



March 31, 2008

Ms. Brooke K. Kane  
Administrative Director  
Public Utilities Commission  
Kekuanao'a Building, Room 103  
465 South King Street  
Honolulu, HI 96813

Subject: 2007 ANNUAL REPORT TO THE PUC

Dear Ms. Kane:

Kauai Island Utility Cooperative respectfully submits its 2007 Annual Report and the selected five-year statistical data (2003-2007) drawn from the annual report.

Please know that these are preliminary numbers pending completion of our audit.

Any subsequent changes will be forwarded accordingly.

Very truly yours,

A handwritten signature in black ink that reads "Randall J. Hee".

Randall J. Hee, P.E.  
President & CEO

Enclosures

cc: Division of Consumer Advocacy  
Nate Kawakami, PUC Assistant

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# Annual Report of

**KAUAI ISLAND UTILITY COOPERATIVE**

State exact corporate name of respondent

**LIHUE, KAUAI, HAWAII**

Address of Respondent's Principal Business Office

To the  
**Public Utilities Commission**  
State of Hawaii  
For the year ending

**DECEMBER 31, 2007**

Approved Annual Report  
for  
Electric Utilities



Revised Form  
Approved by Public Utilities Commission

**GENERAL INSTRUCTION**

## FOR PREPARING REPORT

All electric utilities operating within the State of Hawaii shall make their annual report on this form in duplicate and file the original, duly verified in the office of this Commission, on or before March 31st of the following year, retaining duplicate copy for its files.

The form of annual report is prepared in conformity with Uniform System of Accounts for Public Utilities as prescribed by this Commission, and all accounting words and phrases are to be interpreted in accordance with the said classification.

The word "Respondent" wherever used in this report, means the person, corporation, licensee, agency, authority, or other legal entity or instrumentality in whose behalf the report is made.

Each annual report should in all particulars be complete in itself and references to returns of former years or to other reports should not be made to take the place of information as required herein.

Where information, required herein, is not given, state fully the reason for its omission.

The report should be made on typewriter, as all forms are designed therefore. All entries should be typed in black except those of contrary or opposite character which should be typed in red or enclosed in parenthesis. If it is necessary or advisable to insert additional statements for the purpose of further explanation of accounts or schedules, they should be typed on paper of durable quality and should conform with this in size of page and be securely appended hereto.

The report is designed to cover the calendar year. Each utility shall close its books at the end of each calendar year unless otherwise authorized by the Commission.

Respondent may, in lieu of filing this report, file a copy of the annual report submitted to the Federal Power Commission (Form 1). In addition to filing either report, respondent shall also file with the Commission, a copy of its annual report prepared for distribution to its security holders and such other reports or schedules as requested.

Page Nos. 3-4. ORGANIZATION AND CONTROL OF RESPONDENT. Answer all questions as indicated.

Page Nos. 5-6. Schedule A – COMPARATIVE BALANCE SHEET. The balance at the beginning and at the close of the year appearing in the respective accounts on the respondent's books, as well as the increase or decrease, should be reported on this schedule for each item; all entries on the balance sheet should be consistent with those shown on supporting schedules.

Page Nos. 7-8-9. Schedules A-1 to A-1.2 inclusive. – ANALYSIS OF UTILITY PLANT ACCOUNTS. The amounts applicable to the various account classifications shall be shown on this schedule. There shall be reported the balances in accounts 101, 102, 103, 104, 105, 106, 107 and 114, at the beginning of the year, total charges during the year, total credits during year, and the balances at the close of the year. The total of each classification and the total of all accounts should be in accord with the amounts shown on the Balance Sheet.

Page No. 10. Schedule A-2 – ACCUMULATED PROVISIONS FOR DEPRECIATION OF UTILITY PLANT. The accrued depreciation applicable to the various account classifications shall be shown on this schedule. There shall be reported the balances at the beginning of the year, credits and debits during the year and the balance at the end of the year, which should be in accord with the amount shown on the Balance Sheet.

Page Nos. 11-12-13. Schedules A-2.1 to A-2.3 inclusive. ANALYSIS OF ACCUMULATED PROVISIONS FOR DEPRECIATION OF UTILITY PLANT. State complete analysis as indicated.

Page No. 14. Schedule A-3 – ACCUMULATED PROVISIONS FOR AMORTIZATION OF UTILITY PLANT. The total amount of reserves at the beginning of the year, credits and debits during year and balance at the end of year for each classification of accounts should be reported on the schedule. Totals should be in accord with amounts shown on Balance Sheet.

Page 14-A. Schedule A-4 – NON-UTILITY PLANT. Complete schedules as indicated.

Page No. 15. Schedules A-5 to A-6 inclusive. Indicate on these schedules a complete analysis for all corresponding items as appearing on the Balance Sheet.

Page No. 16. Schedules A-7 to A-9 inclusive. State complete analysis as indicated.

Page No. 17. Schedules A-10 to A-12 inclusive. State complete analysis as indicated.

Page No. 18. Schedule A-13 – UNAMORTIZED DEBT DISCOUNT AND EXPENSE. State complete analysis as indicated for each class and series of long-term debt.

Page No. 19. Schedule A-14 – EXTRAORDINARY PROPERTY LOSSES. State complete analysis of property abandoned, date of abandonment, date of Commission Authorization and period over which amortization is being made.

Schedule A-15 – MISCELLANEOUS DEFERRED DEBITS. Complete as indicated.

Schedule A-16 – DEFERRED REGULATORY COMMISSION EXPENSES. State complete analysis as indicated.

Page No. 20. Schedules A-17 to A-19 inclusive. State complete analysis as indicated.

Page No. 21. Schedule A-20 – CAPITAL STOCK EXPENSE. If any change occurred during the year, give particulars of the change. State the reason for any chargeoff of capital stock expense and specify the amount and account charged.

Page No. 22. Schedule A-21 – ANALYSIS OF APPROPRIATED RETAINED EARNINGS. State complete analysis as indicated.

Page No. 23. Schedule A-22 – ANALYSIS OF UNAPPROPRIATED RETAINED EARNINGS. State complete analysis as indicated.

Page No. 24. Schedule A-23 – LONG-TERM DEBT. State complete analysis as indicated for Bonds. Advances from Associated Companies and Other Long-Term Debt, which should be in accord with the amounts shown on the Balance Sheet.

Page No. 25. Schedule A-24 – ACCRUED TAXES. There shall be reported the accrued tax amounts at the beginning of the year, taxes charged during the year and the balance at the end of year, which should be in accord with the amount shown on the Balance Sheet.

Page No. 26. Schedules A-25 to A-27 inclusive. State complete analysis as indicated.

Page No. 27. Schedule A-28 – UNAMORTIZED PREMIUM ON DEBT. State complete analysis as indicated on premiums applicable to each class and series of long-term debt.

Page No. 28. Schedules A-29 to A-31 inclusive. State complete analysis as indicated.

Page No. 29. Schedule B – ANALYSIS OF INCOME ACCOUNT. State complete analysis as indicated.

Page No. 30. Schedule B-1 – ANALYSIS OF GROSS OPERATING REVENUES. State complete analysis as indicated.

Page Nos. 31-34. Schedule B-2 – ANALYSIS OF OPERATION AND MAINTENANCE EXPENSE ACCOUNTS. State complete analysis as indicated.

Page No. 35. Schedule B-3 – ANALYSIS OF TOTAL CORPORATION TAXES. State complete analysis as indicated.

Page No. 36. Schedule C – STATISTICAL INFORMATION. State complete analysis as indicated.

Page Nos. 37-38. Schedule D – MISCELLANEOUS DATA. Answer each question fully as indicated.

Page No. 39. Schedule E – CONTINGENT ASSETS AND LIABILITIES. Give a complete statement of significant contingent assets and liabilities at the close of the year.

Page No. 40. VERIFICATION. Complete as indicated.

### ORGANIZATION AND CONTROL OF RESPONDENT

**State full and exact name of respondent making this report:**

Kauai Island Utility Cooperative

**Date of Incorporation**

November 6, 1999

**Nature of Business**

Generate, purchase, distribute and sell electric energy to member-owners

**Location of Main Business Office**

4463 Pahee Street, Suite #1, Lihue, Hawaii 96766-2000

**Island and Districts in Which Service is Supplied:**

Entire Island of Kauai

### Directors

Name	Address	Term Expires	Meetings Attended During Year	Shares Owned	
			Common	Preferred	
Carol Bain	Kauai Island Utility Cooperative 4463 Pahee Street, Suite #1 Lihue, Hawaii 96766	2010	12	N/A	N/A
Dee Crowell 1 st Vice Chair (to 3/07)	Kauai Island Utility Cooperative 4463 Pahee Street, Suite #1 Lihue, Hawaii 96766	2007	5	N/A	N/A
Dennis Esaki Chairman	Kauai Island Utility Cooperative 4463 Pahee Street, Suite #1 Lihue, Hawaii 96766	2008	17	N/A	N/A
David Iha Secretary	Kauai Island Utility Cooperative 4463 Pahee Street, Suite #1 Lihue, Hawaii 96766	2010	12	N/A	N/A
Derek Kawakami 2nd Vice Chair	Kauai Island Utility Cooperative 4463 Pahee Street, Suite #1 Lihue, Hawaii 96766	2009	18	N/A	N/A
Alfred Laureta	Kauai Island Utility Cooperative 4463 Pahee Street, Suite #1 Lihue, Hawaii 96766	2009	17	N/A	N/A
James Mayfield	Kauai Island Utility Cooperative 4463 Pahee Street, Suite #1 Lihue, Hawaii 96766	2007	4	N/A	N/A
Dane Oda	Kauai Island Utility Cooperative 4463 Pahee Street, Suite #1 Lihue, Hawaii 96766	2009	17	N/A	N/A
Ray Paler Secretary (to 3/07)	Kauai Island Utility Cooperative 4463 Pahee Street, Suite #1 Lihue, Hawaii 96766	2007	6	N/A	N/A
Allan Smith	Kauai Island Utility Cooperative 4463 Pahee Street, Suite #1 Lihue, Hawaii 96766	2010	9	N/A	N/A
Teofilo Tacbian Treasurer	Kauai Island Utility Cooperative 4463 Pahee Street, Suite #1 Lihue, Hawaii 96766	2008	18	N/A	N/A
Peter Yukimura 1st Vice Chair	Kauai Island Utility Cooperative 4463 Pahee Street, Suite #1 Lihue, Hawaii 96766	2008	18	N/A	N/A

### Principal Officers

Title	Name	Date Appointed	Shares Owned	
			Common	Preferred
Randall J. Hee	Acting President & Chief Executive Officer	October 31, 2006	N/A	N/A
Randall J. Hee	President & Chief Executive Officer	February 21, 2007	N/A	N/A
David J. Bissell	Chief Financial Officer	July 1, 2006	N/A	N/A
Ray Paler	Secretary (to 3/07)	March 29, 2005	N/A	N/A
David Iha	Secretary	March 27, 2007	N/A	N/A
Teofilo Tacbian	Treasurer	March 29, 2005	N/A	N/A

State total Amount of all Outstanding Stock at close of year:		\$ N/A - Electric Membership Cooperative	
Common	Shares; par value	\$	Amount
Preferred	Shares; par value	\$	Amount
Preferred	Shares; par value	\$	Amount

Does any class of securities carry any special privileges in any elections or in the control of corporate action?

