

BEFORE THE PUBLIC UTILITIES COMMISSION **FILED**

OF THE STATE OF HAWAII

2013 MAY -1 P 4: 06

In the Matter of the Application of)
HAWAIIAN ELECTRIC COMPANY, INC.)
For approval to modify the Revenue Balancing)
Account ("RBA") Provision and Rate Adjustment)
Mechanism Provision Tariffs)
_____)

PUBLIC UTILITIES
COMMISSION

Transmittal No. 13-06 (Decoupling)

Effective

Date: June 1, 2013

I

Hawaiian Electric Company, Inc. ("Hawaiian Electric," "Applicant" or "Company") files this transmittal to revise its Revenue Balancing Account ("RBA") Provision tariff and its Rate Adjustment Mechanism ("RAM") Provision tariff. In this transmittal the Company proposes to include language in its tariffs to (1) reflect the modification and effective dates of target revenues required in the event that there is a need to correct errors in previously filed RAM Revenue Adjustments or to incorporate adjustments due to subsequent decision and orders issued by the Commission which change the basis of previously calculated RAM Revenue Adjustments and (2) reflect the provisions resulting from the Stipulated Settlement (hereinafter defined) approved in the Commission's *Order No. 31126 Approving, with Clarifications, Stipulated Settlement Agreement, Filed on January 28, 2013* ("Order No. 31126"), dated March 19, 2013 in Docket No. 2008-0083 (Hawaiian Electric's 2009 test year rate case). Hawaiian Electric calculated its proposed RBA Rate Adjustment, filed in Tariff Transmittal 13-03 to be effective June 1, 2013, to include the net recoverable costs of the Campbell Industrial Park Combustion Turbine Unit 1

("CIP CT-1") and the Customer Information System ("CIS") projects not already included in rates, as set forth in the Stipulated Settlement.

Over the course of the past few months, the Company has been engaged in a number of discussions with the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs ("Consumer Advocate") and the Commission staff regarding the changes proposed in this transmittal. The Consumer Advocate has reviewed the Company's proposed changes and revisions to further refine and clarify the RBA and RAM tariff language and does not object to these changes.

II

Hawaiian Electric, whose principal place of business and whose executive offices are located at 900 Richards Street, Honolulu, Hawaii, is a corporation duly organized under the laws of the Kingdom of Hawaii on or about October 13, 1891, and now exists under and by virtue of the laws of the State of Hawaii. Hawaiian Electric is an operating public utility engaged in the production, purchase, transmission, distribution and sale of electricity on the island of Oahu.

III

Correspondence and communications in regard to this Transmittal No. 13-06 are to be addressed to:

Dean K. Matsuura
Manager, Regulatory Affairs
Hawaiian Electric Company, Inc.
P. O. Box 2750
Honolulu, Hawaii 96840

IV

Hawaiian Electric seeks Commission authorization of this tariff transmittal pursuant to Sections 6-61-111, 6-61-74, 6-61-75, and 6-61-86 of the *Rules of Practice and Procedure before the Public Utilities Commission*, Hawaii Administrative Rules (“HAR”), Title 6, Chapter 61.

V

Pursuant to HAR §6-61-76, Hawaiian Electric incorporates by reference its latest available balance sheet and income statement for the twelve months ending February 28, 2013 that it filed with the Commission on March 28, 2013.

VI

Decoupling Procedural History

On December 29, 2010, the Commission issued its *Final Decision and Order* in Hawaiian Electric’s 2009 test year rate case proceeding, Docket No. 2008-0083, stating that, “the commission approves the implementation of decoupling for HECO effective immediately with this Final Decision and Order. HECO may begin tracking target revenue and recorded adjusted revenue, which shall serve as the baseline for future decoupling calculations.” (*Final Decision and Order* at 42.) In accordance with this *Final Decision and Order*, on January 24, 2011, Hawaiian Electric filed its tariff sheets and rate schedules, reflecting the increase in rates allowed by the *Final Decision and Order*.¹ This filing included the Company’s RBA and RAM tariff provisions, and added heat rate deadbands and a provision for target heat rates to the

¹ Refer to the *Hawaiian Electric Revised Schedules Resulting from Final Decision and Order*, filed January 24, 2011, Docket No. 2008-0083.

Energy Cost Adjustment Clause (“ECAC”).² On February 25, 2011, the Commission issued its *Order Approving Revised Results of Operations, Supporting Schedules and Tariffs*, approving these tariff provisions, and the Company’s RBA and RAM tariff provisions became effective March 1, 2011.

On March 31, 2011, Hawaiian Electric filed its first annual decoupling filing, Transmittal No. 11-02, to establish an RBA Rate Adjustment to enable the recovery of its RAM Revenue Adjustment for year 2011. Pursuant to the *Order Regarding Attachment 5 and Directing HECO to File Tariff Amendments*, Hawaiian Electric filed tariff revisions on May 26, 2011. On May 31, 2011, the Commission issued *Order Approving HECO’s Tariff Filed on May 10, 2011 as Revised on May 26, 2011*.

On March 30, 2012, Hawaiian Electric filed its 2012 annual decoupling filing in Transmittal No. 12-02 to propose an RBA Rate Adjustment for the June 1, 2012 through May 31, 2013 recovery period, and to establish its RAM Revenue Adjustment for calendar year 2012.³ On May 23, 2012, Hawaiian Electric filed tariff revisions, which primarily resulted from adjustments related to major capital project costs and to the interim rate increase approved in Order No. 30385 in Docket No. 2010-0080, resulting in a decrease in the proposed RBA Rate Adjustment rate. On May 31, 2012, the Commission issued *Order No. 30418 Approving HECO’s Tariff Transmittal, Filed on March 30, 2012, as Revised on May 23, 2012* (“Order No.

² *Id.* at Exhibit 2A, pages 32 and 152-163.

³ Prior to filing Transmittal No. 12-02, Hawaiian Electric filed Transmittal No. 12-01 on February 24, 2012 to further refine and clarify the decoupling language in its RBA and RAM provisions and the ECAC section of the tariff. After the Consumer Advocate filed an SOP stating that it was not protesting the revisions but offered certain tariff language revisions for consideration, and the Company responded that it did not object to the Consumer Advocate’s recommended changes, the Commission issued *Order No. 30276 Approving, with Modifications, HECO’s Application Filed on February 24, 2012*, on March 23, 2012. On March 27, 2012, Hawaiian Electric refiled its tariff sheets with a March 28, 2012, effective date, incorporating the Consumer Advocate’s suggested changes.

30418"). The RBA Rate Adjustment rate of \$0.003894 per kWh went into effect on June 1, 2012.⁴

On March 28, 2013, Hawaiian Electric filed its 2013 annual decoupling filing in Transmittal No. 13-03 to revise the RBA Rate Adjustment, effective June 1, 2013 through May 31, 2014 and to reflect the provisions of the Stipulated Settlement as described below.

