

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF HAWAII

FILED

2013 MAR 28 P 4: 12

PUBLIC UTILITIES
COMMISSION

In the Matter of the Application of)
HAWAIIAN ELECTRIC COMPANY, INC.)
For approval to modify the RBA Rate Adjustment)
in its Revenue Balancing Account Provision)
Tariff)
_____)

Transmittal No. 13-03 (Decoupling)

Effective
Date: June 1, 2013

I

Hawaiian Electric Company, Inc. ("Hawaiian Electric," "Applicant" or "Company") files this transmittal to revise paragraph E (Tariff Sheet No. 92B) of its Revenue Balancing Account ("RBA") Provision tariff ("RBA Tariff"). In particular, this transmittal proposes to revise the RBA Rate Adjustment to \$0.013223 per kilowatt-hour ("kWh"), effective June 1, 2013 through May 31, 2014, replacing the current rate of \$0.003894 per kWh.

The RBA Rate Adjustment is based on the Company's RBA balance at the end of 2012, the Company's Rate Adjustment Mechanism ("RAM") Revenue Adjustment for calendar year 2013, and the Company's Earnings Sharing Mechanism credit for 2012. It also incorporates RAM adjustments 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).

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 is now existing 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. 13-03 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

Hawaiian Electric's latest available balance sheet and income statement for the twelve months ending February 28, 2013 were filed with the Commission on March 28, 2013, and are incorporated by reference pursuant to HAR §6-61-76.

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 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 of \$0.001694 per kWh to enable the implementation of its decoupling RAM for year 2011. The Company and the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs ("Consumer Advocate") filed simultaneous comments to Attachment 5 of Transmittal No. 11-02 on April 21, 2011, and on April 29, 2011, Hawaiian Electric submitted a response to the Consumer Advocate's comments and the Consumer Advocate submitted a Statement of Position ("SOP")

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

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

on Hawaiian Electric's tariff filing. On May 10, 2011, the Company filed revised and new pages of the attachments to Transmittal No. 11-02. The Commission filed *Order Regarding Attachment 5 and Directing HECO to File Tariff Amendments* on May 20, 2011. Pursuant to this order, 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*, approving the establishment of the RBA Rate Adjustment of \$0.001995 per kWh, effective for the June 1, 2011 through May 31, 2012 recovery period. This RBA Rate Adjustment was reduced to \$0.000000 per kWh and the monthly allocation percentages for target revenues was re-set based on 2011 test year sales, effective July 26, 2011, when the Commission's *Interim Decision and Order* went into effect in Hawaiian Electric's 2011 test year rate case, Docket No. 2010-0080 ("2011 Rate Case").

On March 30, 2012, Hawaiian Electric filed its 2012 annual decoupling filing in Transmittal No. 12-02 to reflect an RBA Rate Adjustment of \$0.004003 per kWh 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 3, 2012, the Consumer Advocate filed its SOP on the transmittal recommending certain adjustments. On May 16, 2012, Hawaiian Electric responded to the Consumer Advocate's SOP and stated that it would file a correction to its proposed RBA Rate Adjustment rate as well as revise its RBA Rate Adjustment to reflect Hawaiian Electric's 2011 Rate Case revenue requirement that the Commission approved on May 14, 2012 in *Order*

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.

No. 30385 *Approving Revised Results of Operations, Supporting Schedules and Tariffs* in Docket No. 2010-0080 ("Order No. 30385").

On May 23, 2012, Hawaiian Electric filed these 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 RBA Rate Adjustment rate to \$0.003894 per kWh. On May 25, 2012, Hawaiian Electric and the Consumer Advocate filed a letter documenting certain agreements reached between the parties regarding the issues raised in the Consumer Advocate's SOP (i.e., the 2011 Air Quality Monitoring Station Project cost and the Kahuku Wind Project cost), and stating that Hawaiian Electric and the Consumer Advocate agree that Transmittal No. 12-02 appropriately reflects the costs and accounting treatment for these two projects for decoupling calculation purposes. 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. 30418"). The RBA Rate Adjustment rate of \$0.003894 per kWh went into effect on June 1, 2012.⁴

On December 14, 2012, the Company filed a letter in reference to Transmittal No. 12-02 to decrease its 2012 target revenues to: 1) account for a correction to its labor cost escalation rate, effective June 1, 2012, the effective date of the 2012 RBA Rate Adjustment and 2) remove certain costs, effective September 1, 2012, the same effective date of the tariffed rates approved, pursuant to the Second Stipulated Supplement Letter approved in Decision and Order No. 30505 dated June 29, 2012 in the 2011 Rate Case.⁵

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 On June 27, 2012, Hawaiian Electric, the Consumer Advocate and the Department of Defense filed a letter, *Second Stipulated Supplement to the Parties' July 5, 2011 Stipulated Settlement Letter with Respect to HEI*

VII

Stipulated Settlement Agreement regarding Certain Regulatory Matters

On January 28, 2013, the Hawaiian Electric Companies⁶ 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 following⁷:

- 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 Campbell Industrial Park Combustion Turbine Unit 1 ("CIP CT-1") and the Customer Information System ("CIS") projects ordered in the *Order Approving Consumer Advocate's Recommendations regarding Focused Regulatory Audits*, issued on May 2, 2011 in Docket No. 2008-0083.⁸ For purposes of accounting for the Stipulated Settlement, the 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 their 2013 RAM Revenue

Non-Incentive Executive Compensation Costs ("Second Stipulated Supplement Letter"), which proposed a downward adjustment of \$755,000 to the Company's 2011 test year revenue requirement.

⁶ The "Hawaiian Electric Companies" or the "Companies" are Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc. ("HELCO") and Maui Electric Company, Limited ("MECO").

⁷ 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.

⁸ 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.

Adjustments. The Consumer Advocate will support RAM recovery in 2013 and the subsequent years thereafter and in the Hawaiian Electric, HELCO and MECO rate cases for the allowed portion of the CIP CT-I (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 record 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 Hawaiian Electric's RAM Revenue Adjustment and the agreement to recover CIS 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 the following clarifications: (1) the Commission reiterated its authority to examine and ascertain what post go-live CIS costs would be subject to regulatory review in future rate cases; (2) the Commission discouraged requesting single issue cost deferral accounting and/or cost recovery mechanisms during the period of rate case deferral; (3) the Commission approved the agreed-upon recovery of CIP CT-1 and CIS project costs through the RAM, as set forth in the Stipulated Settlement; however, this did not set a precedent for future projects; and (4) the Commission reaffirmed its right to rule on the substance of the MECO 2012 test year rate case in its ongoing rate case proceeding.⁹

While recognizing that this will result in a rate increase to ratepayers,¹⁰ the Commission approved the Stipulated Settlement as just and reasonable, stating that it terminates further

⁹ Refer to pages 8-10 of the Stipulated Settlement.

¹⁰ Order No. 31126 at page 10. The 2013 RAM revenue adjustment is based on the final project cost report for the CIS project to be filed with the Commission in Docket No. 04-0268 on April 1, 2013, and the \$40 million write-off and other provisions of the Stipulated Settlement approved by Order No. 31126. It reflects a slightly lower deferred CIS project cost from what was previously filed in the Stipulated Settlement. (Refer to Attachment 2, Schedules D1, D4 and E of this tariff transmittal.) The CIP CT-1 costs are also slightly lower than previously filed in the Stipulated Settlement. (Refer to Attachment 2, Schedules D1, D4 and E of this tariff transmittal.)

accrual of carrying costs for those projects pending potentially long regulatory audits of these projects, and expects that this will free up the Companies' resources to enable greater focus on achieving Hawaii's statutory energy mandates and policies of increased energy efficiency and renewable generation and improve operational efficiencies.¹¹

This tariff filing is consistent with the Stipulated Settlement and Order No. 31126.¹²

VIII

The purpose of Transmittal No. 13-03, Hawaiian Electric's annual 2013 decoupling filing, is to modify its existing RBA tariff provision to reflect an RBA Rate Adjustment of \$0.013223 per kWh for the June 1, 2013 through May 31, 2014 recovery period, which replaces the current rate of \$0.003894.¹³ Based on the revised rate, the monthly bill for a household using 600 kWh would increase by \$5.59.¹⁴

The 2013 RBA Rate Adjustment includes the recovery of the RBA balance at year end 2012 and the calculated RAM revenue adjustment for calendar year 2013, and a refund of the earnings sharing revenue credit for 2012. Sixty percent of the RBA Rate Adjustment is for the recovery of the RBA balance at year end 2012 and 42% is for the 2013 RAM Revenue Adjustment, while the earnings sharing revenue credit lowers the RBA Rate Adjustment. There are no adjustments to the RBA Rate Adjustment for Commission-ordered major capital projects credits or baseline capital projects credits. (Refer to Schedule A of Attachment 2 described in Section IX of this tariff transmittal.)

¹¹ Refer to pages 8-9 of the Stipulated Settlement.

¹² In addition, Hawaiian Electric will be filing shortly a transmittal to revise the decoupling language in its RBA and RAM tariff provisions to reflect the Order No. 31126 and other clarifications.

¹³ Refer to the Hawaiian Electric Tariff Revised Sheet Nos. 92, 92A – 92C, 93 and 93A – 93H.

¹⁴ The monthly bill for a household using 600 kWh with the revised rate would be \$7.93 as compared to \$2.39, based on the current rate.

As the 2013 RBA Rate Adjustment will replace the 2012 RBA Rate Adjustment, the 2013 RBA Revenue Adjustment generally represents the RBA balance as of the end of 2012, two years of escalation from the 2011 test year (Hawaiian Electric's last rate case) of bargaining unit labor and certain non-labor O&M expenses, the return on net additions to plant in 2012 and 2013, and additional depreciation and amortization expense from 2011 test year levels, net of the earnings sharing revenue credits. Therefore, the 2013 RBA Revenue Adjustment will be higher than the 2012 RBA Revenue Adjustment, which represented escalation in costs for just one year from the 2011 test year and estimated 2012 baseline and major project investments only. The following sections explain the amounts that make up the 2013 RBA Revenue Adjustment.

RBA Balance

The RBA revenue balance results from the sales decoupling component of the Commission-approved decoupling mechanism, which breaks the linkage between the Company's sales and total electric revenue. This means that Hawaiian Electric is allowed to record revenues only at target revenue levels authorized in the 2011 test year rate case, plus the RAM Revenue Adjustments identified in annual decoupling tariff transmittals, regardless of the level of sales experienced. The cumulative balance of the RBA at the end of 2012 (not including the revenue taxes) since the inception of decoupling is \$50.5 million, and consists of revenues recorded related to 2011 (\$20.4 million), and 2012 (\$41.3 million) as a result of decoupling, net of the amount previously recovered (\$11.2 million) through the 2012 RBA Rate Adjustment from June 1, 2012 through December 31, 2012. Therefore, it represents the unrecovered balance remaining from 2011 (as rate recovery for the balance that occurs during the June 1, 2012 – May 31, 2013 period) and additional amounts due to a shortfall in revenues¹⁵ resulting from

¹⁵ That is, "recorded adjusted revenue" as defined in the RBA Tariff.

lower sales in 2012. Because the revenues associated with the RBA balance have already been recorded in 2011 and 2012, they have already been reflected in the Company's net income in those years and will not contribute to the Company's earnings in 2013. The 2012 year-end RBA balance of \$50.5 million is grossed-up to \$55.4 million to include revenue taxes.

Hawaiian Electric's 2012 recorded sales totaled 6,975.5 gigawatt-hours ("GWh"), which were 494.0 GWh, or 6.6%, lower than the 7,469.5 GWh test year estimate (based on the May 2010 forecast) identified in the Hawaiian Electric 2011 test year rate case. The actual sales for 2011 totaled 7,242.4 GWh, a difference of 227.1 GWh, or 3.0% less than the test year estimate.¹⁶

Several factors contributed to the lower than forecasted sales in 2012 such as the significantly higher penetration of customer-sited renewable generation and energy efficient technologies, customer conservation efforts driven by higher than projected energy prices, cooler, less humid weather and the slower than assumed recovery of the economy.

The residential and commercial sectors both experienced lower than forecasted sales in 2012, with the larger decrease of 13.5% occurring in the residential sector where customers decreased their average monthly usage by 13.8%, as compared to the commercial sales decrease of 4.0% (see Table 1 below).¹⁷

¹⁶ The actual sales for 2012 of 6,975.5 GWh were 266.9 GWh, or 3.7%, less than the actual sales for 2011.

¹⁷ As indicated above, the forecast sales for the 2011 test year, based on the May 2010 forecast, were 7,469.5 GWh. Actual 2010 sales and an August 2010 sales and peak update (which did not result in a change in the May 2010 forecast) were provided in the rate case. See response to CA-IR-36, transmitted January 24, 2011. No change was proposed to the test year sales estimate as a result of this later information.

As shown in Table 1, the actual sales for 2011 totaled 7,242.4 GWh, a difference of 227.1 GWh, or 3.0%, from the test year estimate. (The actual sales for 2012 of 6,975.5 GWh were 266.9 GWh, or 3.7%, less than the actual sales for 2011.) It should be noted that, if the 2011 test year sales estimate had been lower (e.g., closer to the actual sales for 2011), then the current RBA balance would have been lower, but the interim and final base rates resulting from the rate case would have been higher. As a result, the net impact on customers over the period between rate cases would be the same.

Table 1
Comparison of 2012 Actuals to TY2011

	TY2011	2011 Actuals	Difference Btw 2011 and TY2011			2012 Actuals	Difference Btw 2012 and TY2011		
				% Diff				% Diff	
<u>Residential Sector</u>									
Sales (GWh)	2,054.5	1,925.0	(129.5)	-6.3%		1,776.8	(277.7)	-13.5%	
Customers	262,931	263,023	92.0	0.0%		264,041	1,110	0.4%	
Average Monthly Use (kWh/Customer)	651	610	(41.0)	-6.3%		561	(90)	-13.8%	
Renewable Generation GWh Impacts (NEM/SIA/FIT) ¹	9.1	21.1	12.0	131.0%		66.5	57.4	628.3%	
Energy Efficiency Impacts (GWh) ²	187.6	287.5	99.9	53.2%		320.0	132.4	70.6%	
Electricity Price (Nominal) ¢/kWh	25.59	32.26	6.7	26.1%		35.30	9.71	37.9%	
<u>Commercial Sector</u>									
Sales (GWh)	5,415.0	5317.4	(97.6)	-1.8%		5,198.7	(216.3)	-4.0%	
Customers	33,713	33,612	(101.3)	-0.3%		33,541	(172)	-0.5%	
Renewable Generation GWh Impacts (NEM/SIA/FIT) ¹	30.6	34.5	3.9	12.7%		57.5	26.9	87.8%	
Energy Efficiency Impacts (GWh) ²	248.3	377.0	128.7	51.8%		405.4	157.1	63.3%	
Electricity Price (Nominal) ¢/kWh ³	20.78	27.92	7.1	34.4%		29.24	8.46	40.7%	
<u>Weather</u>									
Cooling Degree Days ⁴	4,780	4,954	174.0	3.6%		4,532	(248)	-5.2%	
Average Wet Bulb Temperature (degrees)	69.7	70.0	0.3	0.4%		68.9	(0.8)	-1.1%	

¹ Impacts are cumulative and assumes a 17% capacity factor for PV systems. TY2011 did not include impacts under FIT

² TY2011 estimates are consistent with Docket 05-0069. 2012 includes impacts provided by Hawaii Energy.

³ Excludes Schedule F

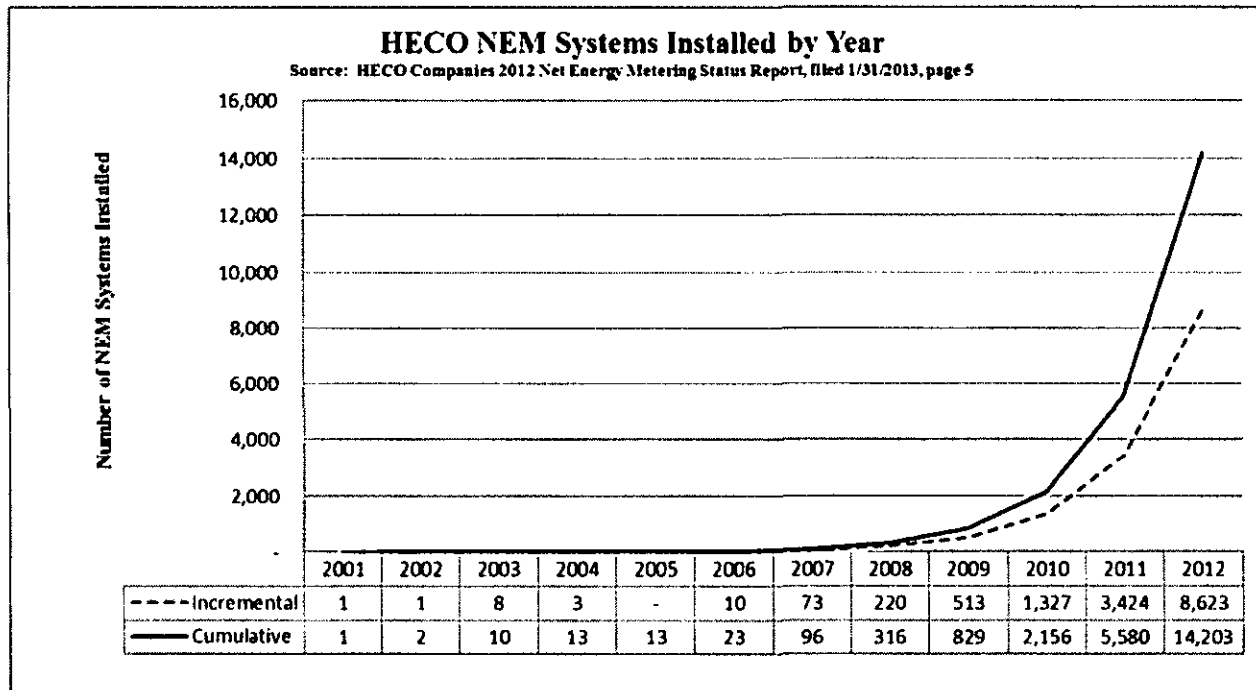
⁴ A cooling degree day is a measurement designed to reflect the demand for energy to cool a home or business.

It is calculated by subtracting 65 from the day's average temperature.

