

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

Supplement To:

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

All terms and provisions of the above listed rate schedules are applicable except that the Revenue Balancing Account Rate Adjustment in Section E shall be applied to the Customer's bill as a percentage of all rate schedule charges, including all charges for Surcharges, Clauses, and Fees, but excluding charges related to the Energy Cost Recovery Clause ("ECRC") and the RBA Rate Adjustment. If the Customer's bill includes a minimum charge, the RBA Rate Adjustment shall be in addition to the minimum charge.

MAUI ELECTRIC COMPANY, LTD.

REVENUE BALANCING ACCOUNT ("RBA") PROVISION

A: PURPOSE:

The purpose of the Revenue Balancing Account ("RBA") is to record: 1) the difference between the Maui Electric Company's target revenue and recorded adjusted revenue, and 2) monthly interest applied to the net of income tax simple average of the beginning and ending month balances in the RBA. In addition, the recovery provision of this tariff provides for collection or return of the balance in the RBA, recovery or refund of the previously established Rate Adjustment Mechanism ("RAM") Revenue Adjustment, Annual Revenue Adjustment ("ARA"), recovery or refund of the Earnings Sharing Adjustment or predecessor Earnings Sharing Revenue Credits, refund of Major Capital Projects Credits and Baseline Capital Projects Credits provided in the RAM Provision, any revenue adjustment provided in accordance with the Performance Incentive Mechanism ("PIM") Provision, recovery of any costs approved under the Major Project Interim Recovery ("MPIR") or Exceptional Project Recovery Mechanism ("EPRM"), and any Shared Savings incentives, Pilot Program costs or other adjustments approved by the Commission for recovery through the RBA.

A Fall Revenue Report will be filed on or before October 31st of each year, and will establish the RBA Rate Adjustment effective January 1st of the following year, and a Spring Revenue Report will be filed on or before March 31st of each year, and will update the RBA Rate Adjustment effective on June 1st of that year to account for changes in Target Revenue approved by the Commission in the Spring Revenue Report.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter dated May 10, 2023.

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

B: TARGET REVENUE:

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

Plus: the RAM Revenue Adjustment established and made effective on June 1, 2020 under the RAM Provision;

Plus: the current year's ARA Adjustment provided for in accordance with the ARA Provision;

Plus: the Compounded Portion of the ARA Adjustment from each prior year where the ARA Adjustment was applicable;

Plus: Any approved revenues under the EPRM or predecessor MPIR;

Plus: Any Performance Incentive Adjustment provided for in accordance with the Performance Incentive Mechanism Provision;

Plus: Any Pilot Process costs approved for recovery by the Commission;

Adjusted By: Any applicable Earnings Sharing Adjustment from the ARA Provision and other adjustments, including adjustments for Shared Savings Mechanisms ("SSMs"), as applicable, in accordance with Commission's Order authorizing such adjustments. In accordance with Order No. 40222, the Earnings Sharing Adjustment is suspended and is zero until the Commission lifts the suspension of the Earnings Sharing Adjustment.

Other adjustments, if any, are shown in the table *Target Revenue Currently in Effect*, provided in section H. This total amount of target revenue, after the above additions and adjustments, shall also be known as Total Target Revenues.

Note that Target Revenue shall also be reduced by Earnings Sharing Revenue Credits, refund of Major Capital Projects Credits and refund of Baseline Capital Projects Credits as determined per RAM Provision for years prior to 2021 for amounts that have not been previously included in Target Revenue.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter dated September 14, 2023.