VII

Stipulated Settlement regarding Certain Regulatory Matters

On January 28, 2013, the Hawaiian Electric Companies⁵ and the Consumer Advocate filed their *Stipulated Settlement Agreement between the Hawaiian Electric Companies and the Division of Consumer Advocacy regarding Certain Regulatory Matters* ("Stipulated Settlement") in Docket No. 2008-0083 which, among other things, included the following⁶:

- The Hawaiian Electric Companies will write-off, for accounting and ratemaking purposes, \$40 million of costs in lieu of conducting the regulatory audits of the CIP CT-1 and the CIS projects ordered in the *Order Approving Consumer Advocate's Recommendations regarding Focused Regulatory Audits*, issued on May 2, 2011 in Docket No. 2008-0083.⁷ For purposes of accounting for the Stipulated Settlement, the

⁴ In Order No. 30418, the Commission provided the Consumer Advocate the opportunity to file a supplemental SOP by June 29, 2012. The Consumer Advocate filed a letter on June 29, 2012 stating that it had not yet completed its review and would continue to work with the Company and Commission on the decoupling review and decision making process, but that it would not be filing a supplemental SOP.

⁵ The "Hawaiian Electric Companies" or the "Companies" are Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc. ("HELCO") and Maui Electric Company, Limited ("MECO").

⁶ The Stipulated Settlement also provides that: (1) HELCO will withdraw its 2013 test year rate case (Docket No. 2012-0099) and will submit annual RBA/RAM rate adjustment filings rolling forward the base year information from the prior HELCO rate case (Docket No. 2009-0164) and will not file a rate case until its 2016 test year rate case and (2) MECO and the Consumer Advocate will continue to support the Parties' Stipulated Settlement in the MECO 2012 test year rate case (Docket No. 2011-0092), including issues related to, among other things, decoupling.

⁷ This write-off amount is in addition to all credits received from the Hawaiian Electric Companies' prior CIS vendor, which credits have already been used to reduce the capitalized costs of the CIS project.

entire write-off (\$29 million for Hawaiian Electric, and \$5.5 million each for HELCO and MECO) will be adjusted as part of the cost of the CIS project. The remaining net recoverable costs of CIP CT-1 and the CIS projects would be included in rate base as of December 31, 2012.

- The Hawaiian Electric Companies will include the net recoverable costs of the CIP CT-1 and the CIS projects not already included in rates in the calculation of their 2013 RAM Revenue Adjustments. The Consumer Advocate will support recovery through the decoupling mechanisms in 2013 and the years thereafter and recovery in the Hawaiian Electric, HELCO and MECO rate cases for the allowed portion of the CIP CT-1 (Hawaiian Electric only) and CIS project costs in excess of the costs previously included in rate base, along with related accumulated depreciation, accumulated deferred income taxes, unamortized ITC, unamortized deferred CIS costs, the unamortized regulatory assets related to the carrying charges and deferred depreciation, as well as related project depreciation and regulatory asset amortization expenses. Recovery of the CIS costs through the RAM Revenue Adjustment mechanism was for the sole purpose of the Stipulated Settlement and did not constitute a precedent for the recovery of software costs through the RAM Revenue Adjustment mechanism.
 - Hawaiian Electric will delay the filing of its 2014 test year rate case to file no earlier than January 2, 2014, and the Consumer Advocate will recommend that Hawaiian Electric be granted a waiver of HAR §6-61-87(4) that would enable Hawaiian Electric to file in 2014 a rate case application using a 2014 test year.
 - For the 2014, 2015 and 2016 RAM periods, Hawaiian Electric will be allowed to accrue the 2014, 2015 and 2016 RAM Revenue Adjustments beginning from January 1 through
-

December 31 calendar year (once Hawaiian Electric is able to assess the amount), and collect the RAM Revenue Adjustments through the RBA Rate Adjustment (which includes the RAM Revenue Adjustment) from June 1 of each year through May 31 of the following year. At the conclusion of that period, the current RAM provisions will again apply in accordance with the Amended Joint Proposal approved by the *Final Decision and Order* issued in the decoupling proceeding (Docket No. 2008-0274). This temporarily applies to Hawaiian Electric only; MECO's and HELCO's RAM tariff provisions would not be modified for this provision.

- Through calendar year 2016, the Hawaiian Electric Companies and the Consumer Advocate will recommend and support continuation of the Companies' existing recovery mechanisms, including the decoupling RBA and RAM, as well as the temporary acceleration of accrual of Hawaiian Electric's RAM Revenue Adjustment and the agreement to recover CIS costs and deferred CIP CT-1 costs through the RAM Revenue Adjustment described above.

On January 31, 2013, the Department of Defense stated that it did not object to the Stipulated Settlement.

On March 19, 2013, the Commission issued Order No. 31126 approving the Stipulated Settlement with certain clarifications.

VIII

The RBA Rate Adjustment proposed in Tariff Transmittal 13-03 is consistent with the Stipulated Settlement and Order No. 31126 described above. However, further tariff clarifications are required as reflected in this instant tariff transmittal.

The RBA Provision Tariff⁸

The proposed revisions to the Company's existing RBA tariff provision clarifies the procedures to correct any errors in previously calculated RAM Revenue Adjustments or to change the RAM Revenue Adjustment as a result of subsequently issued Commission orders. Section B of the proposed RBA tariff (Revised Sheet No. 92A) expands the definition of the target revenue to clarify that it is composed of the most recent test year general rate case revenue authorized by the Commission, excluding: (1) revenues for fuel and purchased power expenses; (2) revenues that are being separately tracked or recovered through any other surcharge or rate tracking mechanism; and (3) applicable revenue taxes. The target revenue definition clarifies that the target revenue includes any effective RAM Revenue Adjustment calculated under the RAM Provision tariff, less any applicable Earnings Sharing Revenue Credits or Major and Baseline Project Credits as calculated under the RAM Provision tariff.

Also in Section B, the proposed RBA Provision tariff specifically addresses the circumstances when the Company's target revenue must be changed due to the RAM Revenue Adjustment being recalculated due to an error or as a result of Commission orders that change the basis of previously calculated RAM Revenue Adjustments. For target revenue changes due to errors in prior RAM Revenue Adjustment calculations, the proposed additions to the tariff specifically state that the target revenue will be changed, effective as of the date that the corrected information would have been reflected in the calculation of the RAM Revenue Adjustment. Target revenue changes that are due to subsequent Commission orders are effective as of the effective date of tariff rates that are implemented pursuant to the subsequently issued

⁸ The RBA Rate Adjustment shown on Revised Sheet No. 92C was proposed in Transmittal No. 13-03 to be effective June 1, 2013. During discussions, the Consumer Advocate recommended and the Company agreed to make additional tariff changes clarifying the start of the tracking and recording of RBA revenues in Section A of the RBA Provision tariff (Revised Sheet No. 92).