Higher energy prices coupled with federal and state incentives and utility tariffs such as Net Energy Metering (“NEM”), Standard Interconnection Agreements (“SIA”) and Feed-In-Tariffs (“FIT”) that support Hawaii’s clean energy infrastructure led to higher penetrations of customer-sited renewable generation and energy efficient technologies which contributed to the lower than forecasted sales. The cumulative 2012 impacts attributed to the systems installed under NEM, SIA and FIT¹⁸ were significantly higher than the 2011 test year assumed impacts by 628.3% for the residential sector and more than 87.8% for the commercial sector. The volume of systems installed in the 2010-2011 timeframe was not anticipated given the historic and current levels in the first half of 2010 when the forecast used for the 2011 test year was being developed. Also, the volume of systems installed in 2012 was substantially higher than the volume for 2009-

¹⁸ The impacts to sales under FIT are associated with the output from the system that offsets a customer’s load as opposed to what is sold to the Company.

2011 combined. As shown in the 2012 Net Energy Metering Status Report filed January 31, 2013, page 5, the number of NEM installed systems on Hawaiian Electric's grid jumped from 513 in 2009, to 1,327 in 2010, 3,424 in 2011, and 8,623 in 2012, a 1581% increase over three years. Refer to the graph below for the number NEM systems installed by year.



The reduction to sales from the installation of energy efficient technologies was also underestimated. Impacts consistent with those filed in the Company's Energy Efficiency docket, Docket No. 05-0069, were used to develop the forecast as information on future program impacts were not available. The differences for both 2011 and 2012 between the Public Benefits Fund Administrator's programs and those identified in the Energy Efficiency docket resulted in impacts that were greater than the demand side management ("DSM") impact assumed in the test year.

Cooler, less humid weather in 2012 also contributed to the decrease in sales. Table 1 below compares 2012 actual sales against the 2011 test year forecast.

The 2011 test year sales were based on a Hawaii economic outlook prepared by the University of Hawaii Economic Research Organization (“UHERO”) in March 2010. At that time, the national and local economies were expected to emerge from the recession sooner than what transpired. In 2011, rather than strengthen, the U.S. economic recovery slowed, and other global economies struggled following natural disasters such as the Tohoku earthquake and tsunami in Japan, political gridlocks and fiscal crises in the U.S. and Europe, and slowing growth in China. Hawaii’s economic recovery in 2012 was uneven with one key industry, tourism, growing at a record setting pace while recovery in other parts of the economy continued more slowly.

O&M RAM Adjustment

The 2013 operations and maintenance (“O&M”) RAM adjustment, which is estimated at \$7.6 million, includes the adjustments to the Commission-approved 2011 test year rate case labor (bargaining unit only) and certain non-labor costs for escalation factors and bargaining unit wage increases with labor productivity offsets for 2012 and 2013, plus applicable payroll taxes. (Refer to Attachment 2, Schedule C of this tariff transmittal.) This year’s O&M RAM adjustment amount is higher than last year’s, because this 2013 filing covers two years of inflation and wage increases compared to last year’s filing that was for one year’s increase.¹⁹

Non-bargaining unit labor is not subject to escalation in the RAM. Further, the non-labor cost escalation rate does not apply to any fuel, purchased power, Integrated Resource Planning

¹⁹ In 2012, the Union and the Hawaiian Electric Companies held discussions that resulted in the execution of the Contract Negotiations 2012 IBEW 1260 – HECO, HELCO, MECO Tentative Settlement Agreement dated October 24, 2012 (the “Union Settlement Agreement”), subsequently ratified by the Union on November 1, 2012, and the Letters of Understanding between the Union and the Hawaiian Electric Companies, where certain eligible Union bargaining unit positions will receive a \$1 per hour wage increase in July 2013, and a \$0.50 per hour wage increase each year from July 2014 through July 2018. The wage increases in the Union Settlement Agreement and Letters of Understanding are in addition to the general wage rate increase provided for in the Union Settlement Agreement. Hawaiian Electric has estimated that the 2013 O&M expense impact of this additional wage increase is approximately \$133,000, but the Company has not included this amount in its 2013 O&M RAM.

("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.

Rate Base RAM and Depreciation & Amortization RAM

The rate base RAM related to return on investment totaled \$19 million, and the depreciation and amortization RAM expense totaled \$12 million.

The \$19 million return on investment estimated for the rate base RAM covers the return for the following investments:

- \$256 million in plant investments currently serving customers made in 2012 which included in part the following:
 - \$180 million in replacements and upgrades of aging infrastructure for improved reliability (includes transmission structure replacements, increases in spares, preventive and corrective overhead and underground transmission and distribution replacements, condenser tube replacement, fuel tank improvements, controls upgrade, and breaker replacements)²⁰
 - \$21 million to serve new loads
 - \$16 million to integrate more renewable generation
 - \$6 million for environmental, safety, and other compliance
- \$170 million in investments made in 2011 currently serving customers. The 2011 Rate Case supported the inclusion of the simple average (i.e., one-half)²¹ of projected 2011

²⁰ Approximately \$88 million was spent for the Company's Asset Management Program in 2012.

²¹ Because the balance of plant additions at the beginning of a particular year is zero and the balance at the end of the year is the amount of the plant additions in that year, the simple average is $(0 + \text{the amount of plant additions}) \div 2$ or one-half of the plant additions for that year.

plant additions. The 2012 and 2013 rate base RAMs include the return on the total actual 2011 plant additions.

- \$138 million in 2013 baseline and major project additions allowed in the rate base RAM, therefore included in the 2013 rate base RAM on a simple average basis. The Company's projected plant additions for 2013 are \$292 million. The capital expenditures related to these projects were discussed at the capital expenditure briefing at the Commission on February 21, 2013. As discussed at the briefing, the investments modernize the grids and modernize generation.
- Additional CIP CT-1 and CIS project costs as approved in the Stipulated Settlement, as discussed earlier.
- These plant additions are partially offset by increases in accumulated depreciation.

These increases to rate base were partially offset by increases in Contributions in Aid of Construction ("CIAC") and Accumulated Deferred Income Taxes ("ADIT"). The increase in CIAC reflects the actual CIAC as of December 31, 2012, plus a five-year average of the baseline CIAC, plus estimated major project contributions, less amortization of CIAC for 2013. The increase in ADIT was primarily due to the bonus tax depreciation allowed for federal purposes and to a lesser extent the repairs deductions the Company elected to take for federal and state purposes.

The 2013 return on rate base portion of the RAM (\$19 million) is larger than the 2012 return on rate base portion of the RAM (\$2 million) because the 2013 return reflects an aggregation of the 2012 and 2013 plant addition impacts. In 2012, the 2012 plant additions were based on the five-year baseline average plus major projects totaling \$122 million. The actual 2012 plant additions of \$256 million are reflected in the 2013 RAM filing, which is \$134 million

higher than what was reflected in the 2012 RAM. The related increase in return is approximately \$14 million²² which largely drives the increase in return on rate base compared to 2012.

The use of the five-year average for baseline projects (as specified in the Company's Rate Adjustment Mechanism Provision tariff) during a time when the Company is increasing investment in the island's electrical infrastructure effectively lowers the amount of the rate base RAM. The understatement of \$134 million of plant additions in the 2012 RAM resulted in forgone revenues to the Company and an effective lower customer rate of approximately \$7 million.²³ The Company expects that for the 2013 RAM, the five-year average will also understate 2013 baseline capital project additions, this time by \$154 million, resulting in foregone revenues and a lower customer rate of approximately \$8 million.²⁴ The Company recognizes that the use of the five-year average baseline additions has the effect of delaying recovery of the true return on rate base during a period of growing capital expenditure program, but this is a reasonable trade-off for the benefits of the decoupling tariff.

The depreciation and amortization RAM adjustment is primarily related to \$256 million in 2012 plant additions (offset by \$23 million in retirements) and the additional CIP CT-1 cost that was not previously included in rate base of \$32 million. Using an estimated depreciation rate of 3.3% results in approximately \$8.7 million of additional depreciation, which grossed up for revenue taxes, would be approximately \$9.6 million. This also explains the 2013

²² \$14 million is equal to (\$134 million – \$24.5 million associated ADIT) * 11.74% rate of return * 1.0975 revenue tax factor),

²³ The revenue requirement impact is $(\$134 \text{ million} - \$24.5 \text{ million associated ADIT}) \div 2 * .1174 * 1.0975 = \7 million . The net plant additions amount is divided by two since the 2012 net plant additions would only be reflected in the end of year rate base balance for the 2012 RAM. For the 2013 RAM, the 2012 net plant additions would be reflected in both the beginning and end of year rate base balance and therefore the 2012 net plant additions would not be divided by two in the revenue requirement calculation.

²⁴ As stated above, the five-year average of baseline project plant additions plus major project plant additions for the 2013 RAM total \$138 million. The Company's projected plant additions for 2013 are \$292 million. The difference between these two numbers is \$154 million. The revenue requirement impact is $(\$154 \text{ million} - \$28.2 \text{ associated ADIT}) \div 2 * .1174 * 1.0975 = \8 million .

depreciation and amortization RAM adjustment (\$12 million) increase over the 2012

depreciation and amortization RAM adjustment (\$1 million).

Stipulated Settlement

The RAM revenue adjustment related to the Stipulated Settlement covering CIP CT-1 and the CIS projects for all of the Hawaiian Electric Companies is \$8.1 million. Hawaiian Electric's RAM revenue adjustment related to the CIP CT-1 (which only affects Hawaiian Electric) and the CIS projects is \$7.2 million, which increases the typical Hawaiian Electric residential monthly bill of 600 kWh by approximately 62¢ (39¢ for CIP CT-1 and 23¢ for the CIS projects).

The CIP CT-1 rate base impact of \$30.3 million is the simple average of the May 31, 2013 and December 31, 2013 balances for net plant in service, depreciation deferral, accumulated deferred income tax deferral, unamortized State investment tax credit deferral and carrying charges accumulated through May 31, 2013. The depreciation and amortization expense impact of \$0.6 million reflects a partial year from June 1, 2013 through December 31, 2013. This results in a RAM revenue adjustment of \$4.5 million, or 0.065¢ per kWh for customers on Oahu.

The average CIS project deferred costs recoverable is \$19.5 million after the write-down, shared between Hawaiian Electric, HELCO and MECO. This amount is the simple average of the May 31, 2013 and December 31, 2013 balances, including carrying charges accumulated through May 31, 2013. Amortization expense of \$1.0 million reflects a partial year from June 1, 2013 through December 31, 2013. The rate base and amortization expense resulted in a RAM revenue adjustment of \$3.6 million or 0.038¢, 0.041¢ and 0.043¢ per kWh for Hawaiian Electric, HELCO and MECO customers, respectively.

Earnings Sharing Revenue Credits

Hawaiian Electric's return on equity ("ROE"), as stated in its latest 2012 Annual Report (Form 10K), was 7.6%.²⁵ Various adjustments, such as the \$29 million write-down of CIS project costs to reflect the Stipulated Settlement, and other expenses not considered in establishing electric rates, are not included in the operating income to arrive at Hawaiian Electric's ratemaking ROE of 10.56%. The operating income used to calculate the Earnings Sharing Credit also included revenues of \$41.3 million that are not yet recovered and are included in the RBA balance. The ratemaking equity investment (denominator) is a function of ratemaking rate base multiplied by the ratemaking common equity ratio. It includes the impact of the Stipulated Settlement, such as the net recoverable costs of CIP CT-1 and the CIS project costs post-write-down in rate base, and the CIS project costs write-down in determining the common equity ratio. As the Company's ratemaking ROE was 56 basis points higher than the authorized ROE of 10%, the Earnings Sharing Revenue Credit was triggered. Accordingly, Hawaiian Electric is returning to customers 25% of the earnings in excess of the Company's authorized ROE, or \$2.1 million.

RBA Revenue Adjustment

In total, Hawaiian Electric's 2013 RBA Revenue Adjustment is estimated at \$91.9 million: \$55.4 million for RBA balance for year-end 2012; \$38.6 million in RAM revenue adjustment for 2013; and (\$2.1 million) in earnings sharing revenue credit for 2012.

²⁵ *Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, For the fiscal year ended December 31, 2012*, Form 10-K, Hawaiian Electric Industries, Inc. and Hawaiian Electric Company, Inc., page 51.

IX

List of Attachments and Schedules

In Attachment 1 of this tariff transmittal, Hawaiian Electric submits its proposed RBA tariff revision reflecting the RBA Rate Adjustment rate in Section E of Tariff Revised Sheet No, 92B. Attachment 1A provides the tariff sheet for the RBA tariff in blackline version.

Attachment 2 provides the calculation of the RBA Rate Adjustment in the following schedules, along with supporting workpapers:

Schedule A – Determination of 2013 RBA Rate Adjustment (Summary)

Schedule B – Summary of Revenue Balancing Account

Schedule B1 - Determination of Target Revenues

Schedule B2 – Determination of Recorded Adjusted RBA Revenues

Schedule C – Determination of Operations and Maintenance (“O&M”) RAM Adjustment

Schedule C1 – Summary of Operations and Maintenance Labor and Non-Labor Expense

Schedule C2 – Non-Labor Exclusion Adjustment of O&M RAM

Schedule D – Determination of Rate Base RAM Adjustment – Return on Investment

Schedule D1 – Determination of Rate Base RAM Adjustment – Change in Rate Base

Schedule D2 – Determination of Baseline Capital Projects Additions

Schedule D3 – Determination of Major Capital Project Additions

Schedule D4 – Determination of Adjusted Recorded Deferred Income Taxes

Schedule E – Determination of Depreciation and Amortization RAM Adjustment

Schedule F – Determination of Change in Deferred Income Taxes

Schedule F1 – Determination of Tax Depreciation

Schedule F2 – Tax Depreciation on Major Capital Projects Additions

Schedule G – CIAC (Contribution In Aid of Construction) Summary

Schedule G1 – Baseline Capital Projects CIAC Additions

Schedule G2 – Major Capital Project CIAC Additions

Schedule G3 – CIAC Amortization

Schedule H – Earnings Sharing Calculations²⁶


Schedule I – PUC-Ordered Adjustments

The Company and the Consumer Advocate jointly developed the format of the schedules in Attachment 2, which are similar to those filed in the 2012 annual RBA Rate Adjustment submissions in Transmittal No. 12-02 for Hawaiian Electric filed March 30, 2012 (approved as revised in Order No. 30418) and Transmittal No. 12-03 for HELCO filed April 11, 2012 (approved as revised in *Order No. 30435 Approving HELCO's Tariff Transmittal Filed on April 11, 2012, as Revised on April 18, 2012*, dated June 14, 2012), as well as MECO's informational filing in Docket No. 2009-0163 filed May 10, 2012.

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 be allowed to become effective on June 1, 2013.

DATED: Honolulu, Hawaii, March 28, 2013.

HAWAIIAN ELECTRIC COMPANY, INC.

By: 
Tayne S. Y. Sekimura
Senior Vice President & Chief Financial Officer

²⁶ The Company has provided its calculated Return on Equity ("ROE") for year 2012 in Schedule H as required by the Commission in its *Final Decision and Order* in the decoupling proceeding (Docket No. 2008-0274) on August 31, 2010.

ATTACHMENT 1

REVENUE BALANCING ACCOUNT ("RBA") PROVISION

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, 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.

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. The RBA rate adjustment is calculated based on the Company's forecast of mWh sales over the RBA rate adjustment recovery period.

Effective June 1, 2013 to May 31, 2014

RBA Rate Adjustment

All Rate Schedules 1.3223 ¢/kWh

F: COMMISSION'S AUTHORITY

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated March 28, 2013.

ATTACHMENT 1A

REVENUE BALANCING ACCOUNT ("RBA") PROVISION

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, 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.

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. The RBA rate adjustment is calculated based on the Company's forecast of mWh sales over the RBA rate adjustment recovery period.

Effective June 1, ~~2012-2013~~ to May 31, ~~2013~~2014

RBA Rate Adjustment


All Rate Schedules ~~0.3894~~1.3223 ¢/kWh

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated ~~March 30 May 23, 2012~~March 28, 2013.

ATTESTATION

Tayne S. Y. Sekimura, is the Senior Vice President & Chief Financial Officer of Hawaiian Electric Company, Inc., and says that she certifies that the attached Schedules supporting the proposed changes in customer rates pursuant to the Revenue Balancing Account ("RBA") Provision have been prepared in compliance with the Rate Adjustment Mechanism Provision and the RBA Provision, and prior Commission rate orders and are true, correct and complete to the best of her knowledge and belief.