If so, describe each such class or issue, showing the character and extend of such privileges: None

If during the year the respondent acquired other companies or was organized in any respect or merged or consolidated with other companies, state in detail full particulars of such transactions: None

Furnish complete list showing all companies controlled by respondent, either directly or indirectly: None

Furnish complete list showing companies controlling respondent: None

Name all kinds of business, other than Utility in which the respondent was engaged at any time during the year. If none, state so: None

State Commission's Docket, Order numbers and effective dates authorizing present classification of rate:

Classification	Docket No.	Order No.	Effective Date
Residential Service	D	94-0097	19658 11/01/02
General Light & Power Service (Small Commercial)	G	&	" "
General Light & Power Service (Large Commercial)	J	94-0308	" "
Large Power Primary Service	L	Consolidated	" "
Large Power Secondary Service	P	"	" "
Purchases from Qualifying facilities-100kw or less	Q Modified	5069	8332 01/01/07
Street Lighting	SL	Consolidated	19658 11/01/02
Standby, Auxiliary, Supplementary or Breakdown Svce	Rider S	"	" "
Interruptible Contract Service	Rider I	"	" "

State precisely the period covered by this report: January 1, 2007 to December 31, 2007

State name, title, and address of officer in charge of correspondence relative to this report:

Name	Randall J. Hee
Title	President & Chief Executive Officer, Kauai Island Utility Cooperative
Address	4463 Pahee Street, Suite #1, Lihue, HI 96766-2000

**Schedule A**  
**COMPARATIVE BALANCE SHEET**

ASSETS AND OTHER DEBITS	Sched. No.	Balance 1/1/07 Beg of Year	Balance 12/31/07 Close of Year	Increase or (Decrease)
<b>Utility Plant</b>		XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
Utility Plant in Service	A-1	\$ 348,946,656	\$ 357,806,314	\$ 8,859,658
Accumulated Provision for Deprec. & Amort.	A-2.1	(164,016,555)	(175,293,571)	(11,277,016)
Utility Plant Less Reserves		184,930,101	182,512,743	(2,417,358)
Construction Work in Progress		6,922,914	14,020,468	7,097,554
Utility Plant Acquisition Adjustments	A-1	54,852,453	54,852,453	-
Accum. Prov. for Amort. of Util. Plt.Acq.Adj.	A-3	(9,140,324)	(11,334,506)	(2,194,182)
Utility Plant Acquis. Adj. Less Reserves				
Other Utility Plant Adjustments	A-1	-	-	-
<b>Total Utility Plant Less Reserves</b>		<b>237,565,144</b>	<b>240,051,158</b>	<b>2,486,014</b>
<b>Other Property and Investments</b>		XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
Non-Utility Property Less Reserves	A-4	758,612	-	(758,612)
Investment in Associated Companies	A-5	252,473	281,814	29,341
Other Investments	A-5-A			-
Special Funds	A-6	-	-	-
<b>Total Other Property and Investments</b>		<b>1,011,085</b>	<b>281,814</b>	<b>(729,271)</b>
<b>Current and Accrued Assets</b>		XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
Cash		4,355,244	10,442,284	6,087,040
Special Deposits	A-7	9,710	9,710	-
Working Funds		2,781	2,000	(781)
Temporary Cash Investments	A-8	18,532,930	8,719,646	(9,813,284)
Notes Receivable				
Customer Accounts Receivable		9,962,486	11,911,602	1,949,116
Other Accounts Receivable		649,935	917,495	267,560
Accumulated Prov. for Uncollect.Accts.-Cr.	A-9	(307,143)	(905,492)	(598,349)
Receivables from Associated Companies				
Fuel Stock	A-10	678,486	1,597,371	918,885
Residuals				
Materials and Supplies--Utility		9,368,774	10,566,921	1,198,147
Materials and Supplies--Merchandise				
Materials and Supplies--Non-Utility				
Stores Expense				
Prepayments	A-11	997,312	1,122,048	124,736
Interest and Dividends Receivable		137,382	68,012	(69,370)
Rents Receivable				
Accrued Utility Revenues		6,956,525	9,181,212	2,224,687
Miscellaneous Current and Accrued Assets	A-12	-	-	-
<b>Total Current and Accrued Assets</b>		<b>51,344,422</b>	<b>53,632,809</b>	<b>2,288,387</b>
<b>Deferred Debits</b>		XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
Unamortized Debt Discount and Expense	A-13	-	-	-
Notes Receivable--SSPP	A-14	-	-	-
Preliminary Survey and Investigation Charges		1,365,103	283,360	(1,081,743)
Clearing Accounts				
Temporary Facilities				
Miscellaneous Deferred Debits	A-15	97,376	125,245	27,869
Regulatory Commission Expenses	A-16	5,105,408	4,833,855	(271,553)
<b>Total Deferred Debits</b>		<b>6,567,887</b>	<b>5,242,460</b>	<b>(1,325,427)</b>
<b>TOTAL ASSETS AND OTHER DEBITS</b>		<b>\$ 296,488,538</b>	<b>\$ 299,208,241</b>	<b>\$ 2,719,703</b>

**Schedule A**  
**COMPARATIVE BALANCE SHEET**

LIABILITIES AND OTHER CREDITS	Sched. No.	Balance 1/1/07 Beg of Year	Balance 12/31/07 Close of Year	Increase or Decrease
<b>Proprietary Capital</b>				
Common Stock Issued	A-17	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
Preferred Stock Issued	A-18	-	-	-
Capital Stock Subscribed		-	-	-
Patronage Capital				
Memberships				
Other Equities & Retired Capital Credits				
Capital Stock Expense	A-20	\$ 32,129,731	\$ 41,674,804	\$ 9,545,073
Appropriated Retained Earnings	A-21	325	349	24
Unappropriated Retained Earnings		(26,392)	(351,259)	(324,867)
Reacquired Capital Stock	A-19	-	-	-
<b>Total Proprietary Capital</b>		<b>32,103,664</b>	<b>41,323,894</b>	<b>9,220,230</b>
<b>Division Capital</b>	A-22	-	-	-
<b>Long-Term Debt</b>				
Bonds	A-23	-	-	-
Advances from Associated Companies	A-23	-	-	-
Other Long-Term Debt	A-23	221,984,068	216,394,675	(5,589,393)
<b>Other Long-Term Debt</b>		<b>221,984,068</b>	<b>216,394,675</b>	<b>(5,589,393)</b>
<b>Current and Accrued Liabilities</b>				
Notes Payable		XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
Accounts Payable		7,810,637	7,605,248	(205,389)
Payables to Associated Companies				
Customer Deposits		854,607	759,807	(94,800)
Taxes Accrued	A-24	6,692,436	8,287,200	1,594,764
Interest Accrued		56,121	63,844	7,723
Patronage Capital Payable		8,790	12,369	3,579
Matured Long-Term Debt		7,944,800	8,178,300	233,500
Tax Collections Payable	A-24	-	-	-
Misc. Current and Accrued Liabilities	A-25	8,385,864	5,695,072	(2,690,792)
<b>Total Current and Accrued Liabilities</b>		<b>31,753,255</b>	<b>30,601,840</b>	<b>(1,151,415)</b>
<b>Deferred Credits</b>				
Unamortized Premiums on Debt	A-28	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
Customer Advances For Construction	A-26	-	-	-
Other Deferred Credits	A-27	1,356,658	1,690,296	333,638
Accumulated Deferred Investment Tax Cr.	A-30	9,290,893	9,197,536	(93,357)
<b>Total Deferred Credits</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Operating Reserves</b>				
Property Insurance Reserve		XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
Injuries and Damages Reserve				
Pensions and Benefits Reserve				
Miscellaneous Operating Reserve				
<b>Total Operating Reserves</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Contributions in Aid of Construction</b>	A-31	-	-	-
<b>Accumulated Deferred Income Taxes</b>				
Accum Def Inc Taxes--Lib. Depr.	A-29	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
Accum Def Inc Taxes--Other	A-29	-	-	-
<b>Total Accum Def Inc Taxes</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND OTHER CREDITS</b>		<b>\$ 296,488,538</b>	<b>\$ 299,208,241</b>	<b>\$ 2,719,703</b>

**Schedule A-1**  
**ANALYSIS OF UTILITY PLANT ACCOUNTS**

Account No.	ACCOUNT TITLE	Balance Beginning of Year	Total Charges During Year	TOTAL CREDITS DURING YEAR		Balance Close of Year
				Retired Property Charged Depreciation Reserve	Adjustments and Other Credits	
	Steam Production Plant					
3100	Land & Land Rights	290,735				290,735
3110	Structures & Improvements	5,363,259	70,710			5,433,968
3120	Boiler Plant & Equipment	12,520,178	110,548	51,802		12,578,924
3130	Engine Driven Generators	5,556				5,556
3140	Turbogenerators Units	1,748,772	76,615			1,825,387
3150	Accessory Electrical Equipment	599,986	2,669	770		601,886
3160	Misc Power Plant Equip	249,654	5,456			255,110
	<b>Total Steam Production</b>	<b>20,778,140</b>	<b>265,998</b>	<b>52,572</b>	<b>-</b>	<b>20,991,567</b>
	Hydraulic Production Plant					
3300	Land & Land Rights	0				0
3310	Structures & Improvements	12,172				12,172
3320	Reservoirs, Dams & Waterways	207,355	258,409			465,764
3330	Water Wheels, Turbines & Gen.	367,875	262,511	38,478		591,908
3340	Accessory Electric Equipment	0				0
3350	Misc Power Plant Equipment	0				0
3360	Roads, Railroads & Bridges	0				0
	<b>Total Hydraulic Production Plant</b>	<b>587,402</b>	<b>520,920</b>	<b>38,478</b>	<b>0</b>	<b>1,069,844</b>
	Other Production Plant					
3400	Land & Land Rights	7,486,804				7,486,804
3410	Structures & Improvements	18,298,209	14,639	6,300		18,306,547
3420	Fuel Holders, Producers	4,205,977	82,334			4,288,311
3430	Prime Movers	52,091,076	1,252,082	140,467		53,202,691
3440	Generators	9,612,596	487,191	5,252		10,094,535
3450	Accessory Electric Equipment	8,192,667	6,491	1,938		8,197,220
3460	Misc Power Plant Equipment	4,403,930	27,565			4,431,495
	<b>Total Other Production Plant</b>	<b>104,291,259</b>	<b>1,870,301</b>	<b>153,957</b>	<b>-</b>	<b>106,007,603</b>
	<b>Total Production Plant</b>	<b>125,656,801</b>	<b>2,657,219</b>	<b>245,007</b>	<b>-</b>	<b>128,069,013</b>
	<b>TOTAL - Carried Forward</b>	<b>125,656,801</b>	<b>2,657,219</b>	<b>245,007</b>	<b>-</b>	<b>128,069,013</b>

