166	4 400
75	LANAI DISTRIBUTION	15 445 410	-	15 445 410	0 0193	298,390
76						
77	389 2L			-	0 0000	
78	390 0L	803,024		803 024	0 0138	11 082
79	LANAI GENERAL	803 024	-	803 024	0 0138	11 082
80						
81	392 1L	676 334		676 334	0 0086	5 816
82	392 2L	292 057		292 057	0 0875	25 555
83	LANAI TRANSPORTATION	968 391		968 391	0 0324	31 371
84						
85	Lanai CHP Production		3 010 000	3 010 000	0 0319	
86	Lanai CHP Distribution		490 000	490 000	0 0230	
87	LANAI RATEMAKING ADJUSTMENT		3 500 000	3,500 000	0 0000	
88						
89	TOTAL LANAI DIVISION	37 171 531	3 500,000	40 671 531	0 0231	939,811
90						
91	MOLOKAI					
92	302 0M			-	0 0000	
93	INTANGIBLE PLANT				0 0000	
94						
95	340 0M				0 0000	
96	341 0M	2 896 240		2 896 240	0 0447	129 462
97	342 0M	2 010 598		2 010 598	0 0452	90 879
98	343 0M	2 321 029		2 321,029	0 0256	59 418
99	344 0M	12 654 506		12 654 506	0 0354	447 970
100	345 0M	4 725 241		4,725 241	0 0266	125 691
101	MOLOKAI OTHER PRODUCTION	24 607 614	-	24 607 614	0 0347	853 420
102						
103	350 1M			-	0 0000	
104	353 0M	627 882		627,882	0 0232	14,567
105	354 0M	38 669		38 669	0 0233	901
106	355 0M	117 065		117 065	0 0077	901
107	356 0M	264 832		264 832	0 0097	2,569
108	MOLOKAI TRANSMISSION	1,048,448		1 048 448	0 0181	18 938
109						
110	360 1M	30 876		30 876	0 0202	624
111	361 1M	59 259		59 259	0 0066	391
112	362 0M	1 311 964		1,311 964	0 0163	21 385
113	363 0M	3,300 358		3 300 358	0 0210	69 308
114	364 0M	4 270 519		4 270 519	0 0224	95 660
115	365 0M	3 205 207		3,205,207	0 0177	56,732
116	366 0M	136 064		136 064	0 0227	3 089
117	367 0M	3 826 274		3 826,274	0 0174	66,577
118	368 0M	1 631 865		1 631 865	0 0225	36,717
119	369 1M	1 628 187		1 628,187	0 0406	66 104
120	369 2M	1 150 161		1 150,161	0 0261	30,019
121	370 0M	502 707		502,707	0 0121	6,083
122	373 0M	340 548		340,548	0 0152	5 176
123	MOLOKAI DISTRIBUTION	21 393 989		21 393 989	0 0214	457,865
124						
125	389 2M	56 383		56,383	0 0003	17
126	390 0M	860 890		860,890	0 0085	7 318
127	MOLOKAI TOTAL GENERAL	917 273		917,273	0 0080	7 334
128						
129	392 1M	617 904		617 904	0 0000	
130	392 2M	398,781		398 781	0 0000	
131	MOLOKAI TRANSPORTATION	1 016 685		1,016,685	0 0000	
132						
133	TOTAL MOLOKAI DIVISION	48 984 009		48 984 009	0 0273	1 337 557
134						
135						
136	UTILITY TOTAL DEPRECIATION	1,056,028 576	3 500 000	1 059 528,576	0 0214	22,601,949
137						

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)
138	Amortization Amounts					
139						
140	<u>MAUI</u>					
141	316 00	3 255 848		3 255 848	0 0500	\$ 162 792
142	346 00	16 713 213		16,713 213	0 0500	835 661
143	<u>MAUI PRODUCTION</u>	19 969,061		19 969 061	0 0500	998,453
144						
145	391 10	1 663 519		1 663 519	0 2000	332 704
146	391 20	385 267		385 267	0 1000	38 527
147	391 30	1 078 309		1 078 309	0 0667	71 923
148	393 00	568 540		568 540	0 0400	22 742
149	394 00	6 690,949		6 690 949	0 0400	267 638
150	395 00	442 803		442 803	0 0667	29,535
151	396 00	140,554		140,554	0 0556	7 815
152	397 00	18 556 203		18 556 203	0 0667	1 237,699
153	398 00	1 223 107		1 223 107	0 0667	81 580
154	<u>MAUI GENERAL</u>	30,749,251		30 749 251	0 0680	2 090 163
155						
156	<u>TOTAL MAUI DIVISION</u>	50 718 312		50 718 312	0 0609	3,088 616
157						
158	<u>LANAI</u>					
159	346 0L	332 130		332 130	0 0500	16 607
160	<u>LANAI OTHER PRODUCTION</u>	332 130		332 130	0 0500	16 607
161						
162	391 1L	25 521		25 521	0 2000	5 104
163	391 2L	2 331		2,331	0 1000	233
164	391 3L	7 500		7 500	0 0667	500
165	394 0L	50 862		50 862	0 0400	2 035
166	397 0L	849 465		849 465	0 0667	56 660
167	398 0L	50 783		50 783	0 0667	3,387
168	<u>LANAI GENERAL</u>	986 462		986 462	0 0689	67,919
169						
170	<u>TOTAL LANAI DIVISION</u>	1 318 592		1 318 592	0 0641	84 526
171						
172						
173	<u>MOLOKAI</u>					
174	346 0M	184 548		184 548	0 0500	9,227
175	<u>MOLOKAI OTHER PRODUCTION</u>	184 548		184 548	0 0500	9 227
176						
177	391 1M	10 308		10 308	0 2000	2 062
178	391 2M				0 1000	
179	391 3M	10 782		10 782	0 0667	719
180	394 0M	149 951		149 951	0 0400	5 998
181	397 0M	1 015,830		1,015,830	0 0667	67 756
182	398 0M	48 485		48 485	0 0667	3 234
183	<u>MOLOKAI GENERAL</u>	1 235 356		1,235,356	0 0646	79 769
184						
185	<u>TOTAL MOLOKAI DIVISION</u>	1 419 904		1,419 904	0 0627	88 996
186						
187	<u>UTILITY TOTAL AMORTIZATION</u>	53 456,808		53 456 808	0 0610	3 262 138
188						
189	TOTAL RAM DEPRECIATION / AMORTIZATION				Line 136 + Line 187	\$ 25,683,167
190	LESS Vehicle Depreciation (A/C 392 above)				sum of lines 51 83 131	\$ (496,991)
191	LESS Depreciation & Amortization in Current Revenues				Footnote (3)	\$ (20,933,000)
192						
193	RAM Adjustment for Depreciation & Amortization					\$ 4,433,195
194	RAM Adjustment for CIAC Amortization				Schedule G Line 15	\$ (586,969)
195	RAM Adjustment for CIS Amortization				MECO WP D1-001 page 3	\$ 233,099
196	Total RAM Adjustment for Depreciation & Amortization					\$ 4,079,326
197	Times Factor for Revenue Taxes				Schedule C Line 5	1 0975
198						
199	RAM DEPRECIATION & AMORTIZATION				Line 196 Line 197	\$ 4,477,118

To Sch A1

Footnotes

(1) Depreciable Balance	\$ 1 056 028,576	Line 136
Amortizable Balance	53,456,808	Line 187
Total Utility Plant per Schedule	\$ 1 109 485 384	

Add Land Land Rights Franchises &
Consents as of 12/31/16 not included in
Schedule

	1 714 890
Total Utility Plant per GA	\$ 1 111 200 275

December 2016 Monthly Financial Report filed 2/24/17

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

Lanai CHP¹

Total Adjustment	\$ 3,500,000
	\$ 3,500,000

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

¹ In 2015 an electrical fault in the CHP generator caused a fire which resulted in extensive and unreparable damage to the unit. During the force majeure period depreciation of the CHP unit was suspended in March 2015. The unit is expected to be placed back into service in November 2017. For the current decoupling proceeding Maui Electric is excluding the depreciation associated with the CHP property at Manale for purposes of expediting the Commission's review but intends to raise this issue in its next rate case filing.

