

THIS FILING IS

Item 1: ☒ An Initial (Original) Submission      OR    ☐ Resubmission No. \_\_\_\_\_

Form 1 Approved  
OMB No. 1902-0021  
(Expires 7/31/2008)  
Form 1-F Approved  
OMB No. 1902-0029  
(Expires 6/30/2007)  
Form 3-Q Approved  
OMB No. 1902-0205  
(Expires 6/30/2007)



# FERC FINANCIAL REPORT

## FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

**Exact Legal Name of Respondent (Company)**

MAUI ELECTRIC COMPANY, LIMITED

**Year/Period of Report**

**End of**      2007/Q4

**INSTRUCTIONS FOR FILING FERC FORM NOS. 1 and 3-Q****GENERAL INFORMATION****I. Purpose**

FERC Form No. 1 (FERC Form 1) is an annual regulatory requirement for Major electric utilities, licensees and others (18 C.F.R. § 141.1). FERC Form No. 3-Q (FERC Form 3-Q) is a quarterly regulatory requirement which supplements the annual financial reporting requirement (18 C.F.R. § 141.400). These reports are designed to collect financial and operational information from electric utilities, licensees and others subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be non-confidential public use forms.

**II. Who Must Submit**

Each Major electric utility, licensee, or other, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject To the Provisions of The Federal Power Act (18 C.F.R. Part 101), must submit FERC Form 1 (18 C.F.R. § 141.1), and FERC Form 3-Q (18 C.F.R. § 141.400).

Note: Major means having, in each of the three previous calendar years, sales or transmission service that exceeds one of the following:

- (1) one million megawatt hours of total annual sales,
- (2) 100 megawatt hours of annual sales for resale,
- (3) 500 megawatt hours of annual power exchanges delivered, or
- (4) 500 megawatt hours of annual wheeling for others (deliveries plus losses).

**III. What and Where to Submit**

(a) Submit FERC Forms 1 and 3-Q electronically through the forms submission software. Retain one copy of each report for your files. Any electronic submission must be created by using the forms submission software provided free by the Commission at its web site: <http://www.ferc.gov/docs-filing/eforms/form-1/elec-subm-soft.asp>. The software is used to submit the electronic filing to the Commission via the Internet.

(b) The Corporate Officer Certification must be submitted electronically as part of the FERC Forms 1 and 3-Q filings.

(c) Submit immediately upon publication, by either eFiling or mail, two (2) copies to the Secretary of the Commission, the latest Annual Report to Stockholders. Unless eFiling the Annual Report to Stockholders, mail the stockholders report to the Secretary of the Commission at:

Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

(d) For the CPA Certification Statement, submit within 30 days after filing the FERC Form 1, a letter or report (not applicable to filers classified as Class C or Class D prior to January 1, 1984). The CPA Certification Statement can be either eFiled or mailed to the Secretary of the Commission at the address above.

The CPA Certification Statement should:

- a) Attest to the conformity, in all material aspects, of the below listed (schedules and pages) with the Commission's applicable Uniform System of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and
- b) Be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§ 41.10-41.12 for specific qualifications.)

<u>Reference Schedules</u>	<u>Pages</u>
Comparative Balance Sheet	110-113
Statement of Income	114-117
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122-123

- e) The following format must be used for the CPA Certification Statement unless unusual circumstances or conditions, explained in the letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

"In connection with our regular examination of the financial statements of \_\_\_\_\_ for the year ended on which we have reported separately under date of \_\_\_\_\_, we have also reviewed schedules \_\_\_\_\_ of FERC Form No. 1 for the year filed with the Federal Energy Regulatory Commission, for conformity in all material respects with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases."

The letter or report must state which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

- (f) Filers are encouraged to file their Annual Report to Stockholders, and the CPA Certification Statement using eFiling. To further that effort, new selections, "Annual Report to Stockholders," and "CPA Certification Statement" have been added to the dropdown "pick list" from which companies must choose when eFiling. Further instructions are found on the Commission's website at <http://www.ferc.gov/help/how-to.asp>.

- (g) Federal, State and Local Governments and other authorized users may obtain additional blank copies of FERC Form 1 and 3-Q free of charge from <http://www.ferc.gov/docs-filing/eforms/form-1/form-1.pdf> and <http://www.ferc.gov/docs-filing/eforms.asp#3Q-gas>.

#### **IV. When to Submit:**

FERC Forms 1 and 3-Q must be filed by the following schedule:

- a) FERC Form 1 for each year ending December 31 must be filed by April 18<sup>th</sup> of the following year (18 CFR § 141.1), and
- b) FERC Form 3-Q for each calendar quarter must be filed within 60 days after the reporting quarter (18 C.F.R. § 141.400).

**V. Where to Send Comments on Public Reporting Burden.**

The public reporting burden for the FERC Form 1 collection of information is estimated to average 1,144 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. The public reporting burden for the FERC Form 3-Q collection of information is estimated to average 150 hours per response.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. § 3512 (a)).

## GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR Part 101) (USofA). Interpret all accounting words and phrases in accordance with the USofA.
- II. Enter in whole numbers (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.
- V. Enter the month, day, and year for all dates. Use customary abbreviations. **The "Date of Report" included in the header of each page is to be completed only for resubmissions** (see VII. below).
- VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.
- VII. For any resubmissions, submit the electronic filing using the form submission software only. Please explain the reason for the resubmission in a footnote to the data field.
- VIII. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.
- IX. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.

Definitions for statistical classifications used for completing schedules for transmission system reporting are as follows:

FNS - Firm Network Transmission Service for Self. "Firm" means service that can not be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff. "Self" means the respondent.

FNO - Firm Network Service for Others. "Firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff.

LFP - for Long-Term Firm Point-to-Point Transmission Reservations. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Point-to-Point Transmission Reservations" are described in Order No. 888 and the Open Access Transmission Tariff. For all transactions identified as LFP, provide in a footnote the

termination date of the contract defined as the earliest date either buyer or seller can unilaterally cancel the contract.

OLF - Other Long-Term Firm Transmission Service. Report service provided under contracts which do not conform to the terms of the Open Access Transmission Tariff. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. For all transactions identified as OLF, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally get out of the contract.

SFP - Short-Term Firm Point-to-Point Transmission Reservations. Use this classification for all firm point-to-point transmission reservations, where the duration of each period of reservation is less than one-year.

NF - Non-Firm Transmission Service, where firm means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions.

OS - Other Transmission Service. Use this classification only for those services which can not be placed in the above-mentioned classifications, such as all other service regardless of the length of the contract and service FERC Form. Describe the type of service in a footnote for each entry.

AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment.

#### DEFINITIONS

I. Commission Authorization (Comm. Auth.) -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.

II. Respondent -- The person, corporation, licensee, agency, authority, or other Legal entity or instrumentality in whose behalf the report is made.

## EXCERPTS FROM THE LAW

### Federal Power Act, 16 U.S.C. § 791a-825r

Sec. 3. The words defined in this section shall have the following meanings for purposes of this Act, to with:

(3) 'Corporation' means any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, or a receiver or receivers, trustee or trustees of any of the foregoing. It shall not include 'municipalities, as hereinafter defined;

(4) 'Person' means an individual or a corporation;

(5) 'Licensee, means any person, State, or municipality Licensed under the provisions of section 4 of this Act, and any assignee or successor in interest thereof;

(7) 'municipality means a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the Laws thereof to carry and the business of developing, transmitting, unitizing, or distributing power; .....

(11) "project' means. a complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or fore bay reservoirs directly connected therewith, the primary line or lines transmitting power there from to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights-of-way, ditches, dams, reservoirs, Lands, or interest in Lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit;

"Sec. 4. The Commission is hereby authorized and empowered

(a) To make investigations and to collect and record data concerning the utilization of the water 'resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development -costs, and relation to markets of power sites; ... to the extent the Commission may deem necessary or useful for the purposes of this Act."

"Sec. 304. (a) Every Licensee and every public utility shall file with the Commission such annual and other periodic or special\* reports as the Commission may be rules and regulations or other prescribe as necessary or appropriate to assist the Commission in the -proper administration of this Act. The Commission may prescribe the manner and FERC Form in which such reports salt be made, and require from such persons specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and Liabilities, capitalization, net investment, and reduction thereof, gross receipts, interest due and paid, depreciation, and other reserves, cost of project and other facilities, cost of maintenance and operation of the project and other facilities, cost of renewals and replacement of the project works and other facilities, depreciation, generation, transmission, distribution, delivery, use, and sale of electric energy. The Commission may require any such person to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies\*.10

"Sec. 309. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, and rescind such orders, rules and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this Act; and may prescribe the FERC Form or FERC Forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be filed..."

### **General Penalties**

The Commission may assess up to \$1 million per day per violation of its rules and regulations. *See* FPA § 316(a) (2005), 16 U.S.C. § 825o(a).



## REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER

IDENTIFICATION		
01 Exact Legal Name of Respondent MAUI ELECTRIC COMPANY, LIMITED		02 Year/Period of Report End of 2007/Q4
03 Previous Name and Date of Change (if name changed during year) / /		
04 Address of Principal Office at End of Period (Street, City, State, Zip Code) 210 KAMEHAMEHA AVENUE, KAHULUI, HI 96732		
05 Name of Contact Person LYLE J. MATSUNAGA		06 Title of Contact Person ASSISTANT TREASURER
07 Address of Contact Person (Street, City, State, Zip Code) MAUI ELECTRIC COMPANY, LIMITED, 210 KAMEHAMEHA AVENUE, KAHULUI, HI 96732		
08 Telephone of Contact Person, Including Area Code (808) 871-8461	09 This Report Is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr) 04/14/2008
ANNUAL CORPORATE OFFICER CERTIFICATION		
<p>The undersigned officer certifies that:</p> <p>I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.</p>		
01 Name LYLE J. MATSUNAGA	03 Signature  LYLE J. MATSUNAGA	04 Date Signed (Mo, Da, Yr) 04/14/2008
02 Title ASSISTANT TREASURER		
<p>Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.</p>		

LIST OF SCHEDULES (Electric Utility)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
1	General Information	101	
2	Control Over Respondent	102	
3	Corporations Controlled by Respondent	103	None
4	Officers	104	
5	Directors	105	
6	Important Changes During the Year	108-109	
7	Comparative Balance Sheet	110-113	
8	Statement of Income for the Year	114-117	
9	Statement of Retained Earnings for the Year	118-119	
10	Statement of Cash Flows	120-121	
11	Notes to Financial Statements	122-123	
12	Statement of Accum Comp Income, Comp Income, and Hedging Activities	122(a)(b)	
13	Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep	200-201	
14	Nuclear Fuel Materials	202-203	Not applicable
15	Electric Plant in Service	204-207	
16	Electric Plant Leased to Others	213	Not applicable
17	Electric Plant Held for Future Use	214	
18	Construction Work in Progress-Electric	216	
19	Accumulated Provision for Depreciation of Electric Utility Plant	219	
20	Investment of Subsidiary Companies	224-225	Not applicable
21	Materials and Supplies	227	
22	Allowances	228-229	Not applicable
23	Extraordinary Property Losses	230	Not applicable
24	Unrecovered Plant and Regulatory Study Costs	230	Not applicable
25	Transmission Service and Generation Interconnection Study Costs	231	None
26	Other Regulatory Assets	232	None
27	Miscellaneous Deferred Debits	233	
28	Accumulated Deferred Income Taxes	234	Not applicable
29	Capital Stock	250-251	
30	Other Paid-in Capital	253	None
31	Capital Stock Expense	254	
32	Long-Term Debt	256-257	
33	Reconciliation of Reported Net Income with Taxable Inc for Fed Inc Tax	261	
34	Taxes Accrued, Prepaid and Charged During the Year	262-263	
35	Accumulated Deferred Investment Tax Credits	266-267	
36	Other Deferred Credits	269	

LIST OF SCHEDULES (Electric Utility) (continued)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
37	Accumulated Deferred Income Taxes-Accelerated Amortization Property	272-273	Not applicable
38	Accumulated Deferred Income Taxes-Other Property	274-275	
39	Accumulated Deferred Income Taxes-Other	276-277	
40	Other Regulatory Liabilities	278	
41	Electric Operating Revenues	300-301	
42	Sales of Electricity by Rate Schedules	304	
43	Sales for Resale	310-311	None
44	Electric Operation and Maintenance Expenses	320-323	
45	Purchased Power	326-327	
46	Transmission of Electricity for Others	328-330	None
47	Transmission of Electricity by ISO/RTOs	331	None
48	Transmission of Electricity by Others	332	None
49	Miscellaneous General Expenses-Electric	335	
50	Depreciation and Amortization of Electric Plant	336-337	
51	Regulatory Commission Expenses	350-351	
52	Research, Development and Demonstration Activities	352-353	
53	Distribution of Salaries and Wages	354-355	
54	Common Utility Plant and Expenses	356	Not applicable
55	Amounts included in ISO/RTO Settlement Statements	397	Not applicable
56	Purchase and Sale of Ancillary Services	398	Not applicable
57	Monthly Transmission System Peak Load	400	
58	Monthly ISO/RTO Transmission System Peak Load	400a	
59	Electric Energy Account	401	
60	Monthly Peaks and Output	401	
61	Steam Electric Generating Plant Statistics	402-403	
62	Hydroelectric Generating Plant Statistics	406-407	Not applicable
63	Pumped Storage Generating Plant Statistics	408-409	Not applicable
64	Generating Plant Statistics Pages	410-411	
65	Transmission Line Statistics Pages	422-423	
66	Transmission Lines Added During the Year	424-425	

Name of Respondent 20080518-8010 FERC PDF (Unofficial) MAUI ELECTRIC COMPANY, LIMITED		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/14/2008	Year/Period of Report End of 2007/Q4
LIST OF SCHEDULES (Electric Utility) (continued)				
Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".				
Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)	
67	Substations	426-427		
68	Footnote Data	450		
	<b>Stockholders' Reports</b> Check appropriate box: <input checked="" type="checkbox"/> Four copies will be submitted <input type="checkbox"/> No annual report to stockholders is prepared			

20080518-8010 FERC PDF (Unofficial) 05/15/2008 Name of Respondent MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/14/2008	Year/Period of Report End of <u>2007/Q4</u>
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**GENERAL INFORMATION**

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

Edward L. Reinhardt, President  
 210 Kamehameha Avenue  
 Kahului, HI 96732

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

Hawaii, April 28, 1921

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

None

4. State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.

Electric Utility - Class "A"

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

- (1) ☐ Yes...Enter the date when such independent accountant was initially engaged:  
 (2) ☒ No

Name of Respondent MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/14/2008	Year/Period of Report End of <u>2007/Q4</u>
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<div>CONTROL OVER RESPONDENT</div> <div>           1. If any corporation, business trust, or similar organization or a combination of such organizations jointly held control over the repondent at the end of the year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.         </div> <div> <p>The respondent has been a wholly-owned subsidiary of Hawaiian Electric Company, Inc., since November 1, 1968. Since July 1, 1983, Hawaiian Electric Company, Inc., became a wholly-owned subsidiary of Hawaiian Electric Industries, Inc.</p> </div>
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CORPORATIONS CONTROLLED BY RESPONDENT

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.

2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.

3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

**Definitions**

1. See the Uniform System of Accounts for a definition of control.

2. Direct control is that which is exercised without interposition of an intermediary.

3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.

4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1	None			
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OFFICERS
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1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.

2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)
1	President	Edward L. Reinhardt	199,915
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DIRECTORS		
1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent. 2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.		
Line No.	Name (and Title) of Director (a)	Principal Business Address (b)
1	T. Michael May (Chairman, Advisory & Statutory Boards)	Honolulu, Hawaii
2	Edward L. Reinhardt (President, Advisory & Statutory Boards)	Kahului, Hawaii
3	Molly M. Egged (Secretary, Advisory & Statutory Boards)	Honolulu, Hawaii
4	B. Martin Luna (Member, Advisory Board)	Wailuku, Hawaii
5	Boyd P. Mossman (Member, Advisory Board)	Wailuku, Hawaii
6	Anne M. Takabuki (Member, Statutory Board; effective 12/06)	Kihei, Hawaii
7	Barry K. Taniguchi (Member, Statutory Board; effective 12/06)	Hilo, Hawaii
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Name of Respondent 20080518-8010 FERC PDF (Unofficial) MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/14/2008	Year/Period of Report End of 2007/Q4
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IMPORTANT CHANGES DURING THE QUARTER/YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

- Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
- Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
- Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
- Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.
- Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
- Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.
- Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
- State the estimated annual effect and nature of any important wage scale changes during the year.
- State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
- Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
- (Reserved.)
- If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.
- Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
- In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

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

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/14/2008	Year/Period of Report 2007/Q4
MAUI ELECTRIC COMPANY, LIMITED			
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

1. None.
2. None.
3. None.
4. None.
5. None.
6. See FERC Page 123.
7. None.
8. None.
9. None.
10. None.
11. Not applicable.
12. See FERC Page 123.
13. None.
14. Not applicable.

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	<b>UTILITY PLANT</b>			
2	Utility Plant (101-106, 114)	200-201	802,731,791	773,431,227
3	Construction Work in Progress (107)	200-201	10,688,757	5,575,848
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		813,420,548	779,007,075
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	369,940,566	341,234,579
6	Net Utility Plant (Enter Total of line 4 less 5)		443,479,982	437,772,496
7	Nuclear Fuel in Process of Ref., Conv.,Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		0	0
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0
14	Net Utility Plant (Enter Total of lines 6 and 13)		443,479,982	437,772,496
15	Utility Plant Adjustments (116)	122	0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	<b>OTHER PROPERTY AND INVESTMENTS</b>			
18	Nonutility Property (121)		228,584	228,584
19	(Less) Accum. Prov. for Depr. and Amort. (122)		26,991	26,942
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	0	0
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other Investments (124)		0	0
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		0	0
29	Special Funds (Non Major Only) (129)		0	0
30	Long-Term Portion of Derivative Assets (175)		0	0
31	Long-Term Portion of Derivative Assets – Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		201,593	201,642
33	<b>CURRENT AND ACCRUED ASSETS</b>			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		769,196	514,059
36	Special Deposits (132-134)		0	0
37	Working Fund (135)		4,050	4,410
38	Temporary Cash Investments (136)		0	0
39	Notes Receivable (141)		514,070	593,103
40	Customer Accounts Receivable (142)		36,446,316	32,986,533
41	Other Accounts Receivable (143)		3,113,841	704,826
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		192,858	149,261
43	Notes Receivable from Associated Companies (145)		2,000,000	0
44	Accounts Receivable from Assoc. Companies (146)		14,696	138,360
45	Fuel Stock (151)	227	22,089,100	13,871,618
46	Fuel Stock Expenses Undistributed (152)	227	0	0
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	13,999,688	11,730,206
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	0	0



### COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	15,826,020	15,826,020
3	Preferred Stock Issued (204)	250-251	5,000,000	5,000,000
4	Capital Stock Subscribed (202, 205)	252	0	0
5	Stock Liability for Conversion (203, 206)	252	0	0
6	Premium on Capital Stock (207)	252	79,245,110	79,245,110
7	Other Paid-In Capital (208-211)	253	0	0
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254	151,378	151,378
11	Retained Earnings (215, 215.1, 216)	118-119	113,378,409	111,537,546
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
13	(Less) Reaquired Capital Stock (217)	250-251	0	0
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	222,466	-14,226,385
16	Total Proprietary Capital (lines 2 through 15)		213,520,627	197,230,913
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	0	0
19	(Less) Reaquired Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	10,000,000	10,000,000
21	Other Long-Term Debt (224)	256-257	162,040,100	144,720,000
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		0	0
24	Total Long-Term Debt (lines 18 through 23)		172,040,100	154,720,000
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		0	0
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		0	0
29	Accumulated Provision for Pensions and Benefits (228.3)		20,011,107	20,506,961
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		0	0
35	Total Other Noncurrent Liabilities (lines 26 through 34)		20,011,107	20,506,961
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		18,385,977	18,267,637
39	Notes Payable to Associated Companies (233)		0	5,000,000
40	Accounts Payable to Associated Companies (234)		1,139,281	993,261
41	Customer Deposits (235)		4,210,006	3,381,702
42	Taxes Accrued (236)	262-263	35,224,709	28,355,166
43	Interest Accrued (237)		2,658,658	1,637,892
44	Dividends Declared (238)		79,427	79,427
45	Matured Long-Term Debt (239)		0	0

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		246,274	244,165
48	Miscellaneous Current and Accrued Liabilities (242)		5,598,550	5,917,104
49	Obligations Under Capital Leases-Current (243)		0	0
50	Derivative Instrument Liabilities (244)		0	0
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0
52	Derivative Instrument Liabilities - Hedges (245)		0	0
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	0
54	Total Current and Accrued Liabilities (lines 37 through 53)		67,542,882	63,876,354
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		5,007,446	4,845,036
57	Accumulated Deferred Investment Tax Credits (255)	266-267	12,813,953	12,393,601
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	2,450,357	1,506,382
60	Other Regulatory Liabilities (254)	278	87,771	0
61	Unamortized Gain on Reaquired Debt (257)		60,310,281	52,700,766
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	0	0
63	Accum. Deferred Income Taxes-Other Property (282)		13,749,482	11,965,393
64	Accum. Deferred Income Taxes-Other (283)		0	0
65	Total Deferred Credits (lines 56 through 64)		94,419,290	83,411,178
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		567,534,006	519,745,406

## STATEMENT OF INCOME

Quarterly

1. Enter in column (d) the balance for the reporting quarter and in column (e) the balance for the same three month period for the prior year.
2. Report in column (f) the quarter to date amounts for electric utility function; in column (h) the quarter to date amounts for gas utility, and in (j) the quarter to date amounts for other utility function for the current year quarter.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in (k) the quarter to date amounts for other utility function for the prior year quarter.
4. If additional columns are needed place them in a footnote.

Annual or Quarterly if applicable

5. Do not report fourth quarter data in columns (e) and (f)
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
8. Report data for lines 8, 10 and 11 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	350,409,855	345,265,164	91,670,100	88,465,675
3	Operating Expenses					
4	Operation Expenses (401)	320-323	239,104,227	236,968,544	64,291,307	60,966,593
5	Maintenance Expenses (402)	320-323	22,835,609	13,816,285	3,717,220	3,363,989
6	Depreciation Expense (403)	336-337	28,015,427	25,644,288	7,003,840	6,418,501
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337				
8	Amort. & Depl. of Utility Plant (404-405)	336-337				
9	Amort. of Utility Plant Acq. Adj. (406)	336-337				
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)					
13	(Less) Regulatory Credits (407.4)					
14	Taxes Other Than Income Taxes (408.1)	262-263	32,318,265	32,011,314	8,432,319	8,276,434
15	Income Taxes - Federal (409.1)	262-263	12,114,009	11,972,846	5,032,473	2,053,968
16	- Other (409.1)	262-263	1,056,127	446,006	1,229,290	-117,433
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	-6,860,408	-1,784,196	-3,493,378	551,790
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277				
19	Investment Tax Credit Adj. - Net (411.4)	266	634,392	1,192,514	-462,362	367,255
20	(Less) Gains from Disp. of Utility Plant (411.6)					
21	Losses from Disp. of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)					
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)					
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		329,217,648	320,267,601	85,750,709	81,881,097
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27		21,192,207	24,997,563	5,919,391	6,584,578



STATEMENT OF INCOME FOR THE YEAR (Continued)

9. Use page 122 for important notes regarding the statement of income for any account thereof.

10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.

11 Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.

12. If any notes appearing in the report to stokholders are applicable to the Statement of Income, such notes may be included at page 122.

13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.

14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.

15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year to Date (in dollars) (g)	Previous Year to Date (in dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)	
						1
350,409,855	345,265,164					2
						3
239,104,227	236,968,544					4
22,835,609	13,816,285					5
28,015,427	25,644,288					6
						7
						8
						9
						10
						11
						12
						13
32,318,265	32,011,314					14
12,114,009	11,972,846					15
1,056,127	446,006					16
-6,860,408	-1,784,196					17
						18
634,392	1,192,514					19
						20
						21
						22
						23
						24
329,217,648	320,267,601					25
21,192,207	24,997,563					26

STATEMENT OF INCOME FOR THE YEAR (continued)						
Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
			Current Year (c)	Previous Year (d)		
27	Net Utility Operating Income (Carried forward from page 114)		21,192,207	24,997,563	5,919,391	6,584,578
28	Other Income and Deductions					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)					
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)					
33	Revenues From Nonutility Operations (417)		11,000	24,030	2,000	3,494
34	(Less) Expenses of Nonutility Operations (417.1)		14,326	99,548	6,623	3,153
35	Nonoperating Rental Income (418)		-439	-840	-12	-12
36	Equity in Earnings of Subsidiary Companies (418.1)	119				
37	Interest and Dividend Income (419)		346,297	100,582	38,978	67,643
38	Allowance for Other Funds Used During Construction (419.1)		354,670	2,094,493	93,900	278,040
39	Miscellaneous Nonoperating Income (421)		227,559	1,346,159	60,347	177,099
40	Gain on Disposition of Property (421.1)			-155,203		
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		924,761	3,309,673	188,590	523,111
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)					
44	Miscellaneous Amortization (425)	340	62,202	62,202	15,550	15,550
45	Donations (426.1)	340	30,000	30,000	9,290	6,460
46	Life Insurance (426.2)					
47	Penalties (426.3)		289			
48	Exp. for Certain Civic, Political & Related Activities (426.4)		1,334	3,331	-759	179
49	Other Deductions (426.5)		4,821	3,940		
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		98,646	99,473	24,081	22,189
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	440	504	80	140
53	Income Taxes-Federal (409.2)	262-263	101,104	3,569	8,647	20,208
54	Income Taxes-Other (409.2)	262-263	18,487	653	1,581	3,696
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	-17	-65,166	-5	-4
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277				
57	Investment Tax Credit Adj.-Net (411.5)					
58	(Less) Investment Tax Credits (420)					
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		120,014	-60,440	10,303	24,040
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		706,101	3,270,640	154,206	476,882
61	Interest Charges					
62	Interest on Long-Term Debt (427)		8,378,889	8,258,390	2,035,241	2,064,597
63	Amort. of Debt Disc. and Expense (428)		481,979	408,663	122,468	98,868
64	Amortization of Loss on Reaquired Debt (428.1)					
65	(Less) Amort. of Premium on Debt-Credit (429)					
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)					
67	Interest on Debt to Assoc. Companies (430)	340	761,990	974,334	162,500	283,303
68	Other Interest Expense (431)	340	280,912	429,562	75,420	49,359
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		171,769	973,177	46,339	129,541
70	Net Interest Charges (Total of lines 62 thru 69)		9,732,001	9,097,772	2,349,290	2,366,586
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		12,166,307	19,170,431	3,724,307	4,694,874
72	Extraordinary Items					
73	Extraordinary Income (434)					
74	(Less) Extraordinary Deductions (435)					
75	Net Extraordinary Items (Total of line 73 less line 74)					
76	Income Taxes-Federal and Other (409.3)	262-263				
77	Extraordinary Items After Taxes (line 75 less line 76)					
78	Net Income (Total of line 71 and 77)		12,166,307	19,170,431	3,724,307	4,694,874

**STATEMENT OF RETAINED EARNINGS**

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		111,537,546	99,270,365
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4				
5				
6				
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10	Adjustment to Beginning Retained Earnings due to FIN 48			
11	liability as of 1/1/07		-72,342	
12	Less Federal and State Income Tax effect		28,148	
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)		-44,194	
16	Balance Transferred from Income (Account 433 less Account 418.1)		12,166,307	19,170,431
17	Appropriations of Retained Earnings (Acct. 436)			
18				
19				
20				
21				
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
24			-381,250	( 381,250)
25				
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)		-381,250	( 381,250)
30	Dividends Declared-Common Stock (Account 438)			
31			-9,900,000	( 6,522,000)
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-9,900,000	( 6,522,000)
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		113,378,409	111,537,546
	APPROPRIATED RETAINED EARNINGS (Account 215)			
39				
40				



**STATEMENT OF CASH FLOWS**

(1) Codes to be used: (a) Net Proceeds or Payments; (b) Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.

(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.

(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.

(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 78(c) on page 117)	12,166,307	19,170,431
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	31,978,426	29,096,352
5	Amortization of		
6			
7			
8	Deferred Income Taxes (Net)	-6,860,425	-1,849,362
9	Investment Tax Credit Adjustment (Net)	634,392	1,192,514
10	Net (Increase) Decrease in Receivables	-4,295,537	1,400,863
11	Net (Increase) Decrease in Inventory	-2,441,178	-2,047,107
12	Net (Increase) Decrease in Allowances Inventory		
13	Net Increase (Decrease) in Payables and Accrued Expenses	118,340	2,413,060
14	Net (Increase) Decrease in Other Regulatory Assets	-3,661,189	-2,951,604
15	Net Increase (Decrease) in Other Regulatory Liabilities		
16	(Less) Allowance for Other Funds Used During Construction	354,670	2,094,493
17	(Less) Undistributed Earnings from Subsidiary Companies		
18	Other (provide details in footnote): Change in accrued unbilled rev	-1,406,000	421,656
19		-8,217,482	-599,075
20		1,020,766	53,503
21		7,153,061	5,362,320
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	25,834,811	49,569,058
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-28,577,174	-58,807,753
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction	-354,670	-2,094,493
31	Other (provide details in footnote):	3,224,587	4,360,481
32			
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-24,997,917	-52,352,779
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)		
38			
39	Investments in and Advances to Assoc. and Subsidiary Companies		
40	Contributions and Advances from Assoc. and Subsidiary Companies		
41	Disposition of Investments in (and Advances to)		
42	Associated and Subsidiary Companies	-2,000,000	5,250,000
43			
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		

### STATEMENT OF CASH FLOWS

(1) Codes to be used: (a) Net Proceeds or Payments; (b) Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.

(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.

(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.

(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
46	Loans Made or Purchased	-204,869	-305,750
47	Collections on Loans	283,902	257,199
48			
49	Net (Increase) Decrease in Receivables		
50	Net (Increase ) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Other (provide details in footnote):		
54			
55			
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	-26,918,884	-47,151,330
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)	72,320,100	
62	Preferred Stock		
63	Common Stock		
64	Other (provide details in footnote):		
65			
66	Net Increase in Short-Term Debt (c)		
67	Other (provide details in footnote):	-5,000,000	5,000,000
68			
69			
70	Cash Provided by Outside Sources (Total 61 thru 69)	67,320,100	5,000,000
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)	-55,700,000	
74	Preferred Stock		
75	Common Stock		
76	Other (provide details in footnote):		
77			
78	Net Decrease in Short-Term Debt (c)		
79			
80	Dividends on Preferred Stock	-381,250	-381,250
81	Dividends on Common Stock	-9,900,000	-6,522,000
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	1,338,850	-1,903,250
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	254,777	514,478
87			
88	Cash and Cash Equivalents at Beginning of Period	518,469	3,991
89			
90	Cash and Cash Equivalents at End of period	773,246	518,469

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MAUI ELECTRIC COMPANY, LIMITED			
FOOTNOTE DATA			

**Schedule Page: 120   Line No.: 18   Column: a**  
Change in accrued unbilled revenues

Name of Respondent 20080518-8010 FERC PDF (Unofficial) MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 04/14/2008	Year/Period of Report End of 2007/Q4
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NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

PAGE 122 INTENTIONALLY LEFT BLANK  
 SEE PAGE 123 FOR REQUIRED INFORMATION.



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MAUI ELECTRIC COMPANY, LIMITED			
NOTES TO FINANCIAL STATEMENTS (Continued)			

The following footnotes were filed with Hawaiian Electric Company, Inc.'s December 31, 2007 annual consolidated financial statements on Form 10-K, and include amounts for Hawaiian Electric Company, Inc. and its electric utility subsidiaries, Hawaii Electric Light Company, Inc. and Maui Electric Company, Ltd.

## Notes to Consolidated Financial Statements

### Hawaiian Electric Company, Inc. and Subsidiaries

#### 1. Summary of significant accounting policies

##### General

Hawaiian Electric Company, Inc. (HECO) and its wholly-owned operating subsidiaries, Hawaii Electric Light Company, Inc. (HELCO) and Maui Electric Company, Limited (MECO), are electric public utilities in the business of generating, purchasing, transmitting, distributing and selling electric energy on all major islands in Hawaii other than Kauai, and are regulated by the Public Utilities Commission of the State of Hawaii (PUC). HECO also owns non-regulated subsidiaries: Renewable Hawaii, Inc. (RHI), which will invest in renewable energy projects, Uluwehiokama Biofuels Corp. (UBC), which will partly own a new biodiesel refining plant to be built on the island of Maui by 2009 and will direct its profits into a trust to be created for the purpose of funding biofuels development in Hawaii, and HECO Capital Trust III, which is an unconsolidated financing entity.

##### Basis of presentation

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses. Actual results could differ significantly from those estimates.

Material estimates that are particularly susceptible to significant change include the amounts reported for property, plant and equipment; pension and other postretirement benefit obligations; contingencies and litigation; income taxes; regulatory assets and liabilities; revenues; and variable interest entities (VIEs).