Tayne S. Y. Sekimura

Attachment 2 – List of Schedules and Workpapers

Schedule A	HECO-WP-A-001
Schedule B	HECO-WP-B-001
Schedule B1	HECO-WP-B-002
Schedule B2	HECO-WP-B-002A
Schedule C	HECO-WP-B-003
Schedule C1	HECO-WP-B-004
Schedule C2	HECO-WP-B-005
Schedule D	HECO-WP-B-006
Schedule D1	HECO-WP-B-007
Schedule D2	HECO-WP-C-001
Schedule D3	HECO-WP-C-002
Schedule D4	HECO-WP-D1-001A
Schedule E	HECO-WP-D1-001B
Schedule F	HECO-WP-D2-001
Schedule F1	HECO-WP-D2-002
Schedule F2	HECO-WP-D2-003
Schedule G	HECO-WP-D2-004
Schedule G1	HECO-WP-D3-001
Schedule G2	HECO-WP-D3-002
Schedule G3	HECO-WP-D3-003
Schedule H	HECO-WP-D3-004
Schedule I	HECO-WP-D4-001
	HECO-WP-D4-002
	HECO-WP-E-001
	HECO-WP-F1-001
	HECO-WP-F1-002
	HECO-WP-G2-001
	HECO-WP-H-001
	HECO-WP-H-002
	HECO-WP-H-003
	HECO-WP-H-004

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF 2013 REVENUE BALANCING ACCOUNT RATE ADJUSTMENT

Line No.	Description (a)	Reference (b)	Amount (c)	Rate Amount (d)
<u>RECONCILIATION OF RBA BALANCE:</u>				
1	RBA Prior calendar year-end balance	Schedule B	\$ 50,488,050	
2	Revenue Tax Factor	Schedule C	1.0975	
3	Revenue for RBA Balance			\$ 55,410,635
<u>RATE ADJUSTMENT MECHANISM "RAM" AMOUNT:</u>				
4	O&M RAM	Schedule C	\$ 7,615,328	
5	Rate Base RAM - Return on Investment	Schedule D	\$ 19,446,563	
6	Depreciation & Amortization RAM Expense	Schedule E	\$ 11,535,836	
7	Total RAM Revenue Adjustment			\$ 38,597,727
8	<u>EARNINGS SHARING REVENUE CREDITS - 2012 ROE:</u>	Schedule H		\$ (2,066,820)
9	<u>PUC-ORDERED MAJOR OR BASELINE CAPITAL PROJECTS CREDITS:</u>	Schedule I		
10	TOTAL RBA REVENUE ADJUSTMENT	Sum Col. (d)		\$ 91,941,542
11	GWH SALES VOLUME ESTIMATE JUNE 2013 - MAY 2014 (see HECO-WP-A-001)			6,953.300
12	RBA RATE ADJUSTMENT - cents per kWh	Note (1)		1.3223
13	MONTHLY BILL IMPACT @ 600 KWH			\$7.93

Note (1): 2013 RBA Rate Adjustment Breakdown

	Col. (d)	Rate Adjustment cents per kWh	Percentage Share
RBA Balance	\$ 55,410,635	0.79689694	60.27%
RAM Amount	\$ 38,597,727	0.55509941	41.98%
Earnings Sharing Revenue Credits	\$ (2,066,820)	-0.02972431	-2.25%
Major or Baseline Capital Projects Credits	\$ -	0.00000000	0.00%
	\$ 91,941,542	1.32227204	100.00%

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
SUMMARY OF ACCUMULATED REVENUE BALANCING ACCOUNT

Line No.	Month	Beginning Balance	Target Revenues	Recorded Adjusted Revenue	Variance to RBA	Interest at 6%/year	Adjustment for prior year RBA accrual	Adjustment	Ending Balance
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Monthly RBA Balance and Activity (Monthly PUC Rpt., Pg. 9A)									
1	December	\$ 29,532,584	\$ 41,937,817	\$ 39,961,425	\$ 1,976,392	\$ 98,468	\$ -	\$ (10,827,150)	\$ 20,780,294
2	March 2012 Adjustment - Note (2)								\$ (115,640)
3	March 2012 Adjustment - Note (3)								\$ (210,022)
4	May 2012 Adjustment - Note (4)								\$ (4,968)
5	REVISED 2011 December								\$ 20,449,664
7	2012 January	\$ 20,780,294	\$ 41,125,452	\$ 39,527,599	\$ 1,597,863	\$ 107,896	\$ -		\$ 22,486,053
8	February	\$ 22,486,053	\$ 36,860,599	\$ 37,356,068	\$ (495,469)	\$ 111,192	\$ -		\$ 22,101,776
9	March	\$ 22,101,776	\$ 41,125,482	\$ 38,621,842	\$ 2,503,620	\$ 114,933	\$ -	\$ (366,942)	\$ 24,353,387
10	April	\$ 24,353,387	\$ 40,152,722	\$ 38,384,038	\$ 1,768,684	\$ 126,189	\$ -		\$ 26,248,260
11	May	\$ 26,248,260	\$ 43,255,064	\$ 41,840,204	\$ 1,414,860	\$ 135,253	\$ -	\$ (5,069)	\$ 27,993,304
12	June	\$ 27,993,304	\$ 43,980,356	\$ 37,944,203	\$ 6,036,153	\$ 151,192	\$ (1,546,140)		\$ 32,634,508
13	July	\$ 32,634,508	\$ 45,538,102	\$ 40,909,648	\$ 4,628,456	\$ 170,716	\$ (1,611,187)		\$ 35,822,493
14	August	\$ 35,822,493	\$ 46,940,073	\$ 41,328,298	\$ 5,611,775	\$ 188,942	\$ (1,679,771)		\$ 38,943,440
15	September	\$ 39,943,440	\$ 45,011,146	\$ 39,445,423	\$ 5,565,723	\$ 208,092	\$ (1,569,477)	\$ (323,209)	\$ 43,824,568
16	October	\$ 43,824,568	\$ 45,529,707	\$ 41,324,162	\$ 4,205,545	\$ 225,487	\$ (1,659,897)		\$ 46,595,703
17	November	\$ 46,595,703	\$ 42,833,187	\$ 38,638,624	\$ 4,194,563	\$ 239,815	\$ (1,540,056)		\$ 49,489,825
18	December	\$ 49,489,825	\$ 42,830,375	\$ 40,479,114	\$ 2,351,261	\$ 249,294	\$ (1,591,381)	\$ (10,949)	\$ 50,488,050
20	2013 January	\$ -	\$ 42,000,731	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	February	\$ -	\$ 37,645,099	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	March	\$ -	\$ 42,000,731	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	April	\$ -	\$ 40,652,559	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	May	\$ -	\$ 43,763,724	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	June	\$ -	\$ 46,184,495	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	July	\$ -	\$ 47,820,309	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	August	\$ -	\$ 49,292,542	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	September	\$ -	\$ 47,329,565	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	October	\$ -	\$ 47,874,836	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	November	\$ -	\$ 45,039,425	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31	December	\$ -	\$ 45,039,425	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Sources of Data: Sch. B1 Note 6 Sch B2 Cols (c)-(d) Note 5 Note 1 Cols (b)+(e)+(f)+(g)

Note (1): Adjustment Summary:

Month	Worksheet Reference	RBA True-up Adjustment Sch B2, Line 24	RBA Interest Adjustments	Total Adjustment	Adjustment Description
2012 March	HECO-WP-B-001	(111,182)	(4,458)	(115,640)	Adj for misc customer billing adjustments
2012 March	HECO-WP-B-002	(208,654)	(1,368)	(210,022)	Adj for TY2011 over-collection
2012 March	HECO-WP-B-002A	(36,974)	(4,308)	(41,280)	Adj for misc customer billing adjustments
2012 May	HECO-WP-B-002	(5,097)	26	(5,069)	Adj to correct TY2009 refund
2012 September	HECO-WP-B-003	(200,435)	(18,281)	(218,716)	Adj Mar 11 - for incorrect inclusion of 07/09 interim increase
2012 September	HECO-WP-B-004	(98,179)	(6,314)	(104,493)	Adj Aug 11 for Navy overbilling and factor adjustment
2012 December	HECO-WP-B-005	(14,636)	(199)	(14,835)	Adj 6/12 - 11/12 target revenues
2012 December	HECO-WP-B-006	3,658	228	3,886	Adj. for misc customer billing adjustments.

Note (2):

In March 2012, the Company recorded an adjustment to the RBA related to miscellaneous customer billing adjustments that were processed in March 2011 to December 2011, some of which were related to revenues recorded prior to March 2011 (the implementation of decoupling.) The Company recalculated the RBA as of December 31, 2011, including interest, based on reflecting the billing adjustments in the proper month incurred. See HECO-WP-B-001.

Note (3):

In March 2012, the Company recorded an adjustment to the RBA related to the exclusion of the refund for the 2011 test year rate case that were recorded in November 2011 and December 2011. The Company recalculated the RBA as of December 31, 2011, including interest based on reflecting the refund adjustments in the proper month incurred. See HECO-WP-B-002.

Note (4):

In May 2012, the Company recorded an adjustment to the RBA related to the exclusion of the refund for the 2009 test year rate case that were recorded March 2011 to December 2011. The Company recalculated the RBA as of December 31, 2011, including interest based on reflecting the refund adjustments in the proper month incurred. See HECO-WP-B-002. The amount differs from the actual adjustment made in May 2012 due to additional interest recognized in 2012.

Note (5):

Amounts represent recovery of prior year's RBA balance through the RBA rate adjustment effective June 1, 2012. See HECO-WP-B-007.

Note (6):

In December 2012, the Company revised its monthly target revenues by decreasing its annualized 2012 Revenue Adjustment Mechanism (RAM), effective June 1, 2012, due to a correction to the O&M labor cost escalation rate used in the original O&M RAM calculation, and effective September 1, 2012, due to a reduction in the O&M base as a result of the final decision and implementation of final rates in the 2011 test year rate case. See HECO's Transmittal No. 12-02 (Decoupling), filed on December 14, 2012. Schedule B reflects the monthly target revenues in place prior to the revision, while Schedule B1 reflects the revised monthly target revenues. Refer to HECO-WP-B-005 for the original and revised monthly target revenues, and the calculation of the difference of (14,636) for June - November 2012, which was booked as an adjustment to the RBA balance, along with interest, in December 2012.

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF TARGET REVENUES

Revised Schedule B1 (12/14/2012) to Correct 2012 RV Wage Increase Percentage

Line No.	Description	Reference	Docket No. 2010-0080 Amounts	Docket No. 2010-0080 Amounts	Docket No. 2010-0080 Amounts	Docket No. 2010-0080 Amounts	Docket No. 2010-0080 Amounts	Docket No. 2010-0080 Amounts	Docket No. 2010-0080 Amounts
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	<u>Last Rate Case Annual Electric Revenue at Approved Rate Levels</u>	Note (1)	\$000s \$ 1,761,072	\$ 1,766,102	\$ 1,766,708	\$ 1,765,954	\$ 1,765,954	\$ 1,765,954	\$ 1,765,954
2	Less: Fuel Expense	Note (1)	\$000s \$ (658,172)	\$ (658,172)	\$ (658,172)	\$ (658,172)	\$ (658,172)	\$ (658,172)	\$ (658,172)
3	Purchased Power Expense	Note (1)	\$000s \$ (438,707)	\$ (438,707)	\$ (438,707)	\$ (438,707)	\$ (438,707)	\$ (438,707)	\$ (438,707)
4	Revenue Taxes on Line 1 (8.885% statutory rates)		\$000s \$ (156,471)	\$ (156,918)	\$ (156,972)	\$ (156,905)	\$ (156,905)	\$ (156,905)	\$ (156,905)
5	Last Rate Order Target Annual Revenues	Sum Lines 1.. 4	\$000s \$ 507,722	\$ 512,305	\$ 512,857	\$ 512,170	\$ 512,170	\$ 512,170	\$ 512,170
6	Add: Authorized RAM Revenues	Note (2)	\$000s \$ -	\$ -	\$ 6,990	\$ 6,978	\$ 6,978	\$ -	\$ -
7	Less: Revenue Taxes on Line 6 at 8.885%		\$000s \$ -	\$ -	\$ (621)	\$ (620)	\$ (620)	\$ -	\$ -
8	Net RAM Adjustment - Test Year +1	Lines 6+7	\$000s \$ -	\$ -	\$ 6,369	\$ 6,358	\$ 6,358	\$ -	\$ -
9	Authorized RAM Revenues	Sch. A, Line 7		\$ -	\$ -	\$ -	\$ -	\$ 38,598	\$ 38,598
10	Less: Revenue Taxes on Line 9 at 8.885%			\$ -	\$ -	\$ -	\$ -	\$ (3,429)	\$ (3,429)
11	Net RAM Adjustment - Test Year +2	Lines 9+10		\$ -	\$ -	\$ -	\$ -	\$ 35,168	\$ 35,168
12	Less: <u>EARNINGS SHARING REVENUE CREDITS - 2012 ROE</u>	Sch. A, Line 8		\$ -	\$ -	\$ -	\$ -	\$ (2,067)	\$ (2,067)
13	<u>PUC-ORDERED MAJOR OR BASELINE CAPITAL CREDITS</u>	Sch. A, Line 9		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	Total Annual Target Revenues								
15	July 26, 2011 Annualized Revenues w/interim Increase	Col (c), line 5	\$000s \$ 507,722						
16	April 2, 2012 Annualized Revenues w/interim Increase	Col (d), line 5	\$000s \$ 512,305						
17	May 21, 2012 Annualized Revenues w/interim Increase	Col (e), line 5	\$000s \$ 512,857						
18	June 1, 2012 Annualized Revenues w/RAM Increase	Col (e), line 5 + line 8	\$000s \$ 519,226						
19	September 1, 2012 Annualized Revenues w/RAM Increase	Col (f), line 5 + line 8	\$000s \$ 518,528						
20	June 1, 2013 Annualized Revenues w/RAM Increase	Col (h), lines (5+11+12)	\$000s \$ 545,271						
21	<u>Distribution of Target Revenues by Month</u>	Note (3)		2012	2012	2012	2012	2013	2014
22	January	8.10%		\$41,125,462				\$42,000,731	\$44,166,990
23	February	7.26%		\$36,860,599				\$37,645,099	\$39,586,710
24	March	8.10%		\$41,125,462				\$42,000,731	\$44,166,990
25	April	7.84%			\$40,152,722			\$40,652,559	\$42,749,285
26	May	8.44%			\$43,255,065			\$43,763,724	\$46,020,913
27	June- effective date of RAM Change	8.47%				\$43,978,481		\$46,184,495	
28	July	8.77%				\$45,536,140		\$47,820,309	
29	August	9.04%				\$46,938,051		\$49,292,542	
30	September	8.68%					\$45,008,190	\$47,329,565	
31	October	8.78%					\$45,526,718	\$47,874,836	
32	November	8.26%					\$42,830,375	\$45,039,425	
33	December	8.26%					\$42,830,375	\$45,039,425	
34	Total Distributed Target Revenues	100.00%		\$119,111,523	\$83,407,767	\$136,452,852	\$176,195,658	\$206,062,844	\$328,580,597

Footnotes:

- Col (c) Docket No. 2010-0080 amounts derived from Interim D&O, Exhibit A, page 1, filed July 22, 2011, effective July 26, 2011.
- Col (d) Docket No. 2010-0080 amounts derived from Order No. 30287, Exhibit A, pages 1-2, filed March 29, 2012, effective April 2, 2012.
- Col (e) Docket No. 2010-0080 amounts derived from Order No. 30385, filed May 14, 2012, effective May 21, 2012, which approved HECO Tariffs to Adjust Interim Increase for ERP/EAM filed April 20, 2012, Exhibit 1, page 1.
- Col (f), (g), (h), (i) Docket No. 2010-0080 amounts derived from Order No. 30576, filed August 9, 2012, effective September 1, 2012, which implemented Decision and Order No. 30505, Exhibit A, page 1, filed June 29, 2012.
- Transmittal 12-02 filed December 14, 2012, revising 2012 RAM effective June 1, 2012 and September 1, 2012.
- RBA Tariff Revised July 26, 2011 to reflect 2011 test year

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF RECORDED ADJUSTED REVENUES