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

The target revenue shall be revised to correct for any errors in the calculation of the ARA or predecessor RAM Revenue Adjustment, Performance Incentive Adjustment, EPRM or predecessor MPIR Adjustment, recorded adjusted revenues or other RBA accounting determinations (collectively "RBA revenue determinations") for any previous period and for revisions to ARA, RAM Revenue Adjustments, Performance Incentive Adjustments, EPRM Adjustments, or predecessor MPIR Adjustments as a result of subsequent Commission orders that change the basis of previously calculated ARA, RAM Revenue Adjustments, Performance Incentive Adjustments, EPRM Adjustments and/or MPIR Adjustments. For any corrections of errors in previously calculated RBA revenue determinations, the RBA revenue determinations shall be adjusted as of the date that the correct determinations would have been reflected in target revenue or RBA balances. For changes in the ARA, RAM Revenue Adjustment, and/or Performance Incentive Adjustments as a result of subsequently issued Commission orders, the target revenue shall be adjusted as of the effective date of changes that are implemented pursuant to the subsequently issued Commission order.

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

The Commission and the Consumer Advocate will be notified of the RBA revenue revisions or corrections prior to implementation by the Company. There is no presumption that proposed or identified RBA revenue changes are ultimately warranted or correct. In the Fall Revenue Report and Spring Revenue Report (as further described in Section D. below), the utility will have the burden to demonstrate that any proposed, identified, or implemented changes are warranted and correctly applied. The Consumer Advocate will provide comments regarding the changes with its Statement of Position. The RBA balance and RBA Rate Adjustment will reflect any appropriate modifications to the change made by the utility in the prior period if necessary.

Monthly Allocation Factors for the Target Revenue are as follows:

January	8.493%
February	7.673%
March	8.493%
April	8.219%
May	8.493%
June	8.219%
July	8.493%
August	8.493%
September	8.219%
October	8.493%
November	8.219%
December	<u>8.493%</u>
Total	100.000%

These factors are based on the number of days in the month as a percentage of the number of days in the year, with the allocation factor for February set such that the total of the monthly allocation factors sums to 100.000%.

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

C: BALANCING ACCOUNT ENTRIES:

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

Interest will be recorded monthly to the RBA by multiplying the simple average of the beginning and ending month balance in the RBA, less applicable accumulated deferred income taxes, times the Interest Rate divided by 12. The Interest Rate shall be the short-term debt rate as established in deriving the consolidated cost of capital in the Company's last full rate case.

D: RECOVERY OF BALANCING ACCOUNT AMOUNTS:

On or before October 31st of each year, the Company shall file a Fall Revenue Report supporting the implementation of the RBA Provision and the RBA Rate Adjustment.

The RBA Rate Adjustment shall be designed to recover adjustments to target revenue and the balance in the RBA as described below. The RBA Rate Adjustment shall exclude recovery of revenues recovered by base rate schedules or any separately reconciled surcharge mechanisms.

The RBA Rate Adjustment made effective starting January 1 shall be determined to recover over the January 1 through December 31 period the preceding September 30 balance in the RBA, the ARA Adjustment for the year, the Compounded Portion of the ARA Adjustment for each prior year for which the ARA Adjustment was applicable, the approved MPIR/EPRM revenues, the RAM Revenue Adjustment calculated under the predecessor RAM provision and all other Commission-approved adjustments to Target Revenue, as described herein.

The RBA Rate Adjustment shall be adjusted effective June 1 of the applicable Adjustment Year to reflect adjustments to Target Revenues in the Spring Revenue Report, including any updates to the ARA Adjustment, updated PIM Adjustments, any Earnings Sharing Adjustments, updated MPIR/EPRM cost recoveries, Shared Savings and Pilot Process costs approved for recovery by the Commission, and any other approved adjustments to Target Revenue.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter dated March 31, 2021.

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

1. Annual Filing Requirements

A. Fall Revenue Report

On or before October 31 of the year preceding an Adjustment Year, the Company shall file a tariff transmittal to adjust Target Revenues and the RBA Rate Adjustment to be effective January 1 of the following year (the Adjustment Year).