- (3) Depreciation & Amortization in Current Revenues²

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

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

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

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

Line No	NARUC Account (a)	Reference (b)	Projected ADIT Change (c)
1	State Tax Depreciation	Schedule F1	1,360,581
2	Effective Federal Tax Rate	MECO-WP-F-001	32.8947%
3	Federal Deferred Tax on State Tax Depreciation	Line 1 * Line 2	447,560
4	Add back State Tax Depreciation	Line 1	(1,360,581)
5	Federal Tax Depreciation	Schedule F1	16,482,140
6	Federal/State Difference	Line 4 + Line 5	15,121,559
7	Tax Rate on Federal Only Adjustment	MECO-WP-F-001	35.00%
8	Federal Deferred Tax Adjustment	Line 6 * Line 7	5,292,546
9	Total Federal Deferred Taxes	Line 3 + Line 8	5,740,106
STATE DEFERRED TAXES			
10	State Tax Depreciation	Schedule F1	1,360,581
11	Effective State Tax Rate	MECO-WP-F-001	6.0150%
12	Total State Deferred Taxes	Line 10 * Line 11	81,839
13	TOTAL FED AND STATE DEFERRED TAXES	Line 9 + Line 12	5,821,945
			<i>To Schedule D1</i>

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

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

Line No	LIFE	MECO WP-F1-002			PROJECTS	PROGRAMS	TOTAL
		PROJECTS	PROGRAMS	TOTAL			
1 Computers	5	284 971	81 515	346 486	0.59%	0.18%	0.77%
2 Off/Furn/Tools	7	25 848	277 305	303 153	0.06%	0.62%	0.68%
3 Street Lights	7	92 639	372 314	464 953	0.21%	0.83%	1.04%
4 Non-Steam Production	15	6 568 270	338 553	6 902 823	14.63%	0.75%	15.38%
5 Transmission > 69kv	15	228 610	1 561	230 171	0.51%	0.00%	0.51%
6 Communication	20	1 389 695	59 282	1 448 977	3.10%	0.13%	3.23%
7 Steam Production	20	267 323	82 583	329 906	0.60%	0.14%	0.74%
8 General	20	513 946	283 859	797 805	1.15%	0.63%	1.78%
9 Transmission	20	2 294 684	634 044	2 928 728	5.11%	1.41%	6.53%
10 Distribution	20	11 913 075	17 223 635	29 136 710	26.54%	38.37%	64.91%
11 Structural	39	889 659	66 427	956 086	1.98%	0.15%	2.13%
12 ROW	50	4 762	89 914	94 676	0.01%	0.20%	0.21%
13 Land			(10 499)	(10 499)	0.00%	-0.02%	-0.02%
14 Vehicles		174 698	781 524	956 222	0.39%	1.74%	2.13%
15 TOTAL		24 626 180	20 260 017	44 886 197	54.86%	45.14%	100.00%

Project and Program % Totals by Depreciable Life

5 yr	0.59%	0.18%	0.77%
7 yr	0.26%	1.45%	1.71%
15 yr	15.14%	0.75%	15.89%
20 yr	36.49%	40.69%	77.18%
39 yr	1.98%	0.15%	2.13%
50 yr	0.01%	0.20%	0.21%
Land	0.00%	-0.02%	-0.02%
Vehicles	0.39%	1.74%	2.13%
Total	54.86%	45.14%	100.00%

BASIS	FED YR 1 DEPR RATE	FED YR 1 TAX DEPR	STATE YR 1 DEPR RATE	STATE YR 1 TAX DEPR
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		Vintage 2017 50% Bonus Depreciation							
NOTE (1)	Basis subject to 50% bonus depreciation	100%	100%						
	5 yr	0.59%	0.18%	0.77%	5 yr	255 265	60 000%	153 159	51 053
	7 yr	0.26%	1.45%	1.71%	7 yr	565 750	57 145%	323 288	80 846
	15 yr	15.14%	0.75%	15.89%	15 yr	5 254 433	52 500%	2 758 577	262 722
	20 yr	36.49%	40.69%	77.18%	20 yr	25 519 263	51 875%	13 238 118	956 972
	39 yr	n/a	n/a	n/a					
	50 yr	n/a	n/a	n/a					
	Land	n/a	n/a	n/a					
	Vehicles	n/a	n/a	n/a					
	Total	52.48%	43.07%	95.55%					

		Vintage 2017 - Regular Depreciation							
NOTE (1)	Basis subject to regular depreciation	(Total less amounts subject to 50% bonus)							
	5 yr	0.00%	0.00%	0.00%	5 yr	-	20.00%	20.00%	
	7 yr	0.00%	0.00%	0.00%	7 yr		14.29%	14.29%	
	15 yr	0.00%	0.00%	0.00%	15 yr		5.00%	5.00%	
	20 yr	0.00%	0.00%	0.00%	20 yr		3.75%	3.75%	
	39 yr	1.98%	0.15%	2.13%	39 yr	704 294	1 177%	8 290	8 290
	50 yr	0.01%	0.20%	0.21%	50 yr	69 768	1 000%	698	698
	Land	n/a	n/a	n/a					
	Vehicles	n/a	n/a	n/a					
	Total	1.99%	0.35%	2.34%					
TOTAL ASSETS		54.48%	43.42%	97.89%					

Net Depreciable Baseline Plant Adds	32 368 773	16 482 140	1 360 581
Major Capital Projects from Schedule F2			
Total Depreciable Plant Adds	32 368 773	16,482,140	1 360 581
Reconciliation from Baseline Plant Adds to Net Depreciable Plant Adds			
Baseline Capital Projects Plant Adds	44 886 197	Schedule D2	
Less: Repairs deduction	11 820,734	<<supported by Special Study each year	
Net plant add basis	33 065 463		
Less: Land and Vehicles (2.11% x \$33 065 463) & rdg	696 690		
	32 368 773		

NOTE (1)

The Protecting Americans from Tax Hikes (PATH) Act of 2015 extended bonus depreciation for property acquired and placed in service from 2015 through 2019. The bonus depreciation percentage is 50 percent for property placed in service during 2017.

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

Line No	Description	PUC Docket	Estimated In Service Date	Amount
	(a)	(b)	(c)	(d)
1	Assumed Value of 2017 Major Capital Projects Plant Items			\$ -
2	Assumed Value of 2017 Major Capital Projects - CIAC nontaxable			\$ -
3	Assumed Value of 2017 Major Capital Projects - Total			\$ -

	Tax Basis	FED YR 1	FED YR 1	STATE YR 1	STATE YR 1
	Distribution	DEPR RATE	TAX DEPR	DEPR RATE	TAX DEPR
4	Tax Classification of Major Capital Project Additions				
5	7 yr	-	57 145%	-	14 29%
6	15 yr	-	52 500%	-	5 00%
7	20 yr	-	51 875%	-	3 75%
8	39 yr	n/a			
9	Land	n/a			
10	Vehicles	n/a			
11	Total	\$ -	\$ -	\$ -	\$ -

To Schedule F1

MAUI ELECTRIC COMPANY, LIMITED
DECOUPLING CALCULATION WORKBOOK
CIAC SUMMARY

Line No	Description (a)	Reference (b)	Unamortized CIAC (c)	CIAC Amortization (d)
1	12/31/16 Beginning Balance	Sch G1	\$ (97,870,217)	
2				
3	<u>2017 CIAC Additions</u>			
4	Baseline 5-Yr Average	Sch G1	(6,459,047)	
5	Major Projects	Sch G2	-	
6	Net Additions		<u>(6,459,047)</u>	
7				
8	<u>2017 CIAC Amortization</u>			
9	Estimated Amortization	Sch G3	<u>2,153,969</u>	<u>\$ (2,153,969)</u>
10				
11	12/31/17 Ending Balance		<u>\$ (102,175,296)</u>	(2,153,969)
12				
13	LESS CIAC Amortization in Current Revenues - NOTE (1)			<u>(1,567,000)</u>
14				
15	RAM Adjustment for CIAC Amortization			<u>\$ (586,969)</u>

To Sch E p 3 Line 193

Note (1)

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

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

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

Line No	Description	2/19/2013	2/21/2014	2/26/2015	2/23/2016	2/24/2017
	(a)	2012	2013	2014	2015	2016
		(b)	(c)	(d)	(e)	(f)
1	CIAC Balance January 1 (Dec Rpt pg 10)	(74,765,860)	(82,211,127)	(85,047,271)	(88,217,709)	(91,061,643)
2	Less CIAC Amortization (Dec Rpt pg 1)	1,738,802	1,733,766	1,816,855	1,907,533	1,993,924
3	Less CIAC Balance, December 31 (Dec Rpt pg 10)	82,211,127	85,047,271	88,217,709	91,061,643	97,870,217
4						
5	Total CIAC Additions	9,184,069	4,569,910	4,987,293	4,751,467	8,802,498
6						
7	<u>Less Major Projects</u>					
8						
9	<u>2010 In-service</u>					
10	6th Increment Distribution Rebuild	01-0148	M0000266	-	-	
11						
12	<u>2013 In-Service</u>					
13	Major Overhaul of M16	2012-0038	M0001571	-		
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27	Total Net CIAC Additions	9,184,069	4,569,910	4,987,293	4,751,467	8,802,498
28						
29	Last Five-Year Average					6,459,047

To Schedule D1

GENERAL NOTE

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

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>2017 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 2017 RAM			<u>\$ -</u>