**Schedule A-1.1 (Continued)**  
**ANALYSIS OF UTILITY PLANT ACCOUNTS**

Account No.	ACCOUNT TITLE	Balance Beginning of Year	Total Charges During Year	TOTAL CREDITS DURING YEAR		Balance Close of Year
				Retired Property Charged Depreciation Reserve	Adjustments and Other Credits	
	<b>Brought Forward</b>	<b>125,656,801</b>	<b>2,657,219</b>	<b>245,007</b>	<b>-</b>	<b>128,069,013</b>
	Transmission Plant					
3500	Land & Land Rights	576,538				576,538
3520	Structures & Improvements	274,702				274,702
3530	Station Equipment	20,256,141	31,317	259,379		20,028,079
3540	Towers & Fixtures	58,189				58,189
3550	Poles & Fixtures	29,081,465	12,112	22,101		29,071,476
3560	Overhead Conductors & Devices	15,981,245	885,179	116,609		16,749,815
3570	Underground Conduit	5,016				5,016
3580	Underground Conductors & Dev.	95,295				95,295
3590	Roads & Trails	0				0
	<b>Total Transmission Plant</b>	<b>66,328,591</b>	<b>928,608</b>	<b>398,089</b>	<b>0</b>	<b>66,859,109</b>
	Distribution Plant					
3600	Land & Land Rights	328,095	14,891			342,986
3610	Structures & Improvements	311,747		3,145		308,603
3620	Station Equipment	10,060,604	1,137,359	269,723		10,928,240
3640	Poles, Towers & Fixtures	34,003,325	364,150	215,743		34,151,732
3650	Overhead Conductors & Devices	34,235,305	566,135	386,845		34,414,595
3660	Underground Conduit	5,831,996	53,677	5,291		5,880,382
3670	Underground Conductors & Devi.	15,033,731	1,412,287	137,430		16,308,589
3680	Line Transformers	20,363,535	1,818,285	444,821		21,736,998
3690	Services	5,536,058	227,062	6,338		5,756,783
3700	Meters	7,089,906	288,929	261,109		7,117,726
3720	Leased Property	0	9,378			9,378
3730	St. Lighting & Signal Systems	3,189,302	153,786	17,601		3,325,487
	<b>Total Distribution Plant</b>	<b>135,983,604</b>	<b>6,045,941</b>	<b>1,748,045</b>	<b>0</b>	<b>140,281,499</b>
	<b>TOTAL - Carried Forward</b>	<b>327,968,996</b>	<b>9,631,768</b>	<b>2,391,142</b>	<b>0</b>	<b>335,209,621</b>

**Schedule A-1.2 (Continued)**  
**ANALYSIS OF UTILITY PLANT ACCOUNTS**

Account No.	Account Title	Balance Beginning of Year	Total Charges During Year	TOTAL CREDITS DURING YEAR		Balance Close of Year
				Retired Property Charged Depreciation Reserve	Adjustments and Other Credits	
	<b>Brought Forward</b>	<b>327,968,996</b>	<b>9,631,768</b>	<b>2,391,142</b>	<b>0</b>	<b>335,209,621</b>
	General Plant					
3890	Land & Land Rights	216,685				216,685
3900	Structures & Improvements	9,219,213	308,294	28,661		9,498,845
3910	Office Furniture & Equipment	5,058,238	702,840	232,762		5,528,316
3920	Transportation Equipment	3,094,136	614,817	12,931		3,696,022
3930	Stores Equipment	159,271				159,271
3940	Tool, Shop & Garage Equipment	1,002,458	67,770	23,926		1,046,301
3950	Laboratory Equipment	724,931	37,286	8,776		753,440
3960	Power Operated Equipment	235,000				235,000
3970	Communication Equipment	1,055,187	170,648	26,110		1,199,725
3980	Miscellaneous Equipment	212,542	12,482	(38,062)		263,086
	<b>Total General Plant</b>	<b>20,977,660</b>	<b>1,914,136</b>	<b>295,104</b>	<b>0</b>	<b>22,596,693</b>
	Intangible Plant					
3010	Organization	0				0
3020	Franchises and Consents	0				0
	<b>Total Intangible Plant</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Contributed Plant Reclass	0				0
	Capital Lease	0				0
1140	Plant Acquisition Adjustment	54,852,453				54,852,453
	<b>TOTAL-UTILITY PLANT-IN-SERVICE</b>	<b>403,799,109</b>	<b>11,545,904</b>	<b>2,686,245</b>	<b>0</b>	<b>412,658,767</b>
	Construction Work-In-Progress	6,922,914	8,028,821	(931,267)	0	14,020,468
	<b>TOTAL</b>	<b>410,722,023</b>	<b>19,574,725</b>	<b>1,754,978</b>	<b>0</b>	<b>426,679,235</b>

**Schedule A-2.3 (Continued)**  
**ANALYSIS OF ACCUMULATED PROVISIONS FOR DEPRECIATION OF UTILITY PLANT**

Account No.	Account Title	Balance Beginning of Year	TOTAL CREDITS DURING YEAR		TOTAL DEBITS DURING YEAR		Balance Close of Year
			Charged to Depreciation	Other Credits	Net Charge to Reserve	Other Debits	
	<b>Brought Forward</b>	<b>151,028,080</b>	<b>12,776,941</b>	<b>19,415</b>	<b>2,130,139</b>	<b>626,951</b>	<b>161,067,347</b>
	General Plant						
3890	Land & Land Rights	0					0
3900	Structures & Improvements	4,044,979	287,908	1,200	28,661		4,305,426
3910	Office Furniture & Equipment	3,210,623	481,423		229,686	3,076	3,459,285
3920	Transportation Equipment	1,665,070	323,721		12,931		1,975,861
3930	Stores Equipment	153,056	778				153,834
3940	Tool, Shop & Garage Equipment	288,366	47,858		12,105	11,821	312,297
3950	Laboratory Equipment	359,360	37,937		8,776		388,520
3960	Power Operated Equipment	166,110	10,255				176,366
3970	Communication Equipment	681,012	67,400		26,110		722,302
3980	Miscellaneous Equipment	106,083	5,790		(38,062)		149,935
	<b>Total General Plant</b>	<b>10,674,659</b>	<b>1,263,071</b>	<b>1,200</b>	<b>280,207</b>	<b>14,897</b>	<b>11,643,827</b>
	<b>Sub-total</b>	<b>161,702,739</b>	<b>14,040,013</b>	<b>20,615</b>	<b>2,410,346</b>	<b>641,848</b>	<b>172,711,174</b>
	Iniki Deferred Depreciation Expense	2,338,080	292,260				2,630,340
1150	Amort of Purchase Acq. Premium	9,140,324	2,194,182				11,334,506
	<b>Retirement Work-in-Progress</b>	<b>(24,265)</b>	<b>346,533</b>			<b>370,211</b>	<b>(47,943)</b>
	<b>TOTAL</b>	<b>173,156,879</b>	<b>16,872,987</b>	<b>20,615</b>	<b>2,410,346</b>	<b>1,012,059</b>	<b>186,628,077</b>

**Schedule A-2**  
**ACCUMULATED PROVISIONS FOR DEPRECIATION OF UTILITY PLANT**

ITEM	Total	Utility Plant In Service	Utility Plant Leased To Others	Utility Plant Held for Future Use	Utility Plant In Process of Reclassification
<b>Balance Beginning of Year</b>	<b>164,016,555</b>	<b>164,016,555</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CREDITS</b>					
Depreciation Accruals for Year Charged to:					
403 Depreciation	14,040,013	14,040,013			
413 Expenses of utility plant leased to others					
Other Accounts: (specify)					
Loss due to retirements	0				
Reserve adjustments	19,415	19,415			
Deferred Depr Exp-Iniki Plant	292,260	292,260			
<b>Total Depreciation Accruals</b>	<b>14,351,688</b>	<b>14,351,688</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net charges for plant retired:					
Book cost of plant retired	2,410,346	2,410,346			
Cost of removal	0	0			
<b>Net Charges for Plant Retired</b>	<b>2,410,346</b>	<b>2,410,346</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total Accumulated Depreciation on Plant Retired					
Other debit or credit items: (specify)					
Transfer of assets-CIAC amortization	0	0			
Depr Exp-Capital Lease	0	0			
Sale of used merchandise	1,200	1,200			
Reserve Adj to system	0	0			
Loss & Removal Cost Allocation	(641,848)	(641,848)			
Retirement Work in Progress	(23,679)	(23,679)			
<b>BALANCE END OF YEAR</b>	<b>175,293,571</b>	<b>175,293,571</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Schedule A-2.1 (Continued)**  
**ANALYSIS OF ACCUMULATED PROVISIONS FOR DEPRECIATION OF UTILITY PLANT**