Commission order. The Commission and Consumer Advocate will be notified of the target revenue revisions or corrections prior to implementation by the Company. The Consumer Advocate is allowed to comment on the target revenue changes in its Statement of Position on the subsequent annual March decoupling filing.

The modified Sections D and E (Revised Sheet Nos. 92B and 92C) also clarify that the RBA Rate Adjustment will remain unchanged during the recovery period unless modification is required by order or approval of the Commission. Thus, although the RAM Revenue Adjustment and the target revenue may change with the correction of an error or subsequent Commission order, the billing rate to customers will remain unchanged until the following recovery period beginning June 1 through May 31, unless ordered or approved by the Commission. Section F, the Notice section, is unchanged from what is reflected in the current tariff as Section G (Sheet No. 92D).

Section G is the new section (Sheet No. 92D) that presents the Stipulated Settlement provisions that affect the period of 2014 through 2016 as approved by the Commission and discussed above. Specifically, this section addresses the Company's accrual of its 2014, 2015, and 2016 RAM Revenue Adjustments effective January 1 through December 31 of the calendar years and collection of the ratably accrued RAM Revenue Adjustment through the RBA Rate Adjustment from June 1 through May 31 of the following year. This section further states that when the Company implements a Commission decision and order for a rate case for a 2014, 2015, or 2016 test year, further accrual of the RAM Revenue Adjustment for that test year, if still in progress, shall terminate. However, the Company will adjust the RBA Rate Adjustment to collect the unrecovered accrued RAM Revenue Adjustment for that year. Section H, the

Commission's Authority section, is unchanged from what is reflected in the current tariff as Section G (Sheet No. 92D).

RAM Provision Tariff

The proposed changes to the RAM Provision in the Evaluation Procedures section (Revised Sheet No. 93G) describe the recalculation of the RAM Revenue Adjustment for errors in prior calculations and for subsequent Commission orders that change the basis of prior calculations. Also, the proposed tariff changes in the Purpose section (Revised Sheet No. 93) clarify that the RAM Revenue Adjustment for a RAM period calendar year will terminate on the effective date of tariff rates that implement a Commission decision and order for that test year, unless otherwise specified. Further, the proposed changes in the Definitions section (Revised Sheet Nos. 93A and 93B) and the RAM Period RAM Revenue Adjustment section (Revised Sheet Nos. 93E and 93G) also clarify that the components that provide the basis for the RAM Revenue Adjustment calculation will be based on certain components approved by the Commission in the "last issued Decision & Order in the Company's most recent test year general rate case".

The new Settlement Agreement section (Revised Sheet No. 93H) addresses the implementation of the Stipulated Settlement discussed above. It states that Hawaiian Electric will include the recoverable costs of the CIP CT-1 and the CIS projects, net of the stipulated and Commission-approved project cost write-downs. Also included in this section, similar to the proposed Section G of the RBA Provision tariff, is a description of the Company's accrual of its 2014, 2015, and 2016 RAM Revenue Adjustments effective January 1 through December 31 of the calendar years and collection of the ratably accrued RAM Revenue Adjustment through the RBA Rate Adjustment from June 1 through May 31 of the following year. This section further

states that when the Company implements a Commission decision and order for a rate case for a 2014, 2015, or 2016 test year, further accrual of the RAM Revenue Adjustment for that test year, if still in progress, shall terminate. However, the Company will adjust the RBA Rate Adjustment to collect the unrecovered accrued RAM Revenue Adjustment for that year.


IX

In Attachment 1 of this tariff transmittal, Hawaiian Electric submits its proposed RBA tariff revisions and RAM tariff revisions in blackline version. Attachment 2 provides the clean version of the RBA Provision tariff and the RAM Provision tariff. The Commission's consultant, the Consumer Advocate and the Company have worked diligently on developing the proposed changes to the tariffs as reflected in this transmittal.

WHEREFORE, Hawaiian Electric respectfully gives not less than 30 days' notice as required by law and requests that its proposed revisions to the RBA Provision and to the RAM Provision be allowed to become effective on June 1, 2013.

DATED: Honolulu, Hawaii, May 1, 2013.

HAWAIIAN ELECTRIC COMPANY, INC.

By: 
Patsy H. Nanbu
Vice President, Regulatory Affairs

ATTACHMENT 1

Superseding Revised Sheet No. 50D REVISED SHEET NO. 50D
Effective September 1, 2012 ~~March 27, 2012~~ Effective June 1,
~~2013~~ ~~September 1, 2012~~

RATE SCHEDULES (continued)

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
87	TOU-R	September 1, 2012	Residential Time-Of-Use Service
88	TOU-R	September 1, 2012	Residential Time-Of-Use Service
89	Residential TOU EV	September 1, 2012	Residential Time-Of-Use Service with Electric Vehicle Pilot
89A	Residential TOU EV	September 1, 2012	Residential Time-Of-Use Service with Electric Vehicle Pilot
89B	Residential TOU EV	April 13, 2011	Residential Time-Of-Use Service with Electric Vehicle Pilot
90	Residential EV-R	September 1, 2012	Residential Electric Vehicle Charging Service Pilot
90A	Residential EV-R	October 1, 2010	Residential Electric Vehicle Charging Service Pilot
90B	Residential EV-R	October 1, 2010	Residential Electric Vehicle Charging Service Pilot
91	Commercial EV-C	October 1, 2010	Commercial Electric Vehicle Charging Service Pilot
91A	Commercial EV-C	September 1, 2012	Commercial Electric Vehicle Charging Service Pilot
91B	Commercial EV-C	October 1, 2010	Commercial Electric Vehicle Charging Service Pilot
92	"RBA" Account	March 28, 2012 <u>June 1, 2013</u>	Revenue Balancing Provision
92A	"RBA" Account	March 28, 2012 <u>June 1, 2013</u>	Revenue Balancing Provision
92B	"RBA" Account	June 1, 2012 <u>June 1, 2013</u>	Revenue Balancing Provision

HAWAIIAN ELECTRIC COMPANY, INC.

~~Docket No. 2010-0080, Decision and Order No. 30505, Filed June 29, 2012.~~

Transmittal Letter dated ~~July 24, 2012~~ May 1, 2013.

| 92C "RBA"
Balancing Account

~~March 28, 2012~~ June 1, 2013

Revenue
Provision

HAWAIIAN ELECTRIC COMPANY, INC.

| ~~Docket No. 2010-0080, Decision and Order No. 30505, Filed June 29,~~
~~2012.~~

| Transmittal Letter dated ~~July 24, 2012~~ May 1, 2013.