The Fall Revenue Report shall include:

- 1) The accumulated RBA balance as of September 30 of the year preceding the Adjustment Year. The RBA balance shall include the revenue balancing entries to accrue revenues to match the monthly Target Revenues in effect, including any applicable MPIR and EPRM revenues approved for recovery and also including any other adjustments approved by the Commission to flow through the RBA;
- 2) The calculation of the ARA adjustment for the Adjustment Year, including all supporting schedules;
- 3) The rewards/penalties amounts for any known Performance Incentive Mechanisms ("PIMs") for the year preceding the Adjustment Year, including all supporting schedules; and
- 4) Any MPIR or EPRM approved adjustments; and
- 5) Any additional target revenue adjustments, with supporting calculations, including adjustments from Shared Savings Mechanisms ("SSMs").

Based upon the Company's filed schedules, the Commission's review of the annual Fall Revenue Report, and in the absence of any protests submitted by the Consumer Advocate or other interested persons, not later than 15 days before the January 1 effective date of the RBA Rate Adjustment described in this RBA Provision tariff, the RBA Rate Adjustment incorporating the collection or refund of the September 30th RBA balance, the ARA adjustment, any known rewards/penalties for PIMs, and other adjustments based on the Fall Revenue Report shall go into effect on the January 1 effective date as approved by the Commission, and the Commission shall confirm the commencement of the RBA Rate Adjustment in its monthly Tariff Order.

B. February 28th Filing

On or before February 28th of each year, the Company shall file schedules and other supporting workpapers for all known attained PIMs, SSMS, and EPRM revenue adjustments.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter dated March 31, 2021.

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

C. Spring Revenue Report

On or before March 31 of each year, the Company shall file a Spring Revenue Report supporting the implementation of revisions to Target Revenue and the resulting update of the RBA Rate Adjustment. This tariff transmittal update to the Fall Revenue Report shall support a change in the RBA Rate Adjustment effective June 1 of the Adjustment Year for any changes in Target Revenues.

The Spring Revenue Report shall include:

- 1) Any applicable Z-Factor amount for the ARA;
- 2) PIM and SSM Performance Review supporting data, including updated PIM rewards/penalties and updated adjustments for any SSMS based on actual performance for the year preceding the Adjustment Year, and any other known PIM rewards/penalties as of time of the filing;
- 3) Any updates to MPIR or EPRM adjustments, with supporting calculations;
- 4) Earnings Sharing Adjustment calculations for the year preceding the Adjustment Year based on actual results for the year preceding the Adjustment Year;
- 5) Any additional target revenue adjustments; and
- 6) The Company's annual Pilot Update.

Based upon the Company's filed schedules, the Commission's review of the Spring Revenue Report and in the absence of any protests submitted by the Consumer Advocate, or other interested persons, not later than 15 days before the June 1 effective date of the RBA Rate Adjustment described in the RBA Provision tariff, the RBA Rate Adjustment incorporating the revenue adjustments determined by the ARA provision, including Earnings Sharing Adjustments, and other adjustments based on the Spring Revenue Report shall go into effect on the June 1st of the Adjustment Year as approved by the Commission, and the Commission shall confirm the commencement of the RBA Rate Adjustment in its monthly Tariff Order.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter dated March 31, 2021.

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

D. Schedules in the Fall and Spring Revenue Reports

The Company shall file the schedules specified below in the Fall Revenue Report and Spring Revenue Report:

Complete, indexed workpapers and electronic files supporting the balance in the RBA and target revenue determinations, including the revenue adjustments determined by the ARA Provision, PIM Provision, EPRM and MPIR adjustments, and Earnings Sharing Adjustments, shall be included in the filing of the Fall Revenue Report and the filing of the Spring Revenue Report. The Company will be prepared to provide information as may be requested to ensure adequate review.