Account No.	Account Title	Balance Beginning of Year	TOTAL CREDITS DURING YEAR		TOTAL DEBITS DURING YEAR		Balance Close of Year
			Charged to Depreciation	Other Credits	Net Charge to Reserve	Other Debits	
	Steam Production Plant						
3100	Land & Land Rights	0					0
3110	Structures & Improvements	2,775,163	212,485				2,987,648
3120	Boiler Plant & Equipment	5,994,124	695,490		24,874	26,928	6,637,811
3130	Engine Driven Generators	5,556					5,556
3140	Turbogenerators Units	1,710,065	5,570				1,715,636
3150	Accessory Electrical Equipment	548,301	4,750		770		552,281
3160	Misc Power Plant Equip	103,751	6,661				110,412
	<b>Total Steam Production</b>	<b>11,136,961</b>	<b>924,955</b>	<b>0</b>	<b>25,644</b>	<b>26,928</b>	<b>12,009,344</b>
	Hydraulic Production Plant						
3300	Land & Land Rights	0					0
3310	Structures & Improvements	95	379				473
3320	Reservoirs, Dams & Waterways	12,071	10,139				2,795
3330	Water Wheels, Turbines & Gen.	5,275	15,260	21,495	29,952	8,526	3,551
3340	Accessory Electric Equipment	0					0
3350	Misc Power Plant Equipment	0					0
3360	Roads, Railroads & Bridges	0					0
	<b>Total Hydraulic Production Plant</b>	<b>17,441</b>	<b>25,777</b>	<b>21,495</b>	<b>29,952</b>	<b>27,941</b>	<b>6,819</b>
	Other Production Plant						
3400	Land & Land Rights	0					0
3410	Structures & Improvements	5,463,435	567,163		4,073	2,228	6,024,298
3420	Fuel Holders, Producers	900,174	111,171				1,011,344
3430	Prime Movers	33,857,723	2,237,678	(2,079)	138,300	2,167	35,952,856
3440	Generators	2,669,626	287,194		5,252		2,951,569
3450	Accessory Electric Equipment	4,433,594	379,051		1,938		4,810,707
3460	Misc Power Plant Equipment	1,007,765	221,899				1,229,664
	<b>Total Other Production Plant</b>	<b>48,332,317</b>	<b>3,804,157</b>	<b>(2,079)</b>	<b>149,562</b>	<b>4,395</b>	<b>51,980,438</b>
	<b>Total Production Total</b>	<b>59,486,719</b>	<b>4,754,889</b>	<b>19,415</b>	<b>205,159</b>	<b>59,264</b>	<b>63,996,601</b>
	<b>Total - Carried Forward</b>	<b>59,486,719</b>	<b>4,754,889</b>	<b>19,415</b>	<b>205,159</b>	<b>59,264</b>	<b>63,996,601</b>

**Schedule A-2.2 (Continued)**  
**ANALYSIS OF ACCUMULATED PROVISIONS FOR DEPRECIATION OF UTILITY PLANT**

Account No.	Account Title	Balance Beginning of Year	TOTAL CREDITS DURING YEAR		TOTAL DEBITS DURING YEAR		Balance Close of Year
			Charged to Depreciation	Other Credits	Net Charge to Reserve	Other Debits	
	<b>Brought Forward</b>	<b>59,486,719</b>	<b>4,754,889</b>	<b>19,415</b>	<b>205,159</b>	<b>59,264</b>	<b>63,996,601</b>
	Transmission Plant						
3500	Land & Land Rights	0					0
3520	Structures & Improvements	98,334	7,885				106,219
3530	Station Equipment	6,300,461	442,768		215,799	76,688	6,450,742
3540	Towers & Fixtures	16,479	1,769				18,248
3550	Poles & Fixtures	16,601,474	1,128,112		22,101	3,166	17,704,319
3560	Overhead Conductors & Devices	9,466,669	749,919		116,609	35,684	10,064,294
3570	Underground Conduit	358	209				567
3580	Underground Conductors & Dev.	10,747	6,309				17,055
3590	Roads & Trails	0					0
	<b>Total Transmission Plant</b>	<b>32,494,522</b>	<b>2,336,969</b>	<b>0</b>	<b>354,509</b>	<b>115,538</b>	<b>34,361,444</b>
	Distribution Plant						
3600	Land & Land Rights						0
3610	Structures & Improvements	98,868	10,469		3,145		106,193
3620	Station Equipment	4,026,780	590,627		201,983	97,114	4,318,309
3640	Poles, Towers & Fixtures	16,389,252	1,164,927		215,743	45,251	17,293,185
3650	Overhead Conductors & Devices	13,285,860	1,230,705		306,097	156,087	14,054,380
3660	Underground Conduit	2,487,025	243,332		5,291	1,737	2,723,329
3670	Underground Conductors & Devi.	10,558,447	1,042,064		119,962	37,969	11,442,580
3680	Line Transformers	5,723,597	748,863		433,202	112,097	5,927,161
3690	Services	3,483,206	256,847		6,338	564	3,733,151
3700	Meters	1,217,934	236,882		261,109		1,193,708
3720	Leased Property	0	157				157
3730	St. Lighting & Signal Systems	1,775,869	160,209		17,601	1,328	1,917,149
	<b>Total Distribution Plant</b>	<b>59,046,839</b>	<b>5,685,083</b>	<b>0</b>	<b>1,570,471</b>	<b>452,148</b>	<b>62,709,302</b>
	<b>Total - Carried Forward</b>	<b>151,028,080</b>	<b>12,776,941</b>	<b>19,415</b>	<b>2,130,139</b>	<b>626,951</b>	<b>161,067,347</b>

**Schedule A-3**

**Schedule A-4**  
**NON-UTILITY PLANT**

DESCRIPTION - NON-UTILITY ASSETS	Balance Beginning of Year	Debits During Year	Credits During Year	Balance Close of Year
1211 Land and Land Rights	241,061		241,061	0
1212 Structures and Improvements	536,556		536,556	0
1213 Furniture and Equipment	8,762		8,762	0
TOTAL	786,379	0	786,379	0

**Schedule A-4**  
**RESERVE FOR DEPRECIATION**  
**NON-UTILITY PLANT**

DESCRIPTION NON-UTILITY ASSETS	Balance Beginning of Year	Debits During Year	Credits During Year	Balance Close of Year
1211 Land and Land Rights	0	0	0	0
1212 Structures and Improvements	27,561	37,138	9,578	0
1213 Furniture and Equipment	206	412	206	0
TOTAL	27,767	37,550	9,783	0

**Schedule A-5**  
**INVESTMENT IN ASSOCIATED COMPANIES**

DESCRIPTION OF ITEM	Date Acquired	Date of Maturity	Amount	Book Cost End of Year	Revenues For Year	Gain or Loss from Investment
CFC Loan Capital Term Certificates	12/17/03	01/01/24	164,800	0	0	0
CFC Patronage Capital	N/A	N/A	74,058	0	59,822	0
CFC SCTC's	N/A	N/A	41,913	0	0	0
CFC Membership Fee	12/30/99	N/A	1,000	0	0	0
NISC Patronage Capital	N/A	N/A	43	0	0	0
Ruralite Patronage Capital	N/A	N/A	0	0	8,112	0
<b>TOTAL</b>	XXXXXX	XXXXXX	281,814	0	67,934	0

**Schedule A-5-A**  
**OTHER INVESTMENTS**

DESCRIPTION OF ITEM	Date Acquired	Date of Maturity	Amount	Book Cost End of Year	Revenues For Year	Gain or Loss from Investment
NONE						
<b>TOTAL</b>	XXXXXX	XXXXXX	0	0	0	0

**Schedule A-6**  
**SPECIAL FUNDS**

NAME AND PURPOSE OF FUND	Balance End of Year
NONE	
<b>TOTAL</b>	<b>0</b>

**Schedule A-7**  
**SPECIAL DEPOSITS**

DESCRIPTION AND PURPOSE OF DEPOSIT	Balance End of Year
Deposit - Bank of Hawaii Savings Certificate	1,376
Deposit - Department of Land and Natural Resources	8,334
<b>TOTAL</b>	<b>9,710</b>

**Schedule A-8**  
**TEMPORARY CASH INVESTMENTS**

DESCRIPTION OF ITEM	Par or Stated Value	Book Cost End of Year	Ledger Value	Revenues For Year
FHB Bishop Street	2,208,496	2,199,263	2,234,398	98,152
CFC Commercial Paper	0	0	0	70,255
CFC Medium Term Note #3727	0	0	0	64,444
CFC Daily Fund	6,485,248	6,485,248	6,485,248	446,420
<b>TOTAL</b>	<b>8,693,744</b>	<b>8,684,510</b>	<b>8,719,646</b>	<b>679,271</b>

**Schedule A-9**  
**ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS--CR.**

ITEM	Utility Customers	Merchandise, Jobbing and Contact Work	Officers and Employees	Other	Total
Balance Beginning of Year	307,143	0			307,143
Prov. for Uncollectibles for Year	257,446	442,191			699,637
Accounts Written Off	(126,111)	0			(126,111)
Collection of Accts. Written Off	24,823	0			24,823
Adjustments: (Explain)	0	0			0
<b>BALANCE END OF YEAR</b>	<b>463,301</b>	<b>442,191</b>			<b>905,492</b>

**Schedule A-10**  
**FUEL STOCK**

	Total Cost	Naphtha		Diesel	
		Barrels	Cost	Barrels	Cost
Beginning of Year (excludes fuel for vehicles)	678,486	6,297	413,468	4,448	265,018
Purchased During Year:	77,212,493	377,201	30,406,493	449,248	46,805,999
Consumed During Year:	76,293,608	377,230	30,203,972	445,940	46,089,636
End of Year					
<b>Balance End of Year</b>	<b>1,597,371</b>	<b>6,267</b>	<b>615,989</b>	<b>7,756</b>	<b>981,382</b>

**Schedule A-11**  
**PREPAYMENTS**

NATURE OF PAYMENTS		Balance End of Year
Prepaid Other		30,092
Prepaid Rent		99,967
Prepaid Insurance		991,989
	<b>TOTAL</b>	<b>1,122,048</b>

**Schedule A-12**  
**MISCELLANEOUS CURRENT AND ACCRUED ASSETS**

DESCRIPTION OF ITEM	Balance End of Year
NONE	
<b>TOTAL</b>	<b>0</b>

**Schedule A-13**  
**UNAMORTIZED DEBT DISCOUNT AND EXPENSE**

**Schedule A-14**  
**EXTRAORDINARY PROPERTY LOSSES**

**Schedule A-15**  
**MISCELLANEOUS DEFERRED DEBITS**

**Schedule A-16**  
**DEFERRED REGULATORY COMMISSION EXPENSES**

Schedule A-17  
**COMMON STOCK ISSUED**

**Schedule A-18**  
**PREFERRED STOCK ISSUED**

**Schedule A-19**  
**REACQUIRED CAPITAL STOCK**

Schedule A-20  
CAPITAL STOCK EXPENSE

**Schedule A-21**  
**ANALYSIS OF APPROPRIATED RETAINED EARNINGS**

ITEM	Account	Amount
	XXXXXXXXXXXX	
<b>CREDITS</b> Give nature of each credit and account charged:	XXXXXXXXXXXX	XXXXXXXXXXXX
NONE		
<b>Total Credits</b>	- XXXXXXXXXXXX	- XXXXXXXXXXXX
<b>DEBITS</b> Give nature of each credit and account charged:	XXXXXXXXXXXX XXXXXXXXXXXX	XXXXXXXXXXXX XXXXXXXXXXXX
NONE		
<b>Total Debits</b>	- XXXXXXXXXXXX	- XXXXXXXXXXXX
<b>BALANCE END OF YEAR</b>	XXXXXXXXXXXX	-