SCHEDULE B2
(WITH SETTLEMENT)
PAGE 1 OF 1

Line No.	Description	January 2012	February 2012	March 2012	April 2012	May 2012	June 2012	July 2012	August 2012	September 2012	October 2012	November 2012	December 2012
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(m)
BILLED REVENUES:													
1	Current month's billed revenues	190,602,114	171,150,838	172,332,195	169,863,830	171,246,076	183,568,501	182,028,809	224,521,893	196,386,699	188,536,622	185,507,718	166,425,341
2	Remove non-electric revenues adjustments	(28,773)	(28,465)	(4,934)	(28,494)	(322)	(2,248,336)	(2,200,948)	(2,098,341)	(2,419,755)	(2,360,654)	(2,372,769)	(2,210,768)
3	Remove PBF revenues	(2,237,777)	(2,221,445)	(2,248,994)	(2,219,688)	(2,118,668)	160,620	2,302	-	-	-	-	-
4	Derivation revenues	31,110	2,347	-	-	-	-	-	-	-	-	-	-
5	EC uncollected revenues	-	-	-	-	-	-	-	-	-	-	-	-
6	2011 (overcollected)	-	-	-	-	-	-	-	-	-	-	-	-
7	Sales Saver (Journal entry)	-	-	-	-	-	-	-	-	-	-	-	-
8	Other adjustments	-	-	-	-	-	-	-	-	-	-	-	-
9 =													
sum 1-8		188,338,894	168,903,272	170,106,333	167,717,534	169,340,542	180,765,065	179,814,936	221,940,561	194,747,946	186,175,968	183,134,949	164,659,916
UNBILLED REVENUES:													
9	Current month's unbilled revenues (Unbilled Sales and Revenue Est)	90,716,009	84,374,519	87,200,710	89,494,101	112,220,657	117,632,404	131,613,473	107,906,688	95,062,409	100,466,283	87,104,526	94,262,462
10	Remove prior month's unbilled revenues (Unbilled Sales and Revenue Est)	(100,355,971)	(90,716,010)	(84,374,519)	(87,200,710)	(89,494,101)	(112,220,657)	(117,632,404)	(131,613,473)	(107,906,688)	(95,062,409)	(100,466,283)	(87,104,526)
11 =													
9+10	Unbilled revenues per Unbilled Sales and Revenue Estimate	(9,839,662)	(6,341,491)	2,826,391	2,293,391	22,726,566	5,411,837	13,980,969	(23,706,795)	(12,844,279)	5,403,874	(13,361,757)	7,157,936
11	Earnings Sharing Mechanism Refund Account	(52,907)	(52,907)	(52,907)	(52,907)	(52,907)	(52,907)	(52,907)	(52,907)	(52,907)	(52,907)	(52,907)	(52,907)
12	Accrual of monthly ECAC adjustment	2,453,000	2,453,000	2,453,000	2,453,000	2,453,000	2,453,000	2,453,000	2,453,000	2,453,000	2,453,000	2,453,000	2,453,000
13	Removal of 1/3 ECAC	(4,059,034)	(4,059,034)	(4,059,034)	(4,059,034)	(4,059,034)	(4,059,034)	(4,059,034)	(4,059,034)	(4,059,034)	(4,059,034)	(4,059,034)	(4,059,034)
14	Removal of 1/3 PPAC	(2,619,966)	(2,619,966)	(2,619,966)	(2,619,966)	(2,619,966)	(2,619,966)	(2,619,966)	(2,619,966)	(2,619,966)	(2,619,966)	(2,619,966)	(2,619,966)
15	Accrual of monthly PPAC adjustment	1,011,200	1,011,200	1,011,200	1,011,200	1,011,200	1,011,200	1,011,200	1,011,200	1,011,200	1,011,200	1,011,200	1,011,200
16	Accrual of monthly RBA	(330,860)	(330,860)	(330,860)	(330,860)	(330,860)	(330,860)	(330,860)	(330,860)	(330,860)	(330,860)	(330,860)	(330,860)
17	Recovery of 12-31-11 RBA balance through RBA Rate Adjustment beginning 6-1-12	-	-	-	-	-	-	-	-	-	-	-	-
18	Grow up revenues for RBA	-	-	-	-	-	-	-	-	-	-	-	-
19	Accrual of current month's RBA (PUC Monthly Financial Report pg 9A)	1,597,863	(495,469)	2,503,820	1,768,684	1,614,860	6,038,153	4,628,456	5,911,775	5,565,723	4,205,545	4,194,563	2,351,261
20 =													
sum 11-19	Miscellaneous unbilled accruals	(1,358,943)	8,678,858	8,093,445	8,557,716	235,331	9,368,932	1,700,997	(1,315,149)	3,781,642	(510,776)	6,590,933	4,110,579
21 =													
11+20	UNBILLED REVENUES	(11,198,809)	2,296,357	10,924,636	10,846,107	22,961,897	14,780,798	16,691,966	(25,021,934)	(9,062,637)	4,893,068	(6,770,824)	11,368,516
22 =													
9+21	TOTAL REVENUES PER OIL (PUC Monthly Financial Report pg 3)	177,140,085	171,198,539	181,031,569	178,563,641	192,302,439	195,556,864	196,506,902	196,918,727	185,685,023	191,069,066	176,364,125	175,338,431
Billed Adjustments to Determine Adjusted Revenues for RBA:													
23	ECAC revenues	(75,345,881)	(82,464,491)	(63,232,263)	(63,298,556)	(65,685,162)	(73,832,163)	(71,552,294)	(69,373,542)	(60,842,369)	(42,374,920)	(38,762,181)	(30,239,590)
24	ECAC revenue adjustment	26,879,377	25,354,819	24,900,213	24,900,213	24,370,797	25,427,462	26,427,462	31,598,550	31,598,550	31,598,550	31,598,550	31,598,550
25	Remove DSM/PPAC revenues	(12,848,965)	(12,848,965)	(12,848,965)	(12,848,965)	(12,848,965)	(12,848,965)	(12,848,965)	(12,848,965)	(12,848,965)	(12,848,965)	(12,848,965)	(12,848,965)
26	Remove DSM/PPAC revenues	(330,060)	(330,060)	(330,060)	(330,060)	(330,060)	(330,060)	(330,060)	(330,060)	(330,060)	(330,060)	(330,060)	(330,060)
27	Remove DSM/PPAC revenues	-	-	-	-	-	-	-	-	-	-	-	-
28	Remove DSM/PPAC revenues	-	-	-	-	-	-	-	-	-	-	-	-
29	Remove DSM/PPAC revenues	-	-	-	-	-	-	-	-	-	-	-	-
30	Remove revenue based on PBF revenues	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)
31	Remove revenue based on PBF revenues	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)
32	Remove revenue based on PBF revenues	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)
33	Remove revenue based on PBF revenues	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)
34	Remove revenue based on PBF revenues	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)	(153,991)
35	Other adjustments	(21,970,863)	(20,724,733)	(20,954,442)	(20,353,119)	(19,920,381)	(20,784,364)	(20,242,769)	(25,826,255)	(22,738,122)	(22,190,403)	(22,284,067)	(20,808,656)
36	Unbilled Adjustments to Determine Adjusted Revenues for RBA:												
37	ECAC revenues	8,571,465	3,144,980	(2,230,158)	(862,603)	(11,387,089)	(2,207,250)	(5,448,961)	1,161,540	19,825,598	(702,442)	5,587,566	635,497
38	ECAC revenue adjustment	(297,855)	(670,399)	206,758	271,735	2,364,679	542,026	2,311,880	(3,363,713)	(4,026,588)	(4,026,588)	(4,026,588)	(4,026,588)
39	Remove ECAC accrual	2,619,966	(6,522,034)	(4,561,034)	(4,561,034)	(4,561,034)	(4,561,034)	(4,561,034)	(4,561,034)	(4,561,034)	(4,561,034)	(4,561,034)	(4,561,034)
40	Remove PPAC accrual	147,702	1,018,566	(93,215)	(104,769)	(2,135,160)	(288,000)	(1,056,062)	1,057,722	821,428	(484,413)	1,520,370	(794,187)
41	Remove DSM accrual	283,933	(2,663,200)	(1,438,500)	(2,133,200)	(635,000)	(623,000)	(545,100)	1,064,400	408,900	1,133,600	(1,473,333)	(1,330,533)
42	Remove DSM accrual	4,279	7,141	(2,188)	(134,467)	(63,727)	(16,193)	(53,964)	79,491	32,115	(15,656)	30,360	(34,313)
43	Remove DSM accrual	52,907	52,907	52,907	52,907	52,907	52,907	52,907	52,907	52,907	52,907	52,907	52,907
44	Remove DSM accrual	52,907	52,907	52,907	52,907	52,907	52,907	52,907	52,907	52,907	52,907	52,907	52,907
45	Adjusted prior month RBA	-	-	-	-	-	-	-	-	-	-	-	-
46	Adjusted prior month RBA	-	-	-	-	-	-	-	-	-	-	-	-
47	Grow up revenues for RBA (revenue taxes)	(1,597,863)	495,469	(2,146,810)	(1,768,684)	(1,614,860)	(6,038,153)	(4,628,456)	(5,911,775)	(5,565,723)	(4,205,545)	(4,194,563)	(2,351,261)
48	Remove RBA accruals	125,640	252,414	(1,258,566)	(1,258,566)	(1,258,566)	(1,258,566)	(1,258,566)	(1,258,566)	(1,258,566)	(1,258,566)	(1,258,566)	(1,258,566)
49	Remove revenue based on unbilled revenues	57,076	1,294,566	(400,581)	(526,469)	(4,581,415)	(1,127,638)	(4,478,120)	6,516,978	2,787,383	(1,473,482)	2,650,827	(3,063,368)
50	Remove revenue based on unbilled revenues	243,463	547,975	(169,002)	(222,112)	(1,932,659)	(475,741)	(1,869,702)	2,749,456	1,180,181	(608,967)	1,118,361	(1,287,938)
51	Remove power purchase energy (adjusted for revenue taxes)	-	-	-	-	-	-	-	-	-	-	-	-
52 =													
sum 23-51	Total billed and unbilled adjustments to determine adjusted revenues for RBA	(137,612,490)	(133,842,571)	(142,409,727)	(140,179,603)	(150,662,235)	(157,822,451)	(154,597,156)	(155,590,428)	(146,239,600)	(148,744,904)	(137,725,501)	(134,659,317)
53 =													
22+52	RECORDED ADJUSTED REVENUES FOR RBA DETERMINATION (PUC Monthly Financial Report pg 9A, 1)	39,527,595	37,356,068	38,621,842	38,384,038	41,640,204	37,844,203	40,909,646	41,328,298	39,445,423	41,324,162	38,638,624	40,479,114

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF O&M RAM ADJUSTMENT

Line No.	Description (a)	Reference (b)	Docket No. 2010-0080 Approved \$000 (c)	Footnote 4 Previously Approved RAM \$000 (d)	O&M Subject to Escalation Col (c) + (d) (e)	Net Inflation Indices Footnote 2 (f)	2013 O&M RAM Adjustment \$000 Col (e) * (f) (g)
1	Base BU Labor Expenses	Schedule C1	\$ 51,224		\$ 51,224	3.86%	\$ 1,975
2	Base Non-Labor Expense	Schedule C2	\$ 139,463		\$ 139,463	3.43%	\$ 4,782
3	Payroll Taxes	Footnote 1	\$ 4,708		\$ 4,708	3.86%	\$ 182
4	Subtotal Expense Increase - RAM Adjustment before revenue taxes						\$ 6,939
5	Revenue Tax Factor (Footnote 3)						1.0975
6	O&M RAM (SubTotal Expenses x Rev Tax Factor)						<u>\$ 7,615</u>

Footnotes:

1: Payroll Taxes per Interim D&O in Docket No. 2010-0080, Exhibit A, page 3 \$ 8,905
Less: Portion of payroll taxes related to non-BU labor^A (47.15% * 8,905) \$ (4,197)
Payroll Taxes related to Bargaining Unit labor \$ 4,708

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

2: Escalation Rates

Labor:	2012	2013	
Bargaining Unit Wage Increase	2.46%	2.88%	(See HECO-WP-C-001)
			Approved in Final D&O in Docket No. 2008- 0274,
			page 51, filed on August 31, 2010
Less: Labor Productivity Offset	0.76%	0.76%	
Labor Cost Escalation Rate	<u>1.70%</u>	<u>2.12%</u>	

Calculation of 2012-2013 Compounded Labor Cost Escalation

2012 Labor Cost Escalation	1.0170	A (2012 labor escalation plus 1)
2013 Labor Cost Escalation	<u>1.0212</u>	B (2013 labor escalation plus 1)
2012-2013 Compounded Labor Cost Escalation	1.0386	C = A * B
2012-2013 Compounded Labor Cost %	0.0386	D = C - 1

Non-Labor:	2012	2013	
GDP Price Index for 2013	1.70%	1.70%	(See HECO-WP-C-002)

Calculation of 2012-2013 Compounded Non-Labor Cost Escalation

2012 Non-Labor Cost Escalation	1.0170	A (2012 non-labor escalation plus 1)
2013 Non-Labor Cost Escalation	<u>1.0170</u>	B (2013 non-labor escalation plus 1)
2012-2013 Compounded Non-Labor Cost Escalation	1.0343	C = A * B
2012-2013 Compounded Non-Labor Cost %	0.0343	D = C - 1

3: Computation of Revenue Tax Factor

Public Service Tax Rate	0.05885
PUC Fees Rate	0.00500
Franchise Tax Rate	<u>0.02500</u>
Total Revenue Tax Rate	0.08885

Revenue Tax Factor
= 1 / (1 - Total Revenue Tax Rate) 1.0975

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

HAWAIIAN ELECTRIC COMPANY, INC.

DECOUPLING CALCULATION WORKSHEET
RATE ADJUSTMENT MECHANISM
SUMMARY OF
OPERATIONS AND MAINTENANCE LABOR AND NON-LABOR EXPENSE
BY BLOCK OF ACCOUNTS
Final D&O - Docket No. 2010-0080
('000)

Line No.	DESCRIPTION	Footnote 1		Footnote 2		(e) TOTAL
		(a) BU LABOR	(b) NON-BU LABOR	(c)=(a)+(b) TOTAL LABOR	(d) NON-LABOR	
1	Production	26,585	12,400	38,985	52,838	91,823
2	Transmission	3,519	2,373	5,892	10,103	15,995
3	Distribution	12,559	4,838	17,397	24,148	41,545
4	Customer Accounts	6,136	2,357	8,492	6,119	14,611
5	Allowance for Uncoll Accounts	-	-	-	1,463	1,463
6	Customer Service	152	3,238	3,390	3,197	6,587
7	Administrative & General	2,273	20,484	22,757	63,621	86,378
8	Operation and Maintenance	51,224	45,690	96,913	161,489	258,402

Percentage of Total O&M Labor 52.86% 47.14% 100%

* amounts may not add due to rounding

Footnotes:

1 See Letter dated October 4, 2011, Subject: Hawaiian Electric Supplemental and Revised Responses, filed in Docket No. 2010-0080, Attachment, page 1: Worksheet showing the breakdown of the 2011 test year labor expenses between BU and non-BU.

O&M breakdown above excludes fuel from original schedule. Refer to O&M recalculation below which excludes fuel component.

	BU LABOR	NON-BU LABOR		TOTAL	BU+NON BU
		MERIT	OTHER		TOTAL
FUEL	333	829	11	840	1,173
PRODUCTION	26,585	12,370	30	12,400	38,985
TRANSMISSION	3,519	2,373	-	2,373	5,892
DISTRIBUTION	12,559	4,838	-	4,838	17,397
CUSTOMER ACCOUNTS	6,136	2,357	-	2,357	8,493
CUSTOMER SERVICE	152	3,238	-	3,238	3,390
ADMIN & GENERAL	2,273	20,462	22	20,484	22,757
TOTAL	51,557	46,467	63	46,530	98,087
% of TOTAL BU/NON BU LABOR	52.56%			47.44%	100.00%
% of TOTAL BU/NON BU LABOR (excluding fuel)	52.86%			47.14%	100.00%

2 See Letter dated December 14, 2012, Subject: Docket No. 2010-0080 - Hawaiian Electric 2011 Test Year Rate Case Hawaiian Electric Worksheet Showing Updated Labor/Non-Labor Expense Split for RAM Calculation, Attachment 1, pages 1-3.

Hawaiian Electric Company, Inc.
Non-Labor Exclusion
Adjustment for O&M RAM
(\$ thousands)

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)	<u>Reference</u> (c)
1	Pension Expense	31,617	See Parties' Stipulated Settlement Letter, filed July 5, 2011, in Docket No. 2010- 0080, HECO T-15 Attachment 1, page 1
2			
3			
4	OPEB Expense	(463)	See Parties' Stipulated Settlement Letter, filed July 5, 2011, in Docket No. 2010- 0080, HECO T-15 Attachment 1, page 1
5			
6			
7	Total before amounts transferred	31,154	
8			
9	O&M %	70.70%	See Parties' Stipulated Settlement Letter, filed July 5, 2011, in Docket No. 2010- 0080, HECO T-15 Attachment 1, page 1
10	(1- transfer rate of 29.3%)		
11			
12			
13	Adjustment to Non-Labor O&M Expense		
14	for O&M RAM base	22,026	
15			
16			
17	Non-Labor O&M Expense per Interim D&O	161,489	Schedule C1
18			
19			
20	Non-Labor O&M Expense Base for		
21	O&M RAM base	<u>139,463</u>	

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF RATE BASE RAM ADJUSTMENT - RETURN ON INVESTMENT

Line No.	Description (a)	AMOUNTS IN THOUSANDS (b)	PERCENT OF TOTAL (c)	COST RATE (d)	POST TAX WEIGHTED EARNINGS REQMTS (e)	INCOME TAX FACTOR Note (1) (f)	PRETAX WEIGHTED EARNINGS REQMTS (g)
1	<u>PUC APPROVED CAPITAL STRUCTURE & COSTS (Note (2)):</u>						
2	Short-Term Debt	\$ 38,210	2.35%	1.75%	0.04%	1.000000	0.04%
3	Long-Term Debt	624,620	38.36%	5.86%	2.25%	1.000000	2.25%
4	Hybrid Securities	27,994	1.72%	7.36%	0.13%	1.000000	0.13%
5	Preferred Stock	20,806	1.28%	5.46%	0.07%	1.636929	0.11%
6	Common Equity	916,533	56.29%	10.00%	5.63%	1.636929	9.21%
7	Total Capitalization	<u>\$ 1,628,163</u>	<u>100.00%</u>		<u>8.11%</u>		<u>11.74%</u>
8	RAM CHANGE IN RATE BASE \$000 (From Schedule D1)						<u>\$ 150,928</u>
9	PRETAX RATE OF RETURN (Line 7, Col g)						<u>11.74%</u>
10	PRETAX RETURN REQUIREMENT						<u>\$ 17,719.0</u>
11	REVENUE TAX FACTOR (1/(1-8.885%))						<u>1.0975</u>
12	RATE BASE RAM - RETURN ON INVESTMENT \$000						<u>\$ 19,446.6</u>

Footnotes:

1 Composite Federal & State Income Tax Rate
Income Tax Factor (1 / 1-tax rate)

38.91%
1.636929121

2 See Decision and Order No. 30505, Page 127, filed June 29, 2012, in which the commission accepted the proposed capital structure set forth in the Parties' Stipulated Settlement Letter, filed July 5, 2011, in Docket No. 2010-0080, Exhibit 1, Page 125 of 132.

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF RATE BASE RAM ADJUSTMENT - CHANGE IN RATE BASE
\$ in thousands

Line No.	Description (a)	HECO 2011 Test Year Rate Base (Note 2)		HECO 2013 RAM Rate Base		
		Beg. Balance 12/31/2010 (b)	Budgeted Balance 12/31/2011 (c)	Adjusted Recorded at 12/31/2012 (d)	RAM Projected Amounts (e)	Estimated at 12/31/2013 (f)
1	Net Cost of Plant in Service	\$ 1,608,932	\$ 1,710,082	\$ 1,908,872	\$ 33,881	\$ 1,942,753
2	Property Held for Future Use	4,090	4,090			
3	Fuel Inventory	93,229	93,229			
4	Materials & Supplies Inventories	18,229	18,229			
5	Unamort Net SFAS 109 Reg Asset	62,723	64,246			
6	Unamort EOTP Reg Asset	523	2,136			
7	CIP CT-1 Reg Asset			5,726	(557)	5,169
8	CIS Def Cost			14,637	(712)	13,925
9						
10						
11						
12	Unamort Sys Dev Costs	9,253	8,297			
13	RO Pipeline Reg Asset	5,587	5,473			
14	Contrib in Excess of NPPC	-	19,411			
15	Total Additions	\$ 1,802,566	\$ 1,925,193	\$ 2,133,608	\$ 32,612	\$ 2,166,219
16	Unamortized CIAC	\$ (189,314)	\$ (206,279)	\$ (238,510)	\$ (13,717)	\$ (252,227)
17	Customer Advances	(1,879)	(1,855)			
18	Customer Deposits	(10,245)	(13,554)			
19	Accumulated Def Income Taxes	(213,833)	(271,014)	(320,123)	(19,668)	(339,791)
20	Unamortized State ITC (Gross)	(32,171)	(35,088)			
21	Unamortized Gain on Sale	(800)	(516)			
22	Pension Reg Liability	(3,996)	(2,522)			
23	OPEB Reg Liability	(6,376)	(8,749)			
24	Total Deductions	\$ (458,614)	\$ (539,577)	\$ (617,509)	\$ (33,384)	\$ (650,893)
25	Working Cash	21,054	21,054	21,054	Not Updated	21,054
26	Rate Base at Proposed Rates	\$ 1,365,006	\$ 1,406,670	\$ 1,537,153		\$ 1,536,380
27	Average Rate Base		\$ 1,385,838			\$ 1,536,766
28	Change in Rate Base					\$ 150,828
29	Column (e) Projected Changes to Rate Base:		Reference	Amount \$000		
30	Plant - Baseline Capital Project Additions		Schedule D2	131,249		
31	Major Project Additions		Schedule D3	6,791		
32	Accumulated Depreciation/Amortization Change		Schedule E	(104,160)		
33	Net Plant		Sum: Lines 30-32	33,881		
34	Accum. Deferred Income Taxes - Baseline and Major Capital Projects		Schedule F	(19,668)		
35	Projected CIAC Additions - Baseline		Schedule G	(19,315)		
36	Projected CIAC Additions - Major CIP		Schedule G2	(55)		
37	Less: Amortization of CIAC		Schedule G	5,653		
38	Total Change in CIAC in Rate Base		Sum: Lines 35-37	(13,717)		

Footnotes:

1 Amounts are recorded, except for the following adjustments:

	Plant in Service	Acc. Depr.	CIAC Net	ADIT
[A] Unadjusted Balance	\$ 3,365,146	\$ (1,196,039)	\$ (238,510)	\$ (320,870)
[A] Add: Asset Retirement Obligation		\$ (47,975)		
[A] Reg Liab-Cost of Removal (net salvage)		\$ (203,569)		
Major Project Adjustments:				
Waiau 8 Boiler Ctl's Upgrade	HECO-WP-D2-001	HECO-WP-E-001		HECO-WP-D4-002
	(1,048)	19		198
Waiau 8 Main Transformer Replace	(290)	7		55
Kahuku Wind Power	(7)	5		1
W7 Controls Upgrade	(108)			20
Tenant Improvement Allowance (Sch E)	(10,135)	2,866		
Total Adjustments	\$ (11,588)	\$ 2,897	\$ -	\$ 274
CIS & CIP Adjustments - ADIT	Sch D4, Footnote 1			\$ 473
Adjusted Balance	\$ 3,353,558	\$ (1,444,686)	\$ (238,510)	\$ (320,123)

2 See Hawaiian Electric Tariffs to Adjust Interim Rate Increase for ERP/EAM, filed April 20, 2012, in Docket No. 2010-0080, EXHIBIT 1, Page 3 of 17

[A] SOURCE: Hawaiian Electric Company, Inc. Monthly Financial Report - December 2012, filed February 19, 2013.