##### Consolidation

The consolidated financial statements include the accounts of HECO and its subsidiaries (collectively, the Company), but exclude subsidiaries which are variable-interest entities of which the Company is not the primary beneficiary. Investments in companies over which the Company has the ability to exercise significant influence, but not control, are accounted for using the equity method. The Company is a wholly-owned subsidiary of Hawaiian Electric Industries, Inc. (HEI). All material intercompany accounts and transactions have been eliminated in consolidation.

See Note 3 for information regarding the application of Financial Accounting Standards Board (FASB) Interpretation (FIN) No. 46(R).

##### Regulation by the Public Utilities Commission of the State of Hawaii (PUC)

HECO, HELCO and MECO are regulated by the PUC and account for the effects of regulation under Statement of Financial Accounting Standards (SFAS) No. 71, "Accounting for the Effects of Certain Types of Regulation." As a result, the actions of regulators can affect the timing of recognition of revenues, expenses, assets and liabilities. Management believes its operations currently satisfy the SFAS No. 71 criteria. If events or circumstances should change so that those criteria are no longer satisfied, the Company expects that the regulatory assets would be charged to expense and the regulatory liabilities would be credited to income or refunded to ratepayers. In the event of unforeseen regulatory actions or other circumstances, however, management believes that a material adverse effect on the Company's results of operations and financial position may result if regulatory assets have to be charged to expense without an offsetting credit for regulatory liabilities or if regulatory liabilities are required to be refunded to ratepayers.

##### Equity method

Investments in up to 50%-owned affiliates over which the Company has the ability to exercise significant influence over the operating and financing policies and investments in unconsolidated subsidiaries (e.g. HECO Capital Trust III) are accounted for under the equity method, whereby the investment is carried at cost, plus (or minus) the Company's equity in undistributed earnings (or losses) and minus distributions since acquisition. Equity in earnings or losses is reflected in other income. Equity method investments are evaluated for other-than-temporary impairment.

##### Utility plant

Utility plant is reported at cost. Self-constructed plant includes engineering, supervision, administrative and general costs and an allowance for the cost of funds used during the construction period. These costs are recorded in construction in progress and are transferred to utility plant when construction is completed and the facilities are either placed in service or become useful for public utility purposes. Costs for betterments that make utility plant more useful, more efficient, of greater durability or of greater capacity are also capitalized. Upon the retirement or sale of electric utility plant, generally no gain or loss is recognized. The cost of the plant retired is charged to accumulated depreciation. Amounts collected from customers for cost of removal (expected to exceed salvage value in the future) are included in regulatory liabilities.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

If a power purchase agreement (PPA) falls within the scope of Emerging Issues Task Force (EITF) Issue No. 01-8, "Determining Whether an Arrangement Contains a Lease" and results in the classification of the agreement as a capital lease, the Company would recognize a capital asset and a lease obligation.

### Depreciation

Depreciation is computed primarily using the straight-line method over the estimated lives of the assets being depreciated. Utility plant additions in the current year are depreciated beginning January 1 of the following year. Utility plant has lives ranging from 20 to 45 years for production plant, from 25 to 60 years for transmission and distribution plant and from 7 to 45 years for general plant. The composite annual depreciation rate, which includes a component for cost of removal, was 3.8% in 2007 and 3.9% in 2006 and 2005.

### Cash and equivalents

The Company considers cash on hand, deposits in banks, money market accounts, certificates of deposit, short-term commercial paper and liquid investments (with original maturities of three months or less) to be cash and equivalents.

### Accounts receivable

Accounts receivable are recorded at the invoiced amount. The Company generally assesses a late payment charge on balances unpaid from the previous month. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable. The Company adjusts its allowance on a monthly basis, based on its historical write-off experience. Account balances are charged off against the allowance after collection efforts have been exhausted and the potential for recovery is considered remote.

### Retirement benefits

Pension and other postretirement benefit costs are charged primarily to expense and electric utility plant. Funding for the Company's qualified pension plans is based on actuarial assumptions adopted by the Pension Investment Committee administering the Plans on the advice of an enrolled actuary. The participating employers contribute amounts to a master pension trust for the Plans in accordance with the funding requirements of Employee Retirement Income Security Act of 1974, as amended (ERISA), including changes promulgated by the Pension Protection Act, and considering the deductibility of contributions under the Internal Revenue Code. The Company generally funds at least the net periodic pension cost as calculated using SFAS No. 87 "Employers' Accounting for Pensions" during the fiscal year, subject to limits and targeted funded status as determined with the consulting actuary. Under pension tracking mechanisms approved by the PUC on an interim basis, HECO and MECO generally will make contributions to the pension fund at the minimum level required under the law, until the pension assets (existing at the time of the PUC decisions and determined based on the cumulative fund contributions in excess of the cumulative net periodic pension cost recognized) are reduced to zero, at which time HECO and MECO would fund the pension cost as specified in the pension tracking mechanism. HELCO will generally fund the net periodic pension cost. Future decisions in rate cases could further impact funding amounts.

Certain health care and/or life insurance benefits are provided to eligible retired employees and the employees' beneficiaries and covered dependents. The Company generally funds the net periodic postretirement benefit costs other than pensions as calculated using SFAS No. 106 "Employers' Accounting for Postretirement Benefits Other Than Pensions" and the amortization of the regulatory asset for postretirement benefits other than pensions (OPEB), while maximizing the use of the most tax advantaged funding vehicles, subject to cash flow requirements and reviews of the funded status with the consulting actuary. The Company must fund OPEB costs as specified in the OPEB tracking mechanisms, which were approved by the PUC on an interim basis. Future decisions in rate cases could further impact funding amounts.

Effective December 31, 2006, the Company adopted SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106, and 132(R)," and recognized on its balance sheet the funded status of its defined benefit pension and other postretirement benefit plans, as adjusted by the impact of decisions of the PUC.

### Financing costs

The Company uses the straight-line method to amortize financing costs and premiums or discounts over the term of the related long-term debt. Unamortized financing costs and discounts or premiums on long-term debt retired prior to maturity are classified as regulatory assets (costs and premiums) or liabilities (discounts) and are amortized on a straight-line basis over the remaining original term of the retired debt. The method and periods for amortizing financing costs, premiums and discounts, including the treatment of these items when long-term debt is retired prior to maturity, have been established by the PUC as part of the rate-making process.

The Company uses the straight-line method to amortize the fees and related costs paid to secure a firm commitment under its line-of-credit arrangements.

### Contributions in aid of construction

The Company receives contributions from customers for special construction requirements. As directed by the PUC, contributions are amortized on a straight-line basis over 30 years as an offset against depreciation expense.

### Electric utility revenues

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Electric utility revenues are based on rates authorized by the PUC and include revenues applicable to energy consumed in the accounting period but not yet billed to the customers. Revenues related to the sale of energy are generally recorded when service is rendered or energy is delivered to customers. However, the determination of the energy sales to individual customers for billing purposes is based on the reading of their meters, which occurs on a systematic basis throughout the month. At the end of each month, amounts of energy delivered to customers since the date of the last meter reading are estimated and the corresponding unbilled revenue is estimated. This unbilled revenue is estimated each month based on the meter readings in the beginning of the following month, monthly generation volumes, estimated customer usage by account, line losses and applicable customer rates based on historical values and current rate schedules. As of December 31, 2007, customer accounts receivable include unbilled energy revenues of \$114 million on a base of annual revenue of \$2.1 billion. Revenue amounts recorded pursuant to a PUC interim order are subject to refund, with interest, pending a final order.

The rate schedules of the Company include energy cost adjustment clauses (ECACs) under which electric rates are adjusted for changes in the weighted-average price paid for fuel oil and certain components of purchased power, and the relative amounts of company-generated power and purchased power. The ECACs also include a provision requiring a quarterly reconciliation of the amounts collected through the ECACs. See "Energy cost adjustment clauses" in Note 11 for a discussion of the ECACs and Act 162 of the 2006 Hawaii State Legislature.

The Company's operating revenues include amounts for various revenue taxes. Revenue taxes are generally recorded as an expense in the year the related revenues are recognized. The Company's payments to the taxing authorities are based on the prior years' revenues. For 2007, 2006 and 2005, the Company included approximately \$185 million, \$182 million and \$159 million, respectively, of revenue taxes in "operating revenues" and in "taxes, other than income taxes" expense.

#### Repairs and maintenance costs

Repairs and maintenance costs for overhauls of generating units are generally expensed as they are incurred.

#### Allowance for Funds Used During Construction (AFUDC)

AFUDC is an accounting practice whereby the costs of debt and equity funds used to finance plant construction are credited on the statement of income and charged to construction in progress on the balance sheet. If a project under construction is delayed for an extended period of time, as it was in the case of HELCO's installation of CT-4 and CT-5, AFUDC on the delayed project may be stopped.

The weighted-average AFUDC rate was 8.1% in 2007, 8.4% in 2006 and 8.5% in 2005, and reflected quarterly compounding.

#### Environmental expenditures

The Company is subject to numerous federal and state environmental statutes and regulations. In general, environmental contamination treatment costs are charged to expense, unless it is probable that the PUC would allow such costs to be recovered in future rates, in which case such costs would be capitalized as regulatory assets. Also, environmental costs are capitalized if the costs extend the life, increase the capacity, or improve the safety or efficiency of property; the costs mitigate or prevent future environmental contamination; or the costs are incurred in preparing the property for sale. Environmental costs are either capitalized or charged to expense when environmental assessments and/or remedial efforts are probable and the cost can be reasonably estimated.

#### Income taxes

The Company is included in the consolidated income tax returns of HECO's parent, HEI. Income tax expense has been computed for financial statement purposes as if HECO and its subsidiaries filed separate consolidated HECO income tax returns.

Deferred income tax assets and liabilities are established for the temporary differences between the financial reporting bases and the tax bases of the Company's assets and liabilities at enacted tax rates expected to be in effect when such deferred tax assets or liabilities are realized or settled. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible.

Federal and state investment tax credits are deferred and amortized over the estimated useful lives of the properties which qualified for the credits.

Governmental tax authorities could challenge a tax return position taken by management. If the Company's position does not prevail, the Company's results of operations and financial condition may be adversely affected as the related deferred or current income tax asset might be impaired and written down or written off.

Effective January 1, 2007, the Company adopted FIN No. 48, "Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109," and uses a "more-likely-than-not" recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

#### Impairment of long-lived assets and long-lived assets to be disposed of

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is

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NOTES TO FINANCIAL STATEMENTS (Continued)			

measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

#### Recent accounting pronouncements and interpretations

**Fair value measurements.** In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements," which defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles and expands disclosures about fair value measurements. SFAS No. 157 applies to fair value measurements that are already required or permitted under existing accounting pronouncements with some exceptions. SFAS No. 157 retains the exchange price notion in defining fair value and clarifies that the exchange price is the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability. It emphasizes that fair value is a market-based, not an entity-specific, measurement based upon the assumptions that market participants would use in pricing an asset or liability. As a basis for considering assumptions in fair value measurements, SFAS No. 157 establishes a hierarchy that gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). SFAS No. 157 expands disclosures about the use of fair value, including disclosure of the level within the hierarchy in which the fair value measurements fall and the effect of the measurements on earnings (or changes in net assets) for the period. The Company adopted SFAS No. 157 on January 1, 2008. The adoption of SFAS No. 157 had no impact on the Company's financial statements, but will impact the Company's fair value measurement disclosures in future periods.

**The fair value option for financial assets and financial liabilities.** In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities, Including an amendment of FASB Statement No. 115." SFAS No. 159 permits entities to choose to measure many financial instruments and certain other items at fair value, which should improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. The Company adopted SFAS No. 159 on January 1, 2008 and the adoption had no impact on the Company's financial statements as the Company did not choose to measure additional items at fair value.

**Business combinations.** In December 2007, the FASB issued SFAS No. 141R, "Business Combinations." SFAS No. 141R requires an acquiring entity to recognize all the assets acquired and liabilities assumed at the acquisition-date fair value with limited exceptions. Under SFAS No. 141R, acquisition costs will generally be expensed as incurred, noncontrolling interests will be valued at acquisition-date fair value, and acquired contingent liabilities will be recorded at acquisition-date fair value and subsequently measured at the higher of such amount or the amount determined under existing guidance for non-acquired contingencies. The Company must adopt SFAS No. 141R for all business combinations for which the acquisition date is on or after January 1, 2009. Because the impact of adopting SFAS No. 141R will be dependent on future acquisitions, if any, management cannot predict such impact.

**Noncontrolling interests.** In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements." SFAS No. 160 requires the recognition of a noncontrolling interest (i.e., a minority interest) as equity in the consolidated financial statements, separate from the parent's equity, and requires the amount of consolidated net income attributable to the parent and to the noncontrolling interest be clearly identified and presented on the face of the income statement. Under SFAS No. 160, changes in the parent's ownership interest that leave control intact are accounted for as capital transactions (i.e., as increases or decreases in ownership), a gain or loss will be recognized when a subsidiary is deconsolidated based on the fair value of the noncontrolling equity investment (not carrying amount), and entities must provide sufficient disclosures that clearly identify and distinguish between the interests of the parent and of the noncontrolling owners. The Company must adopt SFAS No. 160 on January 1, 2009 prospectively, except for the presentation and disclosure requirements which must be applied retrospectively. Management has not yet determined what impact, if any, the adoption of SFAS No. 160 will have on the Company's financial statements.

#### Reclassifications

Certain reclassifications have been made to prior years' financial statements to conform to the 2007 presentation.

## 2. Cumulative preferred stock

The following series of cumulative preferred stock are redeemable only at the option of the respective company at the following prices in the event of voluntary liquidation or redemption:

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NOTES TO FINANCIAL STATEMENTS (Continued)			

December 31, 2007 Series	Voluntary Liquidation Price	Redemption Price
C, D, E, H, J and K (HECO)	\$ 20	\$ 21
I (HECO)	20	20
G (HELCO)	100	100
H (MECO)	100	100

HECO is obligated to make dividend, redemption and liquidation payments on the preferred stock of either of its subsidiaries if the respective subsidiary is unable to make such payments, but such obligation is subordinated to any obligation to make payments on HECO's own preferred stock.

### 3. Unconsolidated variable interest entities

**HECO Capital Trust III.** HECO Capital Trust III (Trust III) was created and exists for the exclusive purposes of (i) issuing in March 2004 2,000,000 6.50% Cumulative Quarterly Income Preferred Securities, Series 2004 (2004 Trust Preferred Securities) (\$50 million aggregate liquidation preference) to the public and trust common securities (\$1.5 million aggregate liquidation preference) to HECO, (ii) investing the proceeds of these trust securities in 2004 Debentures issued by HECO in the principal amount of \$31.5 million and issued by each of MECO and HELCO in the respective principal amounts of \$10 million, (iii) making distributions on the trust securities and (iv) engaging in only those other activities necessary or incidental thereto. The 2004 Trust Preferred Securities are mandatorily redeemable at the maturity of the underlying debt on March 18, 2034, which maturity may be extended to no later than March 18, 2053; and are redeemable at the issuer's option without premium beginning on March 18, 2009. The 2004 Debentures, together with the obligations of HECO, HELCO and MECO under an expense agreement and HECO's obligations under its trust guarantee and its guarantee of the obligations of HELCO and MECO under their respective debentures, are the sole assets of Trust III. Trust III has at all times been an unconsolidated subsidiary of HECO. Since HECO, as the common security holder, does not absorb the majority of the variability of Trust III, HECO is not the primary beneficiary and does not consolidate Trust III in accordance with FIN 46R. Trust III's balance sheet as of December 31, 2007 consisted of \$51.5 million of 2004 Debentures; \$50.0 million of 2004 Trust Preferred Securities; and \$1.5 million of trust common securities. Trust III's income statement for 2007 consisted of \$3.4 million of interest income received from the 2004 Debentures; \$3.3 million of distributions to holders of the Trust Preferred Securities; and \$0.1 million of common dividends on the trust common securities to HECO. So long as the 2004 Trust Preferred Securities are outstanding, HECO is not entitled to receive any funds from Trust III other than pro rata distributions, subject to certain subordination provisions, on the trust common securities. In the event of a default by HECO in the performance of its obligations under the 2004 Debentures or under its Guarantees, or in the event HECO, HELCO or MECO elect to defer payment of interest on any of their respective 2004 Debentures, then HECO will be subject to a number of restrictions, including a prohibition on the payment of dividends on its common stock.

**Purchase power agreements.** As of December 31, 2007, HECO and its subsidiaries had six PPAs for a total of 540 MW of firm capacity, and other PPAs with smaller independent power producers (IPPs) and Schedule Q providers that supplied as-available energy. Approximately 91% of the 540 MW of firm capacity is under PPAs, entered into before December 31, 2003, with AES Hawaii, Inc. (AES Hawaii), Kalaeloa Partners, L.P. (Kalaeloa), Hamakua Energy Partners, L.P. (HEP) and HPOWER. Purchases from all IPPs for 2007 totaled \$537 million, with purchases from AES Hawaii, Kalaeloa, HEP and HPOWER totaling \$137 million, \$193 million, \$70 million and \$38 million, respectively. The primary business activities of these IPPs are the generation and sale of power to HECO and its subsidiaries (and municipal waste disposal in the case of HPOWER). Current financial information about the size, including total assets and revenues, for many of these IPPs is not publicly available.

Under FIN 46R, an enterprise with an interest in a VIE or potential VIE created before December 31, 2003 (and not thereafter materially modified) is not required to apply FIN 46R to that entity if the enterprise is unable to obtain, after making an exhaustive effort, the necessary information.

HECO reviewed its significant PPAs and determined in 2004 that the IPPs at that time had no contractual obligation to provide such information. In March 2004, HECO and its subsidiaries sent letters to all of their IPPs, except the Schedule Q providers, requesting the information that they need to determine the applicability of FIN 46R to the respective IPP, and subsequently contacted most of the IPPs to explain and repeat its request for information. (HECO and its subsidiaries excluded their Schedule Q providers from the scope of FIN 46R because their variable interest in the provider would not be significant to the utilities and they did not participate significantly in the design of the provider.) Some of the IPPs provided sufficient information for HECO to determine that the IPP was not a VIE, or was either a "business" or "governmental organization" (HPOWER) as defined under FIN 46R, and thus excluded from the scope of FIN 46R. Other IPPs, including the three largest, declined to provide the information necessary for HECO to determine the applicability of FIN 46R, and HECO was unable to apply FIN 46R to these IPPs.

As required under FIN 46R, HECO has continued after 2004 its efforts to obtain from the IPPs the information necessary to make the

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determinations required under FIN 46R. In January 2005, 2006, 2007 and 2008, HECO and its subsidiaries sent letters to the IPPs that were not excluded from the scope of FIN 46R, requesting the information required to determine the applicability of FIN 46R to the respective IPP. All of these IPPs declined to provide necessary information, except that Kalaeloa provided the information pursuant to the amendments to the PPA (see below) and Kaheawa Wind Power, LLC (KWP) provided information as required under the PPA. Management has concluded that MECO does not have to consolidate KWP (which began selling power to MECO in June 2006 from its 30 MW windfarm) as MECO does not have a variable interest in KWP because the PPA does not require MECO to absorb variability of KWP.

If the requested information is ultimately received from the other IPPs, a possible outcome of future analysis is the consolidation of one or more of such IPPs in HECO's consolidated financial statements. The consolidation of any significant IPP could have a material effect on HECO's consolidated financial statements, including the recognition of a significant amount of assets and liabilities and, if such a consolidated IPP were operating at a loss and had insufficient equity, the potential recognition of such losses. If HECO and its subsidiaries determine they are required to consolidate the financial statements of such an IPP and the consolidation has a material effect, HECO and its subsidiaries would retrospectively apply FIN 46R in accordance with SFAS No. 154, "Accounting Changes and Error Corrections."

**Kalaeloa Partners, L.P.** In October 1988, HECO entered into a PPA with Kalaeloa, subsequently approved by the PUC, which provided that HECO would purchase 180 MW of firm capacity for a period of 25 years beginning in May 1991. In October 2004, HECO and Kalaeloa entered into amendments to the PPA, subsequently approved by the PUC, which together effectively increased the firm capacity from 180 MW to 208 MW. The energy payments that HECO makes to Kalaeloa include: 1) a fuel component, with a fuel price adjustment based on the cost of low sulfur fuel oil, 2) a fuel additives cost component, and 3) a non-fuel component, with an adjustment based on changes in the Gross National Product Implicit Price Deflator. The capacity payments that HECO makes to Kalaeloa are fixed in accordance with the PPA.

Kalaeloa is a Delaware limited partnership formed on October 13, 1988 for the purpose of designing, constructing, owning and operating a 200 MW cogeneration facility on Oahu, which includes two 75 MW oil-fired combustion turbines, two waste heat recovery steam generators, a 50 MW turbine generator and other electrical, mechanical and control equipment. The two combustion turbines were upgraded during 2004 resulting in an increase in the facility's nominal output rating to approximately 220 MW. Kalaeloa has a PPA with HECO (described above) and a steam delivery contract with another customer, the term of which coincides with the PPA. The facility has been certified by the Federal Energy Regulatory Commission as a Qualifying Facility under the Public Utility Regulatory Policies Act of 1978 (PURPA).

Pursuant to the provisions of FIN 46R, HECO is deemed to have a variable interest in Kalaeloa by reason of the provisions of HECO's PPA with Kalaeloa. However, management has concluded that HECO is not the primary beneficiary of Kalaeloa because HECO does not absorb the majority of Kalaeloa's expected losses nor receive a majority of Kalaeloa's expected residual returns and, thus, HECO has not consolidated Kalaeloa in its consolidated financial statements. A significant factor affecting the level of expected losses HECO would absorb is the fact that HECO's exposure to fuel price variability is limited to the remaining term of the PPA as compared to the facility's remaining useful life. Although HECO absorbs fuel price variability for the remaining term of the PPA, the PPA does not currently expose HECO to losses as the fuel and fuel related energy payments under the PPA have been approved by the PUC for recovery from customers through base electric rates and through HECO's ECAC to the extent the fuel and fuel related energy payments are not included in base energy rates.

**Apollo Energy Corporation.** In October 2004, HELCO and Apollo Energy Corporation (Apollo) executed a restated and amended PPA which enables Apollo to repower its 7 MW facility, and install additional capacity, for a total allowed capacity of 20.5 MW. In December 2005, Apollo assigned the PPA to a subsidiary, which voluntarily, unilaterally and irrevocably waived and relinquished its right and benefit under the PPA to collect the floor rate for the entire term of the PPA. The 20.5 MW facility began commercial operations in April 2007. Based on information available, management concluded that HELCO does not have to consolidate Apollo as HELCO does not have a variable interest in Apollo because the PPA does not require HELCO to absorb any variability of Apollo.

#### 4. Long-term debt

For special purpose revenue bonds, funds on deposit with trustees represent the undrawn proceeds from the issuance of the special purpose revenue bonds and earn interest at market rates. These funds are available only to pay (or reimburse payment of) expenditures in connection with certain authorized construction projects and certain expenses related to the bonds.

On March 27, 2007, the Department of Budget and Finance of the State of Hawaii (the Department) issued (pursuant to a 2005 legislative authorization), at par, Series 2007A SPRBs in the aggregate principal amount of \$140 million, with a maturity of March 1, 2037 and a fixed coupon interest rate of 4.65%, and loaned the proceeds to HECO (\$100 million), HELCO (\$20 million) and MECO (\$20 million). Payment of the principal and interest on the SPRBs are insured by a surety bond issued by Financial Guaranty Insurance Company. Proceeds will be used to finance capital expenditures, including reimbursements to the electric utilities for previously incurred capital expenditures which, in turn, will be used primarily to repay short-term borrowings. As of December 31, 2007, approximately \$22 million of proceeds from the Series 2007A SPRBs had not yet been drawn and were held by the construction fund trustee. HECO, HELCO and MECO's long-term debt will increase from time to time as these remaining proceeds are drawn down.

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On March 27, 2007, the Department also issued, at par, Refunding Series 2007B SPRBs in the aggregate principal amount of \$125 million, with a maturity of May 1, 2026 and a fixed coupon interest rate of 4.60%, and loaned the proceeds to HECO (\$62 million), HELCO (\$8 million) and MECO (\$55 million). Proceeds from the sale were applied, together with other funds provided by the electric utilities, to the redemption at par on May 1, 2007 of the \$75 million aggregate principal amount of 6.20% Series 1996A SPRBs (which had an original maturity of May 1, 2026) and to the redemption at a 2% premium on April 27, 2007 of the \$50 million aggregate principal amount of 5 7/8% Series 1996B SPRBs (which had an original maturity of December 1, 2026). Payment of the principal and interest on the refunding SPRBs are insured by a surety bond issued by Financial Guaranty Insurance Company.

At December 31, 2007, the aggregate payments of principal required on long-term debt are nil during the next four years and \$57.5 million in 2012.

## 5. Short-term borrowings

Short-term borrowings from nonaffiliates at December 31, 2007 and 2006 had a weighted average interest rate of 5.4%, and consisted entirely of commercial paper.

At December 31, 2007 and 2006 the Company maintained a syndicated credit facility of \$175 million. The facility is not secured. There were no borrowings under any line of credit during 2007 and 2006.

**Credit agreement.** Effective April 3, 2006, HECO entered into a revolving unsecured credit agreement establishing a line of credit facility of \$175 million with a syndicate of eight financial institutions. On March 14, 2007 the PUC issued a D&O approving HECO's request to maintain the credit facility for five years (until March 31, 2011), to borrow under the credit facility (including borrowings with maturities in excess of 364 days), to use the proceeds from any borrowings with maturities in excess of 364 days to finance capital expenditures and/or to repay short-term or other borrowings used to finance or refinance capital expenditures and to use an expedited approval process to obtain PUC approval to increase the facility amount, renew the facility, refinance the facility or change other terms of the facility if such changes are required or desirable.

Any draws on the facility bear interest, at the option of HECO, at either the "Adjusted LIBO Rate" plus 40 basis points or the greater of (a) the "Prime Rate" and (b) the sum of the "Federal Funds Rate" plus 50 basis points, as defined in the agreement. The annual fee is 8 basis points on the undrawn commitment amount. The agreement contains provisions for revised pricing in the event of a ratings change. For example, a ratings downgrade of HECO's Senior Debt Rating (e.g., from BBB+/Baa1 to BBB/Baa2 by S&P and Moody's, respectively) would result in a commitment fee increase of 2 basis points and an interest rate increase of 10 basis points on any drawn amounts. On the other hand, a ratings upgrade (e.g., from BBB+/Baa1 to A-/A3) would result in a commitment fee decrease of 1 basis point and an interest rate decrease of 10 basis points on any drawn amounts. The agreement does not contain clauses that would affect access to the lines by reason of a ratings downgrade, nor does it have a broad "material adverse change" clause. However, the agreement does contain customary conditions that must be met in order to draw on it, such as the accuracy of certain of its representations at the time of a draw and compliance with its covenants (such as covenants preventing its subsidiaries from entering into agreements that restrict the ability of the subsidiaries to pay dividends to, or to repay borrowings from, HECO, and restricting HECO's ability, as well as the ability of any of its subsidiaries, to guarantee indebtedness of the subsidiaries if such additional debt would cause the subsidiary's "Consolidated Subsidiary Funded Debt to Capitalization Ratio" to exceed 65% (ratios of 47% for HELCO and 45% for MECO as of December 31, 2007, as calculated under the agreement)). In addition to customary defaults, HECO's failure to maintain its financial ratios, as defined in its agreement, or meet other requirements will result in an event of default. For example, under the agreement, it is an event of default if HECO fails to maintain a "Consolidated Capitalization Ratio" (equity) of at least 35% (ratio of 54% as of December 31, 2007, as calculated under the agreement), if HECO fails to remain a wholly-owned subsidiary of HEI or if any event or condition occurs that results in any "Material Indebtedness" of HECO or any of its significant subsidiaries being subject to acceleration prior to its scheduled maturity. HECO's syndicated credit facility is maintained to support the issuance of commercial paper, but it may also be drawn for general corporate purposes and capital expenditures.

On May 23, 2007, S&P lowered the long-term corporate credit and unsecured debt ratings on HECO, HELCO and MECO to BBB from BBB+ and stated that the downgrade "is the result of sustained weak bondholder protection parameters compounded by the financial pressure that continuous need for regulatory relief, driven by heightened capital expenditure requirements, is creating for the next few years." The pricing for future borrowings under the line of credit facility did not change since the pricing level is "determined by the higher of the two" ratings by S&P and Moody's, and Moody's ratings did not change.

## 6. Regulatory assets and liabilities

In accordance with SFAS No. 71, the Company's financial statements reflect assets, liabilities, revenues and expenses based on current cost-based rate-making regulations. Continued accounting under SFAS No. 71 generally requires that rates are established by an independent, third-party regulator; rates are designed to recover the costs of providing service; and it is reasonable to assume that rates can be charged to and collected from customers. Management believes its operations currently satisfy the SFAS No. 71 criteria. If events or circumstances should change so that those criteria are no longer satisfied, the Company expects that the regulatory assets would be charged to expense and the regulatory liabilities would be credited to income or refunded to ratepayers. In the event of unforeseen regulatory actions or other circumstances, management

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believes that a material adverse effect on the Company's results of operations and financial position may result if regulatory assets have to be charged to expense without an offsetting credit for regulatory liabilities or if regulatory liabilities are required to be refunded to ratepayers.

Regulatory assets represent deferred costs expected to be fully recovered through rates over PUC authorized periods. Generally, the Company does not earn a return on its regulatory assets, however, it has been allowed to recover interest on its regulatory assets for demand-side management program costs. Regulatory liabilities represent amounts included in rates and collected from ratepayers for costs expected to be incurred in the future. For example, the regulatory liability for cost of removal in excess of salvage value represents amounts that have been collected from ratepayers for costs that are expected to be incurred in the future to retire utility plant. Noted in parenthesis are the original PUC authorized amortization or recovery periods and the remaining amortization or recovery periods as of December 31, 2007, if different.

Regulatory assets were as follows:

December 31 (in thousands)	2007	2006
Retirement benefit plans (5 years for HELCO's \$10 million prepaid pension regulatory asset, indeterminate for remainder)	\$169,814	\$ -
Income taxes, net (1 to 36 years)	74,605	73,178
Postretirement benefits other than pensions (18 years; 5 years)	8,949	10,738
Unamortized expense and premiums on retired debt and equity issuances (14 to 30 years; 1 to 21 years)	17,510	14,909
Demand-side management program costs, net (1 year)	4,113	4,521
Vacation earned, but not yet taken (1 year)	5,997	5,759
Other (1 to 20 years)	4,002	3,244
	<u>\$ 284,990</u>	<u>\$ 112,349</u>

The regulatory asset relating to retirement benefit plans was created as a result of pension and OPEB tracking mechanisms adopted by the PUC in interim rate case decisions for HECO, MECO and HELCO in 2007 (see Note 10).

Regulatory liabilities were as follows:

December 31 (in thousands)	2007	2006
Cost of removal in excess of salvage value (1 to 60 years)	\$259,765	\$239,049
Other (5 years; 2 to 5 years)	1,841	1,570
	<u>\$261,606</u>	<u>\$240,619</u>

## 7. Income taxes

In June 2006, the FASB issued FIN 48, "Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109," which prescribes a "more-likely-than-not" recognition threshold and measurement attribute (the largest amount of benefit that is greater than 50% likely of being realized upon ultimate resolution with tax authorities) for the financial statement recognition and measurement of an income tax position taken or expected to be taken in a tax return. The Company adopted FIN 48 in the first quarter of 2007.

As a result of the implementation of FIN 48, the Company reclassified certain deferred tax liabilities to a liability for uncertain tax positions (FIN 48 liability) and reduced retained earnings by \$0.6 million as of January 1, 2007 for the cumulative effect of adoption of FIN 48.

The Company records interest on income taxes in "Interest and other charges." For 2007, 2006 and 2005, interest (income) expense on income taxes was \$0.6 million, (\$0.3) million and (\$0.7) million, respectively.

The Company will record penalties, if any, in "Other, net" under "Other income". As of December 31, 2007 and January 1, 2007 (implementation date), the total amount of accrued interest related to uncertain tax positions and recognized on the balance sheet was \$1.2 million and \$.6 million, respectively.

As of December 31, 2007, the total amount of FIN 48 liability was \$5.5 million and, of this amount, \$0.3 million, if recognized, would affect the Company's effective tax rate. Management concluded that it is reasonably possible that the FIN 48 liability will significantly change within the next 12 months due to the resolution of issues under examination by the Internal Revenue Service. Management cannot estimate the range of the reasonably possible change.

The changes in total unrecognized tax benefits were as follows:



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Year ended December 31 (in millions)	2007
Unrecognized tax benefits, January 1	\$ 23.6
Additions based on tax positions taken during the year	—
Reductions based on tax positions taken during the year	—
Additions for tax positions of prior years	0.8
Reductions for tax positions of prior years	—
Decreases due to tax positions taken	—
Settlements	—
Lapses of statute of limitations	—
Unrecognized tax benefits, December 31	\$ 24.4

In addition to the FIN 48 liability, the unrecognized tax benefits include \$18.9 million of tax benefits related to refund claims, which did not meet the recognition threshold. Consequently, tax benefits have not been recorded on these claims and no FIN 48 liability was required to offset these potential benefits.