**Schedule A-22**  
**ANALYSIS OF UNAPPROPRIATED RETAINED EARNINGS (DIVISION CAPITAL)**

	Amount	Increase or (Decrease) From Preceding Year
Retained Earnings, Beginning of Year	-	
TOTAL CREDITS	-	-
TOTAL DEBITS	-	-
RETAINED EARNINGS -- End of Year	-	-

**Schedule A-23**  
**LONG-TERM DEBT**

CLASS AND SERIES OF OBLIGATION	Date of Issue	Maturity Date	Amount Authorized	Amount Outstanding	Interest Expense For the Year	PREMIUM OR DISCOUNT	
						Balance End of Year	Amortized During Year
Rural Utility Service (RUS) Financing	11/01/02	10/01/28		\$ 196,000,118	\$ 8,406,517		
less: RUS Cushion of Credit				\$ (8,948,337)			
RUS/FFB-KPP Purchase Financing	10/19/04	12/31/23		\$ 30,627,828	\$ 1,262,247		
Natl Rural Utility Coop Finance Corp (CFC) (KPP Purchase)	12/18/03	12/17/23		6,893,366	498,537		
less: Current Maturities of Long-term Debt				(8,178,300)			
Interest Expense on Customer Deposits					59,563		
Other Interest Expense							
<b>Total</b>	XXXXXX	XXXXXXX	-	\$ 216,394,675	\$ 10,226,864	-	-

**A - 24**  
**ACCRUED TAXES**

KIND OF TAX	Balance Beg. of Yr.				Balance End of Year
	Taxes Accrued 1/1/07	Taxes Charged During Year	Paid During Year	Adjustments	Taxes Accrued 12/31/07
<b>FEDERAL TAXES</b>					
Income Taxes	0	7,500	7,500		0
F.I.C.A.	118	981,367	981,485		0
Unemployment Tax	521	10,176	10,523		174
<b>STATE TAXES</b>					
Income Taxes	0	33,250	33,250		0
Public Utility Tax	2,772,322	9,611,960	8,586,231		3,798,051
Consumption & Use Tax	57,733	440,678	391,726		106,685
General Excise Tax	0	72,848	72,848		0
Public Utility Fee	145,543	816,649	729,501		232,691
Unemployment Tax	3,152	54,215	56,554		813
<b>COUNTY TAXES</b>					
Motor Vehicle Tax	0	22,352	22,352		0
Franchise Tax	3,713,047	4,083,246	3,647,507		4,148,786
<b>TOTAL</b>	<b>6,692,436</b>	<b>16,134,241</b>	<b>14,539,477</b>	<b>0</b>	<b>8,287,200</b>

**Schedule A-25**  
**MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES**

Description	Balance End of Year
FAS-158 Accumulated Post-Retirement Benefit Obligation Liability	\$ 4,003,700
FAS-13	102,673
NBU & BU Employees Vacation Accrual	504,214
NBU & BU Accrued Payroll	1,084,266
NEM Generation Payable	219
Energy Rate Adjustment	-
<b>Total</b>	<b>\$ 5,695,072</b>

**Schedule A-26**  
**CUSTOMER ADVANCES FOR CONSTRUCTION**

Item	Debit	Credit	Amount
Balance Beginning of Year			\$ 1,356,658
Advances By Customers			685,312
Refunds To Customers			(301,755)
Transferred to CIAC			(49,919)
<b>Balance End of Year</b>			<b>\$ 1,690,296</b>

**Schedule A-27**  
**OTHER DEFERRED CREDITS**

Description of Deferred Credits	Balance End of Year
Iniki Deferred Depreciation (Contra) Schedule A-16	\$ 4,310,772
Hitachi Major Overhaul	1,054,782
Boiler Overhaul	205,504
Steam Turbine/Plant Auxiliary	(13,094)
Gas Turbine Overhaul	1,162,250
KPS Overhaul	2,167,533
RUS Rural Economic Development Grant	309,789
<b>TOTAL</b>	<b>\$ 9,197,536</b>

**Schedule A-28**  
**UNAMORTIZED PREMIUM ON DEBT**

**Schedule A-29**  
**ACCUMULATED DEFERRED INCOME TAXES**

**Schedule A-30**  
**ACCUMULATED DEFERRED INVESTMENT TAX CREDITS**

**Schedule A-31**  
**CONTRIBUTIONS IN AID OF CONSTRUCTION**

	Debits	Credits	Amount
Balance Beginning of Year			\$ -
NONE			-
			-
			-
			-
			-
			-
Balance End of Year			\$ -

**Schedule B**  
**ANALYSIS OF INCOME ACCOUNT**

ACCOUNT TITLE	Sched. No.	Amount	Increase (Decrease) From Previous Year
<b>UTILITY OPERATING INCOME</b>			
Operating Revenues	B-1	\$ 163,047,795	\$ 16,998,126
Operating Expenses			
Operating Expense	B-2	102,446,775	12,609,466
Maintenance Expense	B-2	10,076,688	150,754
Depreciation Expense		14,013,567	309,215
Amortization of Utility Plant			
Amortization of Utility Plant Acquis. Adj.		2,194,182	504
Amortization of Property Losses			
Taxes Other Than Income Taxes	B-3	13,763,799	1,393,427
Income Taxes	B-3		
Provision for Deferred Income Taxes	B-3		
Provision for Deferred Investment Tax Cr.			
Income Taxes Deferred in Prior Yrs.--Cr.			
Amortization of Def. Investment Tax Cr.--Cr.			
Total Operating Expenses		142,495,011	14,463,366
Operating Income		20,552,784	2,534,760
Income from Utility Plant Leased to others			
Total Operating Income		20,552,784	2,534,760
<b>OTHER INCOME</b>			
Income from Mdse., Jobbing & Contract Work (Net)		115,882	18,388
Capital Credits & Patronage		67,934	5,073
Non-operating Rental Income		40,397	(21,303)
Interest & Dividend Income		1,458,820	(3,365)
Allowance for Funds Used During Construction			
Miscellaneous Non-operating Income		(10,592)	(10,592)
Total Other Income		1,672,441	(11,799)
<b>OTHER INCOME DEDUCTIONS</b>			
Miscellaneous Amortization		132,330	13,637
Miscellaneous Income Deductions		132,330	13,637
Total Other Income Deductions		1,540,111	(25,436)
<b>INTEREST CHARGES</b>			
Interest on Long-Term Debt		10,167,301	(249,966)
Amortization of Debt Discount & Expense			
Amortization of Premium on Debt Cr.			
Interest on Debt to Associated Companies			
Other Interest Expenses		59,563	11,119
Total Interest Charges		10,226,864	(238,847)
Income Before Extraordinary Items		11,866,031	2,748,171
<b>EXTRAORDINARY ITEMS</b>			
Extraordinary Income			
Extraordinary Deductions			
Income Taxes, Extraordinary Items			
Total Extraordinary Items			
<b>NET MARGINS</b>		\$ 11,866,031	\$ 2,748,171

**Schedule B-1**  
**ANALYSIS OF GROSS OPERATING REVENUES**  
**Utility Department**

ACCOUNT TITLE		Current Year	Previous Year
<b>Operating Revenues:</b>			
Residential Comb. Lighting, Heating and Small Power	"D"	\$ 58,455,322	\$ 52,218,769
General Lighting Service	"C"		
General Lighting Service	"G"	23,967,162	21,628,661
General Lighting Service	"J"	20,935,075	19,001,879
Large Power	"P"	39,318,452	34,296,005
Large Power	"L"	18,208,673	17,003,777
Optional Power			
Industrial Contract			
Governmental Street, Highway & Park Lighting	"SL"	1,286,933	1,195,058
Electric Service for Employees	"E"	367,795	349,719
Irrigation		344,452	190,176
<b>Sub-Total</b>		<b>\$ 162,883,864</b>	<b>\$ 145,884,044</b>
<b>Other Operating Revenues:</b>			
Late Payment Fees			
Miscellaneous Service Revenues		127,699	134,645
Rent From Property		31,932	30,980
Other Revenues		4,300	-
<b>Sub-Total</b>		<b>\$ 163,931</b>	<b>\$ 165,625</b>
<b>Total Gross Operating Revenues</b>		<b>\$ 163,047,795</b>	<b>\$ 146,049,669</b>

**Schedule B-2**  
**ANALYSIS OF OPERATION AND MAINTENANCE EXPENSE ACCOUNTS**

ACCOUNT TITLE	Current Year	Previous Year
<b>POWER PRODUCTION EXPENSES</b>		
<b>Steam Power Generation</b>		
<b>Operation</b>		
500 Operation Supervision and Engineering	750,332	781,200
501 Fuel		
502 Steam Expenses	645,693	627,788
503 Steam from Other Sources		
504 Steam Transferred—Cr.		
505 Electric Expenses		
506 Miscellaneous Steam Power Expenses	9,159	1,131
507 Rents		
<b>Total Operation</b>	<b>1,405,184</b>	<b>1,410,119</b>
<b>Maintenance</b>		
510 Maintenance Supervision and Engineering	20,022	-
511 Maintenance of Structures	242,569	206,712
512 Maintenance of Boiler Plant	128,086	324,557
513 Maintenance of Electric Plant	21,192	20,943
514 Maintenance of Miscellaneous Steam Plant		
<b>Total Maintenance</b>	<b>411,869</b>	<b>552,212</b>
<b>Total Steam Power Generation</b>	<b>1,817,053</b>	<b>1,962,331</b>
<b>Hydraulic Power Generation</b>		
<b>Operation</b>		
535 Operation Supervision and Engineering		
536 Water for Power	37,783	34,368
537 Hydraulic Expenses		
538 Electric Expenses		
539 Misc. Hydraulic Power Generation Expenses		
540 Rents		
<b>Total Operation</b>	<b>37,783</b>	<b>34,368</b>
<b>Maintenance</b>		
541 Maintenance Supervision and Engineering		
542 Maintenance of Structures		
543 Maintenance of Reservoirs, Dams and Waterways	144,370	132,534
544 Maintenance of Electric Plant	2,827	51,184
545 Maintenance of Miscellaneous Hydraulic Plant		
<b>Total Maintenance</b>	<b>147,197</b>	<b>183,718</b>
<b>Total Hydraulic Power Generation</b>	<b>184,980</b>	<b>218,086</b>
<b>Other Power Generation</b>		
<b>Operation</b>		
546 Operation Supervision and Engineering	553,982	752,587
547 Fuel	76,293,608	63,747,649
548 Generation Expenses	2,349,816	2,115,702
549 Miscellaneous Other Power Generation Expenses	690,421	772,398
550 Rents		
<b>Total Operation</b>	<b>79,887,827</b>	<b>67,388,336</b>