Superseding Sheet No. 50E

REVISED SHEET NO. 50E

Effective May 1, 2013 ~~November 1, 2012~~

Effective June 1, 2013

~~February 1, 2013~~

RATE SCHEDULES (continued)

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
92D	"RBA"	June 1, 2013	Revenue Balancing Account Provision
93	"RAM"	March 1, 2011 June 1, 2013	Rate Adjustment Mechanism Provision
93A	"RAM"	March 1, 2011 June 1, 2013	Rate Adjustment Mechanism Provision
93B	"RAM"	March 1, 2011 June 1, 2013	Rate Adjustment Mechanism Provision
93C	"RAM"	March 28, 2012	Rate Adjustment Mechanism Provision
93D	"RAM"	March 1, 2011	Rate Adjustment Mechanism Provision
93E	"RAM"	March 1, 2011 June 1, 2013	Rate Adjustment Mechanism Provision
93F	"RAM"	March 1, 2011 June 1, 2013	Rate Adjustment Mechanism Provision
93G	"RAM"	March 1, 2011 June 1, 2013	Rate Adjustment Mechanism Provision
93H	"RAM"	March 1, 2011 June 1, 2013	Rate Adjustment Mechanism Provision
94	"PPAC"	February <u>May 1, 2013</u>	Purchased Power Adjustment Clause
94A	"PPAC"	February <u>May 1, 2013</u>	Purchased Power Adjustment Clause
94B	"PPAC"	February <u>May 1, 2013</u>	Purchased Power Adjustment Clause

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter ~~dated~~ Dated January 29 ~~May 1, 2013,~~ 2013.

Superseding SHEET NO. 92
Effective ~~March 28, 2012~~ ~~March 1, 2011~~
~~2013~~ ~~March 28, 2012~~

REVISED SHEET NO. 92
Effective June 1,

REVENUE BALANCING ACCOUNT ("RBA") PROVISION

Supplement To:

- Schedule R - Residential Service
- Schedule G - General Service - Non-Demand
- Schedule J - General Service - Demand
- Schedule DS - Large Power Directly Served Service
- Schedule P - Large Power Service
- Schedule F - Public Street Lighting, Highway
Lighting and Park and Playground
Floodlighting
- Schedule U - Time-of-Use Service
- 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 SS - Standby Service
- Schedule TOU EV- Residential Time-of-Use Service with
Electric Vehicle Pilot
- Schedule EV-R - Residential Electric Vehicle Charging
Service Pilot
- Schedule EV-C - Commercial Electric Vehicle Charging
Service Pilot

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

A: PURPOSE:

The purpose of the Revenue Balancing Account ("RBA") is to record: 1) the difference between the Hawaiian Electric Company's target revenue and recorded adjusted revenue, and 2) monthly interest applied to the simple average of the beginning and ending month balances in the RBA. In addition, the recovery provision of this tariff provides for collection or return of the calendar year-end balance in the RBA and recovery or refund of the RAM Revenue Adjustment, Earnings Sharing Revenue Credits, Major Capital Projects Credits, and Baseline Capital Projects Credits provided in the Rate Adjustment Mechanism ("RAM") Provision over the subsequent June 1st through May 31st period. Tracking of target revenue and recorded adjusted revenue will ~~commence~~ ~~commenced~~ on the effective date of the tariff that ~~implements~~ ~~implemented~~ the Final Decision and Order in Hawaiian Electric's 2009 test year rate case, Docket No. 2008-0083, consistent with the Final Decision and Order in the Decoupling case, Docket No. 2008-0274.

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated ~~March 27, 2012~~ May 1, 2013.

Superseding SHEET NO. 92A
Effective ~~March 28, 2012~~ ~~July 26, 2011~~
~~2013~~ ~~March 28, 2012~~

REVISED SHEET NO. 92A
Effective June 1,

REVENUE BALANCING ACCOUNT ("RBA") PROVISION

B: TARGET REVENUE:

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

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

Less: ~~most recent interim or final rate case decision, plus the accumulation of any subsequent RAM Revenue Adjustments calculated under the RAM Provision, less any Any applicable Earnings Sharing Revenue Credits, Major Capital Projects Credits, and Baseline Capital Projects Credits calculated under the RAM provision, adjusted to remove amounts for applicable revenue taxes. The target revenue will also exclude revenue for fuel and purchased power expenses that are recovered either in base rates or in a purchased power adjustment clause and exclude all revenue being separately tracked or recovered through any other surcharge or rate tracking mechanism.~~

The target revenue shall be revised to correct for any errors in the calculation of the RAM Revenue Adjustment for any previous period and for revisions to RAM Revenue Adjustments as a result of subsequent Commission orders that change the basis of previously calculated RAM Revenue Adjustments, to the extent that such errors are identified 15 days prior to the Annual implementation date specified in the RAM Provision. For any corrections of errors in previously calculated RAM Revenue Adjustments, the target revenue shall be adjusted as of the date that the corrected information would have been reflected in target revenue. For changes in the RAM Revenue Adjustment as a result of subsequently issued Commission orders, the target revenue shall be adjusted as of the effective date of tariff rates that are implemented pursuant to the subsequently issued Commission order.

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

HAWAIIAN ELECTRIC COMPANY, INC.

| Transmittal Letter dated ~~March 27, 2012~~ May 1, 2013.

Superseding SHEET NO. 92A92B
Effective ~~March 28, 2012~~ ~~July 26, 2011~~
~~2013~~ March 28, 2012

REVISED SHEET NO. 92A92B
Effective June 1,

REVENUE BALANCING ACCOUNT ("RBA") PROVISION

Monthly Allocation Factors for the Target Revenue are as follows:

January	8.10%
February	7.26%
March	8.10%
April	7.84%
May	8.44%
June	8.47%
July	8.77%
August	9.04%
September	8.68%
October	8.78%
November	8.26%
December	8.26%
Total	100.00%

These factors are based on the mWh sales forecast that is approved by the Commission in Hawaiian Electric's 2011 test year rate case and shall be updated in any subsequent test year rate case.

C: BALANCING ACCOUNT ENTRIES:

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

Interest will be recorded monthly to the RBA by multiplying the simple average of the beginning and ending month balance in the RBA times the Interest Rate divided by 12. The Interest Rate shall be 6 percent.

D: RECOVERY OF BALANCING ACCOUNT AMOUNTS:

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

Both an amortization of the previous calendar year-end balance in the RBA, adjusted for any Earnings Sharing Revenue Credits or Major Capital Projects Credits, ~~or~~ Baseline Capital Projects Credits or

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated ~~March 27, 2012~~ May 1, 2013.

Superseding SHEET NO. 92C
Effective ~~March 28, 2012~~ ~~July 26, 2012~~
~~2013~~ ~~March 28, 2012~~

REVISED SHEET NO. 92C
Effective June 1,

REVENUE BALANCING ACCOUNT ("RBA") PROVISION

corrections, and the RAM Revenue Adjustment will be recovered through a per-kWh RBA rate adjustment, over the 12 months from June 1 of the current calendar year to May 31 of the succeeding calendar year. The recovery through the RBA Rate Adjustment of a RAM Revenue Adjustment calculated for a calendar year that is also a rate case test year shall terminate on the effective date of tariff rates that implement a Commission approved base revenue level authorized in the Company's test year rate case.