MAUI ELECTRIC COMPANY, LIMITED
DECOUPLING CALCULATION WORKBOOK
CIAC AMORTIZATION

Line No	Description	2015 Balance	2016 Amortization	2016 Balance	2017 Amortization
	(a)	(b)	(c)	(d)	(e)
1	CIAC by Vintage.				
2	1980	\$ 2,571	\$ (138)	\$ 2,433	(138)
3	1981	\$ 26,714	\$ (1,304)	\$ 25,410	(1,304)
4	1981 L	\$ 72	\$ (3)	\$ 69	(3)
5	1982	\$ 40,328	\$ (1,865)	\$ 38,463	(1,865)
6	1982	\$ 94,778	\$ (4,382)	\$ 90,396	(4,382)
7	1982 L	\$ 21	\$ (1)	\$ 20	(1)
8	1983	\$ 15,124	\$ (667)	\$ 14,457	(667)
9	1983 L	\$ 6	\$ -	\$ 6	(0)
10	1984	\$ 47,123	\$ (1,986)	\$ 45,137	(1,986)
11	1984 L	\$ 5	\$ -	\$ 5	(0)
12	1985	\$ 114,011	\$ (4,606)	\$ 109,405	(4,606)
13	1986	\$ 153,376	\$ (5,951)	\$ 147,425	(5,951)
14	1986 L	\$ 86	\$ (3)	\$ 83	(3)
15	1987	\$ 149,034	\$ (5,563)	\$ 143,471	(5,563)
16	1987 L	\$ 2,163	\$ (81)	\$ 2,082	(81)
17	1988	\$ 204,450	\$ (7,354)	\$ 197,096	(7,354)
18	1988 L	\$ 30,447	\$ (1,095)	\$ 29,352	(1,095)
19	1989	\$ 369,282	\$ (12,816)	\$ 356,466	(12,816)
20	1989 L	\$ 58,081	\$ (2,016)	\$ 56,065	(2,016)
21	1989 MO	\$ 77,560	\$ (2,698)	\$ 74,862	(2,698)
22	1990	\$ 472,207	\$ (15,833)	\$ 456,374	(15,833)
23	1990 L	\$ 27,038	\$ (907)	\$ 26,131	(907)
24	1990 MO	\$ 4,903	\$ (164)	\$ 4,739	(164)
25	1991	\$ 634,651	\$ (20,583)	\$ 614,068	(20,583)
26	1991 L	\$ 25,749	\$ (835)	\$ 24,914	(835)
27	1991 MO	\$ 8,857	\$ (287)	\$ 8,570	(287)
28	1992	\$ 489,105	\$ (15,361)	\$ 473,744	(15,361)
29	1992 L	\$ 57,810	\$ (1,816)	\$ 55,994	(1,816)
30	1992 MO	\$ 25,616	\$ (805)	\$ 24,811	(805)
31	1993 IK	\$ 2,159,643	\$ (65,758)	\$ 2,093,885	(65,758)
32	1993	\$ 422,093	\$ (12,850)	\$ 409,243	(12,850)
33	1993 L	\$ 61,690	\$ (1,878)	\$ 59,812	(1,878)
34	1993 MO	\$ 17,588	\$ (535)	\$ 17,053	(535)
35	1994	\$ 422,122	\$ (12,469)	\$ 409,653	(12,469)
36	1994 L	\$ (10,861)	\$ 321	\$ (10,540)	321
37	1994 MO	\$ 7,670	\$ (227)	\$ 7,443	(227)
38	1993 IK	\$ 262,629	\$ (7,995)	\$ 254,634	(7,995)
39	1995	\$ 440,858	\$ (12,646)	\$ 428,212	(12,646)
40	1995 L	\$ 3,374	\$ (97)	\$ 3,277	(97)
41	1995 MO	\$ 64,205	\$ (1,842)	\$ 62,363	(1,842)
42	1996	\$ 506,757	\$ (14,129)	\$ 492,628	(14,129)
43	1996 L	\$ 10,257	\$ (286)	\$ 9,971	(286)
44	1996 MO	\$ 70,744	\$ (1,972)	\$ 68,772	(1,972)
45	1996 IK	\$ 93,489	\$ (2,607)	\$ 90,882	(2,607)
46	1997	\$ 402,091	\$ (10,905)	\$ 391,186	(10,905)
47	1997 L	\$ 60,763	\$ (1,648)	\$ 59,115	(1,648)
48	1997 MO	\$ 52,501	\$ (1,424)	\$ 51,077	(1,424)
49	1998	\$ 717,939	\$ (18,955)	\$ 698,984	(18,955)
50	1998 L	\$ 22,326	\$ (589)	\$ 21,737	(589)
51	1998 MO	\$ 16,238	\$ (429)	\$ 15,809	(429)
52	1999	\$ 940,259	\$ (24,184)	\$ 916,075	(24,184)
53	1999 L	\$ 5,508	\$ (142)	\$ 5,366	(142)
54	1999 MO	\$ (747)	\$ 19	\$ (728)	19
55	2000	\$ 848,834	\$ (21,283)	\$ 827,551	(21,283)
56	2000 L	\$ 3,872	\$ (97)	\$ 3,775	(97)
57	2000 MO	\$ 21,237	\$ (532)	\$ 20,705	(532)
58	2001	\$ 1,326,354	\$ (32,439)	\$ 1,293,915	(32,439)
59	2001 L	\$ 92,629	\$ (2,265)	\$ 90,364	(2,265)
60	2001 MO	\$ 35,038	\$ (857)	\$ 34,181	(857)

Line No	Description (a)	2015		2016		2017	
		Balance (b)		Amortization (c)	Balance (d)	Amortization (e)	
61	2002	\$ 949,356	\$	(22,663)	\$ 926,693	(22,663)	
62	2002 L	\$ 11,002	\$	(263)	\$ 10,739	(263)	
63	2002 MO	\$ 8,550	\$	(204)	\$ 8,346	(204)	
64	2003	\$ 6,145,180	\$	(143,264)	\$ 6,001,916	(143,264)	
65	2003 L	\$ 488,265	\$	(11,383)	\$ 476,882	(11,383)	
66	2003 MO	\$ 17,721	\$	(413)	\$ 17,308	(413)	
67	2004	\$ 1,961,389	\$	(44,682)	\$ 1,916,707	(44,682)	
68	2004 L	\$ 99,246	\$	(2,261)	\$ 96,985	(2,261)	
69	2004 MO	\$ 32,110	\$	(731)	\$ 31,379	(731)	
70	2005	\$ 5,783,888	\$	(128,817)	\$ 5,655,071	(128,817)	
71	2005 L	\$ 336,254	\$	(7,489)	\$ 328,765	(7,489)	
72	2005 MO	\$ 1,385,210	\$	(30,851)	\$ 1,354,359	(30,851)	
73	2006	\$ 8,391,790	\$	(182,817)	\$ 8,208,973	(182,817)	
74	2006 L	\$ 79,986	\$	(1,743)	\$ 78,243	(1,743)	
75	2006 MO	\$ 384,381	\$	(8,374)	\$ 376,007	(8,374)	
76	2007	\$ 7,826,521	\$	(166,858)	\$ 7,659,663	(166,858)	
77	2007 L	\$ 33,563	\$	(716)	\$ 32,847	(716)	
78	2007 MO	\$ 103,471	\$	(2,206)	\$ 101,265	(2,206)	
79	2008	\$ 7,627,450	\$	(159,212)	\$ 7,468,238	(159,212)	
80	2008 L	\$ 473,508	\$	(9,884)	\$ 463,624	(9,884)	
81	2008 MO	\$ 35,918	\$	(750)	\$ 35,168	(750)	
82	2009	\$ 7,027,316	\$	(143,679)	\$ 6,883,637	(143,679)	
83	2009 L	\$ 347,331	\$	(7,101)	\$ 340,230	(7,101)	
84	2009 MO	\$ 60,837	\$	(1,244)	\$ 59,593	(1,244)	
85	2010	\$ 3,891,403	\$	(77,961)	\$ 3,813,442	(77,961)	
86	2010 L	\$ (4,708)	\$	94	\$ (4,614)	94	
87	2010 MO	\$ 14,860	\$	(298)	\$ 14,562	(298)	
88	2011	\$ 2,551,688	\$	(50,115)	\$ 2,501,573	(50,115)	
89	2011 L	\$ 9,902	\$	(194)	\$ 9,708	(194)	
90	2011 MO	\$ 45,054	\$	(885)	\$ 44,169	(885)	
91	2012	\$ 8,600,064	\$	(165,386)	\$ 8,434,679	(165,386)	
92	2012 L	\$ 53,149	\$	(1,022)	\$ 52,126	(1,022)	
93	2012 MO	\$ 29,907	\$	(575)	\$ 29,332	(575)	
94	2013	\$ 4,287,144	\$	(80,889)	\$ 4,206,255	(80,889)	
95	2013 L	\$ 49,554	\$	(935)	\$ 48,619	(935)	
96	2013 MO	\$ 67,034	\$	(1,264)	\$ 65,769	(1,264)	
97	2014	\$ 4,756,902	\$	(88,091)	\$ 4,668,811	(88,091)	
98	2014 L	\$ 88,327	\$	(1,636)	\$ 86,691	(1,636)	
99	2014 MO	\$ 51,386	\$	(952)	\$ 50,435	(952)	
100	2015	\$ 4,677,766	\$	(85,050)	\$ 4,592,716	(85,050)	
101	2015 L	\$ 24,092	\$	(438)	\$ 23,654	(438)	
102	2015 MO	\$ 49,608	\$	(902)	\$ 48,706	(902)	
103	2016				\$ 6,867,570	(124,865)	
104	2016 L				\$ 34,543	(628)	
105	2016 MO				\$ 1,900,384	(34,552)	
103	Total CIAC Amortization for 2017 RAM	<u>91,061,643</u>		<u>(1,993,924)</u>	<u>97,870,217</u>	<u>(2,153,969)</u>	