ANALYSIS OF OPERATION AND MAINTENANCE EXPENSE ACCOUNTS-- (Continued)		
ACCOUNT TITLE	Current Year	Previous Year
<b>Maintenance</b>		
551 Maintenance Supervision and Engineering	416,392	117,725
552 Maintenance of Structures	147,983	86,676
553 Maintenance of Generating and Electric Plant	5,795,079	6,248,188
554 Maint. of Misc. Other Power Generation Plant		
<b>Total Maintenance</b>	<b>6,359,454</b>	<b>6,452,589</b>
<b>Total Other Power Generation</b>	<b>86,247,281</b>	<b>73,840,925</b>
<b>Other Power Supply Expenses</b>		
555 Purchased Power	4,704,776	5,526,101
556 System Control and Load Dispatching	82,599	104,298
557 Other Expenses		
<b>Total Other Power Supply Expenses</b>	<b>4,787,375</b>	<b>5,630,399</b>
<b>TOTAL PRODUCTION EXPENSES</b>	<b>93,036,689</b>	<b>81,651,741</b>
<b>TRANSMISSION EXPENSES</b>		
<b>Operation</b>		
560 Operation Supervision and Engineering	3,041	4,045
561 Load Dispatching		
562 Station Expenses	73,073	73,383
563 Overhead Line Expenses	7,359	13,978
564 Underground Line Expenses		
565 Transmission of Electricity by Others		
566 Miscellaneous Transmission Expenses	432,582	419,670
567 Rents	50,115	50,115
<b>Total Operation</b>	<b>566,170</b>	<b>561,191</b>
<b>Maintenance</b>		
568 Maintenance Supervision and Engineering		
569 Maintenance of Structures		
570 Maintenance of Station Equipment	370,558	251,740
571 Maintenance of Overhead Lines	281,000	206,958
572 Maintenance of Underground Lines		
573 Maintenance of Miscellaneous Transmission Plant		
<b>Total Maintenance</b>	<b>651,558</b>	<b>458,698</b>
<b>TOTAL TRANSMISSION EXPENSES</b>	<b>1,217,728</b>	<b>1,019,889</b>
<b>DISTRIBUTION EXPENSES</b>		
<b>Operation</b>		
580 Operation Supervision and Engineering	2,966	4,334
581 Load Dispatching		
582 Station Expenses	201,287	157,874
583 Overhead Line Expenses	40,273	161,379
584 Underground Line Expenses	17,949	38,507
585 Street Lighting and Signal System Expenses		
586 Meter Expenses	540,908	480,742
587 Customer Installations Expenses		
588 Miscellaneous Distribution Expenses	676,397	606,596
589 Rents	12,375	8,244
<b>Total Operation</b>	<b>1,492,155</b>	<b>1,457,676</b>

ANALYSIS OF OPERATION AND MAINTENANCE EXPENSE ACCOUNTS-- (Continued)		
ACCOUNT TITLE	Current Year	Previous Year
<b>Maintenance</b>		
590 Maintenance Supervision and Engineering	2,581	3,970
591 Maintenance of Structures		
592 Maintenance of Station Equipment	271,651	278,910
593 Maintenance of Overhead Lines	1,487,623	1,411,153
594 Maintenance of Underground Lines	229,413	184,791
595 Maintenance of Line Transformers	756	1,850
596 Maintenance of Street Lighting & Signal Systems	47,139	55,587
597 Maintenance of Meters	9,871	10,995
598 Maintenance of Miscellaneous Distribution Plant		
<b>Total Maintenance</b>	<b>2,049,034</b>	<b>1,947,256</b>
<b>TOTAL DISTRIBUTION EXPENSES</b>	<b>3,541,189</b>	<b>3,404,932</b>
<b>TOTAL TRANSMISSION &amp; DISTRIBUTION EXPENSES</b>	<b>4,758,917</b>	<b>4,424,821</b>
<b>CUSTOMER ACCOUNTS</b>		
<b>Operation</b>		
901 Supervision	364,137	3,118
902 Meter Reading Expenses	347,798	351,127
903 Customer Records and Collection Expenses	1,353,002	1,567,968
904 Uncollectible Accounts	539,439	149,396
905 Miscellaneous Customer Accounts Expenses		
907-912 Additional Customer Accounts Expenses	822,573	840,565
<b>TOTAL CUSTOMER ACCOUNTS</b>	<b>3,426,949</b>	<b>2,912,174</b>
<b>SALES EXPENSES</b>		
<b>Operation</b>		
911 Supervision		
912 Demonstrating and Selling Expenses		
913 Advertising Expenses		
914 Revenues from Merchandising, Jobbing and Contract Work		
915 Costs and Expenses of Merchandising, Jobbing and Contract Work		
916 Miscellaneous Sales Expenses		
<b>TOTAL SALES EXPENSES</b>	<b>-</b>	<b>-</b>
<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>		
<b>Operation</b>		
920 Administrative and General Salaries	4,997,386	5,503,389
921 Office Supplies and Expenses	800,910	517,104
923.30 Administrative Office Expenses		
923 Outside Services Employed	1,027,149	340,305
924 Property Insurance	479,868	471,858
925 Injuries and Damages		
926 Employee Pensions and Benefits		
927 Franchise Requirements		
928 Regulatory Commission Expenses	1,248,736	1,009,465
929 Duplicate Charges--Cr.		
930 Miscellaneous General Expenses	1,026,171	1,364,556
931 Rents	1,263,112	1,236,369
<b>Total Operation</b>	<b>10,843,332</b>	<b>10,443,046</b>

ANALYSIS OF OPERATION AND MAINTENANCE EXPENSE ACCOUNTS-- (Continued)		
ACCOUNT TITLE	Current Year	Previous Year
<b>Maintenance</b>		
935 Maintenance of General Plant	457,576	331,461
<b>TOTAL ADMIN. &amp; GENERAL EXPENSES</b>	<b>11,300,908</b>	<b>10,774,507</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>112,523,463</b>	<b>99,763,243</b>
<b>TOTAL OPERATION EXPENSES</b>	<b>102,446,775</b>	<b>89,837,309</b>
<b>TOTAL MAINTENANCE EXPENSES</b>	<b>10,076,688</b>	<b>9,925,934</b>

**Schedule B-3**  
**ANALYSIS OF TOTAL CORPORATION TAXES**

DESCRIPTION OF TAX	Rate	Total Taxes Charged During Year	DISTRIBUTION OF TAXES				
			Tax Expense	Income Taxes	Charged To Plant	Other Accounts	Non-Utility
<b>STATE TAXES:</b>							
Income Tax		33,250		33,250			
Deferred Income Tax		-					
Consumption and Use Tax		440,678			220,339	220,339	
General Excise Tax		72,848	72,848				
Franchise		4,083,246	4,069,827			13,419	
Unemployment		54,215	-		10,843	43,372	
Public Service Company Tax		9,611,960	9,580,373			31,587	
		-					
		-					
		-					
		-					
<b>Total State Taxes</b>		<b>14,296,197</b>	<b>13,723,048</b>	<b>33,250</b>	<b>231,182</b>	<b>308,717</b>	
<b>FEDERAL TAXES:</b>							
Income Tax		7,500		7,500			
Deferred Income Tax		-		-			
F.I.C.A.		981,367	-		196,273	785,094	
Unemployment		10,176	-		2,035	8,141	
Vehicle Use		-					
Capital Gains		-					
		-					
		-					
<b>Total Federal Taxes</b>		<b>999,043</b>		<b>7,500</b>	<b>198,308</b>	<b>793,235</b>	<b>-</b>
<b>FEES AND LICENSES:</b>							
Automobile		22,352				22,352	
Public Utilities Commission		816,649	-			816,649	
		-					
		-					
<b>Total Fees and Licenses</b>		<b>839,001</b>		<b>-</b>	<b>-</b>	<b>839,001</b>	<b>-</b>
<b>TOTAL CORPORATION TAXES</b>		<b>\$ 16,134,241</b>	<b>\$ 13,723,048</b>	<b>\$ 40,750</b>	<b>\$ 429,490</b>	<b>\$ 1,940,953</b>	<b>\$ -</b>

**Schedule C**  
**STATISTICAL INFORMATION**  
**COMPARATIVE ANALYSIS FOR THE TWELVE MONTH PERIOD ENDED 12/31/2006**

CLASSIFICATION OF RATES	12-Month Avg. Number of Customers (2)	12-Month Avg. Number of Meters (3)	Total K.W. Hrs. Sold During 2005 (4)	Net Revenue Received During Year (5)	Average Annual K.W. Hr. Sold Per Customer (6)	Average Net Revenue Per K.W. Hr. Sold (7)	Average Net Revenue Per Customer (8)	Percentage of Total Revenue Received (9)
Res. Comb. Ltg., Htg. & Small Power - "D"	26,585	26,585	163,558,690	\$ 58,455,320	\$ 6,152	0.35740	\$ 2,199	35.89%
General Lighting Service - "C"								
General Lighting Service - "G"	4,297	4,298	64,311,197	23,967,162	14,965	0.37267	5,577	14.71%
General Lighting Service - "J"	361	372	60,600,629	20,935,075	168,024	0.34546	58,045	12.85%
Large Power - "P"	108	111	116,805,413	39,318,452	1,078,204	0.33661	362,940	24.14%
Large Power - "L"	16	16	55,893,565	18,208,673	3,493,348	0.32577	1,138,042	11.18%
Optional Power								
Industrial Contract								
Governmental St. Hwy. & Park Ltg. - "SL"	3,442	3,442	2,643,480	1,286,933	768	0.48683	374	0.79%
Governmental Contract								
Interdepartmental								
Electric Service for Employees	211	211	1,618,680	367,796	7,684	0.22722	1,746	0.23%
Irrigation	3	3	1,464,135	344,452	488,045	0.23526	114,817	0.21%
<b>Total</b>	<b>35,023</b>	<b>35,038</b>	<b>466,895,789</b>	<b>\$ 162,883,863</b>	<b>\$ 13,331</b>	<b>0.34887</b>	<b>\$ 4,651</b>	<b>100.00%</b>
KW Hrs. Used - N/C	XXXXXXX	XXXXXXX	1,617,466	XXXXXXX	XXXXXXXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX
KW Hrs. Lost - Unaccounted	XXXXXXX	XXXXXXX	20,340,883	XXXXXXX	XXXXXXXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX
KW Hrs. - Net to System	XXXXXXX	XXXXXXX	488,854,138	XXXXXXX	XXXXXXXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX
KW Hrs. - Station Use	XXXXXXX	XXXXXXX	13,120,555	XXXXXXX	XXXXXXXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX
KW Hrs. & KW (Max.) Generated - Steam	XXXXXXX	XXXXXXX	31,193,590	XXXXXXX	XXXXXXXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX
" " " " " - Diesel	XXXXXXX	XXXXXXX	442,844,376	XXXXXXX	XXXXXXXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX
" " " " " - Hydro	XXXXXXX	XXXXXXX	975,424	XXXXXXX	XXXXXXXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX
Total KWH & KW (Max.) - Generated	XXXXXXX	XXXXXXX	475,013,390	XXXXXXX	XXXXXXXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX
Total KWH & KW (Max.) - Purchased	XXXXXXX	XXXXXXX	26,961,303	XXXXXXX	XXXXXXXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX
Percentage of Loss - Unaccounted	XXXXXXX	XXXXXXX	4.16090%	XXXXXXX	XXXXXXXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX
Percentage Used -- N/C	XXXXXXX	XXXXXXX	0.33100%	XXXXXXX	XXXXXXXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX
Avg. Cost per KWH Sold	XXXXXXXXXX	XXXXXXX		XXXXXXX	XXXXXXXXXXXX	0.30520	XXXXXXX	XXXXXXX
Avg. Net Income per KWH Sold	XXXXXXXXXX	XXXXXXX		XXXXXXX	XXXXXXXXXXXX	0.02541	XXXXXXX	XXXXXXX