1. The revenue adjustments determined by the ARA provision, including Earnings Sharing Adjustments, and any prior year revenue adjustments shall be recalculated for errors in prior calculations. The effect of such changes shall be implemented as described in the Revenue Balancing Account Provision.
2. The calculations and support for earnings, rate base, updated cost of debt and ROE should be consistent in the manner of which those calculations and support have been developed and used in decoupling transmittals approved by the Commission in recent years and in compliance with the ARA Provision.
3. The applicable schedules, calculations, and support for the Fall Revenue Report and Spring Revenue Report as described above in Sections D.1.A and D.1.C. above.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter dated March 31, 2021.

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

E: REVENUE BALANCING ACCOUNT RATE ADJUSTMENT:

The RBA Rate Adjustment recovers the calculated revenues from Section D, Recovery of Balancing Account Amounts, above, adjusted to include amounts for applicable revenue taxes, and calculated based on the Company's estimated revenues for rate schedule charges, including revenues for Surcharges, Clauses, and Fees, but excluding ECRC revenues and RBA Rate Adjustment revenues.

The RBA Rate Adjustment shall remain unchanged during the respective recovery periods: January 1 RBA Rate Adjustment shall apply January 1 through December 31; and June 1 RBA Rate Adjustment shall apply June 1 through May 31 (with the exception that certain June 1, 2021 RBA Rate Adjustment components will apply June 1, 2021 to December 31, 2021 as approved by the Commission) unless further modified by order or approval of the Commission, except as specifically provided above.

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

RBA Rate Adjustment

All Rate Schedules ... 15.95 percent of all rate schedule charges, including all charges for Surcharges, Clauses, and Fees, but excluding charges related to the ECRC and the RBA Rate Adjustment.

F. NOTICE

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

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

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter dated May 21, 2024.

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

G: COMMISSION'S AUTHORITY

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

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MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter dated May 10, 2023.

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

H: TARGET REVENUE CURRENTLY IN EFFECT

Maui Electric Company, Limited
Annual Target Revenue (\$000s)

	<u>Description</u>	<u>Amount</u>
1	Electric Sales Revenue	\$335,763
	Less:	
2	Fuel Expense	(\$103,385)
3	Purchase Power Expense	(\$54,970)
4	Revenue Tax on Electric Sales Revenue	<u>(\$29,833)</u>
5	Last Rate Order Target Revenues	\$147,575
6	Authorized RAM Revenues	\$6,543
7	Revenue Tax	<u>(\$581)</u>
8	Net RAM Adjustment	\$5,962
9	Prior Year's Compounded Portion of ARA	\$14,075
10	Revenue Tax	<u>(\$1,251)</u>
11	Net Prior Year's Compounded Portion of ARA	\$12,824
12	Compounded Portion of ARA	\$3,981
13	Revenue Tax	<u>(\$354)</u>
14	Net Compounded Portion of ARA	\$3,627
15	Non-Compounded Portion of ARA	(\$2,369)
16	Revenue Tax	<u>\$211</u>
17	Net Non-Compounded Portion of ARA	(\$2,159)
18	Earnings Sharing Revenue Credits	\$0
19	Revenue Tax	<u>\$0</u>
20	Net Earnings Sharing Revenue Credits	\$0
21	Performance Incentive Mechanism (PIM)	\$336
22	Revenue Tax	<u>(\$30)</u>
23	Net PIM Reward (Penalty)	\$306
24	Authorized MPIR/EPRM Revenues	\$5,274
25	Revenue Tax	<u>(\$469)</u>
26	Net MPIR/EPRM Adjustment	\$4,805
27	Authorized Pilot Process Cost Recovery	\$556
28	Revenue Tax	<u>(\$49)</u>
29	Net Authorized Pilot Process Cost Recovery	\$507
30	PUC-Ordered Adjustments	\$1,646
31	Revenue Tax	<u>(\$146)</u>
32	Net PUC-Ordered Adjustments	\$1,500
33	Effective Target Revenue	\$174,948

Notes:

Totals may not add, due to rounding.

Revenue Tax based on 8.885% statutory rates.