Tax years 2003 to 2006 currently remain subject to examination by the Internal Revenue Service and Department of Taxation of the State of Hawaii.

The Company's effective federal and state income tax rate for 2007 was 37%, compared to an effective tax rate for 2006 of 38%. The lower effective tax rate was primarily due to domestic production activities deductions related to the generation of electricity and the impact of state tax credits (including the acceleration of the state tax credits associated with the write-off of a portion of CT-4 and CT-5 costs) recognized against a smaller income tax expense base.

The components of income taxes charged to operating expenses were as follows:

December 31 (in thousands)	2007	2006	2005
Federal:			
Current	\$54,767	\$50,208	\$23,799
Deferred	(22,853)	(7,000)	17,497
Deferred tax credits, net	(1,154)	(1,259)	(1,351)
	30,760	41,949	39,945
State:			
Current	5,073	2,889	(1,407)
Deferred	(3,699)	(1,267)	3,020
Deferred tax credits, net	1,992	3,810	3,471
	3,366	5,432	5,084
Total	\$34,126	\$47,381	\$45,029

Income tax benefits related to nonoperating activities, included in "Other, net" on the consolidated statements of income, amounted to \$3.2 million, \$0.9 million and \$0.4 million for 2007, 2006 and 2005, respectively.

A reconciliation between income taxes charged to operating expenses and the amount of income taxes computed at the federal statutory rate of 35% on income before income taxes and preferred stock dividends follows:

December 31 (in thousands)	2007	2006	2005
Amount at the federal statutory income tax rate	\$32,559	\$44,024	\$41,989
State income taxes on operating income, net of effect on federal income taxes	2,188	3,530	3,305
Other	(621)	(173)	(265)
Income taxes charged to operating expenses	\$34,126	\$47,381	\$45,029

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

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December 31	2007	2006
(in thousands)		
Deferred tax assets:		
Cost of removal in excess of salvage value	\$ 101,075	\$ 93,014
Retirement benefits in AOCI	--	80,665
Contributions in aid of construction and customer advances	76,342	38,582
Other	21,753	9,534
	199,170	221,795
Deferred tax liabilities:		
Property, plant and equipment	287,231	279,539
Regulatory assets, excluding amounts attributable to property, plant and equipment	29,050	28,495
Retirement benefits	15,590	26,862
Change in accounting method	23,036	--
Retirement benefits in AOCI	736	--
Other	5,640	4,954
	361,283	339,850
Net deferred income tax liability	\$162,113	\$118,055

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Based upon historical taxable income, projections for future taxable income and available tax planning strategies, management believes it is more likely than not the Company will realize substantially all of the benefits of the deferred tax assets.

As of December 31, 2007, the FIN 48 disclosures above present the Company's accrual for potential tax liabilities and related interest. Based on information currently available, the Company believes this accrual has adequately provided for potential income tax issues with federal and state tax authorities and related interest, and that the ultimate resolution of tax issues for all open tax periods will not have a material adverse effect on its results of operations, financial condition or liquidity.

## 8. Cash flows

### Supplemental disclosures of cash flow information

Cash paid for interest (net of AFUDC-Debt) and income taxes was as follows:

Years ended December 31	2007	2006	2005
(in thousands)			
Interest	\$47,155	\$47,206	\$46,221
Income taxes	\$26,106	\$52,782	\$20,554

### Supplemental disclosures of noncash activities

The allowance for equity funds used during construction, which was charged primarily to construction in progress, amounted to \$5.2 million, \$6.3 million and \$5.1 million in 2007, 2006 and 2005, respectively.

The estimated fair value of noncash contributions in aid of construction amounted to \$17.7 million, \$13.5 million and \$11.8 million in 2007, 2006 and 2005, respectively.

## 9. Major customers

HECO and its subsidiaries received approximately 9% (\$193 million), 10% (\$197 million) and 10% (\$176 million), of their operating revenues from the sale of electricity to various federal government agencies in 2007, 2006 and 2005, respectively.

## 10. Retirement benefits

### Pensions

Substantially all of the employees of HECO, HELCO and MECO participate in the Retirement Plan for Employees of Hawaiian Electric Industries, Inc. and Participating Subsidiaries (the Plan). The Plan is a qualified, non-contributory defined benefit pension plan and includes benefits

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for union employees determined in accordance with the terms of the collective bargaining agreements between the utilities and their respective unions. The Plan is subject to the provisions of the ERISA. In addition, some current and former executives and directors participate in noncontributory, nonqualified plans (collectively, Supplemental/Excess/Directors Plans). In general, benefits are based on the employees' years of service and compensation.

The continuation of the Plan and the Supplemental/Excess/Directors Plans and the payment of any contribution thereunder are not assumed as contractual obligations by the participating employers. The Directors' Plan has been frozen since 1996, and no participants have accrued any benefits after that time. The plan will be terminated at the time all remaining benefits have been paid.

Each participating employer reserves the right to terminate its participation in the applicable plans at any time. If a participating employer terminates its participation in the Plan, the interest of each affected participant would become 100% vested to the extent funded. Upon the termination of the Plan, assets would be distributed to affected participants in accordance with the applicable allocation provisions of ERISA and any excess assets that exist would be paid to the participating employers. Participants' benefits in the Plan are covered up to certain limits under insurance provided by the Pension Benefit Guaranty Corporation.

To determine pension costs for HECO, HELCO and MECO under the Plan and the Supplemental/Excess/Directors Plans, it is necessary to make complex calculations and estimates based on numerous assumptions, including the assumptions identified below.

#### ***Postretirement benefits other than pensions***

The Company provides eligible employees health and life insurance benefits upon retirement under the Postretirement Welfare Benefits Plan for Employees of Hawaiian Electric Company, Inc. and participating employers (HECO Benefits Plan). Health benefits are also provided to dependents of eligible retired employees. The contribution for health benefits paid by the participating employers is based on the retirees' years of service and retirement dates. Generally, employees are eligible for these benefits if, upon retirement from active employment, they are eligible to receive benefits from the Plan.

Among other provisions, the HECO Benefits Plan provides prescription drug benefits for Medicare-eligible participants who retire after 1998. Retirees who are eligible for the drug benefits are required to pay a portion of the cost each month. The Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the 2003 Act) was signed into law on December 8, 2003. The 2003 Act expanded Medicare to include for the first time coverage for prescription drugs. The 2003 Act provides that persons eligible for Medicare benefits can enroll in Part D, prescription drug coverage, for a monthly premium. Alternatively, if an employer sponsors a retiree health plan that provides benefits determined to be actuarially equivalent to those covered under the Medicare standard prescription drug benefit, the employer will be paid a subsidy of 28 percent of a participant's drug costs between \$250 and \$5,000 (to be indexed for inflation) if the participant waives coverage under Medicare Part D.

The continuation of the HECO Benefits Plan and the payment of any contribution thereunder is not assumed as a contractual obligation by the participating employers. Each participating employer reserves the right to terminate its participation in the plan at any time.

#### ***SFAS No. 158***

In September 2006, the FASB issued SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106, and 132(R)," which requires employers to recognize on their balance sheets the funded status of defined benefit pension and other postretirement benefit plans with an offset to AOCI in stockholders' equity (using the projected benefit obligation, rather than the accumulated benefit obligation, to calculate the funded status of pension plans).

By application filed on December 8, 2005 (AOCI Docket), the Company had requested the PUC to permit it to record, as a regulatory asset pursuant to SFAS No. 71, "Accounting for the Effects of Certain Types of Regulation," the amount that would otherwise be charged against stockholders' equity as a result of recording a minimum pension liability as prescribed by SFAS No. 87. The Company updated its application in the AOCI Docket in November 2006 to take into account SFAS No. 158. On January 26, 2007, the PUC issued a D&O in the updated AOCI Docket, which denied the Company's request to record a regulatory asset on the grounds that the Company had not met its burden of proof to show that recording a regulatory asset was warranted, or that there would be adverse consequences if a regulatory asset was not recorded. The PUC also required HECO to submit a pension study (determining whether ratepayers are better off with a well-funded pension plan, a minimally-funded pension plan, or something in between) in its pending 2007 test year rate case, as proposed by the Company in support of their request.

In HELCO's 2006, HECO's 2007 and MECO's 2007 test year rate cases, the Company and the Consumer Advocate proposed adoption of pension and OPEB tracking mechanisms, which are intended to smooth the impact to ratepayers of potential fluctuations in pension and OPEB costs. Under the tracking mechanisms, any costs determined under SFAS Nos. 87 and 106, as amended, that are over/under amounts allowed in rates are charged/credited to a regulatory asset/liability. The regulatory asset/liability for each utility will be amortized over 5 years beginning with the respective utility's next rate case.

The pension tracking mechanisms generally require the Company to fund only the minimum level required under the law until the existing pension assets are reduced to zero, at which time the Company would make contributions to the pension trust in the amount of the actuarially calculated net periodic pension costs, except when limited by the ERISA minimum contribution requirements or the maximum contribution limitation on deductible contributions imposed by the Internal Revenue code. The OPEB tracking mechanisms generally require the Company to make

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contributions to the OPEB trust in the amount of the actuarially calculated net periodic benefit costs, except when limited by material, adverse consequences imposed by federal regulations.

A pension funding study was filed in the HECO rate case in May 2007. The conclusions in the study were consistent with the funding practice proposed with the pension tracking mechanism.

In its 2007 interim decisions for HELCO's 2006, HECO's 2007 and MECO's 2007 test year rate cases, the PUC approved the adoption of the proposed pension and OPEB tracking mechanisms on an interim basis (subject to the PUC's final D&Os) and established the amount of net periodic benefit costs to be recovered in rates by each utility.

Under HELCO's interim order, a regulatory asset (representing HELCO's \$12.8 million prepaid pension asset as of December 31, 2006 prior to the adoption of SFAS No. 158) was allowed to be recovered (and is being amortized) over a period of five years and was allowed to be included in HELCO's rate base, net of deferred income taxes. On October 25, 2007, however, the PUC issued an amended proposed final D&O for HECO's 2005 test year rate case, which when issued in final form, would reverse the portion of the interim D&O related to the inclusion of HECO's approximately \$50 million pension asset, net of deferred income taxes, in rate base, and would require a refund of revenues associated with that reversal, including interest, retroactive to September 28, 2005 (the date the interim increase became effective). In 2007, HECO accrued \$16 million for the potential customer refunds, including interest, reducing 2007 net income by \$9 million. In the settlement agreement and interim PUC decision in HECO's 2007 test year rate case, HECO's pension asset was not included in HECO's rate base and amortization of the pension asset was not included as part of the pension tracking mechanism adopted in the proceeding on an interim basis. The issue of whether to amortize HECO's prepaid pension asset (\$51 million at December 31, 2007), if allowed to be included in rate base by the PUC, has thus been deferred until HECO's next rate case proceeding. Similarly, in the settlement agreement and interim PUC decision in MECO's 2007 test year rate case, MECO's pension asset (\$1 million as of December 31, 2007) was not included in MECO's rate base and amortization of the pension asset was not included as part of the pension tracking mechanism adopted in the proceeding on an interim basis.

As a result of the 2007 interim orders, the Company has reclassified to a regulatory asset charges for retirement benefits that would otherwise be recorded in accumulated other comprehensive income pursuant to SFAS No. 158 (amounting to the elimination of a potential charge to AOCI at December 31, 2007 of \$171 million pre-tax, compared to a retirement benefits pre-tax charge of \$207 million at December 31, 2006).

Retirement benefits expense for the Company for 2007, 2006 and 2005 was \$27 million, \$22 million and \$13 million, respectively.

#### ***Pension and other postretirement benefit plans information***

The changes in the obligations and assets of the Company's retirement benefit plans and the changes in AOCI (gross) for 2007 and 2006 and the funded status of these plans and amounts related to these plans reflected in the Company's balance sheet as of December 31, 2007 and 2006 were as follows:

	2007		2006	
(in thousands)	Pension benefits	Other benefits	Pension benefits	Other benefits
Benefit obligation, January 1	\$877,365	\$186,359	\$ 859,080	\$185,839
Service cost	25,527	4,652	26,719	4,965
Interest cost	51,588	10,512	48,348	10,337
Amendments	—	—	116	—
Actuarial gain	(7,084)	(10,671)	(14,925)	(5,350)
Benefits paid and expenses	(44,384)	(8,926)	(41,973)	(9,432)
Benefit obligation, December 31	903,012	181,926	877,365	186,359
Fair value of plan assets, January 1	784,163	133,815	730,101	117,352
Actual return on plan assets	67,378	11,390	95,909	15,656
Employer contribution	2,846	9,293	—	9,789
Benefits paid and expenses	(44,486)	(8,974)	(41,847)	(8,982)
Fair value of plan assets, December 31	809,901	145,524	784,163	133,815
Accrued benefit liability, December 31	(93,111)	(36,402)	(93,202)	(52,544)
AOCI, January 1	176,057	31,258	45	—
Recognized during year – net recognized transition obligation	(1)	(3,130)	(2)	(3,130)
Recognized during year – prior service (cost)/credit	762	—	770	—
Recognized during year – net actuarial losses	(10,486)	—	(10,699)	(388)
Occurring during year – prior service cost	—	—	115	—
Occurring during year – net actuarial gains	(13,126)	(12,219)	(46,367)	(11,248)

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Other adjustments	–	–	232,195	46,024
	153,206	15,909	176,057	31,258
Impact of PUC D&Os	(152,888)	(18,120)	–	–
AOCI, December 31	318	(2,211)	176,057	31,258
Net actuarial loss	157,324	260	180,937	12,480
Prior service gain	(4,118)	–	(4,881)	–
Net transition obligation	–	15,649	1	18,778
	153,206	15,909	176,057	31,258
Impact of PUC D&Os	(152,888)	(18,120)	–	–
AOCI, December 31	318	(2,211)	176,057	31,258
Income tax benefits	(124)	860	(68,503)	(12,162)
AOCI, net of taxes, December 31	\$ 194	\$ (1,351)	\$107,554	\$ 19,096

The Company does not expect any plan assets to be returned to the Company during calendar year 2008.

The dates used to determine retirement benefit measurements for the defined benefit plans were December 31 of 2007, 2006 and 2005.

The defined benefit pension plans' accumulated benefit obligations, which do not consider projected pay increases (unlike the projected benefit obligations shown in the table above), as of December 31, 2007 and 2006 were \$794 million and \$769 million, respectively.

The Company has determined the market-related value of retirement benefit plan assets by calculating the difference between the expected return and the actual return on the fair value of the plan assets, then amortizing the difference over future years – 0% in the first year and 25% in years two to five, and finally adding or subtracting the unamortized differences for the past four years from fair value. The method includes a 15% range around the fair value of such assets (i.e., 85% to 115% of fair value). If the market-related value is outside the 15% range, then the amount outside the range will be recognized immediately in the calculation of annual net periodic benefit cost.

A primary goal of the plans is to achieve long-term asset growth sufficient to pay future benefit obligations at a reasonable level of risk. The investment policy target for defined benefit pension and OPEB plans reflects the philosophy that long-term growth can best be achieved by prudent investments in equity securities while balancing overall fund volatility by an appropriate allocation to fixed income securities. In order to reduce the level of portfolio risk and volatility in returns, efforts have been made to diversify the plans' investments by: asset class, geographic region, market capitalization and investment style.

The expected long-term rate of return assumption of 8.5% was based on the plans' asset allocation, projected asset class returns provided by the plans' actuarial consultant and the past performance of the plans' assets.

The weighted-average asset allocation of retirement defined benefit plans was as follows:

	Pension benefits				Other benefits			
	Investment policy				Investment policy			
December 31	2007	2006	Target	Range	2007	2006	Target	Range
Asset category								
Equity securities	72%	72%	70%	65-75%	70%	71%	70%	65-75%
Fixed income	27	27	30	25-35%	30	29	30	25-35%
Other <sup>1</sup>	1	1	–	–	–	–	–	–
	100%	100%	100%		100%	100%	100%	

<sup>1</sup> Other includes alternative investments, which are relatively illiquid in nature and will remain as plan assets until an appropriate liquidation opportunity occurs.

The Company's current estimate of contributions to the retirement benefit plans in 2008 is \$14 million.

As of December 31, 2007, the benefits expected to be paid under the retirement benefit plans in 2008, 2009, 2010, 2011, 2012 and 2013 through 2017 amounted to \$57 million, \$59 million, \$61 million, \$63 million, \$66 million and \$370 million, respectively.

The following weighted-average assumptions were used in the accounting for the plans:

	Pension benefits			Other benefits		
	2007	2006	2005	2007	2006	2005
December 31						
Benefit obligation						
Discount rate	6.125%	6.00%	5.75%	6.125%	6.00%	5.75%

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Expected return on plan assets	8.5	8.5	9.0	8.5	8.5	9.0
Rate of compensation increase	4.0	4.0	4.6	4.0	4.0	4.6

## Net periodic benefit cost (years ended)

Discount rate	6.00	5.75	6.00	6.00	5.75	6.00
Expected return on plan assets	8.5	9.0	9.0	8.5	9.0	9.0
Rate of compensation increase	4.0	4.6	4.6	4.0	4.6	4.6

As of December 31, 2007, the assumed health care trend rates for 2008 and future years were as follows: medical, 10.00%, grading down to 5.00% for 2013 and thereafter; dental, 5.00%; and vision, 4.00%. As of December 31, 2006, the assumed health care trend rates for 2007 and future years were as follows: medical, 10.00%, grading down to 5.00% for 2012 and thereafter; dental, 5.00%; and vision, 4.00%. The components of net periodic benefit cost were as follows:

Years ended December 31 (in thousands)	Pension benefits			Other benefits		
	2007	2006	2005	2007	2006	2005
Service cost	\$25,527	\$26,719	\$23,832	\$ 4,652	\$ 4,965	\$ 5,098
Interest cost	51,588	48,348	46,817	10,512	10,337	10,818
Expected return on plan assets	(61,101)	(64,467)	(67,078)	(9,778)	(9,758)	(9,704)
Amortization of net transition obligation	1	2	2	3,130	3,130	3,130
Amortization of net prior service gain	(762)	(770)	(770)	—	—	—
Amortization of net actuarial loss	10,486	10,699	4,735	—	388	395
Net periodic benefit cost	25,739	20,531	7,538	8,516	9,062	9,737
Impact of PUC D&Os	1,195	—	—	187	—	—
Net periodic benefit cost (adjusted for impact of PUC D&Os)	\$26,934	\$ 20,531	\$ 7,538	\$8,703	\$ 9,062	\$9,737

The estimated prior service credit, net actuarial loss and net transition obligation for defined benefits pension plans that will be amortized from AOCI or regulatory asset into net periodic pension benefit cost over 2008 are \$(0.8) million, \$6.6 million and nil, respectively. The estimated prior service cost, net actuarial loss and net transitional obligation for other benefit plans that will be amortized from AOCI or regulatory asset into net periodic other than pension benefit cost over 2008 are nil, nil and \$3.1 million, respectively.

The Company recorded pension expense of \$20 million, \$15 million and \$6 million and OPEB expense of \$7 million each year in 2007, 2006 and 2005, respectively, and charged the remaining amounts primarily to electric utility plant.

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for pension plans with an accumulated benefit obligation in excess of plan assets were \$4 million, \$3 million and nil, respectively, as of December 31, 2007 and December 31, 2006.

The health care cost trend rate assumptions can have a significant effect on the amounts reported for other benefits. As of December 31, 2007, a one-percentage-point increase in the assumed health care cost trend rates would have increased the total service and interest cost by \$0.2 million and the postretirement benefit obligation by \$3.1 million, and a one-percentage-point decrease would have reduced the total service and interest cost by \$0.2 million and the postretirement benefit obligation by \$3.5 million.

## 11. Commitments and contingencies

**Fuel contracts.** HECO and its subsidiaries have contractual agreements to purchase minimum quantities of fuel oil and diesel fuel through December 31, 2014 (at prices tied to the market prices of petroleum products in Singapore and Los Angeles). Based on the average price per barrel as of January 1, 2008, the estimated cost of minimum purchases under the fuel supply contracts is \$0.9 billion per year for 2008 through 2012 and a total of \$1.8 billion for the period 2013 through 2014. The actual cost of purchases in 2008 and future years could vary substantially from this estimate as a result of changes in market prices, quantities actually purchased and/or other factors. HECO and its subsidiaries purchased \$795 million, \$755 million and \$662 million of fuel under contractual agreements in 2007, 2006 and 2005, respectively.

**Power purchase agreements (PPAs).** As of December 31, 2007, HECO and its subsidiaries had six firm capacity PPAs for a total of 540 megawatts (MW) of firm capacity. Purchases from these six independent power producers (IPPs) and all other IPPs totaled \$537 million, \$507 million and \$458 million for 2007, 2006 and 2005, respectively. The PUC allows rate recovery for energy and firm capacity payments to IPPs

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under these agreements. Assuming that each of the agreements remains in place for its current term and the minimum availability criteria in the PPAs are met, aggregate minimum fixed capacity charges are expected to be approximately \$0.1 billion per year for 2008 through 2012 and a total of \$1.0 billion in the period from 2013 through 2030.

In general, HECO and its subsidiaries base their payments under the PPAs upon available capacity and energy and they are generally not required to make payments for capacity if the contracted capacity is not available, and payments are reduced, under certain conditions, if available capacity drops below contracted levels. In general, the payment rates for capacity have been predetermined for the terms of the agreements. Energy payments will vary over the terms of the agreements. HECO and its subsidiaries pass on changes in the fuel component of the energy charges to customers through the ECAC in their rate schedules (see "Energy cost adjustment clauses" below). HECO and its subsidiaries do not operate, or participate in the operation of, any of the facilities that provide power under the agreements. Title to the facilities does not pass to HECO or its subsidiaries upon expiration of the agreements, and the agreements do not contain bargain purchase options for the facilities.

**Interim increases.** On September 27, 2005, the PUC issued an interim decision and order (D&O) in HECO's 2005 test year rate case granting a general rate increase on Oahu of 4.36%, or \$53.3 million (3.33%, or a net increase of \$41.1 million excluding the transfer of certain costs from a surcharge line item on electric bills into base electricity charges), which was implemented on September 28, 2005.

On October 25, 2007, the PUC issued an amended proposed final D&O in HECO's 2005 test year rate case, authorizing an increase of 3.74%, or \$45.7 million (or a net increase of \$34 million or 2.7%), in annual revenues. The amended proposed final D&O, when issued in final form, would reverse the portion of the interim D&O related to the inclusion of HECO's approximately \$50 million pension asset, net of deferred income taxes, in rate base, and would require a refund of the revenues associated with that reversal, including interest, retroactive to September 28, 2005 (the date the interim increase became effective), amounting to \$16 million through December 31, 2007 (\$9 million, net of tax benefits). Interest on the refund amount would continue to accrue until the amount is refunded to customers.

On April 4, 2007, the PUC issued an interim D&O in HELCO's 2006 test year rate case granting a general rate increase on the island of Hawaii of 7.58%, or \$24.6 million, which was implemented on April 5, 2007.

On October 22, 2007, the PUC issued, and HECO immediately implemented, an interim D&O in HECO's 2007 test year rate case, granting HECO an increase of \$69.997 million in annual revenues over current effective rates at the time of the interim decision.

On December 21, 2007, the PUC issued, and MECO immediately implemented, an interim D&O in MECO's 2007 test year rate case, granting MECO an increase of \$13.2 million in annual revenues, or a 3.7% increase.

Through December 31, 2007, HECO and its subsidiaries had recognized \$150 million of revenues with respect to interim orders (\$14 million related to interim orders regarding certain integrated resource planning costs and \$136 million related to interim orders with respect to HECO's interim surcharge to recover DG fuel and fuel trucking costs and general rate increase requests, not including revenues of \$16 million for which a reserve, including interest, has been accrued to reflect the PUC's proposed final D&O in the 2005 HECO rate case), which revenues are subject to refund, with interest, if and to the extent they exceed the amounts allowed in final D&Os.

**Energy cost adjustment clauses.** On June 19, 2006, the PUC issued an order in HECO's 2005 test year rate case indicating that the record in the pending case had not been developed for the purpose of addressing the factors in Act 162, signed into law by the Governor of Hawaii on June 2, 2006. Act 162 states that any automatic fuel rate adjustment clause requested by a public utility in an application filed with the PUC shall be designed, as determined in the PUC's discretion, to (1) fairly share the risk of fuel cost changes between the public utility and its customers, (2) provide the public utility with sufficient incentive to reasonably manage or lower its fuel costs and encourage greater use of renewable energy, (3) allow the public utility to mitigate the risk of sudden or frequent fuel cost changes that cannot otherwise reasonably be mitigated through other commercially available means, such as through fuel hedging contracts, (4) preserve, to the extent reasonably possible, the public utility's financial integrity, and (5) minimize, to the extent reasonably possible, the public utility's need to apply for frequent applications for general rate increases to account for the changes to its fuel costs. While the PUC already had reviewed the automatic fuel rate adjustment clause in rate cases, Act 162 required that these five specific factors be addressed in the record. In October 2007, the PUC issued an amended proposed final D&O in HECO's 2005 test year rate case in which the PUC stated it would not require the parties in the rate case proceeding to file a stipulated procedural schedule on this issue, but that it expects HECO and HELCO to develop information relating to the Act 162 factors for examination during their next rate case proceedings.

The ECAC provisions of Act 162 were reviewed in the HELCO rate case based on a 2006 test year and are being reviewed in the HECO and MECO rate cases based on 2007 test years. In the HELCO 2006 test year rate case, the filed testimony of the Consumer Advocate's consultant concluded that HELCO's ECAC provides a fair sharing of the risks of fuel cost changes between HELCO and its ratepayers in a manner that preserves the financial integrity of HELCO without the need for frequent rate filings. On April 4, 2007 the PUC issued an interim D&O in the HELCO 2006 test year rate case which reflected the continuation of HELCO's ECAC, consistent with a settlement agreement reached between HELCO and the Consumer Advocate.

In an order issued on August 24, 2007, the PUC added as an issue to be addressed in HECO's 2007 test year rate case whether HECO's ECAC complies with the requirements of Act 162 as codified in the Hawaii Revised Statutes (HRS). On September 6, 2007, HECO, the Consumer Advocate and the DOD (the parties) executed and filed an agreement on most of the issues in HECO's 2007 test year rate case proceeding. In the

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settlement agreement, the parties agreed that the ECAC should continue in its present form for purposes of an interim rate increase and stated that they are continuing discussions with respect to the final design of the ECAC to be proposed for approval in the final D&O in this proceeding. On October 22, 2007 the PUC issued an interim D&O in HECO's 2007 test year rate case which reflected the continuation of HECO's ECAC for purposes of the interim increase, consistent with the agreement reached among the parties. The parties will file proposed findings of fact and conclusions of law on all issues in this proceeding, including the ECAC, and the schedule for that filing is being determined. The parties have agreed that their resolution of the ECAC issue will not affect their agreement regarding revenue requirements in the proceeding. Management cannot predict the ultimate effect of the required Act 162 analysis on the continuation of the Company's existing ECACs.

In an order issued on June 19, 2007, the PUC approved a procedural order for MECO's 2007 test year rate case and required MECO and the Consumer Advocate (the parties) to address an additional issue of whether MECO's ECAC complies with the requirements of Act 162 as codified in the HRS. In its direct testimony, the Consumer Advocate concluded that the ECAC's fixed efficiency factors are an effective means of sharing the operating and performance risks between MECO's ratepayers and shareholders and that MECO's ECAC provides a fair sharing of the risks of fuel cost changes between MECO and its ratepayers in a manner that preserves the financial integrity of MECO without the need for frequent rate filings. On December 7, 2007, the parties filed a stipulated settlement letter for this proceeding in which the parties agreed, among other things, that no further changes are required to MECO's ECAC in order to comply with the requirements of Act 162. On December 21, 2007 the PUC issued an interim D&O in MECO's 2007 test year rate case which reflected the continuation of MECO's ECAC for purposes of the interim increase, consistent with the agreement reached among the parties.

On April 23, 2007, the PUC issued an order denying HECO's proposal to recover \$2.4 million, including revenue taxes, of distributed generation fuel and trucking and low sulfur fuel oil (LSFO) trucking costs since January 1, 2006 through the reconciliation process for the ECAC. However, the PUC allowed HECO to establish and implement a new and separate interim surcharge to recover its additional DG and LSFO costs on a going forward basis. HECO implemented an interim surcharge to recover such costs incurred from May 1, 2007.

**HELCO power situation.** In 1991, HELCO began planning to meet increased electric generation demand forecast for 1994. It planned to install at its Keahole power plant two 20 MW combustion turbines (CT-4 and CT-5), followed by an 18 MW heat recovery steam generator (ST-7), at which time these units would be converted to a 56 MW (net) dual-train combined-cycle unit. In January 1994, the PUC approved expenditures for CT-4. In 1995, the PUC allowed HELCO to pursue construction of and commit expenditures for CT-5 and ST-7, but noted that such costs are not to be included in rate base until the project is installed and "is used and useful for utility purposes." There were a number of environmental and other permitting challenges to construction of CT-4, CT-5 and ST-7, resulting in significant delays in the installation and operation of these generating units. However, in 2003, the parties opposing the plant expansion project (other than Waimana Enterprises, Inc. (Waimana), which did not participate in the settlement discussions and opposed the settlement) entered into a settlement agreement with HELCO and several Hawaii regulatory agencies, intended in part to permit HELCO to complete CT-4 and CT-5 (Settlement Agreement). The Settlement Agreement required HELCO to undertake a number of actions including expediting efforts to obtain the permits and approvals necessary for installation of ST-7 with selective catalytic reduction emissions control equipment, assisting the Department of Hawaiian Home Lands in installing solar water heating in its housing projects, supporting the Keahole Defense Coalition's participation in certain PUC cases, and cooperating with neighbors and community groups (including adding a Hot Line service). While certain of these actions have been completed, and required payments to other parties to the settlement agreement were timely made, a number of these actions are ongoing.

As a result of the final resolution of various proceedings due primarily to the Settlement Agreement, CT-4 and CT-5 became operational in mid-2004, there are no pending lawsuits involving the project, and work on ST-7 is proceeding. Noise mitigation equipment has been installed on CT-4 and CT-5 and additional noise mitigation work is ongoing to ensure compliance with the night-time noise standard applicable to the plant. Currently, HELCO can operate CT-4 and CT-5 as required to meet its system needs. Construction of a noise barrier was substantially completed in December 2007, and installation of other noise mitigation measures are planned. Subsequent testing will determine whether current restrictions on the operations of these units may be eliminated or eased.

HELCO's plans for ST-7 are progressing. In November 2003, HELCO filed a boundary amendment petition (to reclassify the Keahole plant site from conservation land use to urban land use) with the State of Hawaii Land Use Commission, which boundary amendment was approved in October 2005. In May 2006, HELCO obtained the County of Hawaii rezoning to a "General Industrial" classification, and in June 2006, received approval for a covered source permit amendment to include selective catalytic reduction with the installation of ST-7. Management believes that any other required permits will be obtained and anticipates an in-service date for ST-7 in mid-2009. HELCO has commenced engineering, design and certain construction work for ST-7. HELCO's current cost estimate for ST-7 is approximately \$92 million, of which approximately \$9 million has been incurred through December 31, 2007. HELCO has made about \$32 million in additional commitments for materials, equipment and outside services, a substantial portion of which are subject to cancellation charges.

**CT-4 and CT-5 costs incurred and allowed.** HELCO's capitalized costs incurred in its efforts to put CT-4 and CT-5 into service and to support existing units (excluding costs for pre-air permit facilities) amounted to approximately \$110 million. The \$110 million of costs was reclassified from construction in progress to plant and equipment in 2004 (\$103 million) and 2005 (\$7 million) and depreciated beginning January 1, 2005 and 2006, respectively, and HELCO sought recovery of these costs as part of its 2006 test year rate case.



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In March 2007, HELCO and the Consumer Advocate reached a settlement of the issues in the HELCO 2006 rate case proceeding, subject to PUC approval. Under the settlement, HELCO agreed to write-off approximately \$12 million of plant-in-service costs, net of average accumulated depreciation, relating to CT-4 and CT-5, resulting in an after-tax charge to net income in the first quarter of 2007 of approximately \$7 million (included in "Other, net" under "Other income (loss)" on HECO's consolidated statement of income).

In April 2007, the PUC issued an interim D&O granting HELCO a 7.58% increase in rates, which reflects the settlement agreement reached between HELCO and the Consumer Advocate, including the agreement to write-off a portion of CT-4 and CT-5 costs. However, the interim order does not commit the PUC to accept any of the amounts in the interim increase in its final order. If it becomes probable that the PUC, in its final order, will disallow additional costs incurred for CT-4 and CT-5 for ratemaking purposes, HELCO will be required to record an additional write-off.