Legend
L - Lanai
MO - Molokai
IK - In-kind

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

Line No	Description (a)	Reference (b)	Ratemaking Basis Return on Equity		
			Operating Income (c)	Rate Base (d)	Rate of Return (e)
1	Reported Operating Income before ratemaking adj	PUC Report p 2A and MECO-WP-H-001	\$ 29 846	\$ 430,506	
2	<u>Ratemaking Adjustments to Line 1</u>				
2a	Incentive Compensation Expenses (net of tax)	MECO-WP-H-002	269		
2b	Discretionary and Other Expenses Not Recoverable (net of tax)	MECO-WP-H-002	63		
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	(3 612)		
2e	Remove Accrued Earnings Sharing Refund	MECO-WP-H-007	-		
3	Ratemaking Basis Amounts - Post Tax	Sum Lines 1 & 2	\$ 26 577	\$ 430 506	
4	<u>Ratemaking Capitalization</u>		Balances	Ratios	Cost Rate
5	Short-Term Debt (12 mo Avg)		\$ -	0 00%	0 00%
6	Long-Term Debt (Simple Avg)		\$ 178 306	39 26%	4 97%
7	Hybrid Securities (Simple Avg)		\$ 9 517	2 10%	7 21%
8	Preferred Stock (Simple Avg)		\$ 4 784	1 05%	8 18%
9	Common Equity (Simple Avg)		\$ 261 522	57 59%	9 00%
10	Total Capitalization	MECO-WP-H-004	\$ 454 129	100 00%	7 37%
11	Line 3 Rate Base Amount			\$ 430 506	
12	Weighted Cost of Debt	Sum lines 5-7		2 10%	
13	Synchronized Interest Expense			\$ 9 044	
	Income Tax Factor	Note 1		1 6369	
13a	Synchronized Interest Expense, net of tax			\$ 5 525	
14	Post Tax Income Available for Preferred & Common (Line 3 - Line 13a)				\$ 21 052
17	Less Preferred Income Requirement (Line 8 Weighted Cost times Rate Base)				\$ 371
18	Income Available for Common Stock				\$ 20 681
19	Ratemaking Equity Investment (Line 9 Ratio times Rate Base)				\$ 247 918
20	Return on Equity for Decoupling Earnings Sharing	Line 18/Line 19			8 34%
21	<u>Earnings Sharing Revenue Credits</u>		Basis Points		
22	Achieved ROE (basis points)		834		
23	Authorized Return (basis points) (D&O 31288 in Dkt No 2011-0092 filed May 31 2013)		900		
24	ROE for sharing (basis points)		-		
25	Sharing Gnd per RAM Provision		First 100 bp	Next 200 bp	All over 300 bp
26	Distribution of Excess ROE (basis points)		0	0	0
27	Ratepayer Share of Excess Earnings		25%	50%	90%
28	Ratepayer Earnings Share - Basis Points		-	-	-
29	Revenue Credit per Basis Point (Note 2)				45
30	Earnings Sharing Revenue Credits (thousands)				\$ -
					To Sch A line 5
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)		\$ 247 918		
	Basis Point = 1/100 of a percent		0 01%		
	Earnings Required per Basis Point (thousands)		\$ 24 79		
	Times Income Tax Conversion Factor		1 636929121		
	Pretax Income Required per Basis Point (thousands)		\$ 41		
	Times Revenue Tax Conversion Factor		1 0975		
	Revenue Requirement per Basis Point (thousands)		\$ 45		

Line No	Description (a)	Reference (b)	AS ORIGINALLY FILED - 2014 Decoupling Filing			AS REVISED - 2014 Decoupling Filing		
			Operating Income (c)	Rate Base (d)	Rate of Return (e)	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.		\$ 30 063	\$ 420 596		\$ 30 063	\$ 420 596	
1a	Adjustment to 2013 Interest Expense on Customer Deposit (net of tax) (Note 3)					(37)		
2	<u>Ratemaking Adjustments to Line 1.</u>							
2a	Incentive Compensation Expenses (net of tax)	MECO-WP H-002	295			295		
2b	Discretionary and Other Expenses Not Recoverable (net of tax)	MECO-WP H-002	148			148		
2c	Amortization of investment income differential	MECO-WP H-003	11			11		
2d	Income tax on items to be replaced by synchronized interest	MECO-WP H-003	(3 510)			(3 510)		
2e	Remove Accrued Earnings Sharing Refund	MECO-WP H-006	202			202		
3	Ratemaking Basis Amounts Post Tax	Sum Lines 1 & 2	\$ 27 208	\$ 420 596		\$ 27 237	\$ 420 596	
4	<u>Ratemaking Capitalization</u>							
		Balances	Ratios	Cost Rate	Weighted Cost			
		MECO-WP-H-005		MECO-WP-H-004				
5	Short Term Debt (12 mo Avg)	\$ 16 878	3.91%	0.87%	0.03%			
6	Long-Term Debt (Simple Avg)	\$ 182 170	37.54%	4.78%	1.79%			
7	Hybrid Securities (Simple Avg)	\$ 9 409	2.18%	7.29%	0.16%			
8	Preferred Stock (Simple Avg)	\$ 4 754	1.10%	8.23%	0.09%			
9	Common Equity (Simple Avg)	\$ 238 763	55.27%	9.00%	4.87%			
10	Total Capitalization	\$ 431 973	100.00%		7.04%			
11	Line 3 Rate Base Amount			\$ 420 596			\$ 420 596	
12	Weighted Cost of Debt			1.98%			1.98%	
13	Synchronized Interest Expense			\$ 8 325			\$ 8 325	
	Income Tax Factor			1.636929121			1.636929121	
13a	Synchronized Interest Expense net of tax			\$ 5 088			\$ 5 088	
14	Post Tax Income Available for Preferred & Common (Line 3 Line 13a)				\$ 22 120			\$ 22 151
17	Less Preferred Income Requirement (Line 8 Weighted Cost times Rate Base)				381			381
18	Income Available for Common Stock				\$ 21 739			\$ 21 771
19	Ratemaking Equity Investment (Line 9 Ratio times Rate Base)				232 474			232 474
20	Return on Equity for Decoupling Earnings Sharing				9.35%			9.36%
21	<u>Earnings Sharing Revenue Credits</u>							
		Basis Points					Basis Points	
22	Achieved ROE (basis points)	935					936	
23	Authorized Return (basis points)	900					900	
24	ROE for sharing (basis points)	35					36	
25	Sharing Grid per RAM Provision	First 100 bp	Next 200 bp	All over 300 bp	Ratepayer Total		First 100 bp	Ratepayer Total
26	Distribution of Excess ROE (basis points)	35	0	0			36	
27	Ratepayer Share of Excess Earnings	25%	50%	90%			25%	
28	Ratepayer Earnings Share Basis Points	8.8			8.8		9.1	9.1
29	Revenue Credit per Basis Point (Note 2)				\$ 42			\$ 42
30	Earnings Sharing Revenue Credits (thousands)				\$ 366.71			\$ 380.79
							Additional ESM	14.07 (a)
31							Interest Rate (Note 4)	1.25% (b)
32							No. of Years (June 2014 - May 2017)	3 (c)
33							Additional ESM with Interest	\$ 14.61 (a) ((1-(b)^(c)))
34							To Sch A Line 5A	
Footnotes								
1	Composite Federal & State Income Tax Rate		38.91%				38.91%	
	Income Tax Factor (1 / (1 + tax rate))		1.636929121				1.636929121	
2	Ratemaking Equity Investment (line 19)		\$ 232 474				\$ 232 474	
	Basis Point = 1/100 of a percent		0.01%				0.01%	
	Earnings Required per Basis Point (thousands)		\$ 23.25				\$ 23.25	
	Times Income Tax Conversion Factor		1.636929121				1.636929121	
	Pretax Income Required per Basis Point (thousands)		\$ 38				\$ 38	
	Times Revenue Tax Conversion Factor		1.0975				1.0975	
	Revenue Requirement per Basis Point (thousands)		\$ 42				\$ 42	
3	This adjustment represents an additional refund. In July 2016, the Companies discovered the interest expense accrued for financial statement purposes had erroneously been overstated since May 2012 due to the incorrect programming of a report developed when the Customer Information System was implemented. The report miscalculated accrued interest on released deposits and for deposits that had been transferred to the new Customer Information System. The misstatement was deemed immaterial and no prior period adjustment was warranted for financial reporting purposes. However, it resulted in an understatement of the Earnings Sharing Mechanism in this year. See further discussion at MECO-WP H1-001.							
4	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. This interest rate is used to calculate interest on the delayed refund to customers.							