Lines 1-6,9,12,15,18,21,24,27,30,33: Schedule B1, filed May 21, 2024 in Transmittal No. 24-01.

Line 24: Change in MPIR/EPRM is effective January 1, 2024.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter dated May 21, 2024.

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

I: HISTORICAL REFERENCE

Category	Effective Period	Effective Target Revenue (\$000)	Change in Target Revenue (\$000)	Source
2018 Test Year Rate Case (Interim)	8/23/2018 thru 5/31/2019	\$145,310	\$15,906	Schedule B1 filed in Docket No. 2017-0150 on 7/6/2018.
Annual Decoupling Filing	6/1/2019 thru 12/31/2019	\$149,842	\$4,532	Schedule B1 filed in Transmittal No. 19-03 on 5/28/2019.
MPIR (Grid Mod Ph.1)	1/1/2020 thru 5/31/2020	\$149,894	\$52	Schedule B1 filed in Transmittal No. 20-03 on 6/5/2020.
Annual Decoupling Filing	6/1/2020 thru 12/31/2020	\$154,892	\$4,998	Schedule B1 filed in Transmittal No. 20-03 on 6/5/2020.
MPIR (Grid Mod Ph.1)	1/1/2021 thru 5/31/2021	\$154,964	\$72	Schedule B1 filed in Transmittal No. 21-05 on 5/28/2021.
Spring Revenue Report	6/1/2021 thru 7/31/2021	\$154,864	(\$100)	Schedule B1 filed in Transmittal No. 21-05 on 5/28/2021.
MPIR (Grid Mod Ph.1)	8/1/2021 thru 12/31/2021	\$155,052	\$187 (rounding)	Schedule B1 filed in Docket No. 2018-0141 on 10/7/2021.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter dated October 29, 2021.

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

I: HISTORICAL REFERENCE (continued)

Category	Effective Period	Effective Target Revenue (\$000)	Change in Target Revenue (\$000)	Source
Fall Revenue Report	1/1/2022	\$161,582	\$6,530	Schedule B1 filed in Transmittal No. 21-06 on 10/29/2021.
MPIR (Grid Mod Ph.1)	1/1/2022 thru 5/31/2022	\$162,232	\$650	Schedule B1 filed in Transmittal No. 22-01 on 2/25/2022.
Spring Revenue Report	6/1/2022 thru 12/31/2022	\$162,577	\$345	Schedule B1 filed in Transmittal No. 22-01 on 3/31/2022.
Fall Revenue Report	1/1/2023	\$168,427	\$5,850	Schedule B1 filed in Transmittal No. 22-03 on 12/20/2022.
MPIR (Grid Mod Ph.1)	1/1/2023	\$169,325	\$898	Schedule B1 filed in Transmittal No. 23-01 on 2/28/2023.
Spring Revenue Report	6/1/2023 thru 10/31/2023	\$169,426	\$101	Schedule B1 filed in Transmittal No. 23-01 on 5/10/2023.
Waena Switchyard EPRM	11/1/2023	\$171,264	\$1,838	Schedule B1 filed in Docket No. 2020-0167 on 11/13/2023.

MAUI ELECTRIC COMPANY, LTD.

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

I: HISTORICAL REFERENCE (continued)

Category	Effective Period	Effective Target Revenue (\$000)	Change in Target Revenue (\$000)	Source
Fall Revenue Report	1/1/2024	\$174,891	\$3,627	Schedule B1 filed in Transmittal No. 23-02 on 12/26/2023.
MPIR (Grid Mod Ph.1) Waena Switchyard EPRM	1/1/2024	\$175,998	\$1,107	Schedule B1 filed in Transmittal No. 24-01 on 5/21/2024.
Spring Revenue Report	6/1/2024 (current)	\$174,948	(\$1,050)	Schedule B1 filed in Transmittal No. 24-01 on 5/21/2024.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter dated May 21, 2024.