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

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

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

E: REVENUE BALANCING ACCOUNT RATE ADJUSTMENT:

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

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

Effective ~~June 1, 2012~~ ~~2013~~ to May 31, ~~2013~~ ~~2014~~
RBA Rate Adjustment

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated ~~March 27, 2012~~ ~~May 1, 2013~~.

Superseding SHEET NO. 92C
Effective ~~March 28, 2012~~ ~~July 26, 2012~~
~~2013~~ ~~March 28, 2012~~

REVISED SHEET NO. 92C
Effective June 1,

REVENUE BALANCING ACCOUNT ("RBA") PROVISION

All Rate Schedules ~~0.38941.3223~~ ¢/kWh

~~F. COMMISSION'S AUTHORITY~~

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

FG. NOTICE

HAWAIIAN ELECTRIC COMPANY, INC.

~~Transmittal Letter dated March 27, 2012~~ May 1, 2013.

~~Superseding REVISED SHEET NO. 92B~~
~~Effective March 28, 2012~~
~~20122013~~

REVISED SHEET NO. 92B92D
Effective June 1,

REVENUE BALANCING ACCOUNT ("RBA") PROVISION

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

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

G. SETTLEMENT AGREEMENT

The provisions in this section are a part of the Stipulated Settlement Agreement between the Hawaiian Electric Companies and the Division of Consumer Advocacy regarding Certain Regulatory Matters, filed in Docket No. 2008-0083, which the Commission approved in Order No. 31126, issued on March 19, 2013.

For only the 2014, 2015, and 2016 RAM Periods, Hawaiian Electric will be allowed to accrue the 2014, 2015, and 2016 RAM Revenue Adjustments, effective January 1 through December 31 of the calendar year. Once the Company is able to calculate the RAM amount, the Company will record RAM Revenue Adjustment revenue for the monthly accruals. Recording of the accruals for those years will be delayed until the Company is able to determine the RAM amount. The Company is allowed to collect the ratably accrued RAM Revenue Adjustment amounts that are recorded from January through December, based on the monthly allocation factors specified above, through the RBA Rate Adjustment in years 2014, 2015, and 2016 from June 1 of each year to May 31 of the following year.

When the Company implements a Commission Decision & Order for a rate case for a 2014, 2015, or 2016 test year, further accrual of the RAM Revenue Adjustment for that test year, if still in progress, shall terminate. The Company will adjust the RBA Rate Adjustment to collect the unrecovered accrued RAM Revenue Adjustment amount for that year.

H: COMMISSION'S AUTHORITY

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated May 23, 2012May 1, 2013.

Superseding SHEET NO. 92C
Effective ~~March 28, 2012~~ ~~July 26, 2012~~
~~2013~~ ~~March 28, 2013~~

REVISED SHEET NO. 92C
Effective June 1,

REVENUE BALANCING ACCOUNT ("RBA") PROVISION

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

HAWAIIAN ELECTRIC COMPANY, INC.

| Transmittal Letter dated ~~March 27, 2012~~ May 1, 2013.

Superseding Sheet No. 93
Effective March 1, 2011
1, 2013

REVISED SHEET NO. 93
Effective March 1, 2011June
1, 2013

RATE ADJUSTMENT MECHANISM PROVISION

Rate Adjustment Mechanism ("RAM") Provision

Purpose

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

Definitions

- a) The Annual Evaluation Date shall be the Date the Company will make its annual filing under this mechanism. The Annual Evaluation Date shall be no later than March 31st of each year, commencing March 31, 2011.
- b) The Evaluation Period is defined as the historical twelve month period ending December 31, of each calendar year preceding the Annual Evaluation Date. The Evaluation Period is used solely to determine achieved earnings and any sharing of such earnings above the Authorized Return on Equity.
- c) The RAM Period is defined as the calendar year containing the Annual Evaluation Date.
- d) The Labor Cost Escalation Rate shall be the applicable annual percentage general wage rate increase provided for in currently effective union labor agreements for use in escalating wage and salary Base Expenses for union employees to determine the RAM Revenue Adjustment for each RAM Period. In the event no union labor agreement

HAWAIIAN ELECTRIC COMPANY, INC.

~~Docket No. 2008-0083, Final Decision and Order, December 29, 2010.~~
~~Transmittal Letter dated January 24, 2011~~May 1, 2013.

Superseding SHEET NO. 93
Effective March 1, 2011

REVISED SHEET NO. 93
Effective June 1, 2013

RATE ADJUSTMENT MECHANISM PROVISION (continued)

exists for a RAM Period, the most recently effective annual general percentage increase rate shall apply.

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated February 24, 2012.

Superseding Sheet No. 93A
Effective ~~March 28, 2012~~ ~~March 1, 2011~~
~~2013~~ ~~March 28, 2012~~

REVISED SHEET NO. 93A
Effective June 1,

RATE ADJUSTMENT MECHANISM PROVISION

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

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

g) The Base Expenses shall be the labor and non-labor operations and maintenance expense amounts approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case. ~~most recently completed rate case where the test year was the Evaluation Period, or alternatively as approved by the Commission for the immediately preceding year Rate Adjustment Mechanism results if the Evaluation Period was not a test year.~~ Base Expenses shall not include any fuel, purchased power, IRP/DSM, pension, Other Post-Employment Benefits ("OPEB"), or Clean Energy/Renewable Energy Infrastructure or any costs that are subject to recovery through separate rate tracking mechanisms.

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

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

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

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated ~~March 27, 2012~~ May 1, 2013.

Superseding SHEET NO. 93B
Effective ~~March 28, 2012~~ March 1, 2011
~~2013~~ ~~March 28, 2012~~

REVISED SHEET NO. 93B
Effective June 1,

RATE ADJUSTMENT MECHANISM PROVISION (continued)

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

l) The Exogenous Tax Changes shall be the changes in tax laws or regulations that are estimated to impact RBA Target Revenues by two million dollars (\$2,000,000) or more.

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

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

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

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

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

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated ~~March 27, 2012~~ May 1, 2013.

Superseding SHEET NO. 93C
Effective March 1, 2011

REVISED SHEET NO. 93C
Effective March 28, 2012

RATE ADJUSTMENT MECHANISM PROVISION (continued)

will be returned to customers for the amount of Major Capital Projects costs that the Commission disallows for cost recovery. The Major Capital Projects Credits are to be refunded through the RBA Provision, commencing on June 1 of the calendar year containing the Annual Evaluation Date and over the subsequent 12 months after June 1.

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

Rate Adjustment Mechanism

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

Evaluation Period Earnings Sharing:

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

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated March 27, 2012.

SHEET NO. 93D
Effective March 1, 2011

RATE ADJUSTMENT MECHANISM PROVISION (continued)

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

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

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

HAWAIIAN ELECTRIC COMPANY, INC.