AS ORIGINALLY FILED 2015 Decoupling Filing										AS REVISED 2015 Decoupling Filing			
Line No	Description (a)	Reference (b)	Ratemaking Basis Return on Equity			Ratemaking Basis Return on Equity							
			Operating Income (c)	Rate Base (d)	Rate of Return (e)	Operating Income	Rate Base	Rate of Return					
1	Reported Operating Income before ratemaking adj.	PUC Report, p 2A and MECO-WP H-001	\$	31,940	\$	439,038	\$	31,940	\$	439,038			
1a	Adjustment to 2014 Interest Expense on Customer Deposit (net of tax) (Note 3)									54			
2	Ratemaking Adjustments to Line 1.												
2a	Incentive Compensation Expenses (net of tax)	MECO-WP-H-002		519				519					
2b	Discretionary and Other Expenses Not Recoverable (net of tax)	MECO-WP-H-002		183				183					
2c	Amortization of Investment Income differential	MECO-WP-H-003		11				11					
2d	Income tax on items to be replaced by synchronized interest	MECO-WP-H-003		(3,699)				(3,699)					
2e	Remove Accrued Earnings Sharing Refund	MECO-WP-H-006		283				283					
3	Ratemaking Basis Amounts Post Tax	Sum Lines 1 & 2	\$	29,237	\$	439,038	\$	29,291	\$	439,038			
4	Ratemaking Capitalization												
			Balances	Rates	Cost Rate	Weighted Cost							
5	Short Term Debt (12 mo Avg)		\$	13,683	3.02%	0.54%	0.02%						
6	Long-Term Debt (Simple Avg)		\$	172,494	38.08%	5.11%	1.94%						
7	Hybrid Securities (Simple Avg)		\$	9,445	2.08%	7.27%	0.15%						
8	Preferred Stock (Simple Avg)		\$	4,784	1.05%	8.21%	0.09%						
9	Common Equity (Simple Avg)		\$	252,834	55.77%	9.00%	5.02%						
10	Total Capitalization	MECO-WP-H-004	\$	453,018	100.00%		7.22%						
11	Line 3 Rate Base Amount				\$	439,038			\$	439,038			
12	Weighted Cost of Debt	Sum lines 5-7				2.116%				2.116%			
13	Synchronized Interest Expense				\$	9,271			\$	9,271			
	Income Tax Factor	Note 1				1.6369				1.6369			
13a	Synchronized Interest Expense net of tax				\$	5,663			\$	5,663			
14	Post Tax Income Available for Preferred & Common (Line 3 Line 13a)				\$	23,573			\$	23,628			
17	Less Preferred Income Requirement (Line 8 Weighted Cost times Rate Base)				\$	379			\$	379			
18	Income Available for Common Stock				\$	23,194			\$	23,249			
19	Ratemaking Equity Investment (Line 9 Rate times Rate Base)				\$	244,837			\$	244,837			
20	Return on Equity for Decoupling Earnings Sharing	Line 18/Line 19				9.47%				9.50%			
21	Earnings Sharing Revenue Credits												
			Basis Points						Basis Points				
22	Achieved ROE (basis points)		947						950				
23	Authorized Return (basis points)		900						900				
24	ROE for sharing (basis points)		47						50				
25	Sharing Grid per RAM Provision		First 100 bp	Next 200 bp	All over 300 bp	Ratepayer Total			First 100 bp	Ratepayer Total			
26	Distribution of Excess ROE (basis points)		47	0	0				50				
27	Ratepayer Share of Excess Earnings		25%	50%	90%				25%				
28	Ratepayer Earnings Share Basis Points		11.8			11.8			12.4	12.4			
29	Revenue Credit per Basis Point (Note 2)					44				44			
30	Earnings Sharing Revenue Credits (thousands)					\$ 520,522			\$ 544,978				
									Additional ESM	\$ 24.46 (a)			
31								Interest Rate (Note 4)	1.25%	(b)			
32								No. of Years (June 2015 - May 2017)	2	(c)			
33								Additional ESM with interest	\$ 25.07	(a) ((1-b)*(c))			
34									To Sch A, Line 5B				
Footnotes													
1	Composite Federal & State Income Tax Rate			38.91%					38.91%				
	Income Tax Factor (1 / 1-tax rate)			1.6369					1.6369				
2	Ratemaking Equity Investment (line 19)		\$	244,837				\$	244,837				
	Basis Point = 1/100 of a percent			0.01%					0.01%				
	Earnings Required per Basis Point (thousands)		\$	24.48				\$	24.48				
	Times Income Tax Conversion Factor			1.636929121					1.636929121				
	Pretax Income Required per Basis Point (thousands)		\$	40				\$	40				
	Times Revenue Tax Conversion Factor			1.0975					1.0975				
	Revenue Requirement per Basis Point (thousands)		\$	44				\$	44				
3	This adjustment represents an additional refund. In July 2016, the Companies discovered the interest expense accrued for financial statement purposes had erroneously been overstated since May 2012 due to the incorrect programming of a report developed when the Customer Information System was implemented. The report miscalculated accrued interest on released deposits and for deposits that had been transferred to the new Customer Information System. The misstatement was deemed immaterial and no prior period adjustment was warranted for financial reporting purposes. However, it resulted in an understatement of the Earnings Sharing Mechanism in this year. See further discussion at MECO-WP H1-001.												
4	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. This interest rate is used to calculate interest on the delivered refund to customers.												

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

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

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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

<u>Line No</u>	<u>Description</u>	<u>Reference</u>	<u>Amount \$000</u>	
	(a)	(b)	(c)	
1	2015 Target Revenues subject to escalation	3/31/16 Decoupling, Sch J	143,889	
2	2016 RAM Cap Increase excluding Exceptional & Other Matters	3/31/16 Decoupling, Sch J	2,158	
3	2016 Target Revenues subject to escalation		146,047	
4	2017 GDP Price Index	Sch C	2.0%	
5	2017 RAM Cap Increase excluding Exceptional & Other Matters	Line 3 x Line 4	2,921	
6	RAM Cap for 2016 RAM Revenue Adjustment, Adjusted	3/31/16 Decoupling, Sch J	12,145	
7	RAM Cap for 2017 RAM Revenue Adjustment	Line 5 + Line 6	15,066	Sch A1

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

Line No	Description (a)	Reference (b)	Amount \$000 (c)
1	CIS Deferred Cost	Schedule K1	\$ 393.4
2	2017 Revenue Adjustment for Exceptional & Other Matters		\$ 393.4
			To Sch A1

Note 1 Exceptional and Other Matters

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

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

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

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

Line No	Description (a)	Reference (b)	MECO 2017 RAM Rate Base (Note 1)		
			Recorded at 12/31/2016 (e)	RAM Projected Amounts (f)	Estimated at 12/31/2017 (g)
1	CIS Def Cost	MECO-WP-D1-001, page 1	\$ 1,962	\$ (233)	\$ 1,729
2	CIS ADIT - 28400	MECO-WP-K1-001	(712)	85	(627)
3	Total	Line 1 + Line 2	\$ 1,250	\$ (149)	\$ 1,101
4	2017 Average Balance				\$ 1,175 7
5	Change in Rate Base				<u>\$ 1,175 7</u>
6	Pretax Rate of Return	Schedule D Line 7			10 66%
7	Pretax Return Requirement	Line 5 x Line 6			\$ 125 3
8	Revenue Requirement \$000	Line 7 x Line 11			<u>\$ 137 5</u>
9	CIS Amortization	MECO-WP-D1-001, page 1			\$ 233 1
10	Revenue Requirement \$000	Line 9 x Line 11			<u>\$ 255 8</u>
11	Revenue Tax Factor (1/(1-8 885%))	Schedule D Line 11			1 0975
12	Total Return on/of Investment \$000	Line 8 + Line 10			<u>\$ 393 4</u>
					To Sch K