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF BASELINE CAPITAL PROJECTS ADDITIONS

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

Line No.	Description (a)			5/30/2008	5/28/2009	5/28/2010	3/30/2012	NOTE (2)
				2008 (b)	2009 (c)	2010 (d)	2011 (e)	2012 (f)
1	Total Plant Additions			96,457,503	287,760,439	170,051,118	169,625,057	255,978,908
2								
3	Less Major Projects: (+\$2.5 Million)	Dkt No.	Item No.					
4								
5	2004 In-service:							
6	Kahe 5 Boiler Controls Upgrade	01-0272	P0000078	(1,133)				
7								
8	2005 In-service:							
9	Ward Air Conditioning Improvement	00-0040	Y00023	(1,236)				
10	New Dispatch Center	03-0360	Y00030	(350,257)	(3,133)	(914)		
11								
12	2006 In-service:							
13	Ford Island Substation	04-0278	Y00040	(141,027)	(6,205)			
14	Kahe 4 Boiler Control Upgrade	02-0207	P9454000	(1,765)				
15								
16	2007 In-service:							
17	Mamala Substation	04-0350	Y00039	(17,073)				
18	Kahe 3 Boiler Controls Upgrade	02-0206	P9539000	(92,548)	(5,355)	(24,522)		
19								
20	2008 In-service:							
21	KoOlina Substation	05-0056	Y00044	(5,006,729)				
22	CIP Generating Unit	05-0145	Y49000	(6,119,686)	(185,099,299)	(1,693,198)	(207,519)	
23	Air Quality Monitoring Station	05-0146	P0001170	(811,896)	(147,575)	(361,926)	198,549	
24								
25	2009 In-service:							
26	CIP0 Kahe RO Water Project	05-0146	P0001169		(749,833)	(373,480)	55,867	
27	Barbers Point Fuel Oil Tank	2007-0409	P0001534		(3,931,173)			
28	Whitmore Substation	2008-0132	P0001390		(4,199,832)	(212,825)		
29								
30	2010 In-Service:							
31	Beckoning Point 46kv Line Ext	2008-0321	P0001497			(1,506,538)	(8,796)	
32	Beckoning Point Substation - NOTE (1)	2008-0321	P0001498			(948,191)	(575)	
33	Kamoku 46kv UG Alt Ph 1 (EOTP)	03-0417	Y48500			(58,502,483)	(210,956)	(69)
34	K3 Biofuel Co-Firing	2009-0155	P0001577			(4,957,351)	(303,872)	
35	Kahuku Wind Power - NOTE (3)	2009-0176				NA	NA	NA
36								
37	2011 In-Service:							
38	W8 Boiler Controls Upgrade	2007-0365	P7650000				(6,165,261)	(118,460)
39	EOTP Ph. 2 (Subs/Switch Stations)	2010-0062	Y48500				(8,070,051)	(6,607,578)
40	W7 Controls Upgrade	2009-0195	P7590000				(5,009,888)	(119,081)
41	W8 Main Transformer Replace		P0001399				(2,627,959)	(19,800)
42								
43	2012 In-Service:							
44	K1 Condenser Tube Replace	2010-0126	P0000681					(4,910,700)
45	BPT Tank 132 Improvements	2010-0286	P0000899					(5,513,984)
46	Mobile Radio Replacement	2010-0162	P0001595					(2,502,181)
47	Kapolei Substation	2011-0026	Y00127					(6,217,064)
48								
49	Total Net Plant Additions (excluding major projects)			83,914,153	53,618,035	101,469,689	147,274,596	229,969,991
50								
51	Last Five-Year Average							\$ 131,249,293

NOTE (1):

2010 cost is net of customer advance of \$777,838. See Hawaiian Electric Transmittal No. 11-02, Attachment 4.5 page 20, filed May 10, 2011.

NOTE (2):

Amounts per HECO-WP-D2-002 and the Hawaiian Electric Companies' Exemption From and Modification of General Order No. 7 Paragraph No. 2.3(g), Relating to Capital Improvements Capital Projects Completed in 2012, in Docket No. 03-0257, filed on March 22, 2013.

NOTE (3):

In Hawaiian Electric Transmittal No. 11-02, Attachment 4.1, page 3 (Revised 5/10/11), filed May 10, 2011, the Company reflected the removal of the Kahuku Wind Power project, due to approval for recovery through the REIP surcharge (Decision and Order and Dissenting Opinion of Leslie H. Kondo, Commissioner, Docket No. 2009-0176, filed on May 12, 2010). However, because these costs were included as part of the 2010 and 2011 plant additions in Hawaiian Electric's 2011 rate case (Docket No. 2010-0080), the Company did not seek to recover these costs through the REIP surcharge (see the Renewable Energy Infrastructure Program ("REIP") - Annual Report, p.2, footnote 3, filed in Docket No. 2007-0418, dated January 31, 2012). The recorded cost of this project is \$2,132,812 as shown on HECO-WP-E-001.

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF MAJOR CAPITAL PROJECT ADDITIONS

Line No.	Description (a)	PUC Docket Reference (b)	Estimated In Service Date (c)	Amount (d)
1	Pukele 80MVA Tsf #3	Docket No. 2011-0156 (D&O dated 10/12/2012)	May-13	4,501,730
2	Amount Qualifying for 2013 RAM	UI Planner Budget files		
3	Kalo Substation - North South Road 46kV Line	Docket No. 2008-0070 (D&O dated 8/14/2008)	Mar-13	1,876,156
4	Amount Qualifying for 2013 RAM	UI Planner Budget files		
5	EOTP Phase 2	Docket No. 2010-0062 (D&O dated 10/19/2010)	various	86,545
6	2013 Straggling costs	UI Planner Budget files	2011 & 2012	
7	Mobile Radio Replacement	Docket No. 2010-0162(D&O dated 5/13/2011)	Aug-12	61,573
8	2013 Straggling costs	UI Planner Budget files		
9	Kapolei Substation	Docket No. 2011-0026 (D&O dated 2/16/2012)	Nov-12	262,923
10	2013 Straggling costs	UI Planner Budget files		
11	K1 Condenser Tube Replace	Docket No. 2010-0126 (D&O dated 1/31/2011)	Jun-12	1,850
12	2013 Straggling costs	UI Planner Budget files		
13	Total Major Capital Projects Qualifying for 2013 RAM (See HECO-WP-D3-001)			<u>\$ 6,790,777</u>

See Schedule G2 for related CIAC (if applicable)

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF ADJUSTED RECORDED DEFERRED INCOME TAXES

Line No.	NARUC Account (a)	Reference (b)	DR/(CR) Federal ADIT (c)	DR/(CR) State ADIT (d)	DR/(CR) Total ADIT (e)
1	Recorded Deferred Income Tax Balances December 31, 2012 Recorded Balances				
2	Depreciation Related Account 282	HECO-WP-D4-001	(153,374,424)	(7,881,925)	(161,256,349)
3	Other Deferred Income Taxes	HECO-WP-D4-001	(133,638,316)	(25,975,804)	(159,614,120)
4	Total Recorded Deferred Income Taxes		<u>(287,012,740)</u>	<u>(33,857,729)</u>	<u>(320,870,469)</u>
5	<u>Adjustments to Recorded Balances:</u>				
6	ADIT on Major Project excess depreciation	HECO-WP-D4-002	266,845	7,030	273,875
7	ADIT on CIP & CIS Adjustments	Footnote 1	400,286	73,195	473,481
8	Total Adjustments to Recorded ADIT Balances		<u>667,131</u>	<u>80,225</u>	<u>747,356</u>
9	Adjusted Recorded ADIT Balances -12/31/12		<u>(286,345,609)</u>	<u>(33,777,504)</u>	<u>\$ (320,123,113)</u>

FOOTNOTES:

1	ADIT Computation:	AFUDC Debt	32.8947% FED	6.0150% STATE	TOTAL
	ADIT on CIP CT-1 carrying charge (Jan - May 2013)	272,145	(89,521)	(16,370)	(105,891)
	ADIT on CIP CT-1 Reg Asset Reserve	(1,073,682)	353,184	64,582	417,766
	ADIT on CIS carrying charge (Jan - May 2013)	129,728	(42,674)	(7,803)	(50,477)
	ADIT on CIS Reg Asset Reserve	(545,064)	179,297	32,786	212,083
	Total	<u>(1,216,873)</u>	<u>400,286</u>	<u>73,195</u>	<u>473,481</u>

Adjustments from recorded to regulatory bases:

	AFUDC Equity	AFUDC Debt	TOTAL
A CIP CT-1 carrying charge (Jan - May 2013)	665,160	272,145	937,305
B CIP CT-1 Reg Asset Reserve	2,282,563	(1,073,682)	1,208,881
C CIS carrying charge (Jan - May 2013)	274,828	129,728	404,556
D CIS Reg Asset Reserve	1,289,943	(545,064)	744,879
Total	<u>4,512,494</u>	<u>(1,216,873)</u>	<u>3,295,621</u>

(E)

SOURCE:

- A, B See HECO-WP-D1-001A, page 2
C See HECO-WP-D1-001B, page 4
D See HECO-WP-D1-001B, page 5

NOTES:

- A, C Cumulative AFUDC debt for 1/1/13 - 5/31/13; NOT full debt differential since 2013 full debt was not recorded as of 12/31/12.

- B, D Differential between regular AFUDC debt incurred (allowed for regulatory purposes) and AFUDC using full debt rate on allowed base (required for financial accounting, per PWC). Represents incremental AFUDC at full debt rate.

	CIP CT-1	CIS
AFUDC Debt - full debt	2,072,087	1,085,139
AFUDC Debt	998,405	540,075
Base on which ADIT adjustment is calculated	<u>1,073,682</u>	<u>545,064</u>

- E Adjustments to AFUDC Equity did not impact ADIT. Settlement did not provide for the tax gross up of AFUDC Equity, which would have increased Reg Asset with an offsetting increase in ADIT. This gross up adjustment, although generally recorded for financial purposes, has no impact on rate base.

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF DEPRECIATION & AMORTIZATION RAMP ADJUSTMENT

Line No.	NARUC Account	Recorded Depreciable/Amort. Balance (Footnote 3)	Adjustments (Footnote 1)	Adjusted Depreciable/Amort. Balance	PUC Approved Accrual Rate	Annual Accrual
	(a)	(b)	(c)	(d)	(e)	(f)
1	Depreciable Plant					
2	311	83,984,111		83,984,111	0.01600	1,343,746
3	312	345,859,785	(1,155,112)	344,704,673	0.02030	6,997,505
4	314	167,360,145		167,360,145	0.01540	2,577,346
5	315	68,311,354	(290,334)	68,021,020	0.02430	1,652,911
6	Tot - Steam	665,515,395	(1,445,446)	664,069,949	0.01889	12,571,508
7						
8	341	37,482,220		37,482,220	0.00770	288,613
9	342	19,448,185		19,448,185	0.02580	501,763
10	343	63,834,282		63,834,282	0.03260	2,080,998
11	344	25,824,015		25,824,015	0.01010	260,823
12	345	34,119,049		34,119,049	0.02510	856,388
13	Tot - Gas Turb	180,707,751	-	180,707,751	0.02207	3,988,585
14						
15	Tot - Prod	846,223,146	(1,445,446)	844,777,700		16,560,092
16						
17	3501	3,007,676		3,007,676	-	-
18	352	35,762,583		35,762,583	0.01600	572,201
19	353	268,433,407		268,433,407	0.01860	4,992,861
20	354	19,417,013		19,417,013	0.01480	287,372
21	355	205,692,312		205,692,312	0.03240	6,664,431
22	356	124,776,049		124,776,049	0.03270	4,080,177
23	357	60,326,187		60,326,187	0.01590	959,186
24	358	52,251,721		52,251,721	0.01730	903,955
25	359	3,201,408		3,201,408	0.01490	47,701
26	Tot - Transm	772,868,356	-	772,868,356	0.02395	18,507,884
27						
28	3601	465,579		465,579	0.02340	10,895
29	361	20,952,289		20,952,289	0.01080	226,285
30	362	184,332,813		184,332,813	0.02020	3,723,523
31	364	148,187,849		148,187,849	0.03390	5,023,568
32	365	102,214,169		102,214,169	0.04190	4,282,774
33	366	225,908,399		225,908,399	0.02190	4,947,394
34	367	304,947,671		304,947,671	0.04980	15,186,394
35	368	177,403,206		177,403,206	0.05200	9,224,967
36	369.1	45,698,600		45,698,600	0.05250	2,399,177
37	369.2	161,309,898		161,309,898	0.04070	6,565,313
38	370	31,371,367		31,371,367	0.02660	834,478
39	Tot - Distr	1,402,791,840	-	1,402,791,840	0.03737	52,424,766
40						
41	Tot - T & D	2,175,660,196	-	2,175,660,196		70,932,651
42						
43	390	50,620,563		50,620,563	0.02450	1,240,204
44	Tot - General	50,620,563	-	50,620,563	0.02450	1,240,204
45						
46	Sub-Total	3,072,503,905	(1,445,446)	3,071,058,459		88,732,947
47						
48	3902 (King)	7,072,977		7,072,977	0.00955	67,547
49	3902 (CPP)	2,000,880		2,000,880	0.12289	245,888
50	3902 (Waterhouse)	941,591		941,591	0.23503	221,302
51	3902 (Hon CI)	6,883		6,883	-	-
52	3902 (ASB)	492,959		492,959	0.20000	98,592
53	3902 (Tenant Allowance)	10,134,927	(10,134,927)	-	-	-
54	Tot- LH Impr	20,650,217	(10,134,927)	10,515,290		633,329
55						
56	392	45,915,488		45,915,488	0.06130	2,814,619
57						
58	Utility Total Depreciation	3,139,069,610	(11,580,373)	3,127,489,237	0.02937	92,180,895

Line No.	NARUC Account (a)	Recorded Depreciable/Amort. Balance (Footnote 3) (b)	Adjustments (Footnote 1) (c)	Adjusted Depreciable/Amort. Balance (d)	PUC Approved Accrual Rate (e)	Annual Accrual (f)
59	Amortizable Plant					
60	316	20,962,746		20,962,746	0.05000	1,048,137
61	Tot - Steam	20,962,746	-	20,962,746	0.05000	1,048,137
62						
63	346	18,163,132		18,163,132	0.05000	908,157
64	Tot - Gas Turb	18,163,132	-	18,163,132	0.05000	908,157
65						
66	Tot - Prod	39,125,878	-	39,125,878	0.05000	1,956,294
67						
68	3911	15,896,767		15,896,767	0.20000	3,179,353
69	3912	2,333,657		2,333,657	0.10000	233,366
70	3913	10,075,056		10,075,056	0.06670	672,006
71	393	1,182,957		1,182,957	0.04000	47,318
72	394	20,510,728		20,510,728	0.04000	820,429
73	395	444,150		444,150	0.06670	29,625
74	396	67,246		67,246	0.05560	3,739
75	397	93,283,263	(7,161)	93,276,102	0.06670	6,221,516
76	398	3,876,658		3,876,658	0.06670	258,573
77	Tot - General	147,670,482	(7,161)	147,663,321	0.07765	11,465,926
78						
79						
80						
81						
82						
83						
84	Net Unrecovered Amortization					(1,101,041)
85						
86	Utility Total Amortization	186,796,360	(7,161)	186,789,199	0.06596	\$ 12,321,178
87						
88	TOTAL RAM DEPRECIATION / AMORTIZATION					\$ 104,502,073
89	LESS: CIP CT-1 Depreciation on Excess Deferral				Footnote 5	\$ (342,530)
90	ADJUSTED TOTAL RAM DEPRECIATION / AMORTIZATION					\$ 104,159,543
91	LESS: Vehicle Depreciation (A/C 392 above)					\$ (2,814,619)
92	LESS: Depreciation & Amortization in Current Revenues				Footnote 2	\$ (94,237,000)
93						
94	RAM Adjustment for Depreciation & Amortization					\$ 7,107,924
95	RAM Adjustment for CIAC Amortization				Sch. G	\$ 2,134,088
96	RAM Adjustment for CIP CT-1 Reg Asset Amortization				HECO-WP-D1-001A	557,000
97	RAM Adjustment for CIS Def Cost Amortization				HECO-WP-D1-001B	712,000
98	Total RAM Adjustment for Depreciation & Amortization					\$ 10,511,012
99	Times: Factor for Revenue Taxes					1.09750
100						
101	RAM DEPRECIATION & AMORTIZATION					\$ 11,535,836

Footnotes:

- 1 Amounts are recorded (in \$000s), except for the following adjustments
(see HECO-WP-D2-001):
- | | |
|---|-------------|
| Waiau 8 Boiler Ctl's Upgrade | \$ (1,048) |
| Waiau 8 Main Transformer Replace | (290) |
| Kahuku Wind Power | (7) |
| W7 Controls Upgrade | (108) |
| Tenant Improvement Allowance (see footnote 4) | (10,135) |
| Total | \$ (11,588) |
- 2 Depreciation & Amortization in Current Revenues:
- | | |
|--|---------------|
| Total Depreciation | \$ 97,297,000 |
| LESS: Vehicle Depreciation (A/C 392) | (2,292,000) |
| LESS: CIP CT-1 excess depreciation | (603,000) |
| LESS: EOTP excess depreciation | (1,171,000) |
| ADD: Revised EOTP excess depreciation ** | 1,006,000 |
| Net Depreciation in Current Revenues | \$ 94,237,000 |
- *Amounts are per page 90 of Exhibit 1 to the Parties' Stipulated Settlement Letter dated July 5, 2011 in HECO's 2011 test year rate case (Docket No. 2010-0080).
- **Amount is per page 1 of Exhibit 2, Attachment 3 to the Stipulated Supplement to the Parties' July 5, 2011 Stipulated Settlement Letter with respect to East Oahu Transmission Project Phase 1 Costs, dated February 3, 2012. Depreciation added in EOTP interim was based on 2010 plant adds and the 2010 actual depreciation rates (blended rate in 2010). The 2012 depreciation is based on additional plant adds made in 2011 included in the February 3, 2012 stipulation supplement, offset by the write-down of \$9.5M of costs and the lower depreciation rates in 2012 (full year of the lower depreciation rates).
- 3 Does not include land amounting to \$39,280,295 as of December 31, 2012.
- 4 Amount represents tenant improvement allowances paid by the lessors and excluded from the RAM calculation.
- 5 Amount represents CIP CT-1 depreciation on excess cost deferred from January to May, 2013. See HECO-WP-D1-001A CIP CT-1 Page 2.