Docket No. 2008-0083, Final Decision and Order, December 29, 2010.
Transmittal Letter dated January 24, 2011.

Superseding SHEET NO. 93E

REVISED SHEET NO. 93E

Effective ~~March 28, 2012~~ ~~March 1, 2011~~
~~2013~~ ~~March 28, 2012~~

Effective June 1,

RATE ADJUSTMENT MECHANISM PROVISION (continued)

RAM Period RAM Revenue Adjustment:

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

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated ~~March 27, 2012~~ May 1, 2013.

Superseding SHEET NO. 93F
Effective March 28, 2012 ~~March 1, 2011~~
~~2013 March 28, 2012~~

REVISED SHEET NO. 93F
Effective June 1,

RATE ADJUSTMENT MECHANISM PROVISION (continued)

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

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated ~~March 27, 2012~~ May 1, 2013.

Superseding SHEET NO. 93G

REVISED SHEET NO. 93G

Effective— March 28, 2012 ~~March 1, 2011~~
2013 ~~March 28, 2012~~

Effective June 1,

RATE ADJUSTMENT MECHANISM PROVISION (continued)

vi. Working Cash and all other elements of rate base not specifically addressed above shall be fixed at the dollar amount approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case. ~~Decision & Order.~~ These elements of rate base shall be held constant until revised by a future Commission Decision & Order in a ~~subsequent~~ general rate case.

g.) See also Settlement Agreement section below.

Evaluation Procedures

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

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

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

Notice

Notice of the annual Revenue Balancing Account Rate Adjustment filing shall be provided to all affected customers of the Utility
HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated ~~March 27, 2012~~ May 1, 2013.

Superseding SHEET NO. 93G

REVISED SHEET NO. 93G

Effective March 28, 2012 ~~March 1, 2011~~
~~2013~~ ~~March 28, 2012~~

Effective June 1,

RATE ADJUSTMENT MECHANISM PROVISION (continued)

in accordance with the provisions of this section by publication in newspapers of general circulation within 14 days and by including notification with its billing statements within 60 days after the Company makes its annual filing pursuant to this tariff. The notice to customers shall include the following information:

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated ~~March 27, 2012~~ May 1, 2013.

Superseding SHEET NO. 93H
Effective ~~March 28, 2012~~ ~~March 1, 2011~~
~~2013~~ ~~March 28, 2012~~

REVISED SHEET NO. 93H
Effective June 1,

RATE ADJUSTMENT MECHANISM PROVISION (continued)

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

SETTLEMENT AGREEMENT

The provisions in this section are for the sole and limited purpose of implementing the Stipulated Settlement Agreement between the Hawaiian Electric Companies and the Division of Consumer Advocacy regarding Certain Regulatory Matters, filed in Docket No. 2008-0083, which the Commission approved in Order No. 31126, issued on March 19, 2013.

The Company will include in the Rate Base RAM - Return on Investment Adjustment and the Depreciation and Amortization RAM Expense Adjustment, in 2013 and subsequent years, the recoverable costs of the Campbell Industrial Park Combustion Turbine Unit 1 ("CIP CT-1") and the Customer Information System ("CIS") projects, net of the Stipulated and Commission approved project cost write-downs and as otherwise provided for in the Stipulated Settlement Agreement. Recovery of the CIS costs through the RAM Revenue Adjustment is for the sole purpose of this settlement agreement and does not constitute a precedent for the recovery of any other software or regulatory asset deferred costs through the RAM Revenue Adjustment.

In accordance with the Stipulated Settlement Agreement and for only the 2014, 2015, and 2016 RAM Periods, Hawaiian Electric will be allowed to record the 2014, 2015, and 2016 RAM Revenue Adjustments, effective January 1 through December 31 of the calendar year (once the Company is able to determine the amount). The Company shall be allowed to collect the accrued RAM Revenue Adjustment amounts, pursuant to this provision, through the RBA Rate Adjustment from June 1 of each year to May 31 of the following year.

When the Company implements a Commission Decision & Order for any rate case test year within 2014, 2015, or 2016, the accrual of RAM Revenue Adjustment amounts for that test year, if still in progress, shall terminate. The Company will adjust the RBA Rate Adjustment to collect any accrued but unrecovered RAM Revenue Adjustment amounts for that year.

COMMISSION'S AUTHORITY

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated ~~March 27, 2012~~ May 1, 2013.

Superseding SHEET NO. 93H

REVISED SHEET NO. 93H

Effective- March 28, 2012 ~~March 1, 2011~~
~~2013~~ March 28, 2012

Effective June 1,

RATE ADJUSTMENT MECHANISM PROVISION (continued)

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

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated ~~March 27, 2012~~ May 1, 2013.

ATTACHMENT 2

Superseding Revised Sheet No. 50D
Effective September 1, 2012

REVISED SHEET NO. 50D
Effective June 1, 2013

RATE SCHEDULES (continued)

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
87	TOU-R	September 1, 2012	Residential Time-Of-Use Service
88	TOU-R	September 1, 2012	Residential Time-Of-Use Service
89	Residential TOU EV	September 1, 2012	Residential Time-Of-Use Service with Electric Vehicle Pilot
89A	Residential TOU EV	September 1, 2012	Residential Time-Of-Use Service with Electric Vehicle Pilot
89B	Residential TOU EV	April 13, 2011	Residential Time-Of-Use Service with Electric Vehicle Pilot
90	Residential EV-R	September 1, 2012	Residential Electric Vehicle Charging Service Pilot
90A	Residential EV-R	October 1, 2010	Residential Electric Vehicle Charging Service Pilot
90B	Residential EV-R	October 1, 2010	Residential Electric Vehicle Charging Service Pilot
91	Commercial EV-C	October 1, 2010	Commercial Electric Vehicle Charging Service Pilot
91A	Commercial EV-C	September 1, 2012	Commercial Electric Vehicle Charging Service Pilot
91B	Commercial EV-C	October 1, 2010	Commercial Electric Vehicle Charging Service Pilot
92	"RBA"	June 1, 2013	Revenue Balancing Account Provision
92A	"RBA"	June 1, 2013	Revenue Balancing Account Provision
92B	"RBA"	June 1, 2013	Revenue Balancing Account Provision
92C	"RBA"	June 1, 2013	Revenue Balancing Account Provision

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated May 1, 2013.

Superseding Sheet No. 50E
Effective May 1, 2013

REVISED SHEET NO. 50E
Effective June 1, 2013

RATE SCHEDULES (continued)

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
92D	"RBA"	June 1, 2013	Revenue Balancing Account Provision
93	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
93A	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
93B	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
93C	"RAM"	March 28, 2012	Rate Adjustment Mechanism Provision
93D	"RAM"	March 1, 2011	Rate Adjustment Mechanism Provision
93E	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
93F	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
93G	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
93H	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
94	"PPAC"	May 1, 2013	Purchased Power Adjustment Clause
94A	"PPAC"	May 1, 2013	Purchased Power Adjustment Clause
94B	"PPAC"	May 1, 2013	Purchased Power Adjustment Clause

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter Dated May 1, 2013.