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

Mau Electric Company
Accumulated Deferred Taxes

Description		FEDERAL 12/31/16 Balance	STATE 12/31/16 Balance	COMBINED 12/31/16 Balance
ACCOUNT 282				
1	Accelerated Depreciation	(56,636,283)	(4,912,719)	(61,549,002)
2	Deficit AccDep	-	-	-
3	TOTAL ACCOUNT 282 - UTILITY DEPR	(56,636,283)	(4,912,719)	(61,549,002)
ACCOUNT 283				
4	Bad Debts (fks Uncoll Accts)	71,652	13,102	84,754
5	Bonuses - Non-executives	43,454	24,395	67,849
6	BPI Project Costs	(1,048)	(194)	(1,242)
7	Capital loss Limited/carryforward	4,370	488	4,858
8	Capitalized Interest (fka Cap Int)	1,900,051	446,758	2,346,809
9	Charitable Deduction Limitation CF	-	0	0
10	CHP Direct Lease vs Book Depreciation	21,500	3,931	25,431
11	CIAC	11,825,319	3,376,985	15,202,304
12	Cost of Removal	(18,359,352)	(3,355,799)	(21,715,151)
13	Customer Advances	1,001,867	183,197	1,185,064
14	CWIP Debt (AFUDC Debt)	(2,099,994)	(383,998)	(2,483,992)
15	CWIP Debt Transition	(36,604)	(6,693)	(43,298)
16	Emissions Fles	143,658	26,269	169,927
17	Exec Comp - EICP	53,163	9,722	62,884
18	Exec Comp - LTIP	45,491	8,319	53,810
19	Exec Comp - RSUs	21,452	3,925	25,377
20	Fed ITC	91,164	16,670	107,834
21	Fed Energy Tax Credit	(30,727)	(5,616)	(36,343)
22	FIN 48 - Interest Component	4,440	812	5,252
23	FIN 48 - Tax Component	(2)	101,342	101,340
24	Franchise Taxes on Unbilled Revenues	184,121	33,668	217,789
25	Gain/(Loss) on Post- 80 Vint (ACRS) Retirals	(2,625,871)	(533,425)	(3,159,296)
26	Hawaii R&D Credit	748	137	885
27	Interest - RAR (fka Int IRS Adj)	76,896	(3,988)	72,907
28	IRP/DSM Costs - DSM Fast Demand Response	-	-	-
29	IRP/DSM Costs - IRP	(101,265)	(34,564)	(135,829)
30	Legal Fees Capitalized (PPA)	95,529	17,469	112,998
31	Liability Reserves - Brownfield Site	1,173,224	214,532	1,387,756
32	Liability Reserves - Other (fka Gen Liab Reserve)	123,459	22,574	146,033
33	Manele Bay Direct Financing Lease	160,848	29,413	190,261
34	NOL	-	-	-
35	NOL	8,349,878	-	8,349,878
36	NOL Non-util	168,509	-	168,509
37	Subtotal NOL	8,518,387	-	8,518,387
38	OPEB	(31,229)	(5,714)	(36,943)
39	OPEB Executive Life	538,937	98,549	637,486
40	OPEB Trackers	828,320	151,464	979,784
41	Other	(2,666)	20,733	18,067
42	Pension (Qualified)	(1,052,534)	(192,470)	(1,245,005)
43	Pension Excess (Non-qualified)	(1,753)	(319)	(2,072)
44	Pension Tracker	(4,125,003)	(754,287)	(4,879,290)
45	Percentage Repair Allowance (PRA)	(416,974)	(182,614)	(599,588)
46	Post Norm Cap OH's - Depr (fka Cap Items Chg)	(9,607)	(1,756)	(11,364)
47	Prepays	(262,585)	(48,014)	(310,599)
48	QUIPS Amortization	(94,042)	(17,196)	(111,239)
49	Rate Case Costs	(0)	(2)	(2)
50	RBA Revenues	1,373,776	251,205	1,624,981
51	RBA Revenues - §481(a) Adjustment	(2,233,401)	(408,393)	(2,641,794)
52	Repairs	(22,075,067)	(4,036,581)	(26,111,648)
53	Repairs - §481(a) Adjustment	(4,206,462)	(1,111,416)	(5,317,878)
54	Rev Bond Differential/Redemptions	(510,581)	(108,869)	(619,450)
55	Software - CIS	(117,350)	(25,281)	(142,631)
56	Software - CIS 2013 Carrying Costs	(10,724)	(1,961)	(12,685)
57	Software - ERP	-	-	-
58	Software - HR Suites	(182,521)	(33,376)	(215,897)
59	Software - IVR	(66,343)	(10,631)	(76,975)
60	Software - UI Planner (Budget System Replacement)	(69,857)	(12,775)	(82,631)
61	Software - Other Computer Software Costs	3,658	(835)	2,823
62	Solar Saver	31,240	5,714	36,954
63	State ITC (State Cap Goods Tax Credit)	4,786,773	875,295	5,662,069
64	State Solar Energy Credit	15,521	2,839	18,360
65	SunPower for Schools	1,886	346	2,231
66	Vacation Accrual	(74,818)	(18,282)	(93,100)
67	Workers Compensation	26,772	50,449	77,222
	Rounding	(6)	(3)	(9)

Maui Electric Company
Accumulated Deferred Taxes

	DESCRIPTION	FEDERAL 12/31/16 Balance	STATE 12/31/16 Balance	COMBINED 12/31/16 Balance	
68	FAS 109 Regulatory Assets/Liabilities			-	
69	Reg Asset - SFAS 109 (1863510)	0	-	0	
70	Reg Asset - SFAS 109 Flow Through	(438)	(80)	(518)	
71	Reg Asset - Plant Transition (AFUDC)	(216,463)	(39,582)	(256,045)	
73	Reg Asset - CWIP Equity Transition	(107,793)	(19,711)	(127,504)	
74	Reg Asset - CWIP Equity Gross-Up	(2,786,331)	(509,501)	(3,295,832)	
75	Reg Asset - CWIP Equity Net/(AFUDC Eqty Incurred)	(4,374,478)	(799,905)	(5,174,383)	
77	Reg Liab - Fed ITC	58,064	10,618	68,682	
	Reg Liab - Fed Energy Credit	178,308	32,605	210,912	
78	Reg Asset - Deficit Def - Oth	8,222	1,503	9,725	
79	Reg Liab - Excess Def - Oth	-	-	-	
81	TOTAL ACCOUNT 283 - UTILITY	(32,871,620)	(6,628,805)	(39,500,425)	
82	TOTAL ADIT BEFORE RATE BASE ADJUSTMENTS	(89,507,903)	(11,541,524)	(101,049,427)	
	RATE BASE CALCULATION				
83	Account 283 - Utility	(32,871,620)	(6,628,805)	(39,500,425)	
	Less				
84	Bad Debts (fka Uncoll Accts Allow)	71,652	13,102	84,754	
85	Bonuses - Non-executives (fka included in Exec Incen Comp)	43,454	24,395	67,849	
86	CHP Direct Lease vs. Book Depreciation (Note 3)	21,500	3,931	25,431	MECO-WP-D4-004
87	Exec Comp - EICP (fka included in Exec Incen Comp)	53,163	9,722	62,884	
88	Exec Comp - LTRP (fka included in Exec Incen Comp)	45,491	8,319	53,810	
89	Exec Comp - RSUs (fka included in Exec Incen Comp)	21,452	3,925	25,377	
90	IRP/DSM Costs	(101,265)	(34,564)	(135,829)	
91	FIN 48 Interest	4,440	812	5,252	
92	FIN 48 Adj	(2)	101,342	101,340	
93	Franchise Taxes on Unbilled Revenues	184,121	33,668	217,789	
94	General Liability Reserve	1,296,683	237,106	1,533,789	
95	Interest - CIS Carrying Costs at Full Debt rate	(33,617)	(6,148)	(39,765)	MECO-WP-D4-002
96	Interest - RAR	76,896	(3,988)	72,907	
97	Manele Bay Direct Financing Lease (Note 3)	169,848	29,413	199,261	MECO-WP-D4-004
98	OPEB Executive Life	538,937	98,549	637,486	
99	Pension Excess (Non-qualified)	(1,753)	(319)	(2,072)	
100	RBA Revenue	(859,625)	(157,188)	(1,016,813)	
101	Software - ERP (fka ERP CAM Project)	-	-	-	
102	Software - IVR (fka IVR Project)	-	-	-	
103	Vacation Accrual	(74,818)	(18,282)	(93,100)	
104	Workers Compensation (fka Disc Wkrs Cmp)	26,772	50,449	77,222	
105	Other Decoupling Adjustment (Note 1)	8,518,387	-	8,518,387	
106	Subtotal Account 283 Adjustments	9,992,715	394,244	10,386,959	
107	Total Account 283 for Rate Base	(42,864,335)	(7,023,049)	(49,887,384)	To Schedule D4
108	Account 282 - Utility	(56,636,283)	(4,912,719)	(61,549,002)	
	Less				
	CHP Tax Depreciation (Note 3)	(904,015)	(113,901)	(1,017,916)	MECO-WP-D4-003
	Total Account 282 for Rate Base	(55,732,268)	(4,798,818)	(60,531,085)	To Schedule D4
109	TOTAL ADIT AFTER RATE BASE ADJUSTMENTS	(98,596,603)	(11,821,866)	(110,418,470)	To Schedule D4