**East Oahu Transmission Project (EOTP).** HECO transmits bulk power to the Honolulu/East Oahu area over two major transmission corridors (Northern and Southern). HECO had planned to construct a partial underground/partial overhead 138 kilovolt (kV) line from the Kamoku substation to the Pukele substation, which serves approximately 16% of Oahu's electrical load, including Waikiki, in order to close the gap between the Southern and Northern corridors and provide a third transmission line to the Pukele substation. In total, this additional transmission capacity would benefit an area that comprises approximately 56% of the power demand on Oahu. However, in June 2002, an application for a permit which would have allowed construction in the originally planned route through conservation district lands was denied.

HECO continued to believe that the proposed reliability project (the East Oahu Transmission Project) was needed and, in December 2003, filed an application with the PUC requesting approval to commit funds (currently estimated at \$74 million; see costs incurred below) for a revised EOTP using a 46 kV system. In March 2004, the PUC granted intervenor status to an environmental organization and three elected officials (collectively treated as one party), and a more limited participant status to four community organizations. The environmental review process for the revised EOTP was completed and the PUC issued a Finding of No Significant Impact in April 2005.

In written testimony filed in June 2005, the consultant for the Consumer Advocate contended that HECO should always have planned for a project using only the 46 kV system and recommended that HECO be required to expense the \$12 million incurred prior to the denial in 2002 of the approval necessary for the partial underground/partial overhead 138 kV line, and the related allowance for funds used during construction (AFUDC) of \$5 million. In rebuttal testimony filed in August 2005, HECO contested the consultant's recommendation, emphasizing that the originally proposed 138 kV line would have been a more comprehensive and robust solution to the transmission concerns the project addressed. The PUC held an evidentiary hearing on HECO's application in November 2005, and post-hearing briefing was completed in March 2006. Just prior to the November 2005 evidentiary hearing, the PUC approved that part of a stipulation between HECO and the Consumer Advocate providing that (i) this proceeding should determine whether HECO should be given approval to expend funds for the EOTP, but with the understanding that no part of the EOTP costs may be recovered from ratepayers unless and until the PUC grants HECO recovery in a rate case (which is consistent with other projects) and (ii) the issue as to whether the pre-2003 planning and permitting costs, and related AFUDC, should be included in the project costs is reserved to, and may be raised in, the next HECO rate case (or other proceeding) in which HECO seeks approval to recover the EOTP costs. In October 2007, the PUC issued a final D&O approving HECO's request to expend funds for a revised EOTP using a 46 kV system, but stating that the issue of recovery of the EOTP costs would be determined in a subsequent rate case, after the project is installed and in service.

Subject to obtaining other construction permits, HECO plans to construct the revised project, none of which is in conservation district lands, in two phases. The first phase is currently projected to be completed in 2010 and the projected completion date of the second phase is being evaluated.

As of December 31, 2007, the accumulated costs recorded for the EOTP amounted to \$33 million, including (i) \$12 million of planning and permitting costs incurred prior to 2003, (ii) \$6 million of planning and permitting costs incurred after 2002 and (iii) \$15 million for AFUDC. Management believes no adjustment to project costs is required as of December 31, 2007. However, if it becomes probable that the PUC will disallow some or all of the incurred costs for rate-making purposes, HECO may be required to write off a material portion or all of the project costs incurred in its efforts to put the project into service whether or not it is completed.

**Environmental regulation.** HECO and its subsidiaries are subject to environmental laws and regulations that regulate the operation of existing facilities, the construction and operation of new facilities and the proper cleanup and disposal of hazardous waste and toxic substances.

HECO, HELCO and MECO, like other utilities, periodically identify petroleum or other chemical releases into the environment associated with current operations and report and take action on these releases when and as required by applicable law and regulations. Except as otherwise disclosed herein, the Company believes the costs of responding to releases identified to date will not have a material adverse effect, individually or in the aggregate, on its consolidated financial statements.

Additionally, current environmental laws may require HECO and its subsidiaries to investigate whether releases from historical operations may have contributed to environmental impacts, and, where appropriate, respond to such releases, even if they were not inconsistent with law or standard industrial practices prevailing at the time when they occurred. Such releases may involve area-wide impacts contributed to by multiple potentially responsible parties.

Honolulu Harbor investigation. In 1995, the Department of Health of the State of Hawaii (DOH) issued letters indicating that it had identified a

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number of parties, including HECO, who appeared to be potentially responsible for historical subsurface petroleum contamination and/or operated their facilities upon petroleum-contaminated land at or near Honolulu Harbor in the Iwilei district of Honolulu. Certain of the identified parties formed a work group to determine the nature and extent of any contamination and appropriate response actions, as well as to identify additional potentially responsible parties (PRPs). The U.S. Environmental Protection Agency (EPA) became involved in the investigation in June 2000. Later in 2000, the DOH issued notices to additional PRPs. The parties in the work group and some of the new PRPs (collectively, the Participating Parties) entered into a joint defense agreement and signed a voluntary response agreement with the DOH. The Participating Parties agreed to fund investigative and remediation work using an interim cost allocation method (subject to a final allocation) and have organized a limited liability company to perform the work.

In 2001, management developed and expensed a preliminary estimate of HECO's share of costs for continuing investigative work, remedial activities and monitoring at the Iwilei Unit of \$1.1 million. Since 2001, subsurface investigation and assessment have been conducted and several preliminary oil removal tasks have been performed at the Iwilei Unit in accordance with notices of interest issued by the EPA and the DOH.

In 2003, HECO and other Participating Parties with active operations in the Iwilei area investigated their operations to evaluate whether their facilities were active sources of petroleum contamination in the area. HECO's investigation concluded that its facilities were not then releasing petroleum. Routine maintenance and inspections of HECO facilities since then confirm that they are not currently releasing petroleum.

During 2006 and the beginning of 2007, the PRPs developed analyses of various remedial alternatives for two of the four remedial subunits of the Iwilei Unit. The DOH will use the analyses to make a final determination of which remedial alternatives the PRPs will be required to implement. The DOH is scheduled to complete the final remediation determinations for all remedial subunits of the Iwilei Unit by the end of the first quarter of 2008. HECO management developed an estimate of HECO's share of the costs associated with implementing the PRP recommended remedial approaches for the two subunits covered by the analyses of \$1.2 million, which was expensed in 2006. Subsequently, based on the estimated costs for the remaining two subunits, as well as updated estimates for total remediation costs, HECO management expensed an additional \$0.6 million in the third quarter of 2007.

As of December 31, 2007, the remaining accrual (amounts expensed less amounts expended) related to the Honolulu Harbor investigation was \$1.8 million. Because (1) the full scope of additional investigative work, remedial activities and monitoring remain to be determined, (2) the final cost allocation method among the PRPs has not yet been established and (3) management cannot estimate the costs to be incurred (if any) for the sites other than the Iwilei Unit (such as its Honolulu power plant, which is located in the "Downtown" unit of the Honolulu Harbor site), the cost estimate may be subject to significant change and additional material investigative and remedial costs may be incurred.

Regional Haze Rule amendments. In June 2005, the EPA finalized amendments to the July 1999 Regional Haze Rule that require emission controls known as best available retrofit technology (BART) for industrial facilities emitting air pollutants that reduce visibility in National Parks by causing or contributing to regional haze. States were to adopt BART implementation plans and schedules in accordance with the amended regional haze rule by December 2007. After Hawaii adopts its plan, which it has not done to date, HECO, HELCO and MECO will evaluate the plan's impacts, if any. If any of the utilities' generating units are ultimately required to install post-combustion control technologies to meet BART emission limits, the resulting capital and operation and maintenance costs could be significant.

Clean Water Act. Section 316(b) of the federal Clean Water Act requires that the EPA ensure that existing power plant cooling water intake structures reflect the best technology available for minimizing adverse environmental impacts. Effective September 9, 2004, the EPA issued a rule, which established location and technology-based design, construction and capacity standards for existing cooling water intake structures. These standards applied to HECO's Kahe, Waiau and Honolulu generating stations, unless the utility could demonstrate that at each facility implementation of these standards would result in costs either significantly higher than projected costs the EPA considered in establishing the standards for the facility (cost-cost test) or significantly greater than the benefits of meeting the standards (cost-benefit test). In either case, the EPA would then make a case-by-case determination of an appropriate performance standard. The regulation also would have allowed restoration of aquatic organism populations in lieu of meeting the standards. The rule required covered facilities to demonstrate compliance by March 2008. HECO had retained a consultant that was developing a cost effective compliance strategy and a preliminary assessment of technologies and operational measures under the rule.

On January 25, 2007, the U.S. Circuit Court for the Second Circuit issued a decision in *Riverkeeper, Inc. v. EPA* that remanded for further consideration and proceedings significant portions of the rule and found other portions of the rule to be impermissible. In particular, the court determined that restoration and the cost-benefit test provisions of the rule were impermissible under the Clean Water Act. It also remanded the best technology available determination to permit the EPA to provide a reasoned explanation for its decision or a new determination. It remanded the cost-cost test for the EPA's further consideration based on the best technology available determination and to afford adequate notice. Although the EPA has decided not to request the U.S. Supreme Court to review the Court of Appeal's decision, several utilities have sought Supreme Court review. If the Court of Appeal's decision stands, the ruling reduces the compliance options available to HECO. In addition, the EPA has not issued a schedule for rulemaking, which would be necessary to comply with the Court's decision. On July 9, 2007, the EPA formally suspended the rule. In the suspension announcement, the EPA provided guidance to federal and state permit writers that they should use their "best professional judgment" in determining permit conditions regarding cooling water intake requirements at existing power plants. Currently, this guidance does not affect the

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HECO facilities subject to the cooling water intake requirements because none of the facilities are subject to permit renewal until mid-2009. Due to the uncertainties raised by the Court's decision as well as the need for further rulemaking by the EPA, management is unable to predict which compliance options, some of which could entail significant capital expenditures to implement, will be applicable to its facilities.

**Collective bargaining agreements.** As of December 31, 2007, approximately 58% of the Company's employees are members of the International Brotherhood of Electrical Workers, AFL-CIO, Local 1260, Unit 8, which is the only union representing employees of the Company. Four-year collective bargaining and benefit agreements with the union covered a term from November 1, 2003 to October 31, 2007 and have been extended to March 3, 2008. These collective bargaining agreements provided for non-compounded wage increases (3% on November 1, 2003; 1.5% on November 1, 2004, May 1, 2005, November 1, 2005 and May 1, 2006; and 3% on November 1, 2006). Negotiations for new agreements began in the third quarter of 2007 and are continuing.

**Limited insurance.** HECO and its subsidiaries purchase insurance coverages to protect themselves against loss of or damage to their properties and against claims made by third-parties and employees. However, the protection provided by such insurance is limited in significant respects and, in some instances, there is no coverage. HECO, HELCO and MECO's overhead and underground transmission and distribution systems (with the exception of substation buildings and contents) have a replacement value roughly estimated at \$4 billion and are uninsured. Similarly, HECO, HELCO and MECO have no business interruption insurance. If a hurricane or other uninsured catastrophic natural disaster were to occur, and if the PUC were not to allow the utilities to recover from ratepayers restoration costs and revenues lost from business interruption, their results of operations and financial condition could be materially adversely impacted. Also, certain insurance has substantial "deductibles", limits on the maximum amounts that may be recovered and exclusions or limitations of coverage for claims related to certain perils. If a series of losses occurred, such as from a series of lawsuits in the ordinary course of business, each of which were subject to the deductible amount, or if the maximum limit of the available insurance were substantially exceeded, HECO, HELCO and MECO could incur losses in amounts that would have a material adverse effect on its results of operations and financial condition.

## 12. Regulatory restrictions on distributions to parent

As of December 31, 2007, net assets (assets less liabilities and preferred stock) of approximately \$495 million were not available for transfer to HEI in the form of dividends, loans or advances without regulatory approval.

## 13. Related-party transactions

HEI charged HECO and its subsidiaries \$3.4 million, \$3.4 million and \$3.3 million for general management and administrative services in 2007, 2006 and 2005, respectively. The amounts charged by HEI to its subsidiaries are allocated primarily on the basis of actual labor hours expended in providing such services.

HECO's borrowings from HEI fluctuate during the year, and totaled nil at December 31, 2007 and 2006. The interest charged on short-term borrowings from HEI is based on the rate HEI pays on its commercial paper borrowings, provided HEI's commercial paper rating is equal to or better than HECO's rating. If HEI's commercial paper rating falls below HECO's, or if HEI has no commercial paper borrowings, interest is based on HECO's short-term external borrowing rate, or quoted rates from the Wall Street Journal for 30-day dealer-placed commercial paper.

Interest charged by HEI to HECO totaled nil, nil and \$0.4 million in 2007, 2006 and 2005, respectively.

## 14. Significant group concentrations of credit risk

HECO and its utility subsidiaries are regulated operating electric public utilities engaged in the generation, purchase, transmission, distribution and sale of electricity on the islands of Oahu, Hawaii, Maui, Lanai and Molokai in the State of Hawaii. HECO and its utility subsidiaries provide the only electric public utility service on the islands they serve. HECO and its utility subsidiaries grant credit to customers, all of whom reside or conduct business in the State of Hawaii.

## 15. Fair value of financial instruments

Fair value estimates are based on the price that would be received to sell an asset, or paid upon the transfer of a liability, in an orderly transaction between market participants at the measurement date. The fair value estimates are generally determined based on assumptions that market participants would use in pricing the asset or liability and are based on market data obtained from independent sources. However, in certain cases, the Company uses its own assumptions about market participant assumptions developed on the best information available in the circumstances. These valuations are estimates at a specific point in time, based on relevant market information, information about the financial instrument and judgments regarding future expected loss experience, economic conditions, risk characteristics of various financial instruments and other factors. These estimates do not reflect any premium or discount that could result if the Company were to sell its entire holdings of a particular financial instrument at one time. Because no market exists for a portion of the Company's financial instruments, fair value estimates cannot be determined with precision. Changes in the underlying assumptions used, including discount rates and estimates of future cash flows, could

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significantly affect the estimates. Fair value estimates are provided for certain financial instruments without attempting to estimate the value of anticipated future business and the value of assets and liabilities that are not considered financial instruments. In addition, the tax ramifications related to the realization of the unrealized gains and losses could have a significant effect on fair value estimates and have not been considered.

The Company used the following methods and assumptions to estimate the fair value of each applicable class of financial instruments for which it is practicable to estimate that value:

#### Cash and equivalents and short-term borrowings

The carrying amount approximated fair value because of the short maturity of these instruments.

#### Long-term debt

Fair value was obtained from a third party financial services provider based on the current rates offered for debt of the same or similar remaining maturities.

#### Off-balance sheet financial instruments

The fair values of off-balance sheet financial instruments were estimated based on quoted market prices of comparable instruments.

The estimated fair values of the financial instruments held or issued by the Company were as follows:

December 31	2007		2006	
	Carrying Amount	Estimated fair value	Carrying Amount	Estimated fair value
(in thousands)				
<b>Financial assets:</b>				
Cash and equivalents	\$ 4,678	\$ 4,678	\$ 3,859	\$ 3,859
<b>Financial liabilities:</b>				
Short-term borrowings from nonaffiliates	28,791	28,791	113,107	113,107
Long-term debt, net, including amounts due within one year	885,099	904,092	766,185	800,975
<b>Off-balance sheet item:</b>				
HECO-obligated preferred securities of trust subsidiary	50,000	46,200	50,000	50,800

#### 16. Sale of non-electric utility property

In August 2007, HECO sold land and a building that executives and management had been using as a recreational facility. The sale of the non-electric utility property resulted in an after-tax gain in the third quarter of 2007 of approximately \$2.9 million.

#### 17. Consolidating financial information (unaudited)

##### Consolidating balance sheet

	December 31, 2007						
(in thousands)	HECO	HELCO	MECO	RHI	UBC	Reclassifications and Eliminations	HECO Consolidated
<b>Assets</b>							
Utility plant, at cost							
Land	\$ 28,833	4,982	4,346	--	--	--	\$ 38,161
Plant and equipment	2,504,389	830,237	796,600	--	--	--	4,131,226
Less accumulated depreciation	(988,732)	(324,517)	(333,864)	--	--	--	(1,647,113)

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Plant acquisition adjustment, net	--	--	41	--	--	--	41
Construction in progress	114,227	26,262	10,690	--	--	--	151,179
Net utility plant	1,658,717	536,964	477,813	--	--	--	2,673,494
Investment in wholly owned subsidiaries, at equity	410,911	--	--	--	--	[2]	--
						(410,911)	
Current assets							
Cash and equivalents	203	3,069	773	198	435	--	4,678
Advances to affiliates	36,600	--	2,000	--	--	[1]	--
						(38,600)	
Customer accounts receivable, net	98,129	26,554	21,429	--	--	--	146,112
Accrued unbilled revenues, net	82,550	16,795	14,929	--	--	--	114,274
Other accounts receivable, net	6,657	2,481	3,025	--	--	[1]	6,915
						(5,248)	
Fuel oil stock, at average cost	57,289	12,494	22,088	--	--	--	91,871
Materials & supplies, at average cost	15,723	4,404	14,131	--	--	--	34,258
Prepayments and other	6,946	1,239	1,305	--	--	--	9,490
Total current assets	304,097	67,036	79,680	198	435		407,598
						(43,848)	
Other long-term assets							
Regulatory assets	209,034	40,663	35,293	--	--	--	284,990
Unamortized debt expense	10,555	2,458	2,622	--	--	--	15,635
Other	30,449	5,671	6,051	--	--	--	42,171
Total other long-term assets	250,038	48,792	43,966	--	--	--	342,796
	\$2,623,763	652,792	601,459	198	435		\$3,423,888
						(454,759)	
Capitalization and liabilities							
Capitalization							
Common stock equity	\$1,110,462	201,820	208,521	182	388	[2]	\$1,110,462
						(410,911)	
Cumulative preferred stock—not subject to mandatory redemption	22,293	7,000	5,000	--	--	--	34,293
Long-term debt, net	567,657	145,811	171,631	--	--	--	885,099
Total capitalization	1,700,412	354,631	385,152	182	388		2,029,854
						(410,911)	
Current liabilities							
Short-term borrowings-nonaffiliates	28,791	--	--	--	--	--	28,791
Short-term borrowings-affiliate	2,000	36,600	--	--	--	[1]	--
						(38,600)	
Accounts payable	97,699	21,810	18,386	--	--	--	137,895
Interest and preferred dividends payable	9,774	2,370	2,738	--	--	[1]	14,719
						(163)	
Taxes accrued	119,032	35,380	35,225	--	--	--	189,637
Other	41,792	9,835	11,194	16	47	[1]	57,799
						(5,085)	
Total current liabilities	299,088	105,995	67,543	16	47		428,841
						(43,848)	
Deferred credits and other liabilities							
Deferred income taxes	130,573	17,791	13,749	--	--	--	162,113
Regulatory liabilities	180,725	46,460	34,421	--	--	--	261,606
Unamortized tax credits	32,664	12,941	12,814	--	--	--	58,419

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Other	103,876	51,972	27,470	--	--	--	183,318
Total deferred credits and other liabilities	447,838	129,164	88,454	--	--	--	665,456
Contributions in aid of construction	176,425	63,002	60,310	--	--	--	299,737
	\$2,623,763	652,792	601,459	198	435		\$3,423,888
						(454,759)	

**Consolidating balance sheet**

December 31, 2006

(in thousands)	HECO	HELCO	MECO	RHI	Reclassifications and Eliminations	HECO Consolidated
<b>Assets</b>						
Utility plant, at cost						
Land	\$ 25,919	4,977	4,346	--	--	\$ 35,242
Plant and equipment	2,428,155	807,474	767,300	--	--	4,002,929
Less accumulated depreciation	(953,187)	(298,590)	(307,136)	--	--	(1,558,913)
Plant acquisition adjustment, net	--	--	93	--	--	93
Construction in progress	80,298	9,745	5,576	--	--	95,619
Net utility plant	1,581,185	523,606	470,179	--	--	2,574,970
Investment in wholly owned subsidiaries, at equity	367,595	--	--	--	(367,595)[2]	--
<b>Current assets</b>						
Cash and equivalents	2,328	738	518	275	--	3,859
Advances to affiliates	54,400	--	--	--	(54,400)[1]	--
Customer accounts receivable, net	81,912	24,228	19,384	--	--	125,524
Accrued unbilled revenues, net	64,235	14,437	13,523	--	--	92,195
Other accounts receivable, net	3,210	1,097	773	--	(657)[1]	4,423
Fuel oil stock, at average cost	40,680	9,761	13,871	--	--	64,312
Materials & supplies, at average cost	13,959	4,892	11,689	--	--	30,540
Prepayments and other	7,537	1,463	695	--	--	9,695
Total current assets	268,261	56,616	60,453	275	(55,057)	330,548
<b>Other long-term assets</b>						
Regulatory assets	82,116	15,349	14,884	--	--	112,349
Unamortized debt expense	9,323	2,282	2,117	--	--	13,722
Other	23,507	4,340	3,698	--	--	31,545
Total other long-term assets	114,946	21,971	20,699	--	--	157,616
	\$2,331,987	602,193	551,331	275	(422,652)	\$ 3,063,134
<b>Capitalization and liabilities</b>						
<b>Capitalization</b>						
Common stock equity	\$ 958,203	175,099	192,231	265	(367,595)[2]	\$ 958,203
Cumulative preferred stock—not subject to mandatory redemption	22,293	7,000	5,000	--	--	34,293
Long-term debt, net	481,240	131,046	153,899	--	--	766,185
Total capitalization	1,461,736	313,145	351,130	265	(367,595)	1,758,681
<b>Current liabilities</b>						
Short-term borrowings-nonaffiliates	113,107	--	--	--	--	113,107
Short-term borrowings-affiliate	--	49,400	5,000	--	(54,400)[1]	--
Accounts payable	61,672	22,572	18,268	--	--	102,512
Interest and preferred dividends payable	7,269	1,907	1,717	--	(248)[1]	10,645

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Taxes accrued	96,846	26,981	28,355	--	--	152,182
Other	27,012	5,971	10,536	10	(409)[1]	43,120
Total current liabilities	305,906	106,831	63,876	10	(55,057)	421,566
Deferred credits and other liabilities						
Deferred income taxes	92,805	13,285	11,965	--	--	118,055
Regulatory liabilities	164,617	43,596	32,406	--	--	240,619
Unamortized tax credits	32,359	13,126	12,394	--	--	57,879
Other	110,473	52,274	26,859	--	--	189,606
Total deferred credits and other liabilities	400,254	122,281	83,624	--	--	606,159
Contributions in aid of construction	164,091	59,936	52,701	--	--	276,728
	\$2,331,987	602,193	551,331	275	(422,652)	\$ 3,063,134

**Consolidating statement of income**

Year ended December 31, 2007

(in thousands)	HECO	HELCO	MECO	RHI	UBC	Reclassifications and Eliminations	HECO Consolidated
Operating revenues	\$1,385,137	361,411	350,410	--	--	--	\$2,096,958
<b>Operating expenses</b>							
Fuel oil	525,555	74,965	173,599	--	--	--	774,119
Purchased power	368,766	134,919	33,275	--	--	--	536,960
Other operation	148,857	32,960	32,230	--	--	--	214,047
Maintenance	62,208	20,700	22,835	--	--	--	105,743
Depreciation	78,972	30,094	28,015	--	--	--	137,081
Taxes, other than income taxes	129,015	33,274	32,318	--	--	--	194,607
Income taxes	17,648	9,534	6,944	--	--	--	34,126
	1,331,021	336,446	329,216	--	--	--	1,996,683
<b>Operating income</b>	54,116	24,965	21,194	--	--	--	100,275
<b>Other income</b>							
Allowance for equity funds used during construction	4,404	461	354	--	--	--	5,219
Equity in earnings of subsidiaries	19,907	--	--	--	--	(19,907) [2]	--
Other, net	7,927	(6,299)	349	(83)	(47)	(2,474) [1]	(627)
	32,238	(5,838)	703	(83)	(47)	(22,381)	4,592
<b>Income before interest and other charges</b>	86,354	19,127	21,897	(83)	(47)	(22,381)	104,867
<b>Interest and other charges</b>							
Interest on long-term debt	29,310	7,625	9,029	--	--	--	45,964
Amortization of net bond premium and expense	1,539	419	482	--	--	--	2,440
Other interest charges	4,415	2,531	392	--	--	(2,474) [1]	4,864
Allowance for borrowed funds used during construction	(2,146)	(234)	(172)	--	--	--	(2,552)
Preferred stock dividends of subsidiaries	--	--	--	--	--	915 [3]	915
	33,118	10,341	9,731	--	--	(1,559)	51,631
<b>Income before preferred stock dividends of HECO</b>	53,236	8,786	12,166	(83)	(47)	(20,822)	53,236
Preferred stock dividends of HECO	1,080	534	381	--	--	(915) [3]	1,080
<b>Net income for common stock</b>	\$ 52,156	8,252	11,785	(83)	(47)	(19,907)	\$ 52,156

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED		04/14/2008	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

**Consolidating statement of retained earnings**

Year ended December 31, 2007

(in thousands)	HECO	HELCO	MECO	RHI	UBC	Reclassi- fications and Elimina- tions	HECO Consolidated
Retained earnings, beginning of period	\$700,252	92,836	111,536	(516)	--	(203,856) [2]	\$700,252
Net income for common stock	52,156	8,252	11,785	(83)	(47)	(19,907) [2]	52,156
Adjustment to initially apply FIN 48	(620)	(44)	(33)	--	--	77 [2]	(620)
Common stock dividends	(27,084)	--	(9,900)	--	--	9,900 [2]	(27,084)
Retained earnings, end of period	\$724,704	101,044	113,388	(599)	(47)	(213,786)	\$724,704

**Consolidating statement of income**

Year ended December 31, 2006

(in thousands)	HECO	HELCO	MECO	RHI	Reclassi- fications and Elimina- Tions	HECO Consolidated
Operating revenues	\$1,365,593	339,554	345,265	--	--	\$2,050,412
<b>Operating expenses</b>						
Fuel oil	516,239	85,229	180,272	--	--	781,740
Purchased power	358,115	122,324	26,454	--	--	506,893
Other operation	126,300	29,907	30,242	--	--	186,449
Maintenance	56,732	19,669	13,816	--	--	90,217
Depreciation	74,798	29,722	25,644	--	--	130,164
Taxes, other than income taxes	126,849	31,553	32,011	--	--	190,413
Income taxes	31,215	4,339	11,827	--	--	47,381
	1,290,248	322,743	320,266	--	--	1,933,257
<b>Operating income</b>	75,345	16,811	24,999	--	--	117,155
<b>Other income</b>						
Allowance for equity funds used during construction	4,059	195	2,094	--	--	6,348
Equity in earnings of subsidiaries	25,583	--	--	--	(25,583) [2]	--
Other, net	4,387	503	1,176	(153)	(2,790) [1]	3,123
	34,029	698	3,270	(153)	(28,373)	9,471
<b>Income before interest and other charges</b>	109,374	17,509	28,269	(153)	(28,373)	126,626
<b>Interest and other charges</b>						
Interest on long-term debt	26,967	7,233	8,909	--	--	43,109
Amortization of net bond premium and expense	1,378	411	409	--	--	2,198
Other interest charges	6,818	2,474	754	--	(2,790) [1]	7,256
Allowance for borrowed funds used during construction	(1,816)	(90)	(973)	--	--	(2,879)
Preferred stock dividends of subsidiaries	--	--	--	--	915 [3]	915
	33,347	10,028	9,099	--	(1,875)	50,599
<b>Income before preferred stock dividends of HECO</b>	76,027	7,481	19,170	(153)	(26,498)	76,027
Preferred stock dividends of HECO	1,080	534	381	--	(915) [3]	1,080



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MAUI ELECTRIC COMPANY, LIMITED			
NOTES TO FINANCIAL STATEMENTS (Continued)			

<b>Net income for common stock</b>	\$ 74,947	6,947	18,789	(153)	(25,583)	\$ 74,947
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**Consolidating statement of retained earnings**

Year ended December 31, 2006

(in thousands)	HECO	HELCO	MECO	RHI	Reclassi- fications and Elimina- tions	HECO Consolidated
Retained earnings, beginning of period	\$654,686	88,763	99,269	(363)	(187,669)[2]	\$654,686
Net income for common stock	74,947	6,947	18,789	(153)	(25,583)[2]	74,947
Common stock dividends	(29,381)	(2,874)	(6,522)	--	9,396 [2]	(29,381)
Retained earnings, end of period	\$700,252	92,836	111,536	(516)	(203,856)	\$700,252

**Consolidating statement of income**

Year ended December 31, 2005

(in thousands)	HECO	HELCO	MECO	RHI	Reclassi- fications and Elimina- tions	HECO Consolidated
Operating revenues	\$1,204,220	294,411	303,079	--	--	\$1,801,710
<b>Operating expenses</b>						
Fuel oil	420,521	65,272	153,857	--	--	639,650
Purchased power	339,120	102,744	16,256	--	--	458,120
Other operation	117,818	26,427	28,717	--	--	172,962
Maintenance	52,547	16,504	13,191	--	--	82,242
Depreciation	70,687	27,177	25,006	--	--	122,870
Taxes, other than income taxes	112,082	27,205	28,008	--	--	167,295
Income taxes	26,144	7,535	11,350	--	--	45,029
	1,138,919	272,864	276,385	--	--	1,688,168
<b>Operating income</b>	65,301	21,547	26,694	--	--	113,542
<b>Other income</b>						
Allowance for equity funds used during construction	4,031	174	900	--	--	5,105
Equity in earnings of subsidiaries	30,952	--	--	--	(30,952) [2]	--
Other, net	4,254	526	626	(176)	(1,692) [1]	3,538
	39,237	700	1,526	(176)	(32,644)	8,643
<b>Income before interest and other charges</b>	104,538	22,247	28,220	(176)	(32,644)	122,185
<b>Interest and other charges</b>						
Interest on long-term debt	26,886	7,256	8,921	--	--	43,063
Amortization of net bond premium and expense	1,379	413	420	--	--	2,212
Other interest charges	3,966	1,474	385	--	(1,692) [1]	4,133
Allowance for borrowed funds used during construction	(1,575)	(53)	(392)	--	--	(2,020)
Preferred stock dividends of subsidiaries	--	--	--	--	915 [3]	915
	30,656	9,090	9,334	--	(777)	48,303
<b>Income before preferred stock dividends of HECO</b>	73,882	13,157	18,886	(176)	(31,867)	73,882

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MAUI ELECTRIC COMPANY, LIMITED			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Preferred stock dividends of HECO	1,080	534	381	--	(915) [3]	1,080
<b>Net income for common stock</b>	<b>\$ 72,802</b>	<b>12,623</b>	<b>18,505</b>	<b>(176)</b>	<b>(30,952)</b>	<b>\$ 72,802</b>

**Consolidating statement of retained earnings**

Year ended December 31, 2005

(in thousands)	HECO	HELCO	MECO	RHI	Reclassi- fications and Elimina- tions	HECO Consolidated
Retained earnings, beginning of period	\$632,779	85,861	94,492	(187)	(180,166)[2]	\$632,779
Net income for common stock	72,802	12,623	18,505	(176)	(30,952)[2]	72,802
Common stock dividends	(50,895)	(9,721)	(13,728)	--	23,449 [2]	(50,895)
Retained earnings, end of period	\$654,686	88,763	99,269	(363)	(187,669)	\$654,686

**Consolidating Statements of Changes in Common Stock Equity**

(in thousands)	HECO	HELCO	MECO	RHI	UBC	Reclassi- fications and elimina- tions	HECO consoli- dated
Balance, December 31, 2004	\$1,017,104	186,505	189,413	294	--	(376,212)	\$1,017,104
Comprehensive income:							
Net income (loss)	72,802	12,623	18,505	(176)	--	(30,952)	72,802
Minimum pension liability adjustment, net of taxes of \$158	249	--	--	--	--	--	249
Comprehensive income (loss)	73,051	12,623	18,505	(176)	--	(30,952)	73,051
Common stock dividends	(50,895)	(9,721)	(13,728)	--	--	23,449	(50,895)
Other	(1)	--	--	--	--	--	(1)
Balance, December 31, 2005	1,039,259	189,407	194,190	118	--	(383,715)	1,039,259
Comprehensive income:							
Net income (loss)	74,947	6,947	18,789	(153)	--	(25,583)	74,947
Minimum pension liability adjustment, net of taxes of \$18	26	--	--	--	--	--	26
Comprehensive income (loss)	74,973	6,947	18,789	(153)	--	(25,583)	74,973
Adjustment to initially apply SFAS No. 158, net of tax benefits of \$80,666	(126,650)	(18,381)	(14,226)	--	--	32,607	(126,650)
Common stock dividends	(29,381)	(2,874)	(6,522)	--	--	9,396	(29,381)
Issuance of common stock	--	--	--	300	--	(300)	--
Other	2	--	--	--	--	--	2
Balance, December 31, 2006	958,203	175,099	192,231	265	--	(367,595)	958,203
Comprehensive income:							
Net income (loss)	52,156	8,252	11,785	(83)	(47)	(19,907)	52,156
Retirement benefit plans:							
Net gains arising during the period, net of taxes of \$9,861	15,484	1,262	1,773	--	--	(3,035)	15,484
Less: amortization of transition obligation, prior service credit and net losses recognized during the period in net periodic benefit cost, net of tax benefits of \$5,001	7,854	1,104	903	--	--	(2,007)	7,854
Less: reclassification adjustment for impact							