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF CHANGE IN DEFERRED INCOME TAXES

Line No.	NARUC Account (a)	Reference (b)	Projected ADIT Change (c)
1	State Tax Depreciation	Schedule F1	4,702,085
2	Effective Federal Tax Rate	Statutory	32.8947%
3	Federal Deferred Tax on State Tax Depreciation		<u>1,546,738</u>
4	Addback State Tax Depreciation		(4,702,085)
5	Federal Tax Depreciation	Schedule F1	<u>55,667,688</u>
6	Federal/State Difference		<u>50,965,603</u>
7	Tax Rate on Federal Only Adjustment	Statutory	35%
8	Federal Deferred Tax Adjustment		<u>17,837,961</u>
9	Total Federal Deferred Taxes		<u><u>19,384,700</u></u>
	STATE DEFERRED TAXES		
10	State Tax Depreciation		4,702,085
11	Effective State Tax Rate		6.0150376%
12	Total State Deferred Taxes		<u>282,832</u>
13	TOTAL FED AND STATE DEFERRED TAXES		<u><u>19,667,532</u></u>

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

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF TAX DEPRECIATION

Line No	LIFE	PROJECTS	PROGRAMS	TOTAL	PROJECTS	PROGRAMS	TOTAL
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Communication	20	2,890	987	3,877	2.20%	2.95%
2	Comp/Off/Fun/Tools	7	2,098	4,872	6,970	1.60%	3.71%
3	Distribution	20	18,578	40,962	59,540	12.63%	31.21%
4	Land	-	1,456	48	1,504	1.11%	0.04%
5	Non-Steam Production	15	2,201	-	2,201	0.00%	1.68%
6	Steam Production	20	25,425	3,043	28,468	19.37%	2.32%
7	Structural	39	1,320	266	1,586	1.01%	0.20%
8	Transmission	20	11,875	10,961	22,836	9.05%	8.35%
9	Vehicles	-	185	6,085	6,270	0.14%	4.78%
10	TOTAL		84,028	87,224	131,252	48.78%	51.22%

Basis subject to 50% bonus depreciation	Vintage 2013 - 50% Bonus Depreciation	100.00%	51.22%	100.00%
7 yr	1.60%	3.71%	5.31%	5.31%
15 yr	1.68%	0.00%	1.68%	1.68%
20 yr	43.25%	42.63%	85.88%	85.88%
39 yr	1.01%	0.20%	1.21%	1.21%
Land	1.11%	0.04%	1.15%	1.15%
Vehicles	0.14%	4.64%	4.78%	4.78%
Total	48.78%	51.22%	100.00%	100.00%

Basis subject to regular depreciation	Vintage 2013 - Regular Depreciation	(Total less amounts subject to 50% bonus)	97.00%	100.00%
7 yr	1.55%	3.71%	5.26%	7 yr
15 yr	1.63%	0.00%	1.63%	15 yr
20 yr	41.95%	42.63%	84.58%	20 yr
39 yr				
Land				
Vehicles				
Total	45.13%	46.34%	91.47%	

TOTAL ASSETS	Net Depreciable Baseline Plant Adds	Major Capital Projects from Schedule F2	Total Depreciable Plant Adds	Reconciliation from Baseline Plant Adds to Net Depreciable Plant Adds:
52,329	52,329	54,898	107,227	Baseline Capital Projects Plant Adds (rounded)
5,000	5,000	53,097	58,097	Less: Repairs deduction
1,415,915	1,415,915	15,520	1,431,435	Less: HECO-WP-F-1001
1,318,608	1,318,608		1,431,435	Net plant add basis
				Less: Land and Vehicles (5.92% x 109,123,528)
				102,960,188

NOTE (1) The American Taxpayer Relief Act of 2012 allows 50% bonus depreciation for assets placed in service in 2013. 100% bonus depreciation is no longer available for property placed in service after 12/31/12. This schedule was modified from the template that was previously provided to the Commission to eliminate the section related to 100% bonus depreciation.

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
TAX DEPRECIATION ON MAJOR CAPITAL PROJECTS ADDITIONS

Line No.	Description	PUC Docket	Estimated In Service Date	Amount		
	(a)	(b)	(c)	(d)	(e)	
1	Assumed Value of 2013 Major Capital Projects Plant Items			\$ 6,790,777	Schedule D3	
2	Assumed Value of 2013 Major Capital Projects -CIAC nontaxable			\$ (54,766)	Schedule G2	
3	Assumed Value of 2013 Major Capital Projects - Total			<u>\$ 6,736,011</u>		
4	Tax Classification of Major Capital Project Additions	Tax Basis Distribution	FED YR 1 TAX RATE	FED YR 1 TAX DEPR	STATE YR 1 TAX RATE	STATE YR 1 TAX DEPR
5	7 yr	-	57.145%	-	14.29%	-
6	15 yr	-	52.500%	-	5.00%	-
7	20 yr	6,736,011	51.875%	3,494,306	3.75%	252,600
8	39 yr					
9	Land					
10	Vehicles					
11	Total	<u>\$ 6,736,011</u>		<u>\$ 3,494,306</u>		<u>\$ 252,600</u>

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
CIAC SUMMARY

Line No.	Description (a)	Reference (b)	Unamortized CIAC (c)	CIAC Amortization (d)
1	12/31/12 Beginning Balance	Sch. G1	\$ (238,510,104)	
2				
3	<u>2013 CIAC Additions:</u>			
4	Baseline 5-Yr Average	Sch. G1	(19,315,056)	
5	Major Projects	Sch. G2	(54,766)	
6	Net Additions		<u>(19,369,822)</u>	
7				
8	<u>2013 CIAC Amortization:</u>			
9	Estimated Amortization	Sch. G3	<u>5,652,912</u>	\$ (5,652,912)
10				
11	12/31/13 Ending Balance		<u>\$ (252,227,014)</u>	(5,652,912)
12				
13	LESS: CIAC Amortization in Current Revenues - NOTE (1)			<u>(7,787,000)</u>
14				
15	RAM Adjustment for CIAC Amortization			<u>\$ 2,134,088</u>

Note (1) - Per page 90 of Exhibit 1 to the Parties' Stipulated Settlement Letter dated July 5, 2011 in HECO's 2011 test year rate case (Docket No. 2010-0080).

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
BASELINE CAPITAL PROJECTS CIAC ADDITIONS

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

Line No.	Description (a)	2/27/2009		3/1/2010		2/22/2011		3/30/2012		Note (2)	
		2008 (d)	2009 (e)	2010 (f)	2011 (g)	2012 (g)					
1	CIAC Balance, January 1 (Dec Rpt. pg. 10)	(176,424,632)	(178,757,254)	(179,585,120)	(189,314,529)	(204,795,271)					
2	Less: CIAC Amortization (Dec Rpt. pg. 2)	9,009,447	9,335,034	9,614,759	7,786,468	4,895,840					
3	Less: CIAC Balance, December 31 (Dec Rpt. pg. 10)	178,757,254	179,585,120	189,314,529	204,795,271	238,510,104					
5	Total CIAC Additions	11,342,069	10,162,900	19,344,168	23,267,210	38,610,673					
7	Less Major Projects:										
	Dkt No. Item No.										
9	2004 In-service:										
10	Kahe 5 Boiler Controls Upgrade	01-0272	P0000078								
12	2005 In-service:										
13	Ward Air Conditioning Improvement	00-0040	Y00023								
14	New Dispatch Center	03-0360	Y00030								
16	2006 In-service:										
17	Ford Island Substation	04-0278	Y00040								
18	Kahe 4 Boiler Control Upgrade	02-0207	P9454000								
20	2007 In-service:										
21	Mamala Substation	04-0350	Y00039								
22	Kahe 3 Boiler Controls Upgrade	02-0206	P9539000								
23	Air Quality Monitoring Station	Transfer from HELCO									
26	2008 In-service:										
27	KoOlina Substation	05-0056	Y00044	(1,182,000)							
28	CIP Generating Unit	05-0145	Y49000								
30	2009 In-service:										
31	Kahe Reverse Osmosis	05-0146	P0001169								
32	Barbers Point Fuel Oil Tank	2007-0409	P0001534								
33	Whitmore Substation	2008-0132	P0001390								
35	2010 In-service:										
36	Beckoning Point 46kv Line Ext	2008-0321	P0001497								
37	Beckoning Point Substation	2008-0321	P0001498								
38	Kamoku 46kv UG Alt Ph 1 (EOTP)	03-0417	Y48500								
39	K3 Biofuel Co-Firing	2009-0155	P0001577								
40	Kahuku Wind Power - NOTE (3)	2009-0176			NA	NA	NA				
42	2011 In-Service:										
43	W8 Boiler Controls Upgrade	2007-0365	P7650000								
44	EOTP Ph. 2 (Subs/Switch Stations)	2010-0062	Y48500								
45	W7 Controls Upgrade	2009-0195	P7590000								
47	2012 In-Service:										
48	K1 Condenser Tube Replace	2010-0126	P0000681								
49	BPT Tank 132 Improvements	2010-0286	P0000899								
50	Mobile Radio Replacement	2010-0162	P0001595								
51	Kapolei Substation	2011-0026	Y00127								
52	Total Net CIAC Additions	10,160,069	10,162,900	19,344,168	20,868,130	36,039,011					
	Last Five-Year Average					19,315,058					

NOTE (1):

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

NOTE (2):

Amounts per HECO-WP-D2-001 and the Hawaiian Electric Companies' Exemption From and Modification of General Order No. 7 Paragraph No. 2.3(g), Relating to Capital Improvements Capital Projects Completed in 2012, in Docket No. 03-0257, filed on March 22, 2013.

NOTE (3):

In Hawaiian Electric Transmittal No. 11-02, Attachment 4.1, page 3 (Revised 5/10/11), filed May 10, 2011, the Company reflected the removal of the Kahuku Wind Power project, due to approval for recovery through the REIP surcharge (Decision and Order and Dissenting Opinion of Leslie H. Kondo, Commissioner, Docket No. 2009-0176, filed on May 12, 2010). However, because these costs were included as part of the 2010 and 2011 plant additions in Hawaiian Electric's 2011 rate case (Docket No. 2010-0080), the Company did not seek to recover these costs through the REIP surcharge (see the Renewable Energy Infrastructure Program ("REIP") - Annual Report, p.2, footnote 3, filed in Docket No. 2007-0416, dated January 31, 2012). The recorded cost of this project is \$2,132,182 as shown on HECO-WP-E-001.

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
MAJOR CAPITAL PROJECT CIAC ADDITIONS

Line No.	Description (a)	PUC Docket Reference (b)	Estimated In Service Date (c)	Amount (d)
1	<u>2013 Major Project CIAC Additions by Project:</u>			
2	EOTP Phase 2	Docket No. 2010-0062 (D&O dated 10/19/2010)	various	54,766
3	2013 Straggling costs	UI Planner Budget files	2011 & 2012	
4	Total Major Project CIAC Additions for 2013 RAM (See HECO-WP-G2-001)			<u>\$ 54,766</u>

See Schedule D3 for related plant additions.

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
CIAC AMORTIZATION

Line		2011	2012		2013
No.	Description	Balance	Amortization	Balance	Amortization
	(a)	(b)	(c)	(d)	(e)
1	<u>CIAC by Vintage</u>				
2	1981	\$ 37,347	\$ 1,778	\$ 35,569	\$ 1,778
3	1982	117,729	5,351	112,378	5,351
4	1983	243,784	10,599	233,185	10,599
5	1984	248,680	10,362	238,318	10,362
6	1985	326,215	13,049	313,166	13,049
7	1986	480,295	18,473	461,822	18,473
8	1987	956,562	35,428	921,134	35,428
9	1988	1,397,974	49,928	1,348,046	49,928
10	1989	1,191,575	41,089	1,150,486	41,089
11	1990	6,675,979	222,533	6,453,446	222,533
12	1990 - Land	1,303,408	-	1,303,408	-
13	1991	3,280,206	105,813	3,174,393	105,813
14	1992	3,017,638	94,301	2,923,337	94,301
15	1993	6,621,003	200,637	6,420,366	200,637
16	1994	4,879,854	143,525	4,736,329	143,525
17	1995	3,773,993	107,828	3,666,165	107,828
18	1996	2,657,214	82,145	2,575,069	82,145
19	1997	2,249,001	60,784	2,188,217	60,784
20	1998	3,305,128	86,977	3,218,151	86,977
21	1999	3,717,357	95,317	3,622,040	95,317
22	2000	2,498,121	62,453	2,435,668	62,453
23	2001	3,151,103	76,856	3,074,247	76,856
24	2002	4,460,901	106,212	4,354,689	106,212
25	2003	4,835,999	112,465	4,723,534	112,465
26	2004	3,360,535	76,376	3,284,159	76,376
27	2005	11,179,640	248,436	10,931,204	248,436
28	2006	9,609,032	208,892	9,400,140	208,892
29	2007	10,200,201	217,026	9,983,175	217,026
30	2008	9,384,072	195,502	9,188,570	195,502
31	2009	7,571,647	154,523	7,417,124	154,523
32	2010	14,151,322	283,026	13,868,296	283,026
33	2011	18,177,856	356,429	17,821,427	356,429
34	2012			35,019,108	686,649
35					
36					
37	<u>CIAC GET Adjustment:</u>				
38	-adj 92-96 GET	(141,271)	(3,924)	(137,347)	(3,924)
39	-adj 97 GET	(51,896)	(1,403)	(50,493)	(1,403)
40	-adj 98 GET	(84,496)	(1,697)	(82,799)	(1,697)
41	-adj 99 GET	(84,599)	(2,169)	(82,430)	(2,169)
42	-adj 00 GET	(81,147)	(2,029)	(79,118)	(2,029)
43	-adj 01 GET	(120,550)	(2,940)	(117,610)	(2,940)
44	-adj 02 GET	(130,649)	(3,111)	(127,538)	(3,111)
45	-adj 03 GET	(177,266)	(4,122)	(173,144)	(4,122)
46	-adj 04 GET	(123,666)	(2,811)	(120,855)	(2,811)
47	-adj 05 GET	(253,619)	(5,636)	(247,983)	(5,636)
48	-adj 06 GET	(554,750)	(12,060)	(542,690)	(12,060)
49	-adj 07 GET	(446,296)	(9,496)	(436,800)	(9,496)
50	-adj 08 GET	(364,609)	(7,596)	(357,013)	(7,596)
51	-adj 09 GET	(338,706)	(6,912)	(331,794)	(6,912)
52	-adj 10 GET	(509,779)	(10,196)	(499,583)	(10,196)
53	-adj 11 GET	(438,967)	(8,607)	(430,360)	(8,607)
54	-adj 12 GET			(540,535)	(10,599)
55					
56					
57	<u>In - Kind CIAC:</u>				
58	1988	386,581	13,806	372,775	13,806
59	1989	435,050	15,002	420,048	15,002
60	1990	225,723	7,524	218,199	7,524
61	1991	482,500	15,565	466,935	15,565
62	1992	1,356,169	42,380	1,313,789	42,380
63	1993	1,159,539	35,138	1,124,401	35,138
64	1994	1,940,295	57,068	1,883,227	57,068
65	1995	3,892,184	111,205	3,780,979	111,205
66	1996	2,021,590	56,155	1,965,435	56,155
67	1997	1,053,394	28,470	1,024,924	28,470
68	1998	2,033,433	53,511	1,979,922	53,511
69	1999	1,604,807	41,149	1,563,658	41,149
70	2000	3,305,426	82,636	3,222,790	82,636
71	2001	1,372,880	33,485	1,339,395	33,485
72	2002	3,002,932	71,498	2,931,434	71,498
73	2003	4,547,584	105,758	4,441,826	105,758
74	2004	2,789,704	63,402	2,726,302	63,402
75	2005	4,758,104	105,736	4,652,368	105,736
76	2006	4,262,129	92,655	4,169,474	92,655
77	2007	8,419,215	179,132	8,240,083	179,132
78	2008	1,256,654	26,180	1,230,474	26,180
79	2009	2,312,352	47,191	2,265,161	47,191
80	2010	5,169,604	103,392	5,066,212	103,392
81	2011	5,528,321	108,398	5,419,923	108,398
82	2012			4,132,100	81,022
83					
84	Total CIAC Amortization for 2013 RAM	\$ 204,795,271	\$ 4,895,840	\$ 238,510,104	\$ 5,652,912

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
EARNINGS SHARING CALCULATIONS
All Amounts \$000 (Except %)