Footnotes

- (1) Per the CA's 2013 Transmittal No. 13-01, page 12, the CA proposed removal of the DTA on the NOL carry forward. Maui Electric rejected the CA's proposal but recognizing the need for a quick resolution of the 2013 decoupling proceeding and the precedential nature of this ADIT item, an adjustment to increase ADIT in consideration of the need. For the current decoupling proceeding, Maui Electric has adjusted ADIT for an amount consistent with the prior decoupling filing in arriving at Other Deferred Income Taxes. Again, the adjustment is a general concession to the ADIT balance and Maui Electric does not concede to the CA's position.
- (2) Account descriptions have been updated for clarity and to reflect descriptions currently used for tax accrual purposes. Where possible, account descriptions as presented in prior regulatory filings were added in rate base adjustments.
- (3) For the current decoupling proceeding, Maui Electric is reflecting adjustments to exclude the net investment in CHP property at Manale Bay for purposes of expediting the Commission's review, but intends to raise this issue in its next rate case filing.

State Depreciation

	Utility	2009	2010	2011	2012	2013	2014	2015	2016	2017
Distribution 20 yr	490,000	18,375	35,373	32,717	30,267	27,994	25,897	22,158	23,951	21,864
Other-Prod 15 yr	3,010,000	150,500	285,950	257,355	231,770	208,593	187,523	177,590	177,590	177,891
2009 Adds (Tax)	3,500,000	168,875	321,323	290,072	262,037	236,587	213,420	199,748	201,541	199,755
Total A/D	3,500,000	168,875	321,323	290,072	262,037	236,587	213,420	199,748	201,541	199,755
			490,198	780,270	1,042,308	1,278,894	1,492,314	1,692,062	1,893,603	2,093,358

Federal Depreciation

	Utility	50% Bonus	Adjusted Basis	2009	2010	2011	2012	2013	2014	2015	2016	2017
Distribution 20 yr	490,000	245,000	245,000	254,188	17,687	16,359	15,134	13,997	12,948	11,079	11,976	10,932
Other-Prod 15 yr	3,010,000	1,505,000	1,505,000	1,580,250	142,975	128,678	115,885	104,297	93,762	88,795	88,795	88,946
2009 Adds (Tax)	3,500,000	1,750,000	1,750,000	1,834,438	160,662	145,036	131,019	118,293	106,710	99,874	100,771	99,877
Total A/D	3,500,000	1,750,000	1,750,000	1,834,438	160,662	145,036	131,019	118,293	106,710	99,874	100,771	99,877
					1,995,099	2,140,135	2,271,154	2,389,447	2,496,157	2,596,031	2,696,801	2,796,679

State/Federal Difference (1,665,563) 160,662 145,036 131,019 118,293 106,710 99,874 100,771 99,877

Note Nonutility book basis represents amounts written off in 2009 for regulatory purposes, so there is no related nonutility book depreciation

For Decoupling ADIT Adj

Accum Depr	2,696,801	
Fed ADIT adj	(904,015)	WP-D4-001
Accum Depr	1,893,603	
State ADIT adj	(113,901)	WP-D4-001
Total ADIT Adj on Tax Depr for Decoupling	(1,017,916)	WP-D4-001

Mau Electric Company, Ltd
CHP Investment

Regulatory Asset - Direct Financing Lease vs Regulatory Book Depreciation

		Lease	Regulatory Book Deprec	Lease vs Book (Change in Reg Asset)	Regulatory Asset (Liability) Balance	Accum State ADIT	Accum Federal ADIT	Total ADIT
1	2009	18,565	-	18,565	18,565	(1,117)	(6,107)	(7,224)
2	2010	78,628	107,292	(28,664)	(10,099)	607	3,322	3,929
3	2011	84,032	107,292	(23,260)	(33,359)	2,007	10,973	12,980
4	2012	89,944	107,292	(17,348)	(50,707)	3,050	16,680	19,730
5	2013	96,418	107,292	(10,874)	(61,581)	3,704	20,257	23,961
6	2014	103,512	107,292	(3,780)	(65,361)	3,931	21,500	25,432
7	2015	17,882	17,882	-	(65,361)	3,931	21,500	25,432
8	2016	-	-	-	(65,361)	3,931	21,500	25,432
Cumulative		488,981	554,342	(65,361)		(a) ADIT on Lease Income only		
		(a)				160,849	29,412	190,261

ATTACHMENT 4

**HAWAIIAN ELECTRIC COMPANY
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF RECORDED ADJUSTED REVENUES**

Line No	Description	April 2017	Support
	(a)	(b)	
	<u>BILLED REVENUES</u>		
1	Current month's billed revenues (SAP014w)	133,129,624	Attachment 1
2	Remove PBF revenues	(1,600,980)	↓
3	Remove Solar Saver non-revenues	60,714	
4 =			
sum 1-3	BILLED REVENUES	131,589,358	
	<u>UNBILLED REVENUES</u>		
5	Current month's unbilled revenues (Unbilled Sales and Revenue Est)	70,257,498	Attachment 2
6	Reverse prior month's unbilled revenues (Unbilled Sales and Revenue Est)	(70,431,772)	↓
7 = 5+6	Unbilled revenues per Unbilled Sales and Revenue Estimate	(174,274)	
8	Recovery of 12 31 15 RBA balance through RBA Rate Adjustment beginning 6-1 16	(4,036,294)	Attachment 2
9	RAM accrual	(3,919,116)	↓
10	Accrual of ECAC adjustment	2,700,900	
11	Reversal of ECAC accrual	(1,606,800)	
12	Accrual of PPAC adjustment	824,600	
13	Reversal of PPAC accrual	(1,518,332)	
14	Adjust prior period RBA balance	8,295	
15	Adjust prior period RBA related revenue taxes	809	
16	Accrual of current month's RBA (PUC Monthly Financial Report pg 9A)	2,165,761	Attachment 3
17	RBA gross up for revenue taxes	211,192	↓
18 =			
sum 8-17	Miscellaneous unbilled accruals	(5,168,985)	
19 = 7+18	UNBILLED REVENUES	(5,343,259)	
20 = 4+19	TOTAL REVENUES PER G/L (PUC Monthly Financial Report pg 3)	126,246,100	
	<u>Billed Adjustments to Determine Adjusted Revenues for RBA</u>		
21	Add back diplomatic tax exemption	325	Attachment 1
22	Remove ECAC revenues	8,896,075	↓
23	Remove PPAC revenues	(14,939,457)	
24	Remove DSM revenues	(384,418)	
25	Remove revenue taxes of PBF revenues	(109,192)	
26	Remove Solar Saver revenues	3,921	
27	Remove revenue taxes on billed revenues	(11,111,280)	
28	Remove base fuel (adjusted for revenue taxes)	(46,282,374)	
29	Remove power purchase energy (adjusted for revenue taxes)	(19,526,128)	
30	Other adjustments	8,295	
31	Other operating revenues - EV-U revenues net of revenue taxes	4,391	
32	Other operating revenues - MAP revenues net of revenue taxes	1,913	↓
	<u>Unbilled Adjustments to Determine Adjusted Revenues for RBA</u>		
33	Remove RAM accrual	3,919,116	Attachment 2
34	Remove ECAC revenues	(351,741)	↓
35	Remove ECAC accrual	(1,094,100)	
36	Remove PPAC revenues	7,045	
37	Remove PPAC accrual	693,732	
38	Remove DSM revenues	20,712	
39	Remove prior period RBA adjustment(s)	(9,104)	
40	Remove RBA accruals	(2,165,761)	Attachment 3
41	Remove RBA gross up for revenue taxes	(211,192)	↓
42	Remove revenue taxes on unbilled revenues	402,895	Attachment 2
43	Remove base fuel (adjusted for revenue taxes)	199,060	↓
44	Remove power purchase energy (adjusted for revenue taxes)	83,981	
45 =			
sum 21-44	Total billed and unbilled adjustments to determine adjusted revenues for RBA	(81,943,287)	
46 = 20+45	RECORDED ADJUSTED REVENUES FOR RBA DETERMINATION	44,302,813	