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MAUI ELECTRIC COMPANY, LIMITED		04/14/2008	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

of D&Os of the PUC included in regulatory asset, net of taxes of \$11,007	(17,282)	(2,069)	(1,733)	--	--	3,802	(17,282)
Comprehensive income (loss)	58,212	8,549	12,728	(83)	(47)	(21,147)	58,212
Adjustment to initially apply a PUC interim D&O related to defined benefit retirement plans, net of taxes of \$77,546	121,751	18,205	13,506	--	--	(31,711)	121,751
Adjustment to initially apply FIN 48	(620)	(33)	(44)	--	--	77	(620)
Common stock dividends	(27,084)	--	(9,900)	--	--	9,900	(27,084)
Issuance of common stock	--	--	--	--	435	(435)	--
Balance, December 31, 2007	\$1,110,462	201,820	208,521	182	388	(410,911)	\$1,110,462

**Consolidating statement of cash flows**

Year ended December 31, 2007

(in thousands)	HECO	HELCO	MECO	RHI	UBC	Elimination addition to (deduction from) cash flows	HECO Consolidated
<b>Cash flows from operating activities:</b>							
Income before preferred stock dividends of HECO	\$ 53,236	8,786	12,166	(83)	(47)	(20,822) [2]	\$ 53,236
Adjustments to reconcile income before preferred stock dividends of HECO to net cash provided by operating activities:							
Equity in earnings	(20,008)	--	--	--	--	19,907 [2]	(101)
Common stock dividends received from subsidiaries	10,001	--	--	--	--	(9,900) [2]	101
Depreciation of property, plant and equipment	78,972	30,094	28,015	--	--	--	137,081
Other amortization	3,892	375	3,963	--	--	--	8,230
Writedown of utility plant	--	11,701	--	--	--	--	11,701
Deferred income taxes	(18,748)	(6,280)	(6,860)	--	--	--	(31,888)
Tax credits, net	1,070	288	634	--	--	--	1,992
Allowance for equity funds used during construction	(4,404)	(461)	(354)	--	--	--	(5,219)
Changes in assets and liabilities:							
Increase in accounts receivable	(19,664)	(3,710)	(4,297)	--	--	4,591 [1]	(23,080)
Increase in accrued unbilled revenues	(18,315)	(2,358)	(1,406)	--	--	--	(22,079)
Increase in fuel oil stock	(16,609)	(2,733)	(8,217)	--	--	--	(27,559)
Decrease (increase) in materials and supplies	(1,764)	488	(2,442)	--	--	--	(3,718)
Decrease (increase) in regulatory assets	2,252	(559)	(3,661)	--	--	--	(1,968)
Increase (decrease) in accounts payable	36,027	(762)	118	--	--	--	35,383
Increase in taxes accrued	22,186	8,399	6,870	--	--	--	37,455
Changes in other assets and liabilities	11,485	7,100	2,061	6	47	(4,591) [2]	16,108
Net cash provided by (used in) operating activities	119,609	50,368	26,590	(77)	--	(10,815)	185,675
<b>Cash flows from investing activities:</b>							
Capital expenditures	(129,045)	(52,554)	(28,222)	--	--	--	(209,821)
Contributions in aid of construction	10,834	4,952	3,225	--	--	--	19,011

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MAUI ELECTRIC COMPANY, LIMITED		04/14/2008	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Advances from (to) affiliates	17,800	--	(2,000)	--	--	(15,800)	[1]	--
Proceeds from sales of assets	5,440	--	--	--	--	--		5,440
Investment in consolidated subsidiary	(435)	--	--	--	--	435	[2]	--
Net cash used in investing activities	(95,406)	(47,602)	(26,997)	--	--	(15,365)		(185,370)
<b>Cash flows from financing activities:</b>								
Common stock dividends	(27,084)	--	(9,900)	--	--	9,900	[2]	(27,084)
Preferred stock dividends	(1,080)	(534)	(381)	--	--	915	[2]	(1,080)
Proceeds from issuance of long-term debt	147,593	22,625	72,320	--	--	--		242,538
Repayment of long term debt	(62,280)	(8,020)	(55,700)	--	--	--		(126,000)
Proceeds from issuance of common stock	--	--	--	--	435	(435)	[2]	--
Net decrease in short-term borrowings from nonaffiliates and affiliate with original maturities of three months or less	(82,316)	(12,800)	(5,000)	--	--	15,800	[1]	(84,316)
Other	(1,161)	(1,706)	(677)	--	--	--		(3,544)
Net cash provided by (used in) financing activities	(26,328)	(435)	662	--	435	26,180		514
Net increase in cash and equivalents	(2,125)	2,331	255	(77)	435	--		819
Cash and equivalents, beginning of year	2,328	738	518	275	--	--		3,859
Cash and equivalents, end of year	\$ 203	3,069	773	198	435	--		\$ 4,678

**Consolidating statement of cash flows**

Year ended December 31, 2006

(in thousands)	HECO	HELCO	MECO	RHI	Elimination addition to (deduction from) cash flows	HECO Consolidated
<b>Cash flows from operating activities:</b>						
Income before preferred stock dividends of HECO	\$ 76,027	7,481	19,170	(153)	26,498	[2] \$ 76,027
Adjustments to reconcile income before preferred stock dividends of HECO to net cash provided by operating activities:						
Equity in earnings	(25,684)	--	--	--	25,583	[2] (101)
Common stock dividends received from subsidiaries	9,497	--	--	--	(9,396)	[2] 101
Depreciation of property, plant and equipment	74,798	29,722	25,644	--	--	130,164
Other amortization	3,898	582	3,452	--	--	7,932
Deferred income taxes	(7,666)	(155)	(1,850)	--	--	(9,671)
Tax credits, net	1,997	620	1,193	--	--	3,810
Allowance for equity funds used during construction	(4,059)	(195)	(2,094)	--	--	(6,348)
Changes in assets and liabilities:						
Decrease (increase) in accounts receivable	6,960	(901)	1,401	--	1,249	[1] 8,709
Decrease (increase) in accrued unbilled revenues	(1,534)	238	422	--	--	(874)
Decrease (increase) in fuel oil stock	23,629	(1,893)	(598)	--	--	21,138
Decrease (increase) in materials and supplies	169	(1,688)	(2,047)	--	--	(3,566)
Increase in regulatory assets	(1,652)	(1,519)	(2,952)	--	--	(6,123)
Increase (decrease) in accounts payable	(25,171)	3,069	2,413	--	--	(19,689)

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Increase in taxes accrued	12,792	2,729	3,078	--	--	18,599
Decrease in prepaid pension benefit cost	14,237	2,617	3,210	--	--	20,064
Changes in other assets and liabilities	(13,081)	2,610	(921)	--	(1,249) [2]	(12,641)
Net cash provided by (used in) operating activities	145,157	43,317	49,521	(153)	(10,311)	227,531
<b>Cash flows from investing activities:</b>						
Capital expenditures	(94,141)	(44,217)	(56,714)	--	--	(195,072)
Contributions in aid of construction	10,760	4,587	4,360	--	--	19,707
Advances from (to) affiliates	(4,700)	--	5,250	--	(550) [1]	--
Proceeds from sales of assets	407	--	--	--	--	407
Investment in consolidated subsidiary	(300)	--	--	--	300 [2]	--
Net cash used in investing activities	(87,974)	(39,630)	(47,104)	--	(250)	(174,958)
<b>Cash flows from financing activities:</b>						
Common stock dividends	(29,381)	(2,874)	(6,522)	--	9,396 [2]	(29,381)
Preferred stock dividends	(1,080)	(534)	(381)	--	915 [2]	(1,080)
Proceeds from issuance of common stock	--	--	--	300	(300) [2]	--
Net increase in short-term borrowings from nonaffiliates and affiliate with original maturities of three months or less	(28,308)	(300)	5,000	--	550 [1]	(23,058)
Other	3,906	756	--	--	--	4,662
Net cash provided by (used in) financing activities	(54,863)	(2,952)	(1,903)	300	10,561	(48,857)
Net increase in cash and equivalents	2,320	735	514	147	--	3,716
Cash and equivalents, beginning of year	8	3	4	128	--	143
Cash and equivalents, end of year	\$ 2,328	738	518	275	--	\$ 3,859

**Consolidating statement of cash flows**

Year ended December 31, 2005

(in thousands)	HECO	HELCO	MECO	RHI	Elimination addition to (deduction from) cash flows	HECO Consolidated
<b>Cash flows from operating activities:</b>						
Income before preferred stock dividends of HECO	\$ 73,882	13,157	18,886	(176)	(31,867) [2]	\$ 73,882
Adjustments to reconcile income before preferred stock dividends of HECO to net cash provided by operating activities:						
Equity in earnings	(31,053)	--	--	--	30,952 [2]	(101)
Common stock dividends received from subsidiaries	23,550	--	--	--	(23,449) [2]	101
Depreciation of property, plant and equipment	70,687	27,177	25,006	--	--	122,870
Other amortization	4,350	913	3,216	--	--	8,479
Deferred income taxes	13,381	1,557	4,148	--	--	19,086
Tax credits, net	1,722	1,588	161	--	--	3,471
Allowance for equity funds used during construction	(4,031)	(174)	(900)	--	--	(5,105)
Changes in assets and liabilities:						
Increase in accounts receivable	(20,265)	(5,222)	(4,485)	--	(178) [1]	(30,150)
Increase in accrued unbilled revenues	(7,114)	(1,777)	(3,402)	--	--	(12,293)

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NOTES TO FINANCIAL STATEMENTS (Continued)				

Increase in fuel oil stock	(24,889)	(63)	(1,928)	--	--	(26,880)
Increase in materials and supplies	(2,588)	(474)	(144)	--	--	(3,206)
Decrease (increase) in regulatory assets	(2,472)	443	(3,007)	--	--	(5,036)
Increase in accounts payable	20,261	1,973	5,952	--	--	28,186
Increase in taxes accrued	19,088	5,951	2,619	--	--	27,658
Decrease (increase) in prepaid pension benefit cost	(1,412)	367	745	--	--	(300)
Changes in other assets and liabilities	(11,788)	(1,943)	(2,397)	6	178 [2]	(15,944)
Net cash provided by (used in) operating activities	121,309	43,473	44,470	(170)	(24,364)	184,718
<b>Cash flows from investing activities:</b>						
Capital expenditures	(128,127)	(52,107)	(37,376)	--	--	(217,610)
Contributions in aid of construction	13,439	3,141	4,503	--	--	21,083
Advances from (to) affiliates	(14,850)	--	2,500	--	12,350 [1]	--
Proceeds from sales of assets	1,680	--	--	--	--	1,680
Net cash used in investing activities	(127,858)	(48,966)	(30,373)	--	12,350	(194,847)
<b>Cash flows from financing activities:</b>						
Common stock dividends	(50,895)	(9,721)	(13,728)	--	23,449 [2]	(50,895)
Preferred stock dividends	(1,080)	(534)	(381)	--	915 [2]	(1,080)
Proceeds from issuance of long-term debt	52,462	5,000	2,000	--	--	59,462
Repayment of long-term debt	(40,000)	(5,000)	(2,000)	--	--	(47,000)
Net increase in short-term borrowings from nonaffiliates and affiliate with original maturities of three months or less	45,097	14,850	--	--	(12,350) [1]	47,597
Other	964	898	(1)	--	--	1,861
Net cash provided by (used in) financing activities	6,548	5,493	(14,110)	--	12,014	9,945
Net decrease in cash and equivalents	(1)	--	(13)	(170)	--	(184)
Cash and equivalents, beginning of year	9	3	17	298	--	327
Cash and equivalents, end of year	\$ 8	3	4	128	--	\$ 143

#### Explanation of reclassifications and eliminations on consolidating schedules

- [1] Eliminations of intercompany receivables and payables and other intercompany transactions.  
[2] Elimination of investment in subsidiaries, carried at equity.  
[3] Reclassification of preferred stock dividends of Hawaii Electric Light Company, Inc. and Maui Electric Company, Limited for financial statement presentation.

HECO has not provided separate financial statements and other disclosures concerning HELCO and MECO because management has concluded that such financial statements and other information are not material to holders of the trust preferred securities issued by HECO Capital Trust III, which trust holds the 2004 junior deferrable debentures issued by HELCO and MECO, which debentures have been fully and unconditionally guaranteed by HECO.

#### 18. Consolidated quarterly financial information (unaudited)

Selected quarterly consolidated financial information of the Company for 2007 and 2006 follows:

2007 (in thousands)	Quarters ended				Year ended
	March 31	June 30	Sept. 30	Dec. 31	Dec. 31

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/14/2008	Year/Period of Report 2007/Q4
MAUI ELECTRIC COMPANY, LIMITED			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Operating revenues (1),(2)	\$446,797	\$491,249	\$561,720	\$597,192	\$2,096,958
Operating income (1),(2)	19,503	21,222	20,736	38,814	100,275
Net income for common stock (1),(2),(3)	453	10,650	12,875	28,178	52,156

2006 (in thousands)	Quarters ended				Year ended
	March 31	June 30	Sept. 30	Dec. 31	Dec. 31
Operating revenues (4),(5)	\$473,971	\$503,350	\$568,236	\$504,855	\$2,050,412
Operating income (4),(5)	31,562	28,502	32,736	24,355	117,155
Net income for common stock (4),(5)	20,988	17,286	23,666	13,007	74,947

Note: HEI owns all of HECO's common stock, therefore per share data is not meaningful.

- (1) For 2007, amounts include interim rate relief for HECO (2005 test year; 2007 test year since October 22, 2007), HELCO (2006 test year since April 5, 2007) and MECO (2007 test year since December 21, 2007).
- (2) The third quarter of 2007 includes a \$9 million, net of tax benefits, reserve accrued for the potential refund (with interest) of a portion of HECO's 2005 test year interim rate increase.
- (3) The first quarter of 2007 includes a \$7 million, net of tax benefits, write-off of plant in service costs at HELCO as part of a settlement in HELCO's 2006 test year rate case.
- (4) The fourth quarter of 2006 includes an adjustment for quarterly rate schedule tariff reconciliation that relates to prior quarters.
- (5) For 2006, amounts include interim rate relief for HECO (2005 test year).

## STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES

1. Report in columns (b),(c),(d) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.
2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.
3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.

Line No.	Item  (a)	Unrealized Gains and Losses on Available-for-Sale Securities (b)	Minimum Pension Liability adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year				
2	Preceding Qtr/Yr to Date Reclassifications from Acct 219 to Net Income				
3	Preceding Quarter/Year to Date Changes in Fair Value		14,226,385		
4	Total (lines 2 and 3)		14,226,385		
5	Balance of Account 219 at End of Preceding Quarter/Year		14,226,385		
6	Balance of Account 219 at Beginning of Current Year		14,226,385		
7	Current Qtr/Yr to Date Reclassifications from Acct 219 to Net Income				
8	Current Quarter/Year to Date Changes in Fair Value		( 14,448,851)		
9	Total (lines 7 and 8)		( 14,448,851)		
10	Balance of Account 219 at End of Current Quarter/Year		( 222,466)		



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**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS  
FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (f) common function.

Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)
1	Utility Plant		
2	In Service		
3	Plant in Service (Classified)	798,313,609	798,313,609
4	Property Under Capital Leases		
5	Plant Purchased or Sold		
6	Completed Construction not Classified		
7	Experimental Plant Unclassified		
8	Total (3 thru 7)	798,313,609	798,313,609
9	Leased to Others		
10	Held for Future Use	2,633,044	2,633,044
11	Construction Work in Progress	10,688,757	10,688,757
12	Acquisition Adjustments	1,785,138	1,785,138
13	Total Utility Plant (8 thru 12)	813,420,548	813,420,548
14	Accum Prov for Depr, Amort, & Depl	369,940,566	369,940,566
15	Net Utility Plant (13 less 14)	443,479,982	443,479,982
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	368,196,438	368,196,438
19	Amort & Depl of Producing Nat Gas Land/Land Right		
20	Amort of Underground Storage Land/Land Rights		
21	Amort of Other Utility Plant		
22	Total In Service (18 thru 21)	368,196,438	368,196,438
23	Leased to Others		
24	Depreciation		
25	Amortization and Depletion		
26	Total Leased to Others (24 & 25)		
27	Held for Future Use		
28	Depreciation		
29	Amortization		
30	Total Held for Future Use (28 & 29)		
31	Abandonment of Leases (Natural Gas)		
32	Amort of Plant Acquisition Adj	1,744,128	1,744,128
33	Total Accum Prov (equals 14) (22,26,30,31,32)	369,940,566	369,940,566

Name of Respondent 20080518-8010 FERC PDF (Unofficial) MAUI ELECTRIC COMPANY, LIMITED		This Report Is: (2) <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/14/2008	Year/Period of Report End of 2007/Q4
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION					
Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
					3
					4
					5
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					32
					33

Name of Respondent 20080518-8010 FERC PDF (Unofficial) MAUI ELECTRIC COMPANY, LIMITED		This Report Is: (2) <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/14/2008	Year/Period of Report End of 2007/Q4
NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)					
<p>1. Report below the costs incurred for nuclear fuel materials in process of fabrication, on hand, in reactor, and in cooling; owned by the respondent.</p> <p>2. If the nuclear fuel stock is obtained under leasing arrangements, attach a statement showing the amount of nuclear fuel leased, the quantity used and quantity on hand, and the costs incurred under such leasing arrangements.</p>					
Line No.	Description of item (a)	Balance Beginning of Year (b)	Changes during Year Additions (c)		
1	Nuclear Fuel in process of Refinement, Conv, Enrichment & Fab (120.1)				
2	Fabrication				
3	Nuclear Materials				
4	Allowance for Funds Used during Construction				
5	(Other Overhead Construction Costs, provide details in footnote)				
6	SUBTOTAL (Total 2 thru 5)				
7	Nuclear Fuel Materials and Assemblies				
8	In Stock (120.2)				
9	In Reactor (120.3)				
10	SUBTOTAL (Total 8 & 9)				
11	Spent Nuclear Fuel (120.4)				
12	Nuclear Fuel Under Capital Leases (120.6)				
13	(Less) Accum Prov for Amortization of Nuclear Fuel Assem (120.5)				
14	TOTAL Nuclear Fuel Stock (Total 6, 10, 11, 12, less 13)				
15	Estimated net Salvage Value of Nuclear Materials in line 9				
16	Estimated net Salvage Value of Nuclear Materials in line 11				
17	Est Net Salvage Value of Nuclear Materials in Chemical Processing				
18	Nuclear Materials held for Sale (157)				
19	Uranium				
20	Plutonium				
21	Other (provide details in footnote):				
22	TOTAL Nuclear Materials held for Sale (Total 19, 20, and 21)				

Name of Respondent 20080518-8010 FERC PDF (Unofficial) MAUI ELECTRIC COMPANY, LIMITED		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/14/2008		Year/Period of Report End of 2007/Q4	
NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)							
Changes during Year				Balance End of Year (f)		Line No.	
Amortization (d)		Other Reductions (Explain in a footnote) (e)					
						1	
						2	
						3	
						4	
						5	
						6	
						7	
						8	
						9	
						10	
						11	
						12	
						13	
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						16	
						17	
						18	
						19	
						20	
						21	
						22	

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/14/2008	Year/Period of Report 2007/Q4
MAUI ELECTRIC COMPANY, LIMITED			
FOOTNOTE DATA			

**Schedule Page: 202 Line No.: 1 Column: b**

Not applicable

**ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)**

1. Report below the original cost of electric plant in service according to the prescribed accounts.
2. In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.
3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
4. For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.
5. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
6. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization		
3	(302) Franchises and Consents	1,750	
4	(303) Miscellaneous Intangible Plant		
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	1,750	
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights	123,655	
9	(311) Structures and Improvements	4,210,859	58,597
10	(312) Boiler Plant Equipment	33,457,449	27,273
11	(313) Engines and Engine-Driven Generators		
12	(314) Turbogenerator Units	69,080,596	967,502
13	(315) Accessory Electric Equipment	5,698,761	245,578
14	(316) Misc. Power Plant Equipment	3,060,272	29,382
15	(317) Asset Retirement Costs for Steam Production		
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	115,631,592	1,328,332
17	B. Nuclear Production Plant		
18	(320) Land and Land Rights		
19	(321) Structures and Improvements		
20	(322) Reactor Plant Equipment		
21	(323) Turbogenerator Units		
22	(324) Accessory Electric Equipment		
23	(325) Misc. Power Plant Equipment		
24	(326) Asset Retirement Costs for Nuclear Production		
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)		
26	C. Hydraulic Production Plant		
27	(330) Land and Land Rights		
28	(331) Structures and Improvements		
29	(332) Reservoirs, Dams, and Waterways		
30	(333) Water Wheels, Turbines, and Generators		
31	(334) Accessory Electric Equipment		
32	(335) Misc. Power PLant Equipment		
33	(336) Roads, Railroads, and Bridges		
34	(337) Asset Retirement Costs for Hydraulic Production		
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)		
36	D. Other Production Plant		
37	(340) Land and Land Rights	855,925	
38	(341) Structures and Improvements	35,486,097	18,610
39	(342) Fuel Holders, Products, and Accessories	6,601,164	30,376
40	(343) Prime Movers	25,046,699	22
41	(344) Generators	121,085,689	693,088
42	(345) Accessory Electric Equipment	24,803,936	173,723
43	(346) Misc. Power Plant Equipment	23,370,707	317,921
44	(347) Asset Retirement Costs for Other Production		
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)	237,250,217	1,233,740
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	352,881,809	2,562,072

**ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)**

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
47	3. TRANSMISSION PLANT		
48	(350) Land and Land Rights	2,808,797	102
49	(352) Structures and Improvements	6,218,299	
50	(353) Station Equipment	40,165,403	3,872,170
51	(354) Towers and Fixtures	38,669	
52	(355) Poles and Fixtures	28,870,034	143,726
53	(356) Overhead Conductors and Devices	16,915,034	183,562
54	(357) Underground Conduit	478,734	
55	(358) Underground Conductors and Devices	802,074	2,095
56	(359) Roads and Trails		
57	(359.1) Asset Retirement Costs for Transmission Plant		
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	96,297,044	4,201,655
59	4. DISTRIBUTION PLANT		
60	(360) Land and Land Rights	1,336,431	19,410
61	(361) Structures and Improvements	1,105,959	-500
62	(362) Station Equipment	26,593,007	1,558,470
63	(363) Storage Battery Equipment		
64	(364) Poles, Towers, and Fixtures	27,871,826	848,337
65	(365) Overhead Conductors and Devices	35,795,934	816,575
66	(366) Underground Conduit	33,042,716	1,016,083
67	(367) Underground Conductors and Devices	43,288,634	3,595,370
68	(368) Line Transformers	34,722,803	6,909,000
69	(369) Services	48,775,735	5,956,979
70	(370) Meters	8,467,993	736,981
71	(371) Installations on Customer Premises		
72	(372) Leased Property on Customer Premises		
73	(373) Street Lighting and Signal Systems	10,771,238	991,047
74	(374) Asset Retirement Costs for Distribution Plant		
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	271,772,276	22,447,752
76	5. REGIONAL TRANSMISSION AND MARKET OPERATION PLANT		
77	(380) Land and Land Rights		
78	(381) Structures and Improvements		
79	(382) Computer Hardware		
80	(383) Computer Software		
81	(384) Communication Equipment		
82	(385) Miscellaneous Regional Transmission and Market Operation Plant		
83	(386) Asset Retirement Costs for Regional Transmission and Market Oper		
84	TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83)		
85	6. GENERAL PLANT		
86	(389) Land and Land Rights	138,065	
87	(390) Structures and Improvements	8,525,974	128,353
88	(391) Office Furniture and Equipment	5,970,326	58,617
89	(392) Transportation Equipment	9,400,381	573,982
90	(393) Stores Equipment	477,466	
91	(394) Tools, Shop and Garage Equipment	3,270,886	189,238
92	(395) Laboratory Equipment	1,185,338	
93	(396) Power Operated Equipment	121,909	
94	(397) Communication Equipment	18,592,911	130,773
95	(398) Miscellaneous Equipment	376,910	2,660
96	SUBTOTAL (Enter Total of lines 86 thru 95)	48,060,166	1,083,623
97	(399) Other Tangible Property		
98	(399.1) Asset Retirement Costs for General Plant		
99	TOTAL General Plant (Enter Total of lines 96, 97 and 98)	48,060,166	1,083,623
100	TOTAL (Accounts 101 and 106)	769,013,045	30,295,102
101	(102) Electric Plant Purchased (See Instr. 8)		
102	(Less) (102) Electric Plant Sold (See Instr. 8)		
103	(103) Experimental Plant Unclassified		
104	TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)	769,013,045	30,295,102



9. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date

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Name of Respondent 20080518-8010 FERC PDF (Unofficial) MAUI ELECTRIC COMPANY, LIMITED		This Report Is: (2) <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/14/2008		Year/Period of Report End of 2007/Q4	
ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)							
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.		
					47		
			2,808,899		48		
		1,036,744	7,255,043		49		
		-2,859,259	41,178,314		50		
			38,669		51		
		58,361	29,072,121		52		
			17,098,596		53		
			478,734		54		
			804,169		55		
					56		
					57		
		-1,764,154	98,734,545		58		
					59		
			1,355,841		60		
			1,105,459		61		
		6,701	28,158,178		62		
					63		
21,196			28,698,967		64		
17,147		-40,701	36,554,661		65		
		5,234,075	39,292,874		66		
278		-1,383,608	45,500,118		67		
389,601		-2,675,091	38,567,111		68		
		-532,015	54,200,699		69		
78,895			9,126,079		70		
					71		
					72		
9,741		-602,658	11,149,886		73		
					74		
516,858		6,703	293,709,873		75		
					76		
					77		
					78		
					79		
					80		
					81		
					82		
					83		
					84		
					85		
			138,065		86		
		-31,791	8,622,536		87		
		28,480	6,057,423		88		
471,936			9,502,427		89		
			477,466		90		
		2,876	3,463,000		91		
			1,185,338		92		
			121,909		93		
			18,723,684		94		
		102,011	481,581		95		
471,936		101,576	48,773,429		96		
					97		
					98		
471,936		101,576	48,773,429		99		
994,538			798,313,609		100		
					101		
					102		
					103		
994,538			798,313,609		104		

ELECTRIC PLANT LEASED TO OTHERS (Account 104)
---

Line No.	Name of Lessee (Designate associated companies with a double asterisk) (a)	Description of Property Leased (b)	Commission Authorization (c)	Expiration Date of Lease (d)	Balance at End of Year (e)
1	Not applicable				
2					
3					
4					
5					
6					
7					
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44					
45					
46					
47	TOTAL				

ELECTRIC PLANT HELD FOR FUTURE USE (Account 105)
--

1. Report separately each property held for future use at end of the year having an original cost of \$250,000 or more. Group other items of property held for future use.

2. For property having an original cost of \$250,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

Line No.	Description and Location Of Property (a)	Date Originally Included in This Account (b)	Date Expected to be used in Utility Service (c)	Balance at End of Year (d)
1	Land and Rights:			
2				
3	66 acres of land in central Maui held			
4	for future generating facilities	1996	2011	2,633,044
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21	Other Property:			
22				
23				
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32				
33				
34				
35				
36				
37				
38				
39				
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41				
42				
43				
44				
45				
46				
47	Total			2,633,044

**CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)**

1. Report below descriptions and balances at end of year of projects in process of construction (107)
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.

Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)
1	69kV Relocation Waikapu	1,657,787
2	Kihei Unit Substation #4 Addition	1,070,040
3	Napili Substation 29 Transformer 2 Replace	724,495
4	Underground Services & Extensions	1,306,504
5	6th Increment Distribution Rebuild	423,486
6	Hana DG Parallel Operations	408,338
7	Overhead Services & Extensions	353,848
8	Other Overhead Additions	316,249
9	County of Maui Lower Honoapiilani Road Phase 4	306,627
10	Waiehu Well Reclosers	295,108
11	Waiolani Mauka Subdivision	269,192
12	Kahului Power Plant K2 Tranformer Replacement	260,039
13	Kauhikoa Substation	191,607
14	Kahului Power Plant Spare Transformer Replacement	161,711
15	Maalaea Power Plant E-Cell	140,980
16	Hana Mobile Radio Upgrade	107,108
17	Kihei Substation 35 Distribution Addition To High Tech	106,586
18	K4 Controls Upgrade	103,610
19	Minor Overhead to Underground Conversion	102,349
20	Molokai 34kV Overhead Insulators	101,610
21	Various other projects under \$100,000	2,281,483
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
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38		
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40		
41		
42		
43	TOTAL	10,688,757

**ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)**

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

**Section A. Balances and Changes During Year**

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	339,542,593	339,542,593		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	30,174,339	30,174,339		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing	735,972	735,972		
7	Other Clearing Accounts				
8	Other Accounts (Specify, details in footnote):				
9					
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	30,910,311	30,910,311		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	994,539	994,539		
13	Cost of Removal	1,257,712	1,257,712		
14	Salvage (Credit)	41,602	41,602		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	2,210,649	2,210,649		
16	Other Debit or Cr. Items (Describe, details in footnote):				
17	Retirement Work in Progress	-45,817	-45,817		
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	368,196,438	368,196,438		

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

20	Steam Production	32,018,581	32,018,581		
21	Nuclear Production				
22	Hydraulic Production-Conventional				
23	Hydraulic Production-Pumped Storage				
24	Other Production	139,137,048	139,137,048		
25	Transmission	37,830,816	37,830,816		
26	Distribution	133,065,185	133,065,185		
27	Regional Transmission and Market Operation				
28	General	26,144,808	26,144,808		
29	TOTAL (Enter Total of lines 20 thru 28)	368,196,438	368,196,438		

**INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)**

1. Report below investments in Accounts 123.1, investments in Subsidiary Companies.

2. Provide a subheading for each company and List there under the information called for below. Sub - TOTAL by company and give a TOTAL in columns (e),(f),(g) and (h)

(a) Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity and interest rate.

(b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.

3. Report separately the equity in undistributed subsidiary earnings since acquisition. The TOTAL in column (e) should equal the amount entered for Account 418.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date Of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	Not applicable			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
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36				
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41				
42	Total Cost of Account 123.1 \$	0	TOTAL	

Name of Respondent 20080518-8010 FERC PDF (Unofficial) MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/14/2008	Year/Period of Report End of 2007/Q4
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**INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)**

4. For any securities, notes, or accounts that were pledged designate such securities, notes, or accounts in a footnote, and state the name of pledgee and purpose of the pledge.
5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
6. Report column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.
7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if difference from cost) and the selling price thereof, not including interest adjustment includible in column (f).
8. Report on Line 42, column (a) the TOTAL cost of Account 123.1

Equity in Subsidiary Earnings of Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)	Line No.
				1
				2
				3
				4
				5
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**MATERIALS AND SUPPLIES**

1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.

2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.

Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)
1	Fuel Stock (Account 151)	13,871,618	22,089,100	PROD
2	Fuel Stock Expenses Undistributed (Account 152)			
3	Residuals and Extracted Products (Account 153)			
4	Plant Materials and Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)			
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)			
8	Transmission Plant (Estimated)			
9	Distribution Plant (Estimated)			
10	Regional Transmission and Market Operation Plant (Estimated)			
11	Assigned to - Other (provide details in footnote)	11,730,206	13,999,688	PROD & T & D
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	11,730,206	13,999,688	
13	Merchandise (Account 155)			
14	Other Materials and Supplies (Account 156)			
15	Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util)			
16	Stores Expense Undistributed (Account 163)	-40,801	130,894	ALL
17				
18				
19				
20	TOTAL Materials and Supplies (Per Balance Sheet)	25,561,023	36,219,682	

- Report below the particulars (details) called for concerning allowances.
- Report all acquisitions of allowances at cost.
- Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.
- Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).
- Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.

Line No.	Allowances Inventory (Account 158.1) (a)	Current Year		2008	
		No. (b)	Amt. (c)	No. (d)	Amt. (e)
1	Balance-Beginning of Year				
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)				
5	Returned by EPA				
6					
7					
8	Purchases/Transfers:				
9					
10					
11					
12					
13					
14					
15	Total				
16					
17	Relinquished During Year:				
18	Charges to Account 509				
19	Other:				
20					
21	Cost of Sales/Transfers:				
22					
23					
24					
25					
26					
27					
28	Total				
29	Balance-End of Year				
30					
31	Sales:				
32	Net Sales Proceeds(Assoc. Co.)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
	Allowances Withheld (Acct 158.2)				
36	Balance-Beginning of Year				
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales				
40	Balance-End of Year				
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)				
45	Gains				
46	Losses				

Allowances (Accounts 158.1 and 158.2) (Continued)

6. Report on Lines 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.

7. Report on Lines 8-14 the names of vendors/transferrors of allowances acquire and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).