Schedule D (Continued)  
MISCELLANEOUS DATA

Transmission Substations

LOCATION	TRANSFORMERS			Substation Ratings
	Voltages	No. of Transformers	Rating	
Princeville	69.0/12.47	1	7,500	7,500
Princeville	69.0/12.47	1	10,000	10,000
Kapaa	69.0/12.47	1	7,500	7,500
Kapaa	69.0/12.47	1	10,000	10,000
Lydgate	69.0/12.47	1	7,500	7,500
Lihue Sw. Station	69.0/12.47	2	10,000	20,000
Lihue Sw. Station	57.1/12.47	1	7,500	7,500
Lawai	69.0/57.1/12.47	1	7,500	7,500
Port Allen	12.47/57.1x69.0	1	10,000	10,000
Port Allen	4.16/57.1/69.0	1	10,000	10,000
Port Allen	13.8/57.1x69.0	1	20,000	20,000
Port Allen	13.8/57.1x69.0	1	20,000	20,000
Kaumakani	69.0x57.1/12.47	1	3,750	3,750
Port Allen	13.8/69.0	2	15,000	30,000
Koloa Switchyard	69.0/57.1/12.47	1	7,500	7,500
Koloa Switchyard	69.0/12.47	1	7,500	7,500
Mana	69.0/57.1/12.47	1	7,500	7,500
Kekaha Switchyard	57.1/12.47	1	5,000	5,000
Kekaha Switchyard	69.0x57.1/12.47	1	7,500	7,500
Port Allen	69.0/57.1/12.47	1	7,500	7,500
Wainiha	69.0/12.47	1	1,500	1,500
KPS	69.0/13.8	1	21,000	21,000
Kapaia	69.0/12.47	1	10,000	10,000
Puhi	12.47/4.16	1	750	750
Puhi	12.47/4.16	1	500	500
Lydgate	69.0/12.47	1	10,000	10,000
Lydgate	69.0/12.47	1	10,000	10,000
Kamanu	69.0/12.47	1	10,000	10,000
<b>TOTAL</b>	<b>XXXXXXXXXXXX</b>	<b>30</b>	<b>XXXXXXXX</b>	<b>277,500</b>

Distribution Substations

LOCATION	TRANSFORMERS			Substation Ratings
	Voltages	No. of Transformers	Rating	
Port Allen Plant	4.16/12.47	1	5,000	5,000
Puhi	12.47/4.16	1	500	500
Puhi	12.47/4.16	1	500	500
Molokoa	12.47/4.16	2	300	600
Wainiha	12.47/2.4	1	1,500	1,500
Waiahi (Lower)	12.47/2.4	1	1,500	1,500
Waiahi (Upper)	12.47/2.4	1	750	750
<b>TOTAL</b>	<b>XXXXXXXXXXXX</b>	<b>8</b>	<b>XXXXXXXX</b>	<b>10,350</b>

**Schedule E**  
**CONTINGENT ASSETS AND LIABILITIES**

Commitments: NONE

## VERIFICATION

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

---

City or Town

---

Signature of Officer

---

Date

---

Title of Officer

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

---

Notary Public

---

Judicial Circuit  
State of Hawaii

My Commission Expires \_\_\_\_\_

KAUAI ISLAND UTILITY COOPERATIVE  
INCOME STATEMENT  
2003-2007

	2007	2006	2005	2004	2003
KWH SALES	466,895,789	452,079,711	448,610,623	446,922,650	431,314,996
<b><u>REVENUE</u></b>					
ENERGY SALES	\$ 92,697,892	\$ 81,651,629	\$ 79,292,766	\$ 86,044,958	\$ 79,347,842
FUEL OIL CLAUSE	70,185,972	64,232,415	51,079,142	30,505,798	18,095,171
TOTAL (2+3)	162,883,864	145,884,044	130,371,908	116,550,756	97,443,013
OTHER UTILITY REVENUE	163,931	165,625	1,924,919	2,357,046	2,335,244
TOTAL OPERATING REVENUE (4+5)	\$ 163,047,795	\$ 146,049,669	\$ 132,296,827	\$ 118,907,802	\$ 99,778,257
<b><u>OPERATING EXPENSES</u></b>					
FUEL	\$ 76,293,608	\$ 63,747,649	\$ 53,923,259	\$ 40,895,306	\$ 17,591,740
OTHER PRODUCTION	9,824,561	10,715,573	9,768,692	8,453,662	18,981,332
DISTRIBUTION	2,058,325	2,018,867	1,613,658	1,413,328	1,431,958
CUSTOMER	3,426,949	2,912,174	2,408,394	2,267,743	2,001,565
SALES	-	-	-	-	-
ADMINISTRATIVE & GENERAL	10,843,332	10,443,046	9,312,314	8,696,193	6,840,097
TOTAL OPERATION (8 TO 12)	\$ 26,153,167	\$ 26,089,660	\$ 23,103,058	\$ 20,830,926	\$ 29,254,952
<b><u>MAINTENANCE EXPENSES</u></b>					
PRODUCTION	\$ 6,918,520	\$ 7,188,519	\$ 5,246,069	\$ 5,871,576	\$ 4,681,651
DISTRIBUTION	2,700,592	2,405,954	1,967,752	2,078,951	1,858,133
GENERAL	457,576	331,461	173,711	88,561	103,624
TOTAL MAINTENANCE (14 TO 16)	10,076,688	9,925,934	7,387,532	8,039,088	6,643,408
TOTAL OPERATION & MAINTENANCE (13+17)	36,229,855	36,015,594	30,490,590	28,870,014	35,898,360
TOTAL OPERATING EXPENSES (7+18)	112,523,463	99,763,243	84,413,849	69,765,320	53,490,100
DEPRECIATION & AMORTIZATION	16,207,749	15,898,030	16,399,210	17,021,299	16,717,513
TAXES OTHER THAN INCOME	13,763,799	12,370,372	10,843,072	9,691,003	8,321,729
INCOME TAXES	-	-	-	-	-
INCOME TAXES DEFERRED	-	-	-	-	-
TOTAL OPERATING EXPENSES (19 TO 23)	\$ 142,495,011	\$ 128,031,645	\$ 111,656,131	\$ 96,477,622	\$ 78,529,342
OPERATING MARGINS (6-24)	\$ 20,552,784	\$ 18,018,024	\$ 20,640,696	\$ 22,430,180	\$ 21,248,915
MISCELLANEOUS INCOME-NET	\$ 1,672,441	\$ 1,684,240	\$ 1,182,890	\$ 425,456	\$ 150,480
MISCELLANEOUS INCOME DEDUCTIONS	132,330	118,693	91,536	71,219	68,529
TOTAL UTILITY INCOME (25+26-27)	\$ 22,092,895	\$ 19,583,571	\$ 21,732,050	\$ 22,784,417	\$ 21,330,866
<b><u>INTEREST EXPENSE</u></b>					
INTEREST DURING CONSTRUCTION	\$ -	\$ -	\$ -	\$ -	\$ (31,013)
AMORT. DEBT PREMIUM & EXPENSES					
BOND INTEREST					
SHORT TERM INTEREST					
LONG TERM INTEREST	10,167,301	10,417,267	10,483,180	9,156,436	8,882,188
OTHER INTEREST EXPENSE	59,563	48,444	37,980	1,033,420	6,074,566
TOTAL (29 TO 34)	\$ 10,226,864	\$ 10,465,711	\$ 10,521,160	\$ 10,189,856	\$ 14,925,741
NET MARGINS (28-35)	\$ 11,866,031	\$ 9,117,860	\$ 11,210,890	\$ 12,594,561	\$ 6,405,125
CAPITAL CREDITS & PATRONAGE DIVIDENDS					
AVAILABLE FOR COMMON (36-37)	11,866,031	9,117,860	11,210,890	12,594,561	6,405,125
NET MARGINS (38-39)	\$ 11,866,031	\$ 9,117,860	\$ 11,210,890	\$ 12,594,561	\$ 6,405,125