Note: Amounts may not add exactly due to rounding

Monthly Decoupling Journal Entries - Billed
April 2017

Billed Worksheet	Source	Atmt	Total Billed	
SAP 014w Revenues (excluding RBA surcharge)	SAP 014w Report	1A	121,920,762	133,129,624
RBA Surcharge (includes RBA & RAM)	SAP 014w Report		11,208,862	
PBF Revenue	Journal entry / SAP 014w Report	1B	(1,600,980)	
Solar Saver Non Revenue	Journal entry	1C	60,714	
City & County Traffic Signal Revenue Adjustments	Journal entry		-	
Other Electric Revenues Adjustments	Journal entry		-	
Other Non-Electric Revenues Adjustments	Journal entry	↓	-	
Total Revenues	SAP 014w Report + adjustments		131,589,358	
Less				
City & County Traffic Signal Revenue Adjustments	Journal entry		-	
Diplomatic Tax Exemption	Diplomatic Tax Exemption Summary	1B	(325)	
Other Electric Revenues Adjustments	Journal entry		-	
2011 TY Refund	SAP 014w Report	1A	-	
2007 & 2009 Interim Increase / Refund	SAP 014w Report		-	
ECAC Surcharge	SAP 014w Report		(8,896,075)	
PPAC Surcharge	SAP 014w Report		14,939,457	
REIP Surcharge	SAP 014w Report		-	
DSM Surcharge	SAP 014w Report		384,418	
IRP Surcharge	SAP 014w Report		-	
PBF Surcharge	Journal entry / SAP 014w Report	1B	109,192	
Solar Saver Non Revenue	Journal entry	1C	60,714	(3,921)
Solar Saver Surcharge	SAP 014w Report	↓	(64,635)	
Adjusted revenues			125,056,612	
Less Revenue taxes (8.885% of revenues)			11,111,280	
Adjusted recorded revenues less revenue taxes			113,945,332	
Revenue for Base Fuel (cents/kWh)	See computation below		46,282,374	
Revenue for Purchased Power Energy (cents/kWh)	See computation below		19,526,128	
Other misc adjustments	Adj ALL PERIODS worksheet	1D	(8,295)	
Other operating revenues EV U revenues net of revenue taxes	EV U Revenues worksheet	1E	(4,391)	
Other operating revenues MAP revenues net of revenue taxes	MAP Revenues worksheet	1F	(1,913)	
Adjusted total revenues			48,151,429	

Computation of Revenue for Base Fuel

Current Month Billed kWh	525,252,051	Attachment 4
cents per kWh rate from Pricing Division	0.088114599	Attachment 7
Adjustment to revenue	46,282,374	

Computation of Revenue for Purchased Power Energy

Current Month Billed kWh	525,252,051	Attachment 4
cents per kWh rate from Pricing Division	0.037174777	Attachment 7
Adjustment to revenue	19,526,128	

Note: Amounts may not add exactly due to rounding

Billed (2/10)

Hawaiian Electric Company
MAP Revenues (Other Operating Revenues)
FY2017
(DR)/CR

				8.885%	
	Count as of 4/30/17	Max discount per month	Gross Total	Rev tax	Net of tax
HECO	105	\$20	\$2,100	186.59	1,913.42
HELCO	25	\$20	\$500	44.43	455.58
MECO	10	\$20	\$200	17.77	182.23
			<u>\$2,800</u>	<u>\$249</u>	<u>\$2,551</u>

NOTE

The estimate is based on the number of customers who have been flagged in the CIS system who are eligible to receive the SMNP discount. The estimate may overstate the amount of the discount actually given.

Monthly Decoupling Journal Entries
April 2017

		Total Billed / Unbilled	Adjusted Billed Worksheet Schedule A	Net Unbilled per Unbilled Worksheet Schedule B
Total of billed and unbilled worksheets	Source			
Revenues (excluding RBA surcharge and RBA adjustments)	Billed and Unbilled Worksheet	122,155,106	121,920,762	234,344
RBA Surcharge (includes RBA & RAM)	Billed and Unbilled Worksheet	11,200,612	11,208,862	(8,250)
RBA Surcharge Accrued in Prior Year	Unbilled Worksheet	(4,038,294)		(4,038,294)
ESM Refund Reversal	Unbilled Worksheet			
RAM Accrual/Reversal	Unbilled Worksheet	(3,919,116)		(3,919,116)
Prior Months RBA Adjustments	Unbilled Worksheet	9,104		9,104
PBF Revenue	Billed Worksheet	(1,600,980)	(1,600,980)	
Solar Saver Non Revenue	Billed Worksheet	60,714	60,714	
City & County Traffic Signal Revenue Adjustments	Billed Worksheet			
Other Electric Revenues Adjustments	Billed Worksheet			
Other Non-Electric Revenues Adjustments	Billed Worksheet			
DSM Adjustments	Unbilled Worksheet			
Reclass Big Wind Surcharge Carrying Costs	Unbilled Worksheet			
Total Revenues	Billed and Unbilled Worksheet	123,869,148	131,589,358	(7,720,212)
Less:				
City & County Traffic Signal Revenue Adjustments	Billed Worksheet			
Diplomatic Tax Exemption	Billed and Unbilled Worksheet	(325)	(325)	
Other Electric Revenues Adjustments	Journal entry			
2011 TY Refund	Billed and Unbilled Worksheet			
2007 & 2009 Interim Increase / Refund	Unbilled Worksheet			
ESM Refund Reversal	Unbilled Worksheet			
RAM Accrual/Reversal	Unbilled Worksheet	(3,919,116)		(3,919,116)
Prior months RBA adjustments	Unbilled Worksheet	9,104		9,104
ECAC Surcharge	Billed and Unbilled Worksheet	(7,450,234)	(8,898,075)	1,445,841
PPAC Surcharge	Billed and Unbilled Worksheet	14,238,680	14,939,457	(700,777)
REIP Surcharge	Billed and Unbilled Worksheet			
Reclass Big Wind Surcharge Carrying Costs	Unbilled Worksheet			
DSM Surcharge	Billed and Unbilled Worksheet	363,706	384,418	(20,712)
DSM Adjustments	Unbilled Worksheet			
IRP Surcharge	Billed Worksheet			
PBF Surcharge	Billed Worksheet	109,192	109,192	
Solar Saver Non-Revenue	Billed Worksheet	60,714	60,714	
Solar Saver Surcharge	Billed and Unbilled Worksheet	(64,635)	(64,635)	
Adjusted revenues	Billed and Unbilled Worksheet	120,522,060	125,056,612	(4,534,552)
Less: Revenue taxes		10,708,363	11,111,280	(402,695)
Adjusted recorded revenues less revenue taxes		109,813,697	113,945,332	(4,131,635)
Revenue for Base Fuel (cents/kWh)	Billed and Unbilled Worksheet	46,083,314	46,292,374	(199,060)
Revenue for Purchased Power Energy (cents/kWh)	Billed and Unbilled Worksheet	19,442,147	19,526,128	(83,981)
Other misc adjustments	Billed Worksheet	(8,295)	(8,295)	
Other operating revenues EV-U revenues net of revenue taxes	EV U Revenues worksheet	(4,391)	(4,391)	
Other operating revenues MAP revenues net of revenue taxes	MAP Revenues worksheet	(1,913)	(1,913)	
Adjusted total revenues		44,302,813	48,151,429	(3,848,616)

April 2017 RBA revenues

44,302,813

RBA target (Attachment 6 Schedule B1 of HECO's 2016 Decoupling Filing filed 03-31-16)

45,468,574

RBA Adjustment to credit unbilled revenues

2,165,761

RBA Adjustment allocation based on kWh sales including unbilled

CR the following accounts

Schedule R Unbilled RBA (GL Code 44011071)
Schedule RT Unbilled RBA (GL Code 44014071)
Schedule EVF Unbilled RBA (GL Code 44315071)
Schedule G Unbilled RBA (GL Code 44211071)
Schedule J Unbilled RBA (GL Code 44212071)
Schedule P Unbilled RBA (GL Code 44216071)
Schedule F Unbilled RBA (GL Code 44412071)
Schedule U Unbilled RBA (GL Code 44213071)

kWh Sales & Revenue Production Rpt
(Attachment 4)

115,966,055	480,228	46,829	527,055
560,535	2,321	226	2,547
24,095,840	89,783	9,730	109,513
148,639,763	615,531	60,023	675,554
230,881,844	950,102	93,234	1,049,338
2,674,863	11,076	1,080	12,156
174,246	722	70	792
522,992,948	2,165,761	211,192	2,376,953

DR 18670301 DR 18670300
Reg Asset RBA Prin RBA Rev Tax Gross-up

Note: Amounts may not add exactly due to rounding

Total (1/10)