8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of an identify associated companies.

9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.

10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.

2009		2010		Future Years		Totals		Line
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	No.
								1
								2
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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/14/2008	Year/Period of Report 2007/Q4
MAUI ELECTRIC COMPANY, LIMITED			
FOOTNOTE DATA			

**Schedule Page: 228 Line No.: 1 Column: b**

Not applicable

Name of Respondent 20080518-8010 FERC PDF (Unofficial) MAUI ELECTRIC COMPANY, LIMITED		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/14/2008		Year/Period of Report End of 2007/Q4	
EXTRAORDINARY PROPERTY LOSSES (Account 182.1)							
Line No.	Description of Extraordinary Loss [Include in the description the date of Commission Authorization to use Acc 182.1 and period of amortization (mo, yr to mo, yr).] (a)	Total Amount of Loss (b)	Losses Recognised During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)	
				Account Charged (d)	Amount (e)		
1	Not applicable						
2							
3							
4							
5							
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16							
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18							
19							
20	TOTAL						

Name of Respondent 20080518-8010 FERC PDF (Unofficial) MAUI ELECTRIC COMPANY, LIMITED		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/14/2008		Year/Period of Report End of 2007/Q4	
UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)							
Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission Authorization to use Acc 182.2 and period of amortization (mo, yr to mo, yr)] (a)	Total Amount of Charges (b)	Costs Recognised During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)	
				Account Charged (d)	Amount (e)		
21	Not applicable						
22							
23							
24							
25							
26							
27							
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46							
47							
48							
49	TOTAL						

**Transmission Service and Generation Interconnection Study Costs**

1. Report the particulars (details) called for concerning the costs incurred and the reimbursements received for performing transmission service and generator interconnection studies.
2. List each study separately.
3. In column (a) provide the name of the study.
4. In column (b) report the cost incurred to perform the study at the end of period.
5. In column (c) report the account charged with the cost of the study.
6. In column (d) report the amounts received for reimbursement of the study costs at end of period.
7. In column (e) report the account credited with the reimbursement received for performing the study.

Line No.	Description (a)	Costs Incurred During Period (b)	Account Charged (c)	Reimbursements Received During the Period (d)	Account Credited With Reimbursement (e)
1	<b>Transmission Studies</b>				
2	None				
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	<b>Generation Studies</b>				
22					
23					
24					
25					
26					
27					
28					
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**OTHER REGULATORY ASSETS (Account 182.3)**

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.

2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$50,000 which ever is less), may be grouped by classes.

3. For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets  (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter/Year Account Charged (d)	Written off During the Period Amount (e)	
1	None					
2						
3						
4						
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43						
44	TOTAL				0	



MISCELLANEOUS DEFERRED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.  
2. For any deferred debit being amortized, show period of amortization in column (a)  
3. Minor item (1% of the Balance at End of Year for Account 186 or amounts less than \$50,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits  (a)	Balance at Beginning of Year  (b)	Debits  (c)	CREDITS		Balance at End of Year  (f)
				Account Charged (d)	Amount (e)	
1	Other Deferred Debits - Misc	455,474	1,733,676		1,427,658	761,492
2	Construction Costs - Billable					
3	Rabbi Trust Net Assets	84,171	5,279		1,630	87,820
4	Cash Value Life Insurance	374,985	54,152		24,854	404,283
5	CIS Project Deferred Costs	737,857	514,520		498	1,251,879
6	Charges Bill to Assoc Cos	1,601	5,910		1,601	5,910
7	Regulatory Asset - Other	2,772,866	216,383		223,996	2,765,253
8	Regulatory Asset - Debt Expense	1,849,926	1,698,099		249,364	3,298,661
9	Regulatory Asset - SFAS 109	9,039,802	225,898		495,350	8,770,350
10	Regulatory Asset - P/S Exp	221,331			10,060	211,271
11	Integrated Resource Planning	865,873	3,274,510		3,677,620	462,763
12	Payroll Home Cost Default		23,865,461		23,865,461	
13	Unamortized RB Inv Inc Diff	73,485	9,518		6,940	76,063
14	Deferred Compensation	66,234	75,407		31,014	110,627
15	* Various Accounts					
16	HR Suites Deferred Costs		22,250			22,250
17	Regulatory Asset - Pension		17,208,284			17,208,284
18	Regulatory Asset - OPEB		2,063,191			2,063,191
19						
20						
21						
22						
23						
24						
25						
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42						
43						
44						
45						
46						
47	Misc. Work in Progress					
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)	60,609	386,679	0	10,473	436,815
49	TOTAL	16,604,214				37,936,912

**ACCUMULATED DEFERRED INCOME TAXES (Account 190)**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.  
 2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Description and Location (a)	Balance of Beginning of Year (b)	Balance at End of Year (c)
1	Electric		
2			
3			
4			
5			
6			
7	Other		
8	TOTAL Electric (Enter Total of lines 2 thru 7)		
9	Gas		
10			
11			
12			
13			
14			
15	Other		
16	TOTAL Gas (Enter Total of lines 10 thru 15)		
17	Other (Specify)		
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)		

**Notes**

Not Applicable

CAPITAL STOCKS (Account 201 and 204)

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.

2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

Line No.	Class and Series of Stock and Name of Stock Series  (a)	Number of shares Authorized by Charter  (b)	Par or Stated Value per share  (c)	Call Price at End of Year  (d)
1	Common Stock	10,000,000	10.00	
2				
3	Preferred Stock:			
4	Series A	20,000	100.00	
5	Series B	10,000	100.00	
6	Series C	10,000	100.00	
7	Series D	20,000	100.00	
8	Series E	20,000	100.00	
9	Series F	10,000	100.00	
10	Series G	50,000	100.00	
11	Series H	50,000	100.00	100.00
12	Unissued	810,000	100.00	
13	Preferred Stock	1,000,000		
14				
15				
16				
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CAPITAL STOCKS (Account 201 and 204) (Continued)

3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.

4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.

5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.

Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No.
		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
1,582,602	15,826,020					1
						2
						3
						4
						5
						6
						7
						8
						9
						10
50,000	5,000,000					11
						12
50,000	5,000,000					13
						14
						15
						16
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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/14/2008	Year/Period of Report 2007/Q4
MAUI ELECTRIC COMPANY, LIMITED			
FOOTNOTE DATA			

**Schedule Page: 250 Line No.: 1 Column: d**

Not applicable

**Schedule Page: 250 Line No.: 4 Column: d**

Not applicable

**Schedule Page: 250 Line No.: 5 Column: d**

Not applicable

**Schedule Page: 250 Line No.: 6 Column: d**

Not applicable

**Schedule Page: 250 Line No.: 7 Column: d**

Not applicable

**Schedule Page: 250 Line No.: 8 Column: d**

Not applicable

**Schedule Page: 250 Line No.: 9 Column: d**

Not applicable

**Schedule Page: 250 Line No.: 10 Column: d**

Not applicable

**OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)**

Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, Page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries effecting such change.

(a) Donations Received from Stockholders (Account 208)-State amount and give brief explanation of the origin and purpose of each donation.

(b) Reduction in Par or Stated value of Capital Stock (Account 209): State amount and give brief explanation of the capital change which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.

(c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210): Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.

(d) Miscellaneous Paid-in Capital (Account 211)-Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	None	
2		
3		
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39		
40	TOTAL	

Name of Respondent 20080518-8010 FERC PDF (Unofficial) MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/14/2008	Year/Period of Report End of 2007/Q4
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CAPITAL STOCK EXPENSE (Account 214)		
1. Report the balance at end of the year of discount on capital stock for each class and series of capital stock. 2. If any change occurred during the year in the balance in respect to any class or series of stock, attach a statement giving particulars (details) of the change. State the reason for any charge-off of capital stock expense and specify the account charged.		
Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1	Common Stock	60,989
2		
3	Preferred Stock:	
4	Series A	
5	Series B	
6	Series C	
7	Series D	
8	Series E	
9	Series F	
10	Series G	
11	Series H	90,389
12	Subtotal Preferred Stock \$90,389	
13		
14	Flex Cumulative Quarterly Income Preferred Securities (Flex QUIPS)	
15		
16		
17		
18		
19		
20		
21		
22	TOTAL	151,378

Name of Respondent 20080518-8010 FERC PDF (Unofficial) MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (2) <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/14/2008	Year/Period of Report End of 2007/Q4
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**LONG-TERM DEBT (Account 221, 222, 223 and 224)**

1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.
2. In column (a), for new issues, give Commission authorization numbers and dates.
3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
6. In column (b) show the principal amount of bonds or other long-term debt originally issued.
7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1	First Mortgage Bonds:		
2	Series F, G, H, I, J, K, L, M & N	27,500,000	447,274
3			
4	Medium-Term Note	10,000,000	95,043
5			
6	Notes Payable to Assoc. Co.-QUIDS	10,000,000	404,544
7	Notes Payable to Assoc. Co.-QUIDS II	10,000,000	365,777
8	Notes Payable to Assoc. Co.-QUIDS III	10,000,000	310,988
9	State of Hawaii - Special Purpose		
10	Revenue Bond - 1987	7,720,000	318,315
11	Revenue Bond - 1988	9,000,000	172,792
12	Revenue Bond - 1990A	1,000,000	25,667
13	Revenue Bond - 1990C	20,000,000	605,940
14	Revenue Bond - 1992	8,000,000	166,372
15	Revenue Bond - 1993	30,000,000	772,604
16	- 1993 Discount		600,000
17	Revenue Bond - 1995A	2,000,000	43,876
18	- 1995A Discount		38,480
19	Revenue Bond - 1996A	20,000,000	785,782
20	- 1996A Discount		466,000
21	Revenue Bond - 1996B	35,000,000	710,792
22	- 1996B Discount		123,900
23	Revenue Bond - 1997	20,000,000	300,669
24	Revenue Bond - 1998A	7,720,000	139,976
25	Revenue Bond - 1999B	9,000,000	230,478
26	- 1999B Discount		104,130
27	Revenue Bond - 1999D	1,000,000	27,522
28	Revenue Bond - 2000	20,000,000	506,711
29	- 2000 Discount		50,000
30	Revenue Bond - 2005A	2,000,000	54,529
31	(Docket #04-0303, D&O #21497 on 12/17/04)		
32			
33	TOTAL	334,940,000	9,179,656



Name of Respondent 20080518-8010 FERC PDF (Unofficial) MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/14/2008	Year/Period of Report End of 2007/Q4
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**LONG-TERM DEBT (Account 221, 222, 223 and 224)**

1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.

2. In column (a), for new issues, give Commission authorization numbers and dates.

3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.

4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.

5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.

6. In column (b) show the principal amount of bonds or other long-term debt originally issued.

7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.

8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.

9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1	Revenue Bond - 2007A	20,000,000	344,145
2	(Docket #05-0330, D&O #23292 on 3/9/07)		
3	Revnue Bond - 2007B	55,000,000	967,350
4	(Docket #2006-0383, D&O #23100 on 12/4/06)		
5	Less: Funds on Deposit with Trustee		
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31			
32			
33	TOTAL	334,940,000	9,179,656

LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
						1
VARIOUS	VARIOUS	VARIOUS	VARIOUS			2
						3
12-1-93	12-1-96	1993	1996			4
						5
4-1-97	3-27-27	1997	2027			6
12-15-98	12-15-28	1998	2028			7
3-18-04	3-18-34	2004	2034	10,000,000	650,000	8
						9
3-1-87	3-1-12	1987	2012			10
12-1-88	12-1-18	1988	2018			11
1-1-90	1-1-20	1990	2020			12
12-1-90	12-1-20	1990	2020			13
12-1-92	12-1-22	1992	2022			14
11-1-93	11-1-23	1993	2023	30,000,000	1,635,000	15
						16
1-1-95	1-1-25	1995	2025			17
						18
5-1-96	5-1-26	1996	2026		413,333	19
						20
12-1-96	12-1-26	1996	2026		662,569	21
						22
10-1-97	10-1-27	1997	2027	20,000,000	1,130,000	23
3-25-98	3-25-12	1998	2012	7,720,000	382,140	24
8-24-99	12-1-18	1999	2018	9,000,000	517,500	25
						26
11-17-99	1-1-20	1999	2020	1,000,000	61,500	27
12-01-00	12-01-20	2000	2020	20,000,000	1,140,000	28
						29
01-01-05	01-01-25	2005	2025	2,000,000	96,000	30
						31
						32
				172,040,100	9,028,888	33

**LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)**

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
3-27-07	3-1-37	2007	2037	20,000,000	415,235	1
						2
3-27-07	5-1-26	2007	2026	55,000,000	1,925,611	3
						4
				-2,679,900		5
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				172,040,100	9,028,888	33

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/14/2008	Year/Period of Report 2007/Q4
MAUI ELECTRIC COMPANY, LIMITED			
FOOTNOTE DATA			

**Schedule Page: 256 Line No.: 16 Column: b**

(D)

**Schedule Page: 256 Line No.: 18 Column: b**

(D)

**Schedule Page: 256 Line No.: 20 Column: b**

(D)

**Schedule Page: 256 Line No.: 22 Column: b**

(D)

**Schedule Page: 256 Line No.: 26 Column: b**

(D)

**Schedule Page: 256 Line No.: 29 Column: b**

(D)

**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES**

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.

2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.

3. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 117)	12,166,307
2		
3		
4	Taxable Income Not Reported on Books	
5		
6	See Attached Footnote	17,390,968
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	
10		
11	See Attached Footnote	43,534,566
12		
13		
14	Income Recorded on Books Not Included in Return	
15		
16	See Attached Footnote	1,276,721
17		
18		
19	Deductions on Return Not Charged Against Book Income	
20		
21	See Attached Footnote	38,167,210
22		
23		
24		
25		
26		
27	Federal Tax Net Income	33,647,910
28	Show Computation of Tax:	
29		
30	Federal Taxable Income	33,647,910
31	Federal Statutory Percentage Rate	35
32	Federal Statutory Income Tax Liability	11,776,769
33		
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Name of Respondent	This Report is:	Date of Report	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/14/2008	2007/Q4
FOOTNOTE DATA			

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

Net Income For Common 12,166,307

## Taxable Income Not Reported on Books:

Tax Capitalized Interest	295,971
Net CIAC Received/(Refunded)	9,487,963
CIAC §481(a) adjustment	6,676,123
Customer Advances Received	430,863
Electric Disc Trust - Interest/Dividend Income	3,133
Electric Disc Trust - Realized Gain/(Loss)	1,779
Electric Disc Trust - Other Income	22
State Capital Goods Excise Tax Credit	495,114

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17,390,968

## Deductions Recorded on Books Not Deducted for Return:

Current Federal Income Taxes (Util)	12,114,009
Current State Income Taxes (Util)	(997,773)
Deferred Federal Income Taxes (Curr Yr)	(5,822,756)
Deferred State Income Taxes (Curr Yr)	(973,111)
Deferred State Income Taxes (Prior Yr)	(64,541)
State ITC Deferred to Future Period	1,156,188
Current Federal Income Taxes (Nonutil)	101,104
Current State Income Taxes (Nonutil)	-
Nondeductible EEI Dues	10,290
Nondeductible Meals & Entertainment Adj	27,266
Amort of Preferred Stock Issuance Costs	10,060
Amort of Plant Acquisition Adjustment	52,141
AFUDC - Reg Asset Amortization	96,342
Bad Debt Expense Book vs Tax	43,597
Computer Software Costs - Book Expense	43,858
Customer Information System & HR Suite	7,923
CWIP Equity Gross-Up - Amortization	441,249
CWIP Equity Transition - Amortization	30,563
Deficit Def on Accel Deprn - Reg Asset Amort	39,476
EICP Deferred Comp - Book Expense	-
Ellipse Software Costs - Book Expense	6,487
Excess Def on Other - Reg Liab Amort	2,918
Flow-Through Items - Reg Asset Amort	28,762
Gain/(Loss) on Other Property	-
FIN 48 Accrued Interest	50,789
Long Term Incentive Comp - Book Expense	-
Pension - HEIRS Book Expense	4,013,438
Pension - OPEB Book Expense	1,151,361
Pension - OPEB Executive Life Book Expense	94,382
QUIPS Amortization	25,800
Revenue Bond Debt Expense Amort	184,641
State Tax Basis - Book Deprn (Non-Utility)	48
State Tax Basis - Book Deprn	26,370,467
IRP/DSM Costs - Book Amortization	3,762,560
AFUDC - Book Depreciation	151,262
CWIP Debt - Book Depreciation	372,716
CWIP Debt Transition - Book Depreciation	26,674

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
MAUI ELECTRIC COMPANY, LIMITED	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	04/14/2008	2007/Q4
FOOTNOTE DATA			

CWIP Equity - Book Depreciation	692,782
CWIP Equity Transition - Book Depreciation	47,985
Flow-Through Items - Book Depreciation	45,158
Post-Norm Cap Overheads - Book Depreciation	21,385
Project APPRISE Costs - BPI Costs (Depn)	6,374
Solar Saver Program	87,771
Work Comp Claims	74,921

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43,534,566

## Income Recorded on Books Not Included in Return:

State ITC Restored to Operating Income	521,796
Dividends Received Deduction	2,588
AFUDC Debt Incurred	171,769
AFUDC Equity Incurred	354,670
AFUDC Equity Gross-Up Incurred	225,898

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1,276,721

## Deductions on Return Not Charged Against Book Income:

Deferred Federal Income Taxes (Nonutil)	15
Deferred State Income Taxes (Nonutil)	2
Keyman Life Insurance Adj	46,841
Accrued Vacation	33,937
CIAC (Cash) - Tax Depreciation	1,884,135
CIAC Tax Depreciation Roll-forward	2,012,078
Computer Software Costs - Tax Deduction	64,610
Cost of Removal	1,303,528
Customer Advances Refunded	506,407
Deferred Compensation	44,393
Deficit Def on Other - Reg Asset Amort	7,633
Domestic Production Activities Deduction (DPAD)	80,997
Electric Disc Trust - Other Expenses	100,127
Emission Fees Accrued	21,777
Fed ITC - Reg Liab Amortization	136,328
Federal ITC - Amortization	214,041
Gain/(Loss) on Post-'80 Vintage Retirements	50,000
Telecommunications Excise Tax Refund	5,096
IRP/DSM Costs - Tax Deduction	3,359,449
IRS Adjustments - Tax Depreciation	41,079
IRS Adjustments - Accrued Interest	146,400
Liability Reserves - Fuel/Oil Spill Clean-up	280,000
Liability Reserves - Legal - General/Auto	100,000
Pension - Excess Plan Book Expense	562
Pension - OPEB Tax Deduction	624,207
Prepays	31,680
Rate Case Costs	376,091
Revenue Bond Inv Income Differential	1,697,356
Tax Basis - Tax Depreciation	23,529,889
Tax Basis - Percentage Repair Allowance	427,035
Tax Basis - Tax Depreciation (IRP/DSM)	1,284
Tax Capitalized Interest - RAR adjustment	150,119
Tax Capitalized Interest - Tax Deprn	827,406
Tax Capitalized Interest - Tax Deprn (Non-Utility)	-
Tax Loss on Tax Capitalized Interest Retired	-

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/14/2008	Year/Period of Report 2007/Q4
MAUI ELECTRIC COMPANY, LIMITED			
FOOTNOTE DATA			

Team Incentive Plan	62,708
	<hr/>
	38,167,210
	<hr/>
<b>FEDERAL TAXABLE NET INCOME</b>	<b>33,647,910</b>



TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR
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1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are know, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5)  (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1	FEDERAL					
2	Income Tax	109,107		12,215,113	7,090,000	
3	FICA	72,366		1,969,659	1,968,102	
4	FUTA	7,998		19,851	20,009	
5	SUBTOTAL	189,471		14,204,623	9,078,111	
6						
7	STATE/COUNTY					
8	Income Tax	66,195		1,692,489	179,901	
9	SUTA	7,778		5,887	1,891	
10	Franchise	8,627,854		8,693,792	8,627,854	
11	PSC Tax	17,771,338		20,482,935	20,342,136	
12	PUC Fee	1,658,314		1,743,516	1,728,304	
13	Gen Excise/Use	34,216		901,319	879,952	
14	Property					
15	Other					
16	SUBTOTAL	28,165,695		33,519,938	31,760,038	
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41	TOTAL	28,355,166		47,724,561	40,838,149	

Name of Respondent 20080518-8010 FERC PDF (Unofficial) MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/14/2008	Year/Period of Report End of 2007/Q4
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**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)**

5. If any tax (exclude Federal and State income taxes)- covers more then one year, show the required information separately for each tax year, identifying the year in column (a).

6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.

7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.

8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.

9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
5,229,124		12,114,009			101,104	2
73,923		1,366,942			602,717	3
7,841		13,777			6,074	4
5,310,888		13,494,728			709,895	5
						6
						7
1,578,783		1,674,002			18,487	8
		4,085			1,802	9
8,693,792		8,693,792				10
17,912,137		20,482,935				11
1,673,526		1,743,516				12
55,583		901,319				13
						14
						15
29,913,821		33,499,649			20,289	16
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						40
35,224,709		46,994,377			730,184	41

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustments to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)	
1	Electric Utility						
2	3%						
3	4%	11,270,942	41211000	495,114	41230000	521,796	661,074
4	7%						
5	10%	1,122,659			40330005	214,040	
6							
7							
8	TOTAL	12,393,601		495,114		735,836	661,074
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
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11							
12							
13							
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ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (continued)

Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION	Line No.
			1
			2
11,905,334	30 Years		3
			4
908,619	30 Years		5
			6
			7
12,813,953			8
			9
			10
			11
			12
			13
			14
			15
			16
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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/14/2008	Year/Period of Report 2007/Q4
MAUI ELECTRIC COMPANY, LIMITED			
FOOTNOTE DATA			

**Schedule Page: 266 Line No.: 3 Column: g**

Adjustment to prior year's deferred amount

OTHER DEFERRED CREDITS (Account 253)

1. Report below the particulars (details) called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than \$10,000, whichever is greater) may be grouped by classes.

Line No.	Description and Other Deferred Credits  (a)	Balance at Beginning of Year  (b)	DEBITS		Credits  (e)	Balance at End of Year  (f)
			Contra Account (c)	Amount (d)		
1	General Liability Reserve	100,000		100,000		
2	LT Incentive Comp	105,354		13,500	55,833	147,687
3	Investment Inc Diff - RB	-68,170			13,624	-54,546
4	Unclaimed Refund	51			2,536	2,587
5	SFAS 112 Post Employ Liab	657,826			171,242	829,068
6	Cash Over & Short			345	345	
7	Workers' Comp Claims-Genl	711,321			76,659	787,980
8	OPEB Liability				530,144	530,144
9	Other Deferred Credits				207,437	207,437
10	Deferred Gain on Sale of Land					
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
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41						
42						
43						
44						
45						
46						
47	TOTAL	1,506,382		113,845	1,057,820	2,450,357

**ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY (Account 281)**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes rating to amortizable property.
2. For other (Specify),include deferrals relating to other income and deductions.

Line No.	Account  (a)	Balance at Beginning of Year  (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Accelerated Amortization (Account 281)			
2	Electric			
3	Defense Facilities			
4	Pollution Control Facilities			
5	Other (provide details in footnote):			
6				
7				
8	TOTAL Electric (Enter Total of lines 3 thru 7)			
9	Gas			
10	Defense Facilities			
11	Pollution Control Facilities			
12	Other (provide details in footnote):			
13				
14				
15	TOTAL Gas (Enter Total of lines 10 thru 14)			
16				
17	TOTAL (Acct 281) (Total of 8, 15 and 16)			
18	Classification of TOTAL			
19	Federal Income Tax			
20	State Income Tax			
21	Local Income Tax			

NOTES

**ACCUMULATED DEFERRED INCOME TAXES \_ ACCELERATED AMORTIZATION PROPERTY (Account 281) (Continued)**

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
							2
							3
							4
							5
							6
							7
							8
							9
							10
							11
							12
							13
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							15
							16
							17
							18
							19
							20
							21

NOTES (Continued)



Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/14/2008	Year/Period of Report 2007/Q4
MAUI ELECTRIC COMPANY, LIMITED			
FOOTNOTE DATA			

<b>Schedule Page: 272    Line No.: 21    Column: b</b> Not applicable.
---

**ACCUMULATED DEFFERED INCOME TAXES - OTHER PROPERTY (Account 282)**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes rating to property not subject to accelerated amortization
2. For other (Specify),include deferrals relating to other income and deductions.

Line No.	Account  (a)	Balance at Beginning of Year  (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric	15,495,430	-1,907,685	
3	Gas			
4				
5	TOTAL (Enter Total of lines 2 thru 4)	15,495,430	-1,907,685	
6				
7				
8				
9	TOTAL Account 282 (Enter Total of lines 5 thru	15,495,430	-1,907,685	
10	Classification of TOTAL			
11	Federal Income Tax	13,834,753	-1,617,662	
12	State Income Tax	1,660,677	-290,023	
13	Local Income Tax			

NOTES

ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
-17						13,587,728	2
							3
							4
-17						13,587,728	5
							6
							7
							8
-17						13,587,728	9
							10
-15						12,217,076	11
-2						1,370,652	12
							13

NOTES (Continued)

**ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.

2. For other (Specify), include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric			
3		-3,530,037		4,449,694
4				
5				
6				
7				
8				
9	TOTAL Electric (Total of lines 3 thru 8)	-3,530,037		4,449,694
10	Gas			
11				
12				
13				
14				
15				
16				
17	TOTAL Gas (Total of lines 11 thru 16)			
18				
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	-3,530,037		4,449,694
20	Classification of TOTAL			
21	Federal Income Tax	-2,979,877		4,449,694
22	State Income Tax	-550,160		
23	Local Income Tax			

**NOTES**

**ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)**

3. Provide in the space below explanations for Page 276 and 277. Include amounts relating to insignificant items listed under Other.  
 4. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
							2
	790,746	237	28,148	211	9,202,807	404,182	3
		253	530,144	282	287,717	-242,427	4
							5
							6
							7
							8
	790,746		558,292		9,490,524	161,755	9
							10
							11
							12
							13
							14
							15
							16
							17
							18
	790,746		558,292		9,490,524	161,755	19
							20
			471,986		8,024,752	123,195	21
	790,746		86,306		1,465,772	38,560	22
							23

NOTES (Continued)

**OTHER REGULATORY LIABILITIES (Account 254)**

1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.

2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$50,000 which ever is less), may be grouped by classes.

3. For Regulatory Liabilities being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Liabilities  (a)	Balance at Beginning of Current Quarter/Year  (b)	DEBITS		Credits  (e)	Balance at End of Current Quarter/Year  (f)
			Account Credited (c)	Amount (d)		
1	Solar Saver Program Revenues				87,771	87,771
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
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27						
28						
29						
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31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL				87,771	87,771

**ELECTRIC OPERATING REVENUES (Account 400)**

1. The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.
2. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.
4. If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)
1	Sales of Electricity		
2	(440) Residential Sales	127,313,261	124,927,264
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	117,141,418	116,608,233
5	Large (or Ind.) (See Instr. 4)	103,132,570	100,837,728
6	(444) Public Street and Highway Lighting	1,550,784	1,542,725
7	(445) Other Sales to Public Authorities		
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers	349,138,033	343,915,950
11	(447) Sales for Resale		
12	TOTAL Sales of Electricity	349,138,033	343,915,950
13	(Less) (449.1) Provision for Rate Refunds		
14	TOTAL Revenues Net of Prov. for Refunds	349,138,033	343,915,950
15	Other Operating Revenues		
16	(450) Forfeited Discounts	398,666	397,326
17	(451) Miscellaneous Service Revenues	22,119	98,908
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	856,137	852,980
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	-5,100	
22	(456.1) Revenues from Transmission of Electricity of Others		
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues	1,271,822	1,349,214
27	TOTAL Electric Operating Revenues	350,409,855	345,265,164

**ELECTRIC OPERATING REVENUES (Account 400)**

5. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)

6. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.

7. For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts.

8. Include unmetered sales. Provide details of such Sales in a footnote.

MEGAWATT HOURS SOLD		AVG.NO. CUSTOMERS PER MONTH		Line No.
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	
				1
449,576	445,434	55,494	54,419	2
				3
410,695	409,365	9,887	9,664	4
413,971	405,729	140	137	5
5,861	5,939	189	179	6
				7
				8
				9
1,280,103	1,266,467	65,710	64,399	10
				11
1,280,103	1,266,467	65,710	64,399	12
				13
1,280,103	1,266,467	65,710	64,399	14

Line 12, column (b) includes \$ 12,874,916 of unbilled revenues.

Line 12, column (d) includes 49,435 MWH relating to unbilled revenues



REGIONAL TRANSMISSION SERVICE REVENUES (Account 457.1)
--

1. The respondent shall report below the revenue collected for each service (i.e., control area administration, market administration, etc.) performed pursuant to a Commission approved tariff. All amounts separately billed must be detailed below.

Line No.	Description of Service (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1	None				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
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31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46	TOTAL				

SALES OF ELECTRICITY BY RATE SCHEDULES						
1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311. 2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading. 3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers. 4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly). 5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto. 6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.						
Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	BILLED					
2	440 Residential RE	449,905	127,636,634	55,494	8,107	0.2837
3	442 Small Comml GHJ	410,953	117,272,405	9,886	41,569	0.2854
4	442 Large Comml P	413,948	103,173,694	140	2,956,771	0.2492
5	444 St Light	5,857	1,540,027	189	30,989	0.2629
6	TOTAL	1,280,663	349,622,760	65,709	19,490	0.2730
7						
8	UNBILLED 12/07					
9	440 Residential RE	17,512	4,574,099			0.2612
10	442 Small Comml GHJK	17,227	4,378,360			0.2542
11	442 Large Comml P	14,312	3,747,409			0.2618
12	444 St Light	384	101,969			0.2655
13	TOTAL	49,435	12,801,837			0.2590
14						
15	UNBILLED 12/06					
16	440 Residential RE	-17,841	-4,897,473			0.2745
17	442 Small Comml GHJK	-17,485	-4,509,346			0.2579
18	442 Large Comml P	-14,289	-3,788,534			0.2651
19	444 St Light	-380	-91,213			0.2400
20	TOTAL	-49,995	-13,286,566			0.2658
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL Billed	1,280,663	349,622,759	65,709	19,490	0.2730
42	Total Unbilled Rev.(See Instr. 6)	-560	-484,726	0	0	0.8656
43	TOTAL	1,280,103	349,138,033	65,709	19,481	0.2727

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/14/2008	Year/Period of Report 2007/Q4
MAUI ELECTRIC COMPANY, LIMITED			
FOOTNOTE DATA			

**Schedule Page: 304 Line No.: 41 Column: b**

Corrected amount from 1,120,663 to 1,280,663

**Schedule Page: 304 Line No.: 42 Column: b**

Corrected amount from -561 to -560

Name of Respondent 20080518-8010 FERC PDF (Unofficial) MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/14/2008	Year/Period of Report End of 2007/Q4
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**SALES FOR RESALE (Account 447)**

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity ( i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).

2. Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.

3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:  
 RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.  
 LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.  
 IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.  
 SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.  
 LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.  
 IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	None					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>

**SALES FOR RESALE (Account 447) (Continued)**

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.

6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.

8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.