Superseding SHEET NO. 92
Effective March 28, 2012

REVISED SHEET NO. 92
Effective June 1, 2013

REVENUE BALANCING ACCOUNT ("RBA") PROVISION

Supplement To:

- Schedule R - Residential Service
- Schedule G - General Service - Non-Demand
- Schedule J - General Service - Demand
- Schedule DS - Large Power Directly Served Service
- Schedule P - Large Power Service
- Schedule F - Public Street Lighting, Highway
Lighting and Park and Playground
Floodlighting
- Schedule U - Time-of-Use Service
- 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 SS - Standby Service
- Schedule TOU EV- Residential Time-of-Use Service with
Electric Vehicle Pilot
- Schedule EV-R - Residential Electric Vehicle Charging
Service Pilot
- Schedule EV-C - Commercial Electric Vehicle Charging
Service Pilot

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

A: PURPOSE:

The purpose of the Revenue Balancing Account ("RBA") is to record: 1) the difference between the Hawaiian Electric Company's target revenue and recorded adjusted revenue, and 2) monthly interest applied to the simple average of the beginning and ending month balances in the RBA. In addition, the recovery provision of this tariff provides for collection or return of the calendar year-end balance in the RBA and recovery or refund of the RAM Revenue Adjustment, Earnings Sharing Revenue Credits, Major Capital Projects Credits, and Baseline Capital Projects Credits provided in the Rate Adjustment Mechanism ("RAM") Provision over the subsequent June 1st through May 31st period. Tracking of target revenue and recorded adjusted revenue commenced on the effective date of the tariff that implemented the Final Decision and Order in Hawaiian Electric's 2009 test year rate case, Docket No. 2008-0083, consistent with the Final Decision and Order in the Decoupling case, Docket No. 2008-0274.

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated May 1, 2013.

Superseding SHEET NO. 92A
Effective March 28, 2012

REVISED SHEET NO. 92A
Effective June 1, 2013

REVENUE BALANCING ACCOUNT ("RBA") PROVISION

B: TARGET REVENUE:

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

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

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

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

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

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated May 1, 2013.

Superseding SHEET NO. 92B
Effective March 28, 2012

REVISED SHEET NO. 92B
Effective June 1, 2013

REVENUE BALANCING ACCOUNT ("RBA") PROVISION

Monthly Allocation Factors for the Target Revenue are as follows:

January	8.10%
February	7.26%
March	8.10%
April	7.84%
May	8.44%
June	8.47%
July	8.77%
August	9.04%
September	8.68%
October	8.78%
November	8.26%
December	8.26%
Total	100.00%

These factors are based on the mWh sales forecast that is approved by the Commission in Hawaiian Electric's 2011 test year rate case and shall be updated in any subsequent test year rate case.

C: BALANCING ACCOUNT ENTRIES:

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

Interest will be recorded monthly to the RBA by multiplying the simple average of the beginning and ending month balance in the RBA times the Interest Rate divided by 12. The Interest Rate shall be 6 percent.

D: RECOVERY OF BALANCING ACCOUNT AMOUNTS:

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

Both an amortization of the previous calendar year-end balance in the RBA, adjusted for any Earnings Sharing Revenue Credits or Major Capital Projects Credits, Baseline Capital Projects Credits or corrections, and the RAM Revenue Adjustment will be recovered through a per-kWh RBA rate adjustment, over the 12 months from June 1 of the

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated May 1, 2013.

Superseding SHEET NO. 92C
Effective March 28, 2012

REVISED SHEET NO. 92C
Effective June 1, 2013

REVENUE BALANCING ACCOUNT ("RBA") PROVISION

current calendar year to May 31 of the succeeding calendar year. The recovery through the RBA Rate Adjustment of a RAM Revenue Adjustment calculated for a calendar year that is also a rate case test year shall terminate on the effective date of tariff rates that implement a Commission approved base revenue level authorized in the Company's test year rate case.

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

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

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

E: REVENUE BALANCING ACCOUNT RATE ADJUSTMENT:

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

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

Effective June 1, 2013 to May 31, 2014

RBA Rate Adjustment

All Rate Schedules 1.3223 ¢/kWh

F. NOTICE

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated May 1, 2013.

SHEET NO. 92D
Effective June 1, 2013

REVENUE BALANCING ACCOUNT ("RBA") PROVISION

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

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

G. SETTLEMENT AGREEMENT

The provisions in this section are a part of the *Stipulated Settlement Agreement between the Hawaiian Electric Companies and the Division of Consumer Advocacy regarding Certain Regulatory Matters*, filed in Docket No. 2008-0083, which the Commission approved in Order No. 31126, issued on March 19, 2013.

For only the 2014, 2015, and 2016 RAM Periods, Hawaiian Electric will be allowed to accrue the 2014, 2015, and 2016 RAM Revenue Adjustments, effective January 1 through December 31 of the calendar year. Once the Company is able to calculate the RAM amount, the Company will record RAM Revenue Adjustment revenue for the monthly accruals. Recording of the accruals for those years will be delayed until the Company is able to determine the RAM amount. The Company is allowed to collect the ratably accrued RAM Revenue Adjustment amounts that are recorded from January through December, based on the monthly allocation factors specified above, through the RBA Rate Adjustment in years 2014, 2015, and 2016 from June 1 of each year to May 31 of the following year.

When the Company implements a Commission Decision & Order for a rate case for a 2014, 2015, or 2016 test year, further accrual of the RAM Revenue Adjustment for that test year, if still in progress, shall terminate. The Company will adjust the RBA Rate Adjustment to collect the unrecovered accrued RAM Revenue Adjustment amount for that year.

H: COMMISSION'S AUTHORITY

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

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated May 1, 2013.

Superseding Sheet No. 93
Effective March 1, 2011

REVISED SHEET NO. 93
Effective June 1, 2013

RATE ADJUSTMENT MECHANISM PROVISION

Rate Adjustment Mechanism ("RAM") Provision

Purpose

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

Definitions

- a) The Annual Evaluation Date shall be the Date the Company will make its annual filing under this mechanism. The Annual Evaluation Date shall be no later than March 31st of each year, commencing March 31, 2011.
- b) The Evaluation Period is defined as the historical twelve month period ending December 31, of each calendar year preceding the Annual Evaluation Date. The Evaluation Period is used solely to determine achieved earnings and any sharing of such earnings above the Authorized Return on Equity.
- c) The RAM Period is defined as the calendar year containing the Annual Evaluation Date.
- d) The Labor Cost Escalation Rate shall be the applicable annual percentage general wage rate increase provided for in currently effective union labor agreements for use in escalating wage and salary Base Expenses for union employees to determine the RAM Revenue Adjustment for each RAM Period. In the event no union labor agreement exists for a RAM Period, the most recently effective annual general percentage increase rate shall apply.