KAUAI ISLAND UTILITY COOPERATIVE  
BALANCE SHEET  
2003-2007

<u>ASSETS &amp; OTHER DEBITS</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>UTILITY PLANT</b>					
UTILITY PLANT IN SERVICE	\$ 412,658,767	\$ 403,799,109	\$ 395,614,698	\$ 389,437,082	\$ 386,740,129
UTILITY PLANT IN SERVICE PUC ADJ.					
CONSTRUCTION WORK IN PROGRESS	14,020,468	6,922,914	4,435,190	3,300,807	2,266,723
DEPRECIATION	186,628,077	173,156,879	161,794,199	150,099,521	138,170,314
<b>TOTAL UTILITY PLANT</b>	<b>\$ 240,051,158</b>	<b>\$ 237,565,144</b>	<b>\$ 238,255,689</b>	<b>\$ 242,638,368</b>	<b>\$ 250,836,538</b>
<b>CURRENT &amp; ACCRUED ASSETS</b>					
CASH IN BANK & TEMPORARY INVESTMENTS	\$ 19,455,454	\$ 23,911,750	\$ 21,640,056	\$ 13,669,738	\$ 4,845,718
ACCOUNTS RECEIVABLE	12,829,097	10,612,421	7,107,433	8,043,097	5,720,573
ACCUM. PROV. FOR UNCOLLECTIBLE ACCT	(905,492)	(307,143)	(147,745)	(79,045)	(86,782)
INVENTORY	12,164,292	10,047,261	9,678,551	9,045,208	8,007,996
PREPAYMENTS	1,122,048	997,312	1,039,955	905,131	1,044,546
INTEREST RECEIVABLE	68,012	137,382	114,271	-	8,400
ACCRUED REVENUES	9,181,212	6,956,525	7,848,958	6,499,462	4,751,732
DEFERRED ENGINE OVERHAUL EXPENSE	-	-	-	-	-
DEFERRED DEBITS - MISCELLANEOUS	408,605	1,462,479	1,377,786	631,652	351,006
REGULATORY COMMISSION EXPENSES	4,833,855	5,105,408	5,147,616	5,157,677	5,677,262
<b>TOTAL CURRENT &amp; ACCRUED ASSETS</b>	<b>\$ 59,157,083</b>	<b>\$ 58,923,395</b>	<b>\$ 53,806,881</b>	<b>\$ 43,872,920</b>	<b>\$ 30,320,451</b>
<b>TOTAL ASSETS &amp; OTHER DEBITS</b>	<b>\$ 299,208,241</b>	<b>\$ 296,488,538</b>	<b>\$ 292,062,570</b>	<b>\$ 286,511,288</b>	<b>\$ 281,156,989</b>
<b>LIABILITIES &amp; OTHER CREDITS</b>					
PATRONAGE CAPITAL & MEMBERSHIPS	\$ 41,323,894	\$ 32,103,664	\$ 25,774,709	\$ 17,805,992	\$ 7,348,779
<b>LONG TERM DEBT</b>					
FIRST MORTGAGE BOND	\$ -	\$ -	\$ -	\$ -	\$ -
LONG TERM NOTE	216,394,675	221,984,068	229,307,287	238,705,597	247,593,611
<b>TOTAL LONG TERM DEBT</b>	<b>\$ 216,394,675</b>	<b>\$ 221,984,068</b>	<b>\$ 229,307,287</b>	<b>\$ 238,705,597</b>	<b>\$ 247,593,611</b>
<b>CURRENT &amp; ACCRUED LIABILITIES</b>					
CURRENT PORTION: NOTES PAYABLE/LTD	\$ 8,178,300	\$ 7,944,800	\$ 8,506,400	\$ 5,825,000	\$ 2,541,000
ACCOUNTS PAYABLE	7,605,248	7,810,637	5,929,675	4,010,429	4,823,888
METER DEPOSITS	759,807	854,607	516,266	496,047	432,345
TAXES ACCRUED	8,287,200	6,692,436	6,703,683	4,337,313	3,247,293
INTEREST ACCRUED	63,844	56,121	45,221	323,905	74,898
TAX COLLECTION PAYABLE	-	-	77,507	64,893	38,254
MISCELLANEOUS	5,707,441	8,394,654	5,996,543	4,886,946	4,861,492
DEFERRED CREDITS	9,197,536	9,290,893	8,322,134	8,730,201	7,301,316
CUSTOMER ADVANCE FOR CONSTRUCTION	1,690,296	1,356,658	883,145	1,324,965	2,894,113
CONTRIBUTION IN AID OF CONSTRUCTION	-	-	-	-	-
<b>TOTAL CURRENT &amp; ACCRUED LIABILITIES</b>	<b>\$ 41,489,672</b>	<b>\$ 42,400,806</b>	<b>\$ 36,980,574</b>	<b>\$ 29,999,699</b>	<b>\$ 26,214,599</b>
<b>TOTAL ACCUM DEFERRED INCOME TAXES</b>					
<b>TOTAL LIABILITIES &amp; OTHER CREDITS</b>	<b>\$ 299,208,241</b>	<b>\$ 296,488,538</b>	<b>\$ 292,062,570</b>	<b>\$ 286,511,288</b>	<b>\$ 281,156,989</b>

KAUAI ISLAND UTILITY COOPERATIVE  
MISCELLANEOUS DATA  
2003-2007

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b><u>KWH SALES</u></b>					
RESIDENTIAL	165,177,370	160,271,857	156,001,990	156,398,615	148,600,492
COMMERCIAL	124,911,826	122,252,623	120,448,756	118,968,069	115,941,163
LARGE POWER	172,698,978	166,064,770	167,353,043	166,468,577	161,372,395
STREET LIGHTING	2,643,480	2,601,027	2,493,688	2,420,871	2,328,446
IRRIGATION	1,464,135	889,434	2,313,146	2,666,518	3,072,500
<b>TOTAL KWH SALES</b>	<b>466,895,789</b>	<b>452,079,711</b>	<b>448,610,623</b>	<b>446,922,650</b>	<b>431,314,996</b>
<b><u>REVENUES</u></b>					
RESIDENTIAL	\$ 58,823,117	\$ 52,568,488	\$ 46,270,326	\$ 41,852,500	\$ 34,701,836
COMMERCIAL	44,902,237	40,630,540	36,202,157	32,314,593	27,392,523
LARGE POWER	57,527,125	51,299,782	46,400,038	41,009,618	34,130,551
STREET LIGHTING	1,286,933	1,195,058	1,061,818	974,405	853,697
IRRIGATION	344,452	190,176	437,569	399,640	364,406
<b>TOTAL REVENUES</b>	<b>\$ 162,883,864</b>	<b>\$ 145,884,044</b>	<b>\$ 130,371,908</b>	<b>\$ 116,550,756</b>	<b>\$ 97,443,013</b>
<b><u>CUSTOMERS @ 12/31</u></b>					
RESIDENTIAL	26,959	26,495	25,694	25,350	24,762
COMMERCIAL	4,674	4,612	4,576	4,492	4,365
LARGE POWER	124	124	125	123	120
STREET LIGHTING	3,447	3,437	3,374	3,264	3,110
IRRIGATION	3	3	3	3	4
<b>TOTAL CUSTOMERS</b>	<b>35,207</b>	<b>34,671</b>	<b>33,772</b>	<b>33,232</b>	<b>32,361</b>
<b><u>AVERAGE REVENUE PER KWH</u></b>					
RESIDENTIAL	\$ 0.35612	\$ 0.32800	\$ 0.29660	\$ 0.26760	\$ 0.23352
COMMERCIAL	0.35947	0.33235	0.30056	0.27162	0.23626
LARGE POWER	0.33311	0.30891	0.27726	0.24635	0.21150
STREET LIGHTING	0.48683	0.45946	0.42580	0.40250	0.36664
IRRIGATION	0.23526	0.21382	0.18917	0.14987	0.11860
<b>TOTAL</b>	<b>\$ 0.34887</b>	<b>\$ 0.32270</b>	<b>\$ 0.29061</b>	<b>\$ 0.26079</b>	<b>\$ 0.22592</b>
<b><u>AVERAGE RATE-CENTS PER KWH SOLD</u></b>					
RESIDENTIAL	\$ 35.612	\$ 32.800	\$ 29.660	\$ 26.760	\$ 23.352
COMMERCIAL	35.947	33.235	30.056	27.162	23.626
LARGE POWER	33.311	30.891	27.726	24.635	21.150
STREET LIGHTING	48.683	45.946	42.580	40.250	36.664
IRRIGATION	23.526	21.382	18.917	14.987	11.860
<b>TOTAL</b>	<b>\$ 34.887</b>	<b>\$ 32.270</b>	<b>\$ 29.061</b>	<b>\$ 26.079</b>	<b>\$ 22.592</b>

KAUAI ISLAND UTILITY COOPERATIVE  
ADMINISTRATIVE & GENERAL EXPENSES  
2003-2007

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
ADMINISTRATIVE & GENERAL SALARIES	\$ 4,997,386	\$ 5,503,389	\$ 3,978,149	\$ 3,382,344	\$ 2,479,243
OFFICE SUPPLIES & EXPENSES	800,910	517,104	489,726	586,947	528,134
ADMIN OFFICE MAINTENANCE EXPENSE	457,576	331,461	173,711	88,561	103,624
OUTSIDE SERVICES EMPLOYED	1,027,149	340,305	613,850	658,068	339,347
PROPERTY INSURANCE	479,868	471,858	419,542	490,396	388,260
INJURIES & DAMAGES	-	-	-	58,516	292,656
EMPLOYEE PENSIONS & BENEFITS	-	-	-	-	237,385
REGULATORY COMMISSION EXPENSE	1,248,736	1,009,465	995,030	698,980	379,974
MISCELLANEOUS GENERAL EXPENSE	1,026,171	1,364,556	1,571,091	1,586,001	952,805
RENTS	1,263,112	1,236,369	1,244,926	1,234,941	1,242,291
<b>TOTAL ADMINISTRATIVE &amp; GENERAL EXPENSES</b>	<b>\$ 11,300,908</b>	<b>\$ 10,774,507</b>	<b>\$ 9,486,025</b>	<b>\$ 8,784,754</b>	<b>\$ 6,943,719</b>

KAUAI ISLAND UTILITY COOPERATIVE  
TAXES OTHER THAN INCOME TAXES  
2003-2007

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b><u>STATE TAXES</u></b>					
FRANCHISE	\$ 4,069,827	\$ 3,647,585	\$ 3,275,622	\$ 2,884,929	\$ 2,417,911
UNEMPLOYMENT	-	-	-	-	37,810
P.U.C. TAX	9,577,833	8,586,415	7,600,014	6,791,124	5,707,736
CONSUMPTION AND USE TAX	116,138	136,372	(32,564)	14,950	-
<b><u>FEDERAL TAXES</u></b>					
FICA	-	-	-	-	156,202
UNEMPLOYMENT	-	-	-	-	2,070
<b>TOTAL TAXES OTHER THAN INCOME TAX</b>	<b>\$ 13,763,799</b>	<b>\$ 12,370,372</b>	<b>\$ 10,843,072</b>	<b>\$ 9,691,003</b>	<b>\$ 8,321,729</b>

KAUAI ISLAND UTILITY COOPERATIVE  
MISCELLANEOUS DATA  
2003-2007

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b><u>NET KWH GENERATION</u></b>					
STEAM	29,646,799	22,550,317	18,088,080	16,885,358	28,316,250
DIESEL/NAPHTHA	431,270,612	414,129,475	412,186,324	413,955,400	194,115,278
HYDROS	975,424	4,800,582	4,429,487	1,764,782	-
<b>TOTAL NET GENERATION</b>	<b>461,892,835</b>	<b>441,480,374</b>	<b>434,703,891</b>	<b>432,605,540</b>	<b>222,431,528</b>
NET PURCHASED POWER	26,961,303	34,329,425	34,808,478	35,748,896	231,444,275
LINE LOSSES - %	4.16093	4.67559	4.18134	4.32854	4.72593
SYSTEM USE - %	0.35018	0.33596	0.29212	0.26788	0.49942
SYSTEM PEAK LOAD - MW	77.75	76.78	76.18	77.00	73.46
ANNUAL SYSTEM LOAD FACTORS	0.7178	0.7074	0.7036	0.6944	0.7053