Line No.	Description (a)	Reference (b)	Ratemaking Basis Return on Equity		
			Operating Income (c)	Rate Base (d)	Rate of Return (e)
1	Reported Operating Income before ratemaking adjustment	Dec 2011 Mo. PUC rpt, pg 2A filed 2/21/12 & HECO-WP-H-001	\$ 119,924	\$ 1,531,776	
2	<u>Ratemaking Adjustments to Line 1:</u>				
2a	Incentive Compensation Expenses (net of tax)	HECO-WP-H-002	3,782		
2b	Discretionary and Other Expenses Not Recoverable (net of tax)	HECO-WP-H-002	868		
2c	Amortization of investment income differential	HECO-WP-H-003	194		
2d	Income tax on items to be replaced by synchronized interest	HECO-WP-H-003	(14,210)		
3	Ratemaking Basis Amounts - Post Tax	Sum Lines 1 & 2	\$ 110,558	\$ 1,531,776	
4	<u>Ratemaking Capitalization</u>		Balances	Ratios	Cost Rate
5	Short-Term Debt (12 mo. Avg)		\$ 73,702	4.26%	0.52%
6	Long-Term Debt (Simple Avg)		\$ 676,936	39.10%	5.79%
7	Hybrid Securities (Simple Avg)		\$ 28,104	1.62%	7.33%
8	Preferred Stock (Simple Avg)		\$ 20,862	1.21%	5.44%
9	Common Equity (Simple Avg)		\$ 931,512	53.81%	10.00%
10	Total Capitalization	HECO-WP-H-004	\$ 1,731,115	100.00%	7.85%
11	Line 3 Rate Base Amount			\$ 1,531,776	
12	Weighted Cost of Debt			2.40%	
13	Synchronized Interest Expense			\$ 36,763	
	Income Tax Factor			1.636929121	
13a	Synchronized Interest Expense, net of tax			\$ 22,459	
14	Post Tax Income Available for Preferred & Common (Line 3 - Line 13a)				\$ 88,099
17	Less: Preferred Income Requirement (Line 8 Weighted Cost times Rate Base)				1,072
18	Income Available for Common Stock				\$ 87,027
19	Ratemaking Equity Investment (Line 9 Ratio times Rate Base)				824,247
20	Return on Equity for Decoupling Earnings Sharing				10.56%
21	<u>Earnings Sharing Revenue Credits:</u>		Basis Points		
22	Achieved ROE (basis points)		1,056		
23	Authorized Return (basis points)		1,000		
24	ROE for sharing (basis points)		56		
25	Sharing Grid per RAM Provision		First 100 bp	Next 200 bp	All over 300 bp
26	Distribution of Excess ROE (basis points)		56	0	0
27	Ratepayer Share of Excess Earnings		25%	50%	90%
28	Ratepayer Earnings Share - Basis Points		14	-	-
29	Revenue Credit per Basis Point (Note 2)				\$ 148
30	Earnings Sharing Revenue Credits (thousands)				\$ 2,066.82

Footnotes:

1	Composite Federal & State Income Tax Rate	38.91%
	Income Tax Factor (1 / 1-tax rate)	1.636929121
2	Ratemaking Equity Investment (line 19)	\$ 824,247
	Basis Point = 1/100 of a percent	0.01%
	Earnings Required per Basis Point (thousands)	\$ 82.42
	Times: Income Tax Conversion Factor	1.636929121
	Pretax Income Required per Basis Point (thousands)	\$ 135
	Times: Revenue Tax Conversion Factor	1.0975
	Revenue Requirement per Basis Point (thousands)	\$ 148

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
PUC-ORDERED ADJUSTMENTS

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

This Schedule has not been developed yet and will be developed only when/as needed.

Hawaiian Electric Company, Inc. Sales Forecast
June 2013 to May 2014

In GWH

	2014												Total
	June	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	
R	150.4	156.8	160.4	151.8	153.3	144.5	146.3	153.0	128.2	145.5	139.6	146.6	1,776.4
G	27.0	28.3	28.7	27.3	27.8	26.0	25.4	25.0	23.3	25.8	24.9	27.0	316.5
J	168.1	171.2	179.7	173.2	175.0	162.6	159.5	155.0	144.5	162.1	155.1	168.8	1,974.8
P	240.2	250.4	255.5	244.9	251.8	237.1	235.3	231.7	207.5	231.6	222.2	241.6	2,849.8
F	2.9	2.9	2.9	3.1	3.1	3.0	3.0	3.2	2.8	3.0	3.0	2.9	35.8
	588.6	609.6	627.2	600.3	611.0	573.2	569.5	567.9	506.3	568.0	544.8	586.9	6,953.3

HECO-WP-B-001
HAWAIIAN ELECTRIC COMPANY, INC.
MONTHLY FINANCIAL REPORT
MARCH 2012 - 2011 BILLING ADJUSTMENTS

REVENUE BALANCING ACCOUNT - REVENUE TRACKER

	Revised Mar-11	Revised Apr-11	Revised May-11	Revised Jun-11	Revised Jul-11	Revised Aug-11	Revised Sept-11	Revised Oct-11	Revised Nov-11	12/1/2011 interest only
L1 Monthly Target Revenue	\$38,452,740	\$35,681,973	\$37,812,917	\$39,048,559	\$41,350,321	\$45,898,046	\$44,070,248	\$44,577,970	\$41,937,817	\$41,937,817
L2 Recorded Adjusted Revenue	\$37,426,885	\$35,845,831	\$37,147,021	\$36,790,441	\$39,115,725	\$41,651,602	\$40,660,858	\$41,115,308	\$38,723,367	\$39,961,425
L3 L1 - L2	(\$974,145)	(\$183,658)	\$665,896	\$2,258,118	\$2,234,596	\$4,246,444	\$3,409,392	\$3,462,662	\$3,214,450	\$1,976,392
L4 Reversal of Previous Year Accrual	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
L5 L4 - L3	(\$974,145)	(\$183,658)	\$665,896	\$2,258,118	\$2,234,596	\$4,246,444	\$3,409,392	\$3,462,662	\$3,214,450	\$1,976,392
L6 Beginning RBA Balance	\$0	(\$976,500)	(\$1,145,530)	(\$483,697)	\$1,775,643	\$4,024,704	\$8,301,888	\$11,761,313	\$15,291,438	\$18,590,381
L7 L6 + L5	(\$974,145)	(\$1,140,236)	(\$479,634)	\$1,772,421	\$4,010,239	\$8,271,148	\$11,711,280	\$15,223,975	\$18,505,888	\$20,566,773
L8 (L6 + L7) + 2	(\$487,073)	(\$1,058,409)	(\$812,582)	\$844,382	\$2,892,941	\$6,147,928	\$10,006,584	\$13,492,644	\$16,898,063	\$19,578,577
L9 L8 x 6% + 12	\$2,435	(\$5,292)	(\$4,063)	\$3,222	\$14,485	\$30,740	\$50,033	\$67,463	\$84,493	\$97,887
L10 L7 + L9	(\$978,580)	(\$1,145,530)	(\$483,697)	\$1,775,643	\$4,024,704	\$8,301,888	\$11,761,313	\$15,291,438	\$18,590,381	\$20,664,660
Target vs Actual Diff:										
Revenues as REVISED (kWh) December 2011	37,406,823	35,817,863	37,094,600	36,786,937	39,117,518	41,640,972	40,655,830	41,113,770	38,728,545	39,961,425
Billing adjustments	20,062	27,968	52,421	504	(1,783)	10,630	5,026	1,538	(5,178)	0
Revised revenues	37,426,885	35,845,831	37,147,021	36,790,441	39,115,725	41,651,602	40,660,858	41,115,308	38,723,367	39,961,425
Target	38,452,740	35,681,973	37,812,917	39,048,559	41,350,321	45,898,046	44,070,248	44,577,970	41,937,817	41,937,817
	(974,145)	(183,658)	665,896	2,258,118	2,234,596	4,246,444	3,409,392	3,462,662	3,214,450	1,976,392
Revised adjustment (dr) credit to revenue	(974,145)	(183,658)	665,896	2,258,118	2,234,596	4,246,444	3,409,392	3,462,662	3,214,450	1,976,392
RBA adjustment recorded (dr) credit to rev.	(954,083)	(135,690)	718,317	2,256,822	2,232,805	4,257,074	3,414,419	3,464,200	3,209,272	1,976,392
Adjustment (dr) credit to revenue	(20,062)	(27,968)	(52,421)	(504)	1,781	(10,630)	(5,027)	(1,538)	5,178	0
Revised interest	(2,435)	(5,292)	(4,063)	3,222	14,485	30,740	50,033	67,463	84,493	97,887
Interest recorded	(2,385)	(5,122)	(3,691)	3,728	14,970	31,270	50,805	68,055	85,078	98,462
	(50)	(170)	(372)	(506)	(505)	(530)	(572)	(592)	(566)	(575)
RBA as of 12/31/11	20,780,302									
RBA Adjustment	(111,181)									
RBA interest adjustment	(4,458)									
Total RBA adjustment	(115,639)									
Adjusted RBA as of 12/31/11	20,664,663									

Note (1):
Amounts may not add due to rounding.

Note (2):
In March 2012, the Company recorded an adjustment to the RBA related to miscellaneous customer billing adjustments that were processed in March 2011 to December 2011, some of which were related to revenues recorded prior to March 2011 (the implementation of decoupling.) The Company recalculated the RBA as of December 31, 2011, including interest, based on reflecting the billing adjustments in the proper month incurred.

HECO-WP-B-002
HAWAIIAN ELECTRIC COMPANY, INC.
MONTHLY FINANCIAL REPORT
2009 and 2011 TEST YEAR RATE CASE REFUNDS

REVENUE BALANCING ACCOUNT - REVENUE TRACKER

	Revised Mar-11	Revised Apr-11	Revised May-11	Revised Jun-11	Revised Jul-11	Revised Aug-11	Revised Sept-11	Revised Oct-11	Revised Nov-11	12/31/2011 interest only
L1 Monthly Target Revenue	\$36,452,740	\$35,881,973	\$37,812,917	\$39,046,559	\$41,350,321	\$45,898,046	\$44,070,248	\$44,577,970	\$41,937,817	\$41,937,817
L2 Recorded Adjusted Revenue	\$37,394,297	\$35,848,581	\$37,182,290	\$36,789,746	\$39,115,778	\$41,651,584	\$40,660,851	\$41,115,321	\$38,893,606	\$39,999,957
L3 Target vs Actual Revenue	(\$941,557)	(\$166,608)	\$630,627	\$2,256,813	\$2,234,543	\$4,246,462	\$3,409,397	\$3,462,649	\$3,044,211	\$1,937,860
L4 Reversal of Previous Year Accrual	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
L5 Net RBA Change	(\$941,557)	(\$166,608)	\$630,627	\$2,256,813	\$2,234,543	\$4,246,462	\$3,409,397	\$3,462,649	\$3,044,211	\$1,937,860
L6 Beginning RBA Balance	\$0	(\$943,911)	(\$1,115,655)	(\$489,030)	\$1,770,980	\$4,019,964	\$8,297,142	\$11,756,548	\$15,286,636	\$18,414,891
L7 End Balance Before Interest	(\$941,557)	(\$1,110,519)	(\$485,028)	\$1,767,783	\$4,005,523	\$8,266,426	\$11,706,539	\$15,219,197	\$18,330,847	\$20,352,751
L8 (L6 + L7) + 2	(\$470,779)	(\$1,027,215)	(\$800,342)	\$639,377	\$2,888,252	\$6,143,185	\$10,001,841	\$13,487,873	\$16,808,742	\$19,383,821
L9 L8 x 6% + 12	(\$2,354)	(\$5,136)	(\$4,002)	\$3,197	\$14,441	\$30,716	\$50,009	\$67,439	\$94,044	\$96,919
L10 Ending RBA Balance	(\$943,911)	(\$1,115,655)	(\$489,030)	\$1,770,980	\$4,019,964	\$8,297,142	\$11,756,548	\$15,286,636	\$18,414,891	\$20,440,664
Target vs Actual Diff.										
Revenues as of 4th close December 2011	37,406,823	35,817,653	37,094,800	36,789,937	39,117,518	41,640,972	40,655,830	41,113,770	38,728,545	39,961,425
Billing adjustments	20,062	27,968	52,421	504	(1,793)	10,630	5,026	1,538	(5,178)	0
Revised revenues (Per WP-B-007)	37,426,885	35,845,631	37,147,021	36,790,441	39,115,725	41,651,602	40,660,856	41,115,308	38,723,367	39,961,425
2009 Refund	(32,968)	0	0	(695)	53	(18)	(5)	13	127	(10)
TY 2011 overcollection	0	0	0	0	0	0	0	0	0	38,542
Revised revenues	37,394,297	35,845,631	37,182,290	36,789,746	39,115,778	41,651,584	40,660,851	41,115,321	38,893,606	39,999,957
Target	36,452,740	35,881,973	37,812,917	39,046,559	41,350,321	45,898,046	44,070,248	44,577,970	41,937,817	41,937,817
	(941,557)	(166,608)	630,627	2,256,813	2,234,543	4,246,462	3,409,397	3,462,649	3,044,211	1,937,860
Revised adjustment (dr) credit to revenue	(941,557)	(166,608)	630,627	2,256,813	2,234,543	4,246,462	3,409,397	3,462,649	3,044,211	1,937,860
RBA adjustment per annual filing	(974,145)	(163,658)	665,096	2,256,118	2,234,596	4,246,444	3,409,392	3,462,562	3,214,450	1,976,392
Adjustment (dr) credit to revenue	32,588	(2,950)	(35,269)	695	(53)	18	5	(13)	(170,239)	(38,532)
										(213,750)
Revised interest	(2,354)	(5,136)	(4,002)	3,197	14,441	30,716	50,009	67,439	84,044	96,919
Interest per annual filing	(2,435)	(5,292)	(4,063)	3,222	14,465	30,740	50,033	67,463	84,493	97,887
	81	156	61	(25)	(24)	(24)	(24)	(24)	(449)	(988)
										(1,240)
RBA as of 12/31/11 template	20,564,654									
RBA Adjustment	(213,750)									
RBA interest adjustment	(1,240)									
Total RBA adjustment	(214,990)									
Adjusted RBA as of 12/31/11	20,449,664									

Note (1):
Amounts may not add due to rounding

Note (2):
In March 2012, the Company recorded a true-up adjustment to the RBA related to the TY 2011 overcollection accrual, including interest.
In May 2012 the Company will record a true-up adjustment to the RBA related to the 2009 refund, including interest.
March 2011 to December 2011. The Company recalculated the RBA as of December 31, 2011, including interest, based on reflecting the billing adjustments in the proper month incurred.

REVENUE BALANCING ACCOUNT - REVENUE TRACKER

[illegible][illegible]

	1976, 1999	1974, 145	1963, 853	1962, 853	1961, 853	1960, 853	1959, 853	1958, 853	1957, 853	1956, 853	1955, 853	1954, 853	1953, 853	1952, 853	1951, 853	1950, 853	1949, 853	1948, 853	1947, 853	1946, 853	1945, 853	1944, 853	1943, 853	1942, 853	1941, 853	1940, 853	1939, 853	1938, 853	1937, 853	1936, 853	1935, 853	1934, 853	1933, 853	1932, 853	1931, 853	1930, 853	1929, 853	1928, 853	1927, 853	1926, 853	1925, 853	1924, 853	1923, 853	1922, 853	1921, 853	1920, 853	1919, 853	1918, 853	1917, 853	1916, 853	1915, 853	1914, 853	1913, 853	1912, 853	1911, 853	1910, 853	1909, 853	1908, 853	1907, 853	1906, 853	1905, 853	1904, 853	1903, 853	1902, 853	1901, 853	1900, 853	1899, 853	1898, 853	1897, 853	1896, 853	1895, 853	1894, 853	1893, 853	1892, 853	1891, 853	1890, 853	1889, 853	1888, 853	1887, 853	1886, 853	1885, 853	1884, 853	1883, 853	1882, 853	1881, 853	1880, 853	1879, 853	1878, 853	1877, 853	1876, 853	1875, 853	1874, 853	1873, 853	1872, 853	1871, 853	1870, 853	1869, 853	1868, 853	1867, 853	1866, 853	1865, 853	1864, 853	1863, 853	1862, 853	1861, 853	1860, 853	1859, 853	1858, 853	1857, 853	1856, 853	1855, 853	1854, 853	1853, 853	1852, 853	1851, 853	1850, 853	1849, 853	1848, 853	1847, 853	1846, 853	1845, 853	1844, 853	1843, 853	1842, 853	1841, 853	1840, 853	1839, 853	1838, 853	1837, 853	1836, 853	1835, 853	1834, 853	1833, 853	1832, 853	1831, 853	1830, 853	1829, 853	1828, 853	1827, 853	1826, 853	1825, 853	1824, 853	1823, 853	1822, 853	1821, 853	1820, 853	1819, 853	1818, 853	1817, 853	1816, 853	1815, 853	1814, 853	1813, 853	1812, 853	1811, 853	1810, 853	1809, 853	1808, 853	1807, 853	1806, 853	1805, 853	1804, 853	1803, 853	1802, 853	1801, 853	1800, 853	1799, 853	1798, 853	1797, 853	1796, 853	1795, 853	1794, 853	1793, 853	1792, 853	1791, 853	1790, 853	1789, 853	1788, 853	1787, 853	1786, 853	1785, 853	1784, 853	1783, 853	1782, 853	1781, 853	1780, 853	1779, 853	1778, 853	1777, 853	1776, 853	1775, 853	1774, 853	1773, 853	1772, 853	1771, 853	1770, 853	1769, 853	1768, 853	1767, 853	1766, 853	1765, 853	1764, 853	1763, 853	1762, 853	1761, 853	1760, 853	1759, 853	1758, 853	1757, 853	1756, 853	1755, 853	1754, 853	1753, 853	1752, 853	1751, 853	1750, 853	1749, 853	1748, 853	1747, 853	1746, 853	1745, 853	1744, 853	1743, 853	1742, 853	1741, 853	1740, 853	1739, 853	1738, 853	1737, 853	1736, 853	1735, 853	1734, 853	1733, 853	1732, 853	1731, 853	1730, 853	1729, 853	1728, 853	1727, 853	1726, 853	1725, 853	1724, 853	1723, 853	1722, 853	1721, 853	1720, 853	1719, 853	1718, 853	1717, 853	1716, 853	1715, 853	1714, 853	1713, 853	1712, 853	1711, 853	1710, 853	1709, 853	1708, 853	1707, 853	1706, 853	1705, 853	1704, 853	1703, 853	1702, 853	1701, 853	1700, 853	1699, 853	1698, 853	1697, 853	1696, 853	1695, 853	1694, 853
--	------------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------