10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
					1
					2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
0	0	0	0	0	
0	0	0	0	0	
0	0	0	0	0	

**ELECTRIC OPERATION AND MAINTENANCE EXPENSES**

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. POWER PRODUCTION EXPENSES		
2	A. Steam Power Generation		
3	Operation		
4	(500) Operation Supervision and Engineering	716,145	577,361
5	(501) Fuel	28,181,953	29,541,550
6	(502) Steam Expenses	1,616,362	1,579,999
7	(503) Steam from Other Sources		
8	(Less) (504) Steam Transferred-Cr.		
9	(505) Electric Expenses	851,341	814,793
10	(506) Miscellaneous Steam Power Expenses	694,667	686,201
11	(507) Rents		
12	(509) Allowances		
13	TOTAL Operation (Enter Total of Lines 4 thru 12)	32,060,468	33,199,904
14	Maintenance		
15	(510) Maintenance Supervision and Engineering		
16	(511) Maintenance of Structures	466,481	161,884
17	(512) Maintenance of Boiler Plant	778,776	933,349
18	(513) Maintenance of Electric Plant	903,905	847,503
19	(514) Maintenance of Miscellaneous Steam Plant	422,390	385,213
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	2,571,552	2,327,949
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)	34,632,020	35,527,853
22	B. Nuclear Power Generation		
23	Operation		
24	(517) Operation Supervision and Engineering		
25	(518) Fuel		
26	(519) Coolants and Water		
27	(520) Steam Expenses		
28	(521) Steam from Other Sources		
29	(Less) (522) Steam Transferred-Cr.		
30	(523) Electric Expenses		
31	(524) Miscellaneous Nuclear Power Expenses		
32	(525) Rents		
33	TOTAL Operation (Enter Total of lines 24 thru 32)		
34	Maintenance		
35	(528) Maintenance Supervision and Engineering		
36	(529) Maintenance of Structures		
37	(530) Maintenance of Reactor Plant Equipment		
38	(531) Maintenance of Electric Plant		
39	(532) Maintenance of Miscellaneous Nuclear Plant		
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)		
41	TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)		
42	C. Hydraulic Power Generation		
43	Operation		
44	(535) Operation Supervision and Engineering		
45	(536) Water for Power		
46	(537) Hydraulic Expenses		
47	(538) Electric Expenses		
48	(539) Miscellaneous Hydraulic Power Generation Expenses		
49	(540) Rents		
50	TOTAL Operation (Enter Total of Lines 44 thru 49)		
51	C. Hydraulic Power Generation (Continued)		
52	Maintenance		
53	(541) Maintenance Supervision and Engineering		
54	(542) Maintenance of Structures		
55	(543) Maintenance of Reservoirs, Dams, and Waterways		
56	(544) Maintenance of Electric Plant		
57	(545) Maintenance of Miscellaneous Hydraulic Plant		
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)		
59	TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58)		

**ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)**

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
60	D. Other Power Generation		
61	Operation		
62	(546) Operation Supervision and Engineering	697,419	1,736,316
63	(547) Fuel	145,416,734	150,730,438
64	(548) Generation Expenses	4,186,367	4,494,579
65	(549) Miscellaneous Other Power Generation Expenses	371,935	330,557
66	(550) Rents		
67	TOTAL Operation (Enter Total of lines 62 thru 66)	150,672,455	157,291,890
68	Maintenance		
69	(551) Maintenance Supervision and Engineering		
70	(552) Maintenance of Structures	558,886	492,527
71	(553) Maintenance of Generating and Electric Plant	13,988,527	6,503,243
72	(554) Maintenance of Miscellaneous Other Power Generation Plant	518,738	296,952
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)	15,066,151	7,292,722
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)	165,738,606	164,584,612
75	E. Other Power Supply Expenses		
76	(555) Purchased Power	33,275,518	26,454,365
77	(556) System Control and Load Dispatching		
78	(557) Other Expenses	233,290	71,022
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	33,508,808	26,525,387
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	233,879,434	226,637,852
81	2. TRANSMISSION EXPENSES		
82	Operation		
83	(560) Operation Supervision and Engineering		
84	(561) Load Dispatching		8,950
85	(561.1) Load Dispatch-Reliability		
86	(561.2) Load Dispatch-Monitor and Operate Transmission System		
87	(561.3) Load Dispatch-Transmission Service and Scheduling		
88	(561.4) Scheduling, System Control and Dispatch Services		
89	(561.5) Reliability, Planning and Standards Development		
90	(561.6) Transmission Service Studies		
91	(561.7) Generation Interconnection Studies		
92	(561.8) Reliability, Planning and Standards Development Services		
93	(562) Station Expenses	63,162	104,814
94	(563) Overhead Lines Expenses	372,964	215,608
95	(564) Underground Lines Expenses	5,053	10,398
96	(565) Transmission of Electricity by Others		
97	(566) Miscellaneous Transmission Expenses	113,701	122,277
98	(567) Rents		
99	TOTAL Operation (Enter Total of lines 83 thru 98)	554,880	462,047
100	Maintenance		
101	(568) Maintenance Supervision and Engineering		
102	(569) Maintenance of Structures	69,445	29,581
103	(569.1) Maintenance of Computer Hardware		
104	(569.2) Maintenance of Computer Software		
105	(569.3) Maintenance of Communication Equipment		
106	(569.4) Maintenance of Miscellaneous Regional Transmission Plant		
107	(570) Maintenance of Station Equipment	552,567	697,801
108	(571) Maintenance of Overhead Lines	487,139	308,763
109	(572) Maintenance of Underground Lines		349
110	(573) Maintenance of Miscellaneous Transmission Plant	413,111	363,090
111	TOTAL Maintenance (Total of lines 101 thru 110)	1,522,262	1,399,584
112	TOTAL Transmission Expenses (Total of lines 99 and 111)	2,077,142	1,861,631

## ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
113	3. REGIONAL MARKET EXPENSES		
114	Operation		
115	(575.1) Operation Supervision		
116	(575.2) Day-Ahead and Real-Time Market Facilitation		
117	(575.3) Transmission Rights Market Facilitation		
118	(575.4) Capacity Market Facilitation		
119	(575.5) Ancillary Services Market Facilitation		
120	(575.6) Market Monitoring and Compliance		
121	(575.7) Market Facilitation, Monitoring and Compliance Services		
122	(575.8) Rents		
123	Total Operation (Lines 115 thru 122)		
124	Maintenance		
125	(576.1) Maintenance of Structures and Improvements		
126	(576.2) Maintenance of Computer Hardware		
127	(576.3) Maintenance of Computer Software		
128	(576.4) Maintenance of Communication Equipment		
129	(576.5) Maintenance of Miscellaneous Market Operation Plant		
130	Total Maintenance (Lines 125 thru 129)		
131	TOTAL Regional Transmission and Market Op Expns (Total 123 and 130)		
132	4. DISTRIBUTION EXPENSES		
133	Operation		
134	(580) Operation Supervision and Engineering		
135	(581) Load Dispatching		
136	(582) Station Expenses	150,521	230,770
137	(583) Overhead Line Expenses	1,079,458	1,000,511
138	(584) Underground Line Expenses	427,678	359,994
139	(585) Street Lighting and Signal System Expenses		
140	(586) Meter Expenses	833,526	884,778
141	(587) Customer Installations Expenses	8,774	9,817
142	(588) Miscellaneous Expenses	280,963	164,075
143	(589) Rents		
144	TOTAL Operation (Enter Total of lines 134 thru 143)	2,780,920	2,649,945
145	Maintenance		
146	(590) Maintenance Supervision and Engineering		
147	(591) Maintenance of Structures	36,815	29,135
148	(592) Maintenance of Station Equipment	573,696	316,445
149	(593) Maintenance of Overhead Lines	1,724,170	1,269,187
150	(594) Maintenance of Underground Lines	554,703	471,995
151	(595) Maintenance of Line Transformers	112,650	42,533
152	(596) Maintenance of Street Lighting and Signal Systems	115,948	128,758
153	(597) Maintenance of Meters	428	5,186
154	(598) Maintenance of Miscellaneous Distribution Plant	366,245	321,693
155	TOTAL Maintenance (Total of lines 146 thru 154)	3,484,655	2,584,932
156	TOTAL Distribution Expenses (Total of lines 144 and 155)	6,265,575	5,234,877
157	5. CUSTOMER ACCOUNTS EXPENSES		
158	Operation		
159	(901) Supervision	89,488	72,763
160	(902) Meter Reading Expenses	789,068	739,685
161	(903) Customer Records and Collection Expenses	1,954,471	1,751,527
162	(904) Uncollectible Accounts	228,387	211,851
163	(905) Miscellaneous Customer Accounts Expenses		
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)	3,061,414	2,775,826



**ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)**

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
165	<b>6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES</b>		
166	Operation		
167	(907) Supervision	56,100	46,045
168	(908) Customer Assistance Expenses	4,314,245	3,628,339
169	(909) Informational and Instructional Expenses	26,730	20,334
170	(910) Miscellaneous Customer Service and Informational Expenses		
171	<b>TOTAL Customer Service and Information Expenses (Total 167 thru 170)</b>	<b>4,397,075</b>	<b>3,694,718</b>
172	<b>7. SALES EXPENSES</b>		
173	Operation		
174	(911) Supervision		
175	(912) Demonstrating and Selling Expenses		
176	(913) Advertising Expenses		
177	(916) Miscellaneous Sales Expenses		
178	<b>TOTAL Sales Expenses (Enter Total of lines 174 thru 177)</b>		
179	<b>8. ADMINISTRATIVE AND GENERAL EXPENSES</b>		
180	Operation		
181	(920) Administrative and General Salaries	2,199,171	2,146,114
182	(921) Office Supplies and Expenses	908,472	784,427
183	(Less) (922) Administrative Expenses Transferred-Credit	990,221	943,494
184	(923) Outside Services Employed	1,923,283	1,875,298
185	(924) Property Insurance	831,505	758,078
186	(925) Injuries and Damages	1,167,428	652,275
187	(926) Employee Pensions and Benefits	5,233,097	4,621,778
188	(927) Franchise Requirements		
189	(928) Regulatory Commission Expenses	10,473	
190	(929) (Less) Duplicate Charges-Cr.		
191	(930.1) General Advertising Expenses	697	1,686
192	(930.2) Miscellaneous General Expenses	776,838	466,601
193	(931) Rents	7,464	6,064
194	<b>TOTAL Operation (Enter Total of lines 181 thru 193)</b>	<b>12,068,207</b>	<b>10,368,827</b>
195	Maintenance		
196	(935) Maintenance of General Plant	190,989	211,098
197	<b>TOTAL Administrative &amp; General Expenses (Total of lines 194 and 196)</b>	<b>12,259,196</b>	<b>10,579,925</b>
198	<b>TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)</b>	<b>261,939,836</b>	<b>250,784,829</b>

Name of Respondent 20080518-8010 FERC PDF (Unofficial) MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/14/2008	Year/Period of Report End of 2007/Q4
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**PURCHASED POWER (Account 555)**  
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.

2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.

3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Hawaiian Commercial & Sugar Co., Ltd.	LU				
2	Kaheawa Wind Power, LLC	OS				
3	Makila Hydro, LLC	OS				
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
	Total					

Name of Respondent 20080518-8010 FERC PDF (Unofficial) MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/14/2008	Year/Period of Report End of 2007/Q4
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**PURCHASED POWER (Account 555) (Continued)**  
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
94,920			1,815,358	17,343,137		19,158,495	1
125,753				14,117,023		14,117,023	2
							3
							4
							5
							6
							7
							8
							9
							10
							11
							12
							13
							14
220,673			1,815,358	31,460,160		33,275,518	

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1) (Including transactions referred to as 'wheeling')				
<p>1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.</p> <p>2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).</p> <p>3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)</p> <p>4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.</p>				

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classifi- cation (d)
1	None			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
	TOTAL			

**TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)**  
(Including transactions referred to as 'wheeling')

5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.
8. Report in column (i) and (j) the total megawatthours received and delivered.

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
None						1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
			0	0	0	

Name of Respondent 20080518-8010 FERC PDF (Unofficial) MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/14/2008	Year/Period of Report End of 2007/Q4
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**TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)**  
(Including transactions referred to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.
11. Footnote entries and provide explanations following all required data.

**REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS**

Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
				1
				2
				3
				4
				5
				6
				7
				8
				9
				10
				11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31
				32
				33
				34
0	0	0	0	

Name of Respondent 20080518-8010 FERC PDF (Unofficial) MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/14/2008	Year/Period of Report End of 2007/Q4
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TRANSMISSION OF ELECTRICITY BY ISO/RTOs					
1. Report in Column (a) the Transmission Owner receiving revenue for the transmission of electricity by the ISO/RTO. 2. Use a separate line of data for each distinct type of transmission service involving the entities listed in Column (a). 3. In Column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO – Firm Network Service for Others, FNS – Firm Network Transmission Service for Self, LFP – Long-Term Firm Point-to-Point Transmission Service, OLF – Other Long-Term Firm Transmission Service, SFP – Short-Term Firm Point-to-Point Transmission Reservation, NF – Non-Firm Transmission Service, OS – Other Transmission Service and AD- Out-of-Period Adjustments. Use this code for any accounting adjustments or “true-ups” for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes. 4. In column (c) identify the FERC Rate Schedule or tariff Number, on separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (b) was provided. 5. In column (d) report the revenue amounts as shown on bills or vouchers. 6. Report in column (e) the total revenues distributed to the entity listed in column (a).					
Line No.	Payment Received by (Transmission Owner Name) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Total Revenue by Rate Schedule or Tariff (d)	Total Revenue (e)
1	None				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	TOTAL				

TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565) (Including transactions referred to as "wheeling")
---

- Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter.
- In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported.
- In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point-to-Point Transmission Reservations. OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to- Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications.
- Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.
- Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
- Enter "TOTAL" in column (a) as the last line.
- Footnote entries and provide explanations following all required data.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			
			Megawatt-hours Received (c)	Megawatt-hours Delivered (d)	Demand Charges (\$) (e)	Energy Charges (\$) (f)	Other Charges (\$) (g)	Total Cost of Transmission (\$) (h)
1	None							
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
	TOTAL							



MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)		
Line No.	Description (a)	Amount (b)
1	Industry Association Dues	64,470
2	Nuclear Power Research Expenses	
3	Other Experimental and General Research Expenses	249,396
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	83,862
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000	
6	Director's Fee & Expenses	33,584
7	A & G Exp Allocations - Lanai	90,000
8	A & G Exp Allocations - Molokai	180,000
9	Community Service Act	40,462
10	Envirommental Compliance	35,064
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
45		
46	TOTAL	776,838

**DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405)**  
(Except amortization of acquisition adjustments)

1. Report in section A for the year the amounts for : (b) Depreciation Expense (Account 403; (c) Depreciation Expense for Asset Retirement Costs (Account 403.1; (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).

2. Report in Section 8 the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.

3. Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.

Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.

In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.

For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.

4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

**A. Summary of Depreciation and Amortization Charges**

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Limited Term Electric Plant (Account 404) (d)	Amortization of Other Electric Plant (Acc 405) (e)	Total (f)
1	Intangible Plant					
2	Steam Production Plant	3,042,245				3,042,245
3	Nuclear Production Plant					
4	Hydraulic Production Plant-Conventional					
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant	9,359,774				9,359,774
7	Transmission Plant	3,215,871				3,215,871
8	Distribution Plant	12,310,597				12,310,597
9	Regional Transmission and Market Operation					
10	General Plant	2,245,852				2,245,852
11	Common Plant-Electric					
12	TOTAL	30,174,339				30,174,339

**B. Basis for Amortization Charges**

Not applicable.

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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)							
C. Factors Used in Estimating Depreciation Charges							
Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12							
13	MAUI SYSTEM						
14	31110	2,425	30.00		3.00	30 SQ	8.00
15	31104	637	35.00		2.70	35 SQ	2.80
16	31130	448	20.00		5.60	20 SQ	2.10
17	31131	368	20.00		5.60	20 SQ	3.90
18	31132	1,422	20.00		5.60	20 SQ	17.90
19	31140	476	30.00		4.40	30 SQ	15.50
20	31201	855	30.00		3.40	30 SQ	3.60
21	31202	1,110	30.00		3.40	30 SQ	7.50
22	31203	2,199	30.00		3.40	30 SQ	5.80
23	31204	3,539	35.00		2.70	35 SQ	19.10
24	31210	4,445	30.00		3.40	30 SQ	6.40
25	31215	16,451	30.00		3.40	30 SQ	15.10
26	31218	16,068	30.00		3.40	30 SQ	27.00
27	31220	4,628	35.00		2.80	35 SQ	7.80
28	31401	1,192	30.00		0.20	30 SQ	30.00
29	31402	680	30.00		0.20	30 SQ	30.00
30	31403	1,336	20.00		0.20	20 SQ	20.00
31	31404	1,832	35.00		2.80	35 SQ	5.80
32	31410	17	30.00		0.20	30 SQ	30.00
33	31415	5,752	30.00		0.20	30 SQ	30.00
34	31418	37,488	30.00		0.20	30 SQ	30.00
35	31501	637	30.00		2.30	30 SQ	22.30
36	31502	267	30.00		2.30	30 SQ	27.50
37	31503	722	30.00		2.30	30 SQ	10.40
38	31504	1,021	35.00		2.90	35 SQ	12.60
39	31510	500	30.00		2.30	30 SQ	30.00
40	31515	2,742	30.00		2.30	30 SQ	28.70
41	31518	1,703	30.00		2.30	30 SQ	30.00
42	31601	67	30.00		3.70	30 SQ	7.50
43	31602	31	30.00		3.70	30 SQ	19.30
44	31603	88	30.00		3.70	30 SQ	10.20
45	31604	178	35.00		2.30	35 SQ	4.60
46	31610	2,084	30.00		3.70	30 SQ	19.30
47	31615	559	30.00		3.70	30 SQ	13.20
48	31618	723	30.00		3.70	30SQ	25.20
49	34110	3,241	20.00		5.10	20 SQ	9.60
50	34120	30,174	20.00		5.10	20 SQ	6.10

**DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)**

**C. Factors Used in Estimating Depreciation Charges**

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	34200	3,045	20.00		5.10	20 SQ	5.30
13	342HA	32	20.00		5.10	20 SQ	17.60
14	34301	194	20.00		5.20	20 SQ	
15	34302	209	20.00		5.20	20 SQ	
16	34303	220	20.00		5.20	20 SQ	
17	34304	1,369	20.00		4.10	20 SQ	
18	34305	986	25.00		4.10	25 SQ	
19	34306	1,126	25.00		4.10	25 SQ	
20	34307	1,147	25.00		4.10	25 SQ	
21	34308	1,706	25.00		4.10	25 SQ	
22	34309	1,532	25.00		4.10	25 SQ	
23	34310	4,808	25.00		4.10	25 SQ	
24	34311	4,263	25.00		4.10	25 SQ	
25	34314	4,367	25.00		4.10	25 SQ	16.90
26	343SP	3,468	25.00		4.10	25 SQ	20.50
27	344HS	2,410	25.00		5.20	25 SQ	
28	34401	64	20.00		5.20	20 SQ	
29	34402	58	20.00		5.20	20 SQ	
30	34403	48	20.00		5.20	20 SQ	
31	34404	240	25.00		4.10	25 SQ	
32	34405	166	25.00		4.10	25 SQ	
33	34406	296	25.00		4.10	25 SQ	
34	34407	393	25.00		4.10	25 SQ	2.80
35	34408	272	25.00		4.10	25 SQ	
36	34409	212	25.00		4.10	25 SQ	
37	34410	1,286	25.00		4.10	25 SQ	8.90
38	34411	807	25.00		4.10	25 SQ	1.20
39	34412	10,319	25.00		4.10	25 SQ	5.30
40	34413	8,446	25.00		4.10	25 SQ	6.70
41	34414	15,888	25.00		4.10	25 SQ	9.60
42	34416	14,403	25.00		4.10	25 SQ	10.50
43	34417	27,834	25.00		4.10	25 SQ	15.40
44	34419	19,493	25.00		4.10	25 SQ	17.40
45	34420	88	15.00		9.40	15 SQ	
46	34501	113	20.00		5.10	20 SQ	1.20
47	34502	85	20.00		5.10	20 SQ	1.00
48	34503	61	20.00		5.10	20 SQ	1.00
49	34504	183	20.00		4.00	20 SQ	2.30
50	34505	45	25.00		4.00	25 SQ	

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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)							
C. Factors Used in Estimating Depreciation Charges							
Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	34506	170	25.00		4.00	25 SQ	
13	34507	96	25.00		4.00	25 SQ	
14	34508	324	25.00		4.00	25 SQ	1.00
15	34509	71	25.00		4.00	25 SQ	
16	34510	967	25.00		4.00	25 SQ	
17	34511	840	25.00		4.00	25 SQ	13.60
18	34512	1,403	25.00		4.00	25 SQ	7.60
19	34513	464	25.00		4.00	25 SQ	7.60
20	34514	3,531	25.00		4.00	25 SQ	10.40
21	34516	2,130	25.00		4.00	25 SQ	11.40
22	34517	7,125	25.00		4.00	25 SQ	16.30
23	34519	100	20.00		4.00	25 SQ	20.00
24	34530	1,756	20.00		5.10	20 SQ	6.70
25	345HA	1	25.00		4.00	25 SQ	21.00
26	345HS	16	25.00		4.00	25 SQ	22.00
27	34602	1	20.00		5.10	20 SQ	
28	34603	2	20.00		5.10	20 SQ	1.10
29	34608	733	20.00		5.10	20 SQ	10.10
30	34610	54	20.00		5.10	20 SQ	14.60
31	34611	3	20.00		5.10	20 SQ	
32	34612	53	20.00		5.10	20 SQ	10.80
33	34613	136	20.00		5.10	20 SQ	11.30
34	34614	4,159	20.00		5.10	20 SQ	5.80
35	34616	827	20.00		5.10	20 SQ	11.10
36	34617	9,637	20.00		5.10	20 SQ	10.60
37	34619	6	20.00		5.10	20 SQ	14.60
38	34630	4,299	20.00		5.10	20 SQ	2.80
39	35010	2,421	50.00		2.00	50 S2	37.90
40	35210	1,457	40.00		2.50	40 SQ	27.00
41	35220	23	40.00		2.70	40 SQ	7.10
42	35230	5,775	40.00		2.60	40 SQ	31.10
43	35300	40,575	35.00	-15.00	3.20	35 R1.5	21.50
44	35500	28,955	34.00	-20.00	3.30	34 R1	20.30
45	35600	17,036	30.00	-35.00	4.40	30 R0.5	13.70
46	35700	479	30.00		2.04	30 SQ	30.00
47	35800	804	30.00		2.25	30 SQ	30.00
48	36010	935	50.00		2.10	50 S2	39.30
49	36110	691	40.00		2.50	40 SQ	15.10
50	36120	342	40.00		2.60	40 SQ	12.10

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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)							
C. Factors Used in Estimating Depreciation Charges							
Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	36130	14	40.00		2.50	40 SQ	9.70
13	36200	26,235	32.00	-15.00	3.40	32 R1.5	17.30
14	36400	24,458	27.00	-60.00	5.90	27 SC	9.30
15	36500	32,190	29.00	-20.00	4.10	29 SC	14.50
16	36600	37,884	30.00	-10.00	3.80	35 R2.5	20.50
17	36700	40,580	25.00	-25.00	5.10	25 R1.5	9.30
18	36800	36,683	31.00	-25.00	4.10	31 RO.5	17.90
19	36910	16,804	25.00	-65.00	7.10	25 R1.5	11.10
20	36920	34,821	25.00	-30.00	5.10	25 R1.5	15.30
21	37000	8,209	32.00		3.00	32 R2	21.90
22	37001	420	32.00		3.00	32 R2	22.60
23	37300	10,587	25.00	-10.00	4.10	25 SC	11.50
24	39019	760	33.00		3.00	33 SQ	24.00
25	39030	2,629	45.00		2.30	45 SQ	30.60
26	39031	1,996	33.00		3.10	33 SQ	12.90
27	39032	378	33.00		3.10	33 SQ	11.80
28	39033	179	33.00		3.10	33 SQ	27.90
29	39034	17	33.00		3.30	33 SQ	7.30
30	39035	299	20.00		5.30	20 SQ	3.20
31	39036	206	33.00		3.10	33 SQ	13.60
32	39037	146	33.00		3.30	33 SQ	16.30
33	39038	23	33.00		3.30	33 SQ	9.70
34	39039	57	33.00		3.30	33 SQ	21.60
35	39040	12	33.00		3.00	33 SQ	19.90
36	39041	690	33.00		3.10	33 SQ	29.40
37	39051	66	33.00		2.50	33 SQ	21.20
38	39060	6	25.00		4.80	25 SQ	
39	39110	3,990	10.00		11.20	10 SQ	2.10
40	39120	704	18.00		4.90	18 SC	13.80
41	39130	986	24.00		3.60	24 SC	16.80
42	39210	4,638	15.00	20.00	4.60	15 R1.5	14.60
43	39220	3,550	8.00	10.00	13.10	8 S1.5	1.80
44	39300	477	25.00		4.20	25 SQ	9.80
45	39420	2,645	25.00		2.20	25 SC	25.00
46	39430	683	25.00		2.20	25 SC	25.00
47	39510	845	25.00		4.00	25 SQ	11.20
48	39520	6	25.00		4.00	25 SQ	
49	39540	335	25.00		4.00	25 SQ	
50	39600	122	15.00		6.60	15 SQ	12.20

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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)							
C. Factors Used in Estimating Depreciation Charges							
Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	39700	17,774	14.00		7.00	14 S3	5.40
13	39800	470	12.00		8.10	12 S-0.5	7.00
14							
15							
16	LANAI SYSTEM						
17	3411L	1,606	20.00		2.50	20 SQ	20.00
18	3412L	2,407	20.00		2.50	20 SQ	20.00
19	3421L	1,735	20.00		5.10	20 SQ	9.40
20	343LL	161	20.00		5.20	20 SQ	10.20
21	343L4	28	20.00		5.20	20 SQ	13.20
22	343L7	29	20.00		5.20	20 SQ	14.30
23	344LA	2,694	20.00		5.20	20 SQ	5.30
24	344LL	197	20.00		5.20	20 SQ	
25	344L7	2,638	20.00		5.20	20 SQ	8.50
26	344L8	2,315	20.00		5.20	20 SQ	8.50
27	345LA	2,198	20.00		5.10	20 SQ	8.00
28	345LL	28	20.00		5.10	20 SQ	
29	346LA	1,363	20.00		5.10	20 SQ	8.70
30	3601L	144	50.00		2.00	50 S2	40.00
31	3620L	968	32.00	-15.00	3.40	32 R1.5	18.90
32	3640L	1,852	27.00	-60.00	5.90	27 SC	4.70
33	3650L	2,335	29.00	-20.00	4.10	29 SC	13.00
34	3660L	1,273	30.00	-10.00	3.60	30 R2.5	23.00
35	3670L	2,236	25.00	-25.00	5.00	25 R1.5	6.10
36	3680L	648	31.00	-25.00	4.00	31 R0.5	14.20
37	3691L	280	25.00	-65.00	6.60	25 R1.5	7.40
38	3692L	876	25.00	-30.00	5.20	25 R1.5	15.80
39	3700L	192	32.00		3.10	32 R2	19.60
40	3701L	12	32.00		3.10	32 R2	19.50
41	3730L	257	25.00	-10.00	4.40	25 SC	7.50
42	3900L	140	33.00		3.00	33 SQ	29.20
43	39070	10	33.00		3.00	33 SQ	
44	39071	85	33.00		3.00	33 SQ	18.50
45	39072	11	33.00		3.30	33 SQ	11.30
46	39073	433	33.00		3.00	33 SQ	30.30
47	3911L	241	10.00		11.20	10 SQ	1.00
48	3912L	6	10.00		4.90	10 SQ	6.60
49	3920L	174	9.00		11.30	9 S1.5	3.50
50	3921L	261	19.00		5.40	19 S-1.5	5.40

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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)							
C. Factors Used in Estimating Depreciation Charges							
Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	3942L	4	25.00		4.00	25 SC	15.70
13	3943L	23	25.00		4.00	25 SC	
14	3970L	277	14.00		7.00	14 SC	10.00
15	3980L	2	12.00		8.33	12 S-0.5	3.40
16							
17							
18	MOLOKAI SYSTEM						
19	3411M	996	40.00		2.50		29.30
20	3412M	964	40.00		2.50		29.30
21	3422M	1,820	40.00		2.50		29.70
22	3430M	106	25.00		4.00		8.30
23	343M7	21	25.00		4.00		20.00
24	344M7	2,981	25.00		4.00		14.10
25	344M8	2,952	25.00		4.00		14.10
26	344M9	2,905	25.00		4.00		14.00
27	3440M	1,677	25.00		4.00		15.60
28	3442M	5	25.00		4.00		25.00
29	3450M	3,294	19.00		5.40		7.90
30	3460M	2,307	10.00		10.00		
31	3530M	603	30.00		3.30		29.10
32	3540M	39	30.00		3.30		11.80
33	3550M	117	30.00		3.30		
34	3560M	62	30.00		3.30		
35	3601M	12	50.00		2.00		47.20
36	3611M	59	30.00		3.33		5.40
37	3620M	955	30.00		3.33		21.40
38	3640M	2,389	30.00		3.33		12.00
39	3650M	2,029	30.00		3.33		17.50
40	3660M	136	30.00		3.33		24.90
41	3670M	2,684	30.00		3.33		15.10
42	3680M	1,236	30.00		3.33		16.00
43	3691M	926	22.00		4.50		11.40
44	3692M	493	22.00		4.50		17.60
45	3700M	263	30.00		3.33		10.50
46	3701M	30	30.00		3.33		17.40
47	3730M	306	22.00		4.50		6.90
48	3892M	56	30.00				1.00
49	3900M	478	25.00				12.80
50	3911M	74	20.00				17.20



DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)							
C. Factors Used in Estimating Depreciation Charges							
Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	3912M	7	5.00				5.00
13	3913M	48	20.00				1.40
14	3920M	627	10.00				1.00
15	3922M	253	3.00				
16	3942M	99	10.00				1.00
17	3943M	9	10.00				
18	3970M	673	25.00				14.50
19	3980M	10	10.00				7.80
20							
21							
22							
23							
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REGULATORY COMMISSION EXPENSES
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1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.

2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.

Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expense for Current Year (b) + (c) (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	General Rate Increase Hearing Expense				
2	Hawaii PUC Docket No. 2006-0387		182,613	182,613	
3					
4					
5					
6					
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44					
45					
46	TOTAL		182,613	182,613	

REGULATORY COMMISSION EXPENSES (Continued)
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3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.

4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.

5. Minor items (less than \$25,000) may be grouped.

EXPENSES INCURRED DURING YEAR				AMORTIZED DURING YEAR			
CURRENTLY CHARGED TO			Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)	Deferred in Account 182.3 End of Year (l)	Line No.
Department (f)	Account No. (g)	Amount (h)					
							1
			447,288		10,473	436,815	2
Power Sup	Various	103,143					3
Engineerig	Various	12,043					4
T & D	Various	115,473					5
Others	Various	182,613					6
							7
							8
							9
							10
							11
							12
							13
							14
							15
							16
							17
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		413,272	447,288		10,473	436,815	46

**RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES**

1. Describe and show below costs incurred and accounts charged during the year for technological research, development, and demonstration (R, D & D) project initiated, continued or concluded during the year. Report also support given to others during the year for jointly-sponsored projects.(Identify recipient regardless of affiliation.) For any R, D & D work carried with others, show separately the respondent's cost for the year and cost chargeable to others (See definition of research, development, and demonstration in Uniform System of Accounts).

2. Indicate in column (a) the applicable classification, as shown below:

Classifications:

A. Electric R, D & D Performed Internally:

(1) Generation

a. hydroelectric

i. Recreation fish and wildlife

ii Other hydroelectric

b. Fossil-fuel steam

c. Internal combustion or gas turbine

d. Nuclear

e. Unconventional generation

f. Siting and heat rejection

(2) Transmission

a. Overhead

b. Underground

(3) Distribution

(4) Regional Transmission and Market Operation

(5) Environment (other than equipment)

(6) Other (Classify and include items in excess of \$5,000.)

(7) Total Cost Incurred

B. Electric, R, D & D Performed Externally:

(1) Research Support to the electrical Research Council or the Electric Power Research Institute

Line No.	Classification (a)	Description (b)
1	Electric, R D & D	
2	Performed internally	
3	A.(1)c.	SCR Demonstration Project
4		
5	Performed internally	
6	A.(1)ii.	Hawaiian Ocean Current Resource
7	A.(1)e.	Sun Power for Schools
8	A.(1)e.	Hawaii Energy Test Lab (Solar)
9	A.(6)	Other
10		
11	Performed externally	
12	B.(1)	EPRI Support
13		
14		
15		
16		
17		
18	Total	
19		
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21		
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**RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES (Continued)**

- (2) Research Support to Edison Electric Institute  
 (3) Research Support to Nuclear Power Groups  
 (4) Research Support to Others (Classify)  
 (5) Total Cost Incurred

3. Include in column (c) all R, D & D items performed internally and in column (d) those items performed outside the company costing \$5,000 or more, briefly describing the specific area of R, D & D (such as safety, corrosion control, pollution, automation, measurement, insulation, type of appliance, etc.). Group items under \$5,000 by classifications and indicate the number of items grouped. Under Other, (A (6) and B (4)) classify items by type of R, D & D activity.

4. Show in column (e) the account number charged with expenses during the year or the account to which amounts were capitalized during the year, listing Account 107, Construction Work in Progress, first. Show in column (f) the amounts related to the account charged in column (e)

5. Show in column (g) the total unamortized accumulating of costs of projects. This total must equal the balance in Account 188, Research, Development, and Demonstration Expenditures, Outstanding at the end of the year.

6. If costs have not been segregated for R, D & D activities or projects, submit estimates for columns (c), (d), and (f) with such amounts identified by "Est."