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated May 1, 2013.

Superseding Sheet No. 93A
Effective March 28, 2012

REVISED SHEET NO. 93A
Effective June 1, 2013

RATE ADJUSTMENT MECHANISM PROVISION

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

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

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

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

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

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

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated May 1, 2013.

Superseding SHEET NO. 93B
Effective March 28, 2012

REVISED SHEET NO. 93B
Effective June 1, 2013

RATE ADJUSTMENT MECHANISM PROVISION (continued)

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

l) The Exogenous Tax Changes shall be the changes in tax laws or regulations that are estimated to impact RBA Target Revenues by two million dollars (\$2,000,000) or more.

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

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

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

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

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

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated May 1, 2013.

Superseding SHEET NO. 93C
Effective March 1, 2011

REVISED SHEET NO. 93C
Effective March 28, 2012

RATE ADJUSTMENT MECHANISM PROVISION (continued)

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

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

Rate Adjustment Mechanism

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

Evaluation Period Earnings Sharing:

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

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated March 27, 2012.

SHEET NO. 93D
Effective March 1, 2011

RATE ADJUSTMENT MECHANISM PROVISION (continued)

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

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

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

HAWAIIAN ELECTRIC COMPANY, INC.

Docket No. 2008-0083, Final Decision and Order, December 29, 2010.
Transmittal Letter dated January 24, 2011.

Superseding SHEET NO. 93E
Effective March 28, 2012

REVISED SHEET NO. 93E
Effective June 1, 2013

RATE ADJUSTMENT MECHANISM PROVISION (continued)

RAM Period RAM Revenue Adjustment:

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

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated May 1, 2013.

Superseding SHEET NO. 93F
Effective March 28, 2012

REVISED SHEET NO. 93F
Effective June 1, 2013

RATE ADJUSTMENT MECHANISM PROVISION (continued)

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

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated May 1, 2013.

Superseding SHEET NO. 93G
Effective March 28, 2012

REVISED SHEET NO. 93G
Effective June 1, 2013

RATE ADJUSTMENT MECHANISM PROVISION (continued)

g.) See also Settlement Agreement section below.

Evaluation Procedures

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

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

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

Notice

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

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated May 1, 2013.

Superseding SHEET NO. 93H
Effective March 28, 2012

REVISED SHEET NO. 93H
Effective June 1, 2013

RATE ADJUSTMENT MECHANISM PROVISION (continued)

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

SETTLEMENT AGREEMENT

The provisions in this section are for the sole and limited purpose of implementing the *Stipulated Settlement Agreement between the Hawaiian Electric Companies and the Division of Consumer Advocacy regarding Certain Regulatory Matters*, filed in Docket No. 2008-0083, which the Commission approved in Order No. 31126, issued on March 19, 2013.

The Company will include in the Rate Base RAM - Return on Investment Adjustment and the Depreciation and Amortization RAM Expense Adjustment, in 2013 and subsequent years, the recoverable costs of the Campbell Industrial Park Combustion Turbine Unit 1 ("CIP CT-1") and the Customer Information System ("CIS") projects, net of the Stipulated and Commission approved project cost write-downs and as otherwise provided for in the Stipulated Settlement Agreement. Recovery of the CIS costs through the RAM Revenue Adjustment is for the sole purpose of this settlement agreement and does not constitute a precedent for the recovery of any other software or regulatory asset deferred costs through the RAM Revenue Adjustment.

In accordance with the Stipulated Settlement Agreement and for only the 2014, 2015, and 2016 RAM Periods, Hawaiian Electric will be allowed to record the 2014, 2015, and 2016 RAM Revenue Adjustments, effective January 1 through December 31 of the calendar year (once the Company is able to determine the amount). The Company shall be allowed to collect the accrued RAM Revenue Adjustment amounts, pursuant to this provision, through the RBA Rate Adjustment from June 1 of each year to May 31 of the following year.

When the Company implements a Commission Decision & Order for any rate case test year within 2014, 2015, or 2016, the accrual of RAM Revenue Adjustment amounts for that test year, if still in progress, shall terminate. The Company will adjust the RBA Rate Adjustment to collect any accrued but unrecovered RAM Revenue Adjustment amounts for that year.

COMMISSION'S AUTHORITY

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

HAWAIIAN ELECTRIC COMPANY, INC.

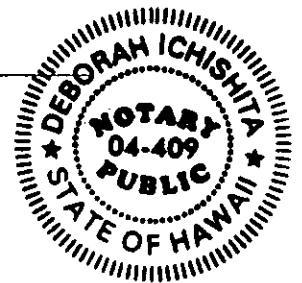
Transmittal Letter dated May 1, 2013.

VERIFICATION

STATE OF HAWAII)
)) SS.
CITY AND COUNTY OF HONOLULU)

Patsy H. Nanbu, being first duly sworn, deposes and says: That she is Vice President, Regulatory Affairs, of Hawaiian Electric Company, Inc., Applicant in the above proceeding; that she makes this verification for and on behalf of Hawaiian Electric Company, Inc., and is authorized so to do; that she has read the foregoing Tariff Transmittal, and knows the contents thereof; and that the same are true of her own knowledge except as to matters stated on information or belief, and that as to those matters she believes them to be true.

Patsy H. Nanbu
Patsy H. Nanbu

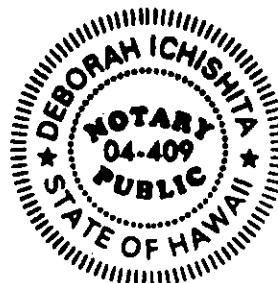


Subscribed and sworn to before me this 1st day of May, 2013.

Deborah Ichishita

DEBORAH ICHISHITA
Notary Public, State of Hawaii
My Commission expires July 18, 2016

STATE OF HAWAII NOTARY CERTIFICATION	
Doc. Date: <u>5/1/2013</u>	# of pages <u>53</u>
Notary Name: <u>DEBORAH ICHISHITA</u> First Circuit	
Doc. Description: <u>Hawaiian Electric Application - Transmittal No. 13-06 (Decoupling)</u>	
<u>Deborah Ichishita</u>	<u>5/1/13</u>
Notary Signature	Date



CERTIFICATE OF SERVICE

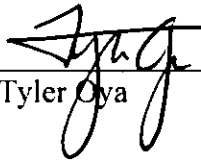
I hereby certify that the foregoing Transmittal No. 13-06 was served on the date of filing
by hand delivery, as indicated below.

Jeffrey T. Ono
Executive Director
Division of Consumer Advocacy
Department of Commerce and Consumer Affairs
335 Merchant Street, Room 326
Honolulu, Hawaii 96813

2 copies
via Hand Delivery

Dated: Honolulu, Hawaii, May 1, 2013.

HAWAIIAN ELECTRIC COMPANY, INC.


Tyler Oya