7. Report separately research and related testing facilities operated by the respondent.

Costs Incurred Internally Current Year (c)	Costs Incurred Externally Current Year (d)	AMOUNTS CHARGED IN CURRENT YEAR		Unamortized Accumulation (g)	Line No.
		Account (e)	Amount (f)		
					1
					2
22		107	22		3
					4
					5
10,400		9302	10,400		6
2,786		9302	2,786		7
481		9302	481		8
13,585		9302	13,585		9
					10
					11
222,143		9302	222,143		12
					13
					14
					15
					16
					17
249,417			249,417		18
					19
					20
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# DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production	5,655,052		
4	Transmission	292,088		
5	Regional Market			
6	Distribution	1,679,565		
7	Customer Accounts	1,833,831		
8	Customer Service and Informational	429,843		
9	Sales			
10	Administrative and General	2,313,688		
11	TOTAL Operation (Enter Total of lines 3 thru 10)	12,204,067		
12	Maintenance			
13	Production	3,752,613		
14	Transmission	477,749		
15	Regional Market			
16	Distribution	1,544,694		
17	Administrative and General	36,840		
18	TOTAL Maintenance (Total of lines 13 thru 17)	5,811,896		
19	Total Operation and Maintenance			
20	Production (Enter Total of lines 3 and 13)	9,407,665		
21	Transmission (Enter Total of lines 4 and 14)	769,837		
22	Regional Market (Enter Total of Lines 5 and 15)			
23	Distribution (Enter Total of lines 6 and 16)	3,224,259		
24	Customer Accounts (Transcribe from line 7)	1,833,831		
25	Customer Service and Informational (Transcribe from line 8)	429,843		
26	Sales (Transcribe from line 9)			
27	Administrative and General (Enter Total of lines 10 and 17)	2,350,528		
28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	18,015,963	1,620,147	19,636,110
29	Gas			
30	Operation			
31	Production-Manufactured Gas			
32	Production-Nat. Gas (Including Expl. and Dev.)			
33	Other Gas Supply			
34	Storage, LNG Terminating and Processing			
35	Transmission			
36	Distribution			
37	Customer Accounts			
38	Customer Service and Informational			
39	Sales			
40	Administrative and General			
41	TOTAL Operation (Enter Total of lines 31 thru 40)			
42	Maintenance			
43	Production-Manufactured Gas			
44	Production-Natural Gas (Including Exploration and Development)			
45	Other Gas Supply			
46	Storage, LNG Terminating and Processing			
47	Transmission			

DISTRIBUTION OF SALARIES AND WAGES (Continued)

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
48	Distribution			
49	Administrative and General			
50	TOTAL Maint. (Enter Total of lines 43 thru 49)			
51	Total Operation and Maintenance			
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)			
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32,			
54	Other Gas Supply (Enter Total of lines 33 and 45)			
55	Storage, LNG Terminaling and Processing (Total of lines 31 thru			
56	Transmission (Lines 35 and 47)			
57	Distribution (Lines 36 and 48)			
58	Customer Accounts (Line 37)			
59	Customer Service and Informational (Line 38)			
60	Sales (Line 39)			
61	Administrative and General (Lines 40 and 49)			
62	TOTAL Operation and Maint. (Total of lines 52 thru 61)			
63	Other Utility Departments			
64	Operation and Maintenance			
65	TOTAL All Utility Dept. (Total of lines 28, 62, and 64)	18,015,963	1,620,147	19,636,110
66	Utility Plant			
67	Construction (By Utility Departments)			
68	Electric Plant	4,613,482	1,413,058	6,026,540
69	Gas Plant			
70	Other (provide details in footnote):			
71	TOTAL Construction (Total of lines 68 thru 70)	4,613,482	1,413,058	6,026,540
72	Plant Removal (By Utility Departments)			
73	Electric Plant	621,785	112,170	733,955
74	Gas Plant			
75	Other (provide details in footnote):			
76	TOTAL Plant Removal (Total of lines 73 thru 75)	621,785	112,170	733,955
77	Other Accounts (Specify, provide details in footnote):	451,180	95,025	546,205
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79				
80				
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83				
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94				
95	TOTAL Other Accounts	451,180	95,025	546,205
96	TOTAL SALARIES AND WAGES	23,702,410	3,240,400	26,942,810

20080518-8010 FERC PDF (Unofficial) 05/15/2008		This Report Is:		Date of Report (Mo, Da, Yr)		Year/Period of Report	
Name of Respondent MAUI ELECTRIC COMPANY, LIMITED		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		04/14/2008		End of 2007/Q4	
COMMON UTILITY PLANT AND EXPENSES							
<p>1. Describe the property carried in the utility's accounts as common utility plant and show the book cost of such plant at end of year classified by accounts as provided by Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Also show the allocation of such plant costs to the respective departments using the common utility plant and explain the basis of allocation used, giving the allocation factors.</p> <p>2. Furnish the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the Common utility plant to which such accumulated provisions relate, including explanation of basis of allocation and factors used.</p> <p>3. Give for the year the expenses of operation, maintenance, rents, depreciation, and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Show the allocation of such expenses to the departments using the common utility plant to which such expenses are related. Explain the basis of allocation used and give the factors of allocation.</p> <p>4. Give date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.</p>							
Not applicable							



**AMOUNTS INCLUDED IN ISO/RTO SETTLEMENT STATEMENTS**

1. The respondent shall report below the details called for concerning amounts it recorded in Account 555, Purchase Power, and Account 447, Sales for Resale, for items shown on ISO/RTO Settlement Statements. Transactions should be separately netted for each ISO/RTO administered energy market for purposes of determining whether an entity is a net seller or purchaser in a given hour. Net megawatt hours are to be used as the basis for determining whether a net purchase or sale has occurred. In each monthly reporting period, the hourly sale and purchase net amounts are to be aggregated and separately reported in Account 447, Sales for Resale, or Account 555, Purchased Power, respectively.

Line No.	Description of Item(s) (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1	Energy				
2	Net Purchases (Account 555)				
3	Net Sales (Account 447)				
4	Transmission Rights				
5	Ancillary Services				
6	Other Items (list separately)				
7					
8					
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41					
42					
43					
44					
45					
46	TOTAL				

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/14/2008	Year/Period of Report 2007/Q4
MAUI ELECTRIC COMPANY, LIMITED			
FOOTNOTE DATA			

<b>Schedule Page: 397</b>	<b>Line No.: 1</b>	<b>Column: b</b>
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Not applicable

## PURCHASES AND SALES OF ANCILLARY SERVICES

Report the amounts for each type of ancillary service shown in column (a) for the year as specified in Order No. 888 and defined in the respondents Open Access Transmission Tariff.

In columns for usage, report usage-related billing determinant and the unit of measure.

- (1) On line 1 columns (b), (c), (d), (e), (f) and (g) report the amount of ancillary services purchased and sold during the year.
- (2) On line 2 columns (b) (c), (d), (e), (f), and (g) report the amount of reactive supply and voltage control services purchased and sold during the year.
- (3) On line 3 columns (b) (c), (d), (e), (f), and (g) report the amount of regulation and frequency response services purchased and sold during the year.
- (4) On line 4 columns (b), (c), (d), (e), (f), and (g) report the amount of energy imbalance services purchased and sold during the year.
- (5) On lines 5 and 6, columns (b), (c), (d), (e), (f), and (g) report the amount of operating reserve spinning and supplement services purchased and sold during the period.
- (6) On line 7 columns (b), (c), (d), (e), (f), and (g) report the total amount of all other types ancillary services purchased or sold during the year. Include in a footnote and specify the amount for each type of other ancillary service provided.

[illegible]

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/14/2008	Year/Period of Report 2007/Q4
MAUI ELECTRIC COMPANY, LIMITED			
FOOTNOTE DATA			

**Schedule Page: 398 Line No.: 1 Column: b**

Not applicable

Name of Respondent 20080518-8010 FERC PDF (Unofficial) MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2008 04/14/2008	Year/Period of Report End of 2007/Q4
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**MONTHLY TRANSMISSION SYSTEM PEAK LOAD**

(1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.

(2) Report on Column (b) by month the transmission system's peak load.

(3) Report on Columns (c ) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).

(4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.

NAME OF SYSTEM: MAUI										
Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Firm Network Service for Self (e)	Firm Network Service for Others (f)	Long-Term Firm Point-to-point Reservations (g)	Other Long-Term Firm Service (h)	Short-Term Firm Point-to-point Reservation (i)	Other Service (j)
1	January	203	22	19	203					
2	February	201	1	19	201					
3	March	201	7	19	201					
4	Total for Quarter 1	605			605					
5	April	198	11	19	198					
6	May	201	21	20	201					
7	June	198	26	20	198					
8	Total for Quarter 2	597			597					
9	July	201	2	20	201					
10	August	207	13	19	207					
11	September	202	17	19	202					
12	Total for Quarter 3	610			610					
13	October	203	22	19	203					
14	November	209	7	19	209					
15	December	202	27	19	202					
16	Total for Quarter 4	614			614					
17	Total Year to Date/Year	2,426			2,426					

### MONTHLY TRANSMISSION SYSTEM PEAK LOAD

(1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.

(2) Report on Column (b) by month the transmission system's peak load.

(3) Report on Columns (c ) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).

(4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.

NAME OF SYSTEM: LANAI

Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Firm Network Service for Self (e)	Firm Network Service for Others (f)	Long-Term Firm Point-to-point Reservations (g)	Other Long-Term Firm Service (h)	Short-Term Firm Point-to-point Reservation (i)	Other Service (j)
1	January	5	2	18	5					
2	February	5	26	19	5					
3	March	5	15	19	5					
4	Total for Quarter 1	15			15					
5	April	5	30	19	5					
6	May	5	3	19	5					
7	June	5	18	18	5					
8	Total for Quarter 2	15			15					
9	July	5	2	20	5					
10	August	5	16	19	5					
11	September	5	6	19	5					
12	Total for Quarter 3	15			15					
13	October	6	17	20	6					
14	November	6	26	20	6					
15	December	6	30	20	6					
16	Total for Quarter 4	18			18					
17	Total Year to Date/Year	63			63					

Name of Respondent 20080518-8010 FERC PDF (Unofficial) MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/14/2008	Year/Period of Report End of 2007/Q4
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**MONTHLY TRANSMISSION SYSTEM PEAK LOAD**

(1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.

(2) Report on Column (b) by month the transmission system's peak load.

(3) Report on Columns (c ) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).

(4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.

NAME OF SYSTEM: MOLOKAI

Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Firm Network Service for Self (e)	Firm Network Service for Others (f)	Long-Term Firm Point-to-point Reservations (g)	Other Long-Term Firm Service (h)	Short-Term Firm Point-to-point Reservation (i)	Other Service (j)
1	January	6	8	18	6					
2	February	6	1	19	6					
3	March	6	7	19	6					
4	Total for Quarter 1	18			18					
5	April	6	11	19	6					
6	May	6	21	10	6					
7	June	6	6	19	6					
8	Total for Quarter 2	18			18					
9	July	6	18	20	6					
10	August	6	28	13	6					
11	September	6	17	19	6					
12	Total for Quarter 3	18			18					
13	October	6	1	19	6					
14	November	6	7	18	6					
15	December	6	27	18	6					
16	Total for Quarter 4	18			18					
17	Total Year to Date/Year	72			72					

Name of Respondent 20080518-8010 FERC PDF (Unofficial) MAUI ELECTRIC COMPANY, LIMITED				This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/14/2008		Year/Period of Report End of 2007/Q4		
MONTHLY ISO/RTO TRANSMISSION SYSTEM PEAK LOAD										
<p>(1) Report the monthly peak load on the respondent's transmission system. If the Respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.</p> <p>(2) Report on Column (b) by month the transmission system's peak load.</p> <p>(3) Report on Column (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).</p> <p>(4) Report on Columns (e) through (i) by month the system's transmission usage by classification. Amounts reported as Through and Out Service in Column (g) are to be excluded from those amounts reported in Columns (e) and (f).</p> <p>(5) Amounts reported in Column (j) for Total Usage is the sum of Columns (h) and (i).</p>										
NAME OF SYSTEM: MAUI										
Line No.	Month	Monthly Peak MW - Total	Day of Monthly Peak	Hour of Monthly Peak	Imports into ISO/RTO	Exports from ISO/RTO	Through and Out Service	Network Service Usage	Point-to-Point Service Usage	Total Usage
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	January	203	22	19				106,209		106,209
2	February	201	1	19				93,764		93,764
3	March	201	7	19				106,659		106,659
4	Total for Quarter 1	605						306,632		306,632
5	April	198	11	19				102,528		102,528
6	May	201	21	20				108,987		108,987
7	June	198	26	20				109,185		109,185
8	Total for Quarter 2	597						320,700		320,700
9	July	201	2	20				115,183		115,183
10	August	207	13	19				116,643		116,643
11	September	202	17	19				108,772		108,772
12	Total for Quarter 3	610						340,598		340,598
13	October	203	22	19				110,201		110,201
14	November	209	7	19				104,938		104,938
15	December	202	27	19				104,378		104,378
16	Total for Quarter 4	614						319,517		319,517
17	Total Year to Date/Year	2,426						1,287,447		1,287,447



Name of Respondent 20080518-8010 FERC PDF (Unofficial) MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2008 04/14/2008	Year/Period of Report End of 2007/Q4
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MONTHLY ISO/RTO TRANSMISSION SYSTEM PEAK LOAD										
<p>(1) Report the monthly peak load on the respondent's transmission system. If the Respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.</p> <p>(2) Report on Column (b) by month the transmission system's peak load.</p> <p>(3) Report on Column (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).</p> <p>(4) Report on Columns (e) through (i) by month the system's transmission usage by classification. Amounts reported as Through and Out Service in Column (g) are to be excluded from those amounts reported in Columns (e) and (f).</p> <p>(5) Amounts reported in Column (j) for Total Usage is the sum of Columns (h) and (i).</p>										
NAME OF SYSTEM: LANAI										

Line No.	Month	Monthly Peak MW - Total	Day of Monthly Peak	Hour of Monthly Peak	Imports into ISO/RTO	Exports from ISO/RTO	Through and Out Service	Network Service Usage	Point-to-Point Service Usage	Total Usage
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	January	5	2	18				2,631		2,631
2	February	5	26	19				2,421		2,421
3	March	5	15	19				2,581		2,581
4	Total for Quarter 1	15						7,633		7,633
5	April	5	30	20				2,638		2,638
6	May	5	3	19				2,697		2,697
7	June	5	18	18				2,685		2,685
8	Total for Quarter 2	15						8,020		8,020
9	July	5	2	20				2,859		2,859
10	August	5	16	19				2,843		2,843
11	September	5	6	19				2,769		2,769
12	Total for Quarter 3	15						8,471		8,471
13	October	6	16	19				2,729		2,729
14	November	6	26	19				2,751		2,751
15	December	6	30	19				2,682		2,682
16	Total for Quarter 4	18						8,162		8,162
17	Total Year to Date/Year	63						32,286		32,286

Name of Respondent 20080518-8010 FERC PDF (Unofficial) MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/14/2008	Year/Period of Report End of 2007/Q4
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**MONTHLY ISO/RTO TRANSMISSION SYSTEM PEAK LOAD**

- (1) Report the monthly peak load on the respondent's transmission system. If the Respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
- (2) Report on Column (b) by month the transmission system's peak load.
- (3) Report on Column (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).
- (4) Report on Columns (e) through (i) by month the system's transmission usage by classification. Amounts reported as Through and Out Service in Column (g) are to be excluded from those amounts reported in Columns (e) and (f).
- (5) Amounts reported in Column (j) for Total Usage is the sum of Columns (h) and (i).

NAME OF SYSTEM: MOLOKAI

Line No.	Month	Monthly Peak MW - Total	Day of Monthly Peak	Hour of Monthly Peak	Imports into ISO/RTO	Exports from ISO/RTO	Through and Out Service	Network Service Usage	Point-to-Point Service Usage	Total Usage
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	January			6	8	18		3,224		3,224
2	February			6	1	19		2,914		2,914
3	March			6	7	19		3,223		3,223
4	Total for Quarter 1				16	56		9,361		9,361
5	April			6	11	19		3,124		3,124
6	May			6	21	10		3,338		3,338
7	June			6	6	19		3,263		3,263
8	Total for Quarter 2				38	48		9,725		9,725
9	July			6	18	20		3,392		3,392
10	August			6	28	13		3,466		3,466
11	September			6	17	19		3,332		3,332
12	Total for Quarter 3				63	52		10,190		10,190
13	October			6	1	19		3,414		3,414
14	November			6	7	18		3,190		3,190
15	December			6	27	18		3,220		3,220
16	Total for Quarter 4				35	55		9,824		9,824
17	Total Year to Date/Year				152	211		39,100		39,100

Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.

Page 401a

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**MONTHLY PEAKS AND OUTPUT**

(1) Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non- integrated system.

(2) Report on line 2 by month the system's output in Megawatt hours for each month.

(3) Report on line 3 by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.

(4) Report on line 4 by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.

(5) Report on lines 5 and 6 the specified information for each monthly peak load reported on line 4.

NAME OF SYSTEM:						
Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requriments Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instr. 4) (d)	Day of Month (e)	Hour (f)
29	January	112,064			0	
30	February	99,101			0	
31	March	112,463			0	
32	April	108,289			0	
33	May	115,023			0	
34	June	115,133			0	
35	July	121,434			0	
36	August	122,953			0	
37	September	114,871			0	
38	October	116,344			0	
39	November	110,878			0	
40	December	110,280			0	
41	TOTAL	1,358,833				

STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)							
1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a term basis report the Btu content or the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.							
Line No.	Item (a)	Plant Name: <i>Kahului</i> (b)			Plant Name: <i>Maalaea</i> (c)		
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear)	Steam			Internal Combustion		
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	Conventional			Conventional		
3	Year Originally Constructed	1948			1971		
4	Year Last Unit was Installed	1966			2007		
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	34.00			232.30		
6	Net Peak Demand on Plant - MW (60 minutes)	29			159		
7	Plant Hours Connected to Load	8760			8760		
8	Net Continuous Plant Capability (Megawatts)	0			0		
9	When Not Limited by Condenser Water	34			212		
10	When Limited by Condenser Water	0			0		
11	Average Number of Employees	38			68		
12	Net Generation, Exclusive of Plant Use - KWh	206105440			860560240		
13	Cost of Plant: Land and Land Rights	123655			400533		
14	Structures and Improvements	3510797			33414246		
15	Equipment Costs	27426438			253826517		
16	Asset Retirement Costs	0			0		
17	Total Cost	31060890			287641296		
18	Cost per KW of Installed Capacity (line 17/5) Including	913.5556			1238.2320		
19	Production Expenses: Oper, Supv, & Engr	716145			1453962		
20	Fuel	28181953			132483257		
21	Coolants and Water (Nuclear Plants Only)	0			0		
22	Steam Expenses	1352502			263860		
23	Steam From Other Sources	0			0		
24	Steam Transferred (Cr)	0			0		
25	Electric Expenses	643848			3580845		
26	Misc Steam (or Nuclear) Power Expenses	694667			0		
27	Rents	0			0		
28	Allowances	0			0		
29	Maintenance Supervision and Engineering	0			0		
30	Maintenance of Structures	441485			472600		
31	Maintenance of Boiler (or reactor) Plant	572007			93478		
32	Maintenance of Electric Plant	864782			12401355		
33	Maintenance of Misc Steam (or Nuclear) Plant	415982			464214		
34	Total Production Expenses	33883371			151213571		
35	Expenses per Net KWh	0.1644			0.1757		
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	Oil			Oil		
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)	Barrel			Barrel		
38	Quantity (Units) of Fuel Burned	472609	0	0	1346967	0	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	150000	0	0	139524	0	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	64.000	0.000	0.000	100.500	0.000	0.000
41	Average Cost of Fuel per Unit Burned	59.630	0.000	0.000	98.360	0.000	0.000
42	Average Cost of Fuel Burned per Million BTU	9.470	0.000	0.000	16.780	0.000	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.137	0.000	0.000	0.154	0.000	0.000
44	Average BTU per KWh Net Generation	14446.000	0.000	0.000	9172.000	0.000	0.000

STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)(Continued)									
<p>9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.</p>									
Plant Name: (d)			Plant Name: (e)			Plant Name: (f)			Line No.
Not applicable									1
									2
									3
									4
0.00			0.00			0.00			5
0			0			0			6
0			0			0			7
0			0			0			8
0			0			0			9
0			0			0			10
0			0			0			11
0			0			0			12
0			0			0			13
0			0			0			14
0			0			0			15
0			0			0			16
0			0			0			17
0.0000			0.0000			0.0000			18
0			0			0			19
0			0			0			20
0			0			0			21
0			0			0			22
0			0			0			23
0			0			0			24
0			0			0			25
0			0			0			26
0			0			0			27
0			0			0			28
0			0			0			29
0			0			0			30
0			0			0			31
0			0			0			32
0			0			0			33
0			0			0			34
0.0000			0.0000			0.0000			35
									36
									37
0	0	0	0	0	0	0	0	0	38
0	0	0	0	0	0	0	0	0	39
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	40
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	41
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	42
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	43
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	44

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/14/2008	Year/Period of Report 2007/Q4
MAUI ELECTRIC COMPANY, LIMITED			
FOOTNOTE DATA			

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

HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants)			
1. Large plants are hydro plants of 10,000 Kw or more of installed capacity (name plate ratings) 2. If any plant is leased, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. If licensed project, give project number. 3. If net peak demand for 60 minutes is not available, give that which is available specifying period. 4. If a group of employees attends more than one generating plant, report on line 11 the approximate average number of employees assignable to each plant.			
Line No.	Item  (a)	FERC Licensed Project No. 0 Plant Name:  (b)	FERC Licensed Project No. 0 Plant Name:  (c)
1	Kind of Plant (Run-of-River or Storage)	Not applicable	
2	Plant Construction type (Conventional or Outdoor)		
3	Year Originally Constructed		
4	Year Last Unit was Installed		
5	Total installed cap (Gen name plate Rating in MW)	0.00	0.00
6	Net Peak Demand on Plant-Megawatts (60 minutes)	0	0
7	Plant Hours Connect to Load	0	0
8	Net Plant Capability (in megawatts)		
9	(a) Under Most Favorable Oper Conditions	0	0
10	(b) Under the Most Adverse Oper Conditions	0	0
11	Average Number of Employees	0	0
12	Net Generation, Exclusive of Plant Use - Kwh	0	0
13	Cost of Plant		
14	Land and Land Rights	0	0
15	Structures and Improvements	0	0
16	Reservoirs, Dams, and Waterways	0	0
17	Equipment Costs	0	0
18	Roads, Railroads, and Bridges	0	0
19	Asset Retirement Costs	0	0
20	TOTAL cost (Total of 14 thru 19)	0	0
21	Cost per KW of Installed Capacity (line 20 / 5)	0.0000	0.0000
22	Production Expenses		
23	Operation Supervision and Engineering	0	0
24	Water for Power	0	0
25	Hydraulic Expenses	0	0
26	Electric Expenses	0	0
27	Misc Hydraulic Power Generation Expenses	0	0
28	Rents	0	0
29	Maintenance Supervision and Engineering	0	0
30	Maintenance of Structures	0	0
31	Maintenance of Reservoirs, Dams, and Waterways	0	0
32	Maintenance of Electric Plant	0	0
33	Maintenance of Misc Hydraulic Plant	0	0
34	Total Production Expenses (total 23 thru 33)	0	0
35	Expenses per net KWh	0.0000	0.0000



## HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)

5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power, System control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."

6. Report as a separate plant any plant equipped with combinations of steam, hydro, internal combustion engine, or gas turbine equipment.

FERC Licensed Project No. 0 Plant Name: (d)	FERC Licensed Project No. 0 Plant Name: (e)	FERC Licensed Project No. 0 Plant Name: (f)	Line No.
Not applicable			1
			2
			3
			4
0.00	0.00	0.00	5
0	0	0	6
0	0	0	7
			8
0	0	0	9
0	0	0	10
0	0	0	11
0	0	0	12
			13
0	0	0	14
0	0	0	15
0	0	0	16
0	0	0	17
0	0	0	18
0	0	0	19
0	0	0	20
0.0000	0.0000	0.0000	21
			22
0	0	0	23
0	0	0	24
0	0	0	25
0	0	0	26
0	0	0	27
0	0	0	28
0	0	0	29
0	0	0	30
0	0	0	31
0	0	0	32
0	0	0	33
0	0	0	34
0.0000	0.0000	0.0000	35

Name of Respondent 20080518-8010 FERC PDF (Unofficial) MAUI ELECTRIC COMPANY, LIMITED		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/14/2008	Year/Period of Report End of <u>2007/Q4</u>
PUMPED STORAGE GENERATING PLANT STATISTICS (Large Plants)					
<p>1. Large plants and pumped storage plants of 10,000 Kw or more of installed capacity (name plate ratings)</p> <p>2. If any plant is leased, operating under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. Give project number.</p> <p>3. If net peak demand for 60 minutes is not available, give the which is available, specifying period.</p> <p>4. If a group of employees attends more than one generating plant, report on line 8 the approximate average number of employees assignable to each plant.</p> <p>5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power System Control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."</p>					
Line No.	Item (a)	FERC Licensed Project No. Plant Name: (b)		0	
1	Type of Plant Construction (Conventional or Outdoor)			Not applicable	
2	Year Originally Constructed				
3	Year Last Unit was Installed				
4	Total installed cap (Gen name plate Rating in MW)				
5	Net Peak Demand on Plant-Megawatts (60 minutes)				
6	Plant Hours Connect to Load While Generating				
7	Net Plant Capability (in megawatts)				
8	Average Number of Employees				
9	Generation, Exclusive of Plant Use - Kwh				
10	Energy Used for Pumping				
11	Net Output for Load (line 9 - line 10) - Kwh				
12	Cost of Plant				
13	Land and Land Rights				
14	Structures and Improvements				
15	Reservoirs, Dams, and Waterways				
16	Water Wheels, Turbines, and Generators				
17	Accessory Electric Equipment				
18	Miscellaneous Powerplant Equipment				
19	Roads, Railroads, and Bridges				
20	Asset Retirement Costs				
21	Total cost (total 13 thru 20)				
22	Cost per KW of installed cap (line 21 / 4)				
23	Production Expenses				
24	Operation Supervision and Engineering				
25	Water for Power				
26	Pumped Storage Expenses				
27	Electric Expenses				
28	Misc Pumped Storage Power generation Expenses				
29	Rents				
30	Maintenance Supervision and Engineering				
31	Maintenance of Structures				
32	Maintenance of Reservoirs, Dams, and Waterways				
33	Maintenance of Electric Plant				
34	Maintenance of Misc Pumped Storage Plant				
35	Production Exp Before Pumping Exp (24 thru 34)				
36	Pumping Expenses				
37	Total Production Exp (total 35 and 36)				
38	Expenses per KWh (line 37 / 9)				

PUMPED STORAGE GENERATING PLANT STATISTICS (Large Plants) (Continued)
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6. Pumping energy (Line 10) is that energy measured as input to the plant for pumping purposes.

7. Include on Line 36 the cost of energy used in pumping into the storage reservoir. When this item cannot be accurately computed leave Lines 36, 37 and 38 blank and describe at the bottom of the schedule the company's principal sources of pumping power, the estimated amounts of energy from each station or other source that individually provides more than 10 percent of the total energy used for pumping, and production expenses per net MWH as reported herein for each source described. Group together stations and other resources which individually provide less than 10 percent of total pumping energy. If contracts are made with others to purchase power for pumping, give the supplier contract number, and date of contract.

FERC Licensed Project No. Plant Name: (c)	0	FERC Licensed Project No. Plant Name: (d)	0	FERC Licensed Project No. Plant Name: (e)	0	Line No.
Not applicable						1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
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						20
						21
						22
						23
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						29
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						31
						32
						33
						34
						35
						36
						37
						38

**GENERATING PLANT STATISTICS (Small Plants)**

1. Small generating plants are steam plants of, less than 25,000 Kw; internal combustion and gas turbine-plants, conventional hydro plants and pumped storage plants of less than 10,000 Kw installed capacity (name plate rating). 2. Designate any plant leased from others, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, and give a concise statement of the facts in a footnote. If licensed project, give project number in footnote.

Line No.	Name of Plant (a)	Year Orig. Const. (b)	Installed Capacity Name Plate Rating (In MW) (c)	Net Peak Demand MW (60 min.) (d)	Net Generation Excluding Plant Use (e)	Cost of Plant (f)
1	Hana					
2	H-1	2001	1.00			
3	H-2	2001	1.00			
4						
5	TOTAL HANA				107,749	342,123
6						
7	Miki Basin					
8	LL1	1990	1.00			
9	LL2	1990	1.00			
10	LL3	1990	1.00			
11	LL4	1990	1.00			
12	LL5	1990	1.00			
13	LL6	1990	1.00			
14	LL7	1996	2.20			
15	LL8	1996	2.20			
16						
17	TOTAL MIKI BASIN			5.3	32,285,615	17,618,751
18						
19	Molokai					
20	Caterpillar 1	1985	1.25			
21	Caterpillar 2	1985	1.25			
22	Gas Turbine	1982	2.22			
23	Cummins Diesel #3	1985	0.97			
24	Cummins Diesel #4	1985	0.97			
25	Cummins Diesel #5	1985	0.97			
26	Cummins Diesel #6	1991	0.97			
27	Caterpillar 7	1996	2.20			
28	Caterpillar 8	1996	2.20			
29	Caterpillar 9	1996	2.20			
30						
31	TOTAL MOLOKAI			6.0	39,099,959	20,264,638
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						

**GENERATING PLANT STATISTICS (Small Plants) (Continued)**

3. List plants appropriately under subheadings for steam, hydro, nuclear, internal combustion and gas turbine plants. For nuclear, see instruction 11, Page 403. 4. If net peak demand for 60 minutes is not available, give the which is available, specifying period. 5. If any plant is equipped with combinations of steam, hydro internal combustion or gas turbine equipment, report each as a separate plant. However, if the exhaust heat from the gas turbine is utilized in a steam turbine regenerative feed water cycle, or for preheated combustion air in a boiler, report as one plant.

Plant Cost (Incl Asset Retire. Costs) Per MW (g)	Operation Exc'l. Fuel (h)	Production Expenses		Kind of Fuel (k)	Fuel Costs (in cents (per Million Btu) (l)	Line No.
		Fuel (i)	Maintenance (j)			
						1
						2
						3
						4
171,062	5,559	22,738	11,581	Diesel	1,189	5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
1,694,111	802,768	6,101,832	292,878	Diesel	1,854	17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
1,333,320	790,921	6,808,906	1,518,539	Diesel	1,714	31
						32
						33
						34
						35
						36
						37
						38
						39
						40
						41
						42
						43
						44
						45
						46

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/14/2008	Year/Period of Report 2007/Q4
MAUI ELECTRIC COMPANY, LIMITED			
FOOTNOTE DATA			

**Schedule Page: 410 Line No.: 5 Column: d**

Net Peak Demand for Hana is not available

**Schedule Page: 410 Line No.: 5 Column: f**

No detail breakdown available. See one-line diagram and map of Maui.

TRANSMISSION LINE STATISTICS								
<p>1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.</p> <p>2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.</p> <p>3. Report data by individual lines for all voltages if so required by a State commission.</p> <p>4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.</p> <p>5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.</p> <p>6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.</p>								

Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1	No Detail							
2								
3								
4								
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22								
23								
24								
25								
26								
27								
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32								
33								
34								
35								
36					TOTAL			

Name of Respondent 20080518-8010 FERC PDF (Unofficial) MAUI ELECTRIC COMPANY, LIMITED	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/14/2008	Year/Period of Report End of 2007/Q4
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TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
No Detail								1
								2
								3
								4
								5
								6
								7
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								36



Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/14/2008	Year/Period of Report 2007/Q4
MAUI ELECTRIC COMPANY, LIMITED			
FOOTNOTE DATA			

**Schedule Page: 422 Line No.: 1 Column: a**

No detail breakdown available. See one-line diagram and map of Maui.

**Schedule Page: 422 Line No.: 1 Column: i**

No detail breakdown available. See one-line diagram and map of Maui.

TRANSMISSION LINES ADDED DURING YEAR

1. Report below the information called for concerning Transmission lines added or altered during the year. It is not necessary to report minor revisions of lines.
2. Provide separate subheadings for overhead and under- ground construction and show each transmission line separately. If actual costs of competed construction are not readily available for reporting columns (l) to (o), it is permissible to report in these columns the

Line No.	LINE DESIGNATION		Line Length in Miles (c)	SUPPORTING STRUCTURE		CIRCUITS PER STRUCTURE	
	From (a)	To (b)		Type (d)	Average Number per Miles (e)	Present (f)	Ultimate (g)
1	None						
2							
3							
4							
5							
6							
7							
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37							
38							
39							
40							
41							
42							
43							
44	TOTAL						

TRANSMISSION LINES ADDED DURING YEAR (Continued)

costs. Designate, however, if estimated amounts are reported. Include costs of Clearing Land and Rights-of-Way, and Roads and Trails, in column (l) with appropriate footnote, and costs of Underground Conduit in column (m).

3. If design voltage differs from operating voltage, indicate such fact by footnote; also where line is other than 60 cycle, 3 phase, indicate such other characteristic.

CONDUCTORS			Voltage KV (Operating) (k)	LINE COST					Line No.
Size (h)	Specification (i)	Configuration and Spacing (j)		Land and Land Rights (l)	Poles, Towers and Fixtures (m)	Conductors and Devices (n)	Asset Retire. Costs (o)	Total (p)	
									1
									2
									3
									4
									5
									6
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**SUBSTATIONS**

1. Report below the information called for concerning substations of the respondent as of the end of the year.

2. Substations which serve only one industrial or street railway customer should not be listed below.

3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.

4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation  (a)	Character of Substation  (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	See one-line diagram				
2					
3					
4					
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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
			See one-line diagram			1
						2
						3
						4
						5
						6
						7
						8
						9
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