Revenue interest	(2,442)	3,170	14,397	30,657	49,930	67,352	83,943	96,606	106,129	109,393
Interest recorded	(2,453)	3,252	14,485	30,740	50,053	67,463	84,033	97,687	107,686	111,527
	(7)	(52)	(58)	(83)	(97)	(111)	(50)	(1,081)	(1,796)	

Interest as contra debit 500

Interest income debit \$ 500

RBA as of 12/31/11
(Schedule B2 annual filing)
20064654

	4		
Rounding adjustment			
TY 2011 refund add back (11/11 - 12/11)	[208,694]		
NON-Billing adjustment (3/11 - 7/11)	[2,388]		
Interest income adjustment (3/11 - 12/11)	[25,362]		
Interest expense adjustment (3/11 - 5/11)	(66)		
Interest income adjustment (8/11 - 12/11)	(2,943)		
		Total **	(5,674)
			(1,305)
			Adjustment for mac, customer belongs interest adjustment

Adjusted RBA as of 12/31/11	20 425,665
January RBA recorded	1 537 863
Interest income recorded	(107 868)
February adjustment recorded	(465 489)
February interest income recorded	111 192
March adjustment (1/12)	7 201
Halawa billing adjustment (1/12 - 2/12)	(5,049)
Belows billing adjustment (1/12 - 2/12)	(5,515)
February adjustment base revenues only	(5 404)
Interest income adjustment	(3,566)

HECO-WP-B-003
HAWAIIAN ELECTRIC COMPANY, INC.
MONTHLY FINANCIAL REPORT
SEPT 2012 ADJUSTMENT - INCORRECT INCLUSION OF 0709 INTERIM INCREASE

REVENUE BALANCING ACCOUNT - REVENUE TRACKER

	Revised Mar-11	Revised Apr-11	Revised May-11	Revised Jun-11	Revised Jul-11	Revised Aug-11	Revised Sept-11	Revised Oct-11	Revised Nov-11	Revised Dec-11	Revised Jan-12	Revised Feb-12	Revised Mar-12	Revised Apr-12	Jun-12	Jul-12	Aug-12
L1 Monthly Target Revenue	\$36,452,740	\$36,681,973	\$37,812,817	\$38,046,559	\$38,280,321	\$38,514,083	\$38,747,845	\$38,981,607	\$39,215,369	\$39,449,131	\$39,682,893	\$39,916,655	\$40,150,417	\$40,384,179	\$40,617,941	\$40,851,703	\$41,085,465
L2 Recorded Adjusted Revenue	\$37,597,388	\$37,826,621	\$38,055,854	\$38,285,087	\$38,514,320	\$38,743,553	\$38,972,786	\$39,202,019	\$39,431,252	\$39,660,485	\$39,889,718	\$40,118,951	\$40,348,184	\$40,577,417	\$40,806,650	\$41,035,883	\$41,265,116
L3 Target vs Actual Revenue	(\$1,144,648)	(\$168,648)	\$227,063	\$240,472	\$263,888	\$287,303	\$310,718	\$334,133	\$357,548	\$380,963	\$404,378	\$427,793	\$451,208	\$474,623	\$498,038	\$521,453	\$544,868
L4 Net RBA Charge Previous Year Actual *																	
L5 (L1 - L2)	(\$1,144,648)	(\$168,648)	\$227,063	\$240,472	\$263,888	\$287,303	\$310,718	\$334,133	\$357,548	\$380,963	\$404,378	\$427,793	\$451,208	\$474,623	\$498,038	\$521,453	\$544,868
L6 Beginning RBA Balance	\$0	(\$1,144,648)	(\$1,371,711)	(\$1,598,774)	(\$1,825,837)	(\$2,052,900)	(\$2,280,000)	(\$2,507,100)	(\$2,734,200)	(\$2,961,300)	(\$3,188,400)	(\$3,415,500)	(\$3,642,600)	(\$3,869,700)	(\$4,096,800)	(\$4,323,900)	(\$4,551,000)
L7 (L5 + L6)	(\$1,144,648)	(\$1,313,296)	(\$1,600,374)	(\$1,841,246)	(\$2,096,725)	(\$2,357,204)	(\$2,612,683)	(\$2,868,162)	(\$3,123,641)	(\$3,379,120)	(\$3,634,599)	(\$3,890,078)	(\$4,145,557)	(\$4,401,036)	(\$4,656,515)	(\$4,911,994)	(\$5,167,473)
L8 (L6 + L7) * 2	(\$2,289,296)	(\$2,626,592)	(\$3,200,748)	(\$3,682,492)	(\$4,193,450)	(\$4,704,408)	(\$5,215,366)	(\$5,726,324)	(\$6,237,282)	(\$6,748,240)	(\$7,259,198)	(\$7,770,156)	(\$8,281,114)	(\$8,792,072)	(\$9,303,030)	(\$9,813,988)	(\$10,324,946)
L9 (L8 + 6% * L2)	(\$2,289,296)	(\$2,626,592)	(\$3,200,748)	(\$3,682,492)	(\$4,193,450)	(\$4,704,408)	(\$5,215,366)	(\$5,726,324)	(\$6,237,282)	(\$6,748,240)	(\$7,259,198)	(\$7,770,156)	(\$8,281,114)	(\$8,792,072)	(\$9,303,030)	(\$9,813,988)	(\$10,324,946)
L10 Ending RBA Balance	(\$1,144,648)	(\$1,313,296)	(\$1,600,374)	(\$1,841,246)	(\$2,096,725)	(\$2,357,204)	(\$2,612,683)	(\$2,868,162)	(\$3,123,641)	(\$3,379,120)	(\$3,634,599)	(\$3,890,078)	(\$4,145,557)	(\$4,401,036)	(\$4,656,515)	(\$4,911,994)	(\$5,167,473)

Target vs Actual Diff	37,597,388	37,826,621	38,055,854	38,285,087	38,514,320	38,743,553	38,972,786	39,202,019	39,431,252	39,660,485	39,889,718	40,118,951	40,348,184	40,577,417	40,806,650	41,035,883	41,265,116
Adjusted recorded revenue as of 8/31/12	37,597,388	37,826,621	38,055,854	38,285,087	38,514,320	38,743,553	38,972,786	39,202,019	39,431,252	39,660,485	39,889,718	40,118,951	40,348,184	40,577,417	40,806,650	41,035,883	41,265,116
Interim revenue adjustment	200,435	200,435	200,435	200,435	200,435	200,435	200,435	200,435	200,435	200,435	200,435	200,435	200,435	200,435	200,435	200,435	200,435
Revised revenue	37,797,823	38,027,056	38,256,289	38,485,522	38,714,755	38,943,988	39,173,221	39,402,454	39,631,687	39,860,920	40,090,153	40,319,386	40,548,619	40,777,852	41,007,085	41,236,318	41,465,551
Target	36,452,740	36,681,973	37,812,817	38,046,559	38,280,321	38,514,083	38,747,845	38,981,607	39,215,369	39,449,131	39,682,893	39,916,655	40,150,417	40,384,179	40,617,941	40,851,703	41,085,465
Revised adjustment to revenue	(1,144,845)	(1,144,845)	(1,144,845)	(1,144,845)	(1,144,845)	(1,144,845)	(1,144,845)	(1,144,845)	(1,144,845)	(1,144,845)	(1,144,845)	(1,144,845)	(1,144,845)	(1,144,845)	(1,144,845)	(1,144,845)	(1,144,845)
RBA adjustment recorded to revenue	(544,411)	(544,411)	(544,411)	(544,411)	(544,411)	(544,411)	(544,411)	(544,411)	(544,411)	(544,411)	(544,411)	(544,411)	(544,411)	(544,411)	(544,411)	(544,411)	(544,411)
Adjustment to revenue	(200,435)	(200,435)	(200,435)	(200,435)	(200,435)	(200,435)	(200,435)	(200,435)	(200,435)	(200,435)	(200,435)	(200,435)	(200,435)	(200,435)	(200,435)	(200,435)	(200,435)

Revised interest	(7,862)	(8,162)	(8,462)	(8,762)	(9,062)	(9,362)	(9,662)	(9,962)	(10,262)	(10,562)	(10,862)	(11,162)	(11,462)	(11,762)	(12,062)	(12,362)	(12,662)
Interest recorded	(2,361)	(2,361)	(2,361)	(2,361)	(2,361)	(2,361)	(2,361)	(2,361)	(2,361)	(2,361)	(2,361)	(2,361)	(2,361)	(2,361)	(2,361)	(2,361)	(2,361)
Interest expense credit 2,516	(201)	(1,000)	(1,019)	(1,038)	(1,057)	(1,076)	(1,095)	(1,114)	(1,133)	(1,152)	(1,171)	(1,190)	(1,209)	(1,228)	(1,247)	(1,266)	(1,285)

RBA as of 8/31/12	30,943,439	30,943,439	30,943,439	30,943,439	30,943,439	30,943,439	30,943,439	30,943,439	30,943,439	30,943,439	30,943,439	30,943,439	30,943,439	30,943,439	30,943,439	30,943,439	30,943,439
March 2011 adjustment	(200,435)	(200,435)	(200,435)	(200,435)	(200,435)	(200,435)	(200,435)	(200,435)	(200,435)	(200,435)	(200,435)	(200,435)	(200,435)	(200,435)	(200,435)	(200,435)	(200,435)
Interim revenue adjustment (3/11 - 12/11)	(7,209)	(7,209)	(7,209)	(7,209)	(7,209)	(7,209)	(7,209)	(7,209)	(7,209)	(7,209)	(7,209)	(7,209)	(7,209)	(7,209)	(7,209)	(7,209)	(7,209)
Interest expense adjustment (12/11 - 12/11)	(8,559)	(8,559)	(8,559)	(8,559)	(8,559)	(8,559)	(8,559)	(8,559)	(8,559)	(8,559)	(8,559)	(8,559)	(8,559)	(8,559)	(8,559)	(8,559)	(8,559)
Interest income adjustment (1/12 - 8/12)	30,774,723	30,774,723	30,774,723	30,774,723	30,774,723	30,774,723	30,774,723	30,774,723	30,774,723	30,774,723	30,774,723	30,774,723	30,774,723	30,774,723	30,774,723	30,774,723	30,774,723

Note (1)
Amounts may not add due to rounding

Note (2)
A manual true-up adjustment to the RBA, including interest, was recorded in September 2012. The adjustment was a result of correcting misapplication of the 2007 & 2009 interim increases for March 2011 in determining the recorded adjusted revenues.

HECO-WP-B-004
HAWAIIAN ELECTRIC COMPANY, INC.
MONTHLY FINANCIAL REPORT
SEPT 2012 ADJUSTMENT - NAVY OVERBILLING AND FACTOR ADJUSTMENT

REVENUE BALANCING ACCOUNT - REVENUE TRACKER

	Revised Aug-11	Revised Sept-11	Revised Oct-11	Revised Nov-11	Revised Dec-11	Revised Jan-12	Revised Feb-12	Revised Mar-12	Revised Apr-12	Revised May-12	Revised June-12	Revised July-12	Revised Aug-12	Revised Sept-12
L1 Monthly Target Revenue	\$45,898,046	\$44,070,248	\$44,577,970	\$41,937,817	\$41,125,462	\$41,125,462	\$36,860,599	\$41,125,462	\$40,152,722	\$43,255,064	\$43,980,356	\$45,536,102	\$46,940,073	\$45,011,146
L2 Recorded Adjusted Revenue	\$41,752,640	\$40,963,487	\$41,117,986	\$39,898,254	\$40,002,372	\$39,525,345	\$37,367,090	\$38,621,842	\$38,394,038	\$41,640,204	\$37,944,203	\$40,909,846	\$41,328,268	\$39,440,644
L3 Target vs. Actual Revenue	\$4,145,406	\$3,406,761	\$3,459,974	\$3,041,563	\$1,935,445	\$1,600,117	(\$506,491)	\$2,503,620	\$1,768,684	\$1,614,860	\$6,036,153	\$4,626,256	\$5,611,775	\$5,570,502
L4 Reversal of Previous Year Accrual -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,546,140)	(\$1,811,187)	(\$1,679,772)	(\$1,569,477)
L5 Net RBA Change	\$4,145,406	\$3,406,761	\$3,459,974	\$3,041,563	\$1,935,445	\$1,600,117	(\$506,491)	\$2,503,620	\$1,768,684	\$1,614,860	\$4,490,013	\$3,017,269	\$3,932,003	\$4,001,025
L6 Beginning RBA Balance	\$3,799,832	\$7,974,601	\$11,429,752	\$14,955,525	\$18,079,470	\$20,110,151	\$21,614,819	\$21,416,136	\$24,033,096	\$25,926,367	\$27,874,896	\$32,314,508	\$35,500,694	\$39,820,231
L7 End Balance Before Interest	\$7,945,238	\$11,381,362	\$14,889,726	\$17,997,088	\$20,014,915	\$21,710,268	\$21,308,328	\$23,915,758	\$25,801,780	\$27,541,227	\$32,164,909	\$35,331,776	\$39,432,897	\$43,821,255
L8 Balance Subject to Interest	\$5,872,535	\$9,677,882	\$13,159,739	\$16,476,307	\$19,047,182	\$20,910,210	\$21,561,574	\$22,667,946	\$24,917,438	\$26,733,797	\$29,919,903	\$33,823,144	\$37,468,896	\$41,820,743
L9 Interest	\$29,363	\$48,390	\$65,799	\$82,382	\$95,236	\$104,551	\$107,808	\$113,340	\$124,587	\$133,669	\$149,800	\$169,116	\$187,334	\$208,104
L10 Ending RBA Balance	\$7,974,601	\$11,429,752	\$14,955,525	\$18,079,470	\$20,110,151	\$21,814,819	\$21,416,136	\$24,033,096	\$25,926,367	\$27,874,896	\$32,314,508	\$35,500,694	\$39,820,231	\$43,820,359

Target vs Actual Diff:
Adjusted recorded revenues as of 8/31/12
Factor adjustment
Customer overbilling adjustment
Revised revenues
Target

41,654,481	JE #P000102104
93,859	JE #P000102105
4,320	JE #P000102105
41,752,640	
45,898,046	
4,145,406	

Revised adjustment (dt) credit to revenue
RBA adjustment recorded (dt) credit to rev.
Adjustment (dt) credit to revenue

4,145,406
4,243,585
(98,179) TOTAL

Revised Interest	29,363	48,390	65,799	82,382	95,236	104,551	107,808	113,340	124,587	133,669	149,800	169,116	187,334	
Interest recorded	29,608	48,882	66,283	82,879	95,735	105,053	108,312	113,847	125,097	134,181	150,114	169,833	187,854	
	(245)	(492)	(494)	(497)	(499)	(502)	(504)	(507)	(510)	(512)	(515)	(517)	(520)	

Interest income debit 2,227 (Mar 2011 - Dec 2011)
Interest income credit 4,087 (Jan 2012 - Aug 2012)

RBA as of 8/31/12	39,724,723
August 2011 adjustment	(93,658)
August 2011 adjustment	(4,320)
Interest income adjustment (8/11 - 12/11)	(2,227)
Interest income adjustment (1/12 - 8/12)	(4,087)
	39,620,230

Note (1):
Amounts may not add due to rounding.

Note (2):
A manual line-up adjustment to the RBA, including interest, was recorded in September 2012. The adjustment was a result of correcting the overbilling of a customer and correcting the base fuel and purchase power factors used in the reversal of the July 2011 untillied kWh sales in underbilled the recorded adjusted revenues.

HECO-WP-B-005
HAWAIIAN ELECTRIC COMPANY, INC.
MONTHLY FINANCIAL REPORT
DEC 2012 ADJUSTMENT - TARGET REVENUE ADJUSTMENT

REVENUE BALANCING ACCOUNT - REVENUE TRACKER

	Revised Jan-12	Revised Feb-12	Revised Mar-12	Revised Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Total Target Revenue 6/12 - 11/12	Original Targets
L1 Monthly Target Revenue	\$41,125,462	\$36,860,599	\$41,125,462	\$40,152,722	\$43,255,064	\$43,980,356	\$45,538,102	\$46,940,073	\$45,011,148	\$45,529,707	\$42,830,187	\$269,832,571	
L2 Recorded Adjusted Revenue	\$39,525,345	\$37,367,090	\$38,621,842	\$38,384,038	\$41,840,204	\$37,844,203	\$40,909,846	\$41,328,298	\$39,445,423	\$41,324,182	\$38,638,624		
L3 Target vs. Actual Revenue	\$1,600,117	(\$506,481)	\$2,503,620	\$1,768,684	\$1,614,860	\$6,036,153	\$4,628,456	\$5,611,775	\$5,565,723	\$4,205,545	\$4,194,563		
L4 Reversal of Previous Year Actual -	\$0	\$0	\$0	\$0	\$0	(\$1,546,140)	(\$1,811,187)	(\$1,879,772)	(\$1,569,477)	(\$1,859,897)	(\$1,540,058)		
L5 Net RBA Change	\$1,600,117	(\$506,481)	\$2,503,620	\$1,768,684	\$1,614,860	\$4,490,013	\$3,017,269	\$3,732,003	\$3,996,246	\$2,345,648	\$2,654,507		
L6 Beginning RBA Balance	\$20,110,151	\$21,814,819	\$21,416,136	\$24,033,086	\$25,826,387	\$27,674,896	\$32,314,509	\$35,500,894	\$39,620,231	\$43,824,568	\$46,585,703		
L7 End Balance Before Interest	\$21,710,268	\$21,308,328	\$23,919,756	\$25,801,780	\$27,541,227	\$32,164,909	\$35,331,778	\$39,432,897	\$43,616,476	\$46,370,216	\$49,250,210		
L8 Balance Subject to Interest	\$20,910,210	\$21,561,574	\$22,667,948	\$24,917,438	\$26,733,797	\$29,919,903	\$33,823,144	\$37,466,896	\$41,818,354	\$45,097,392	\$47,922,957		
L9 Interest	\$104,551	\$107,808	\$113,240	\$124,587	\$133,689	\$149,600	\$169,116	\$187,334	\$208,092	\$225,487	\$239,815		
L10 Ending RBA Balance	\$21,814,819	\$21,416,136	\$24,033,086	\$25,826,387	\$27,674,896	\$32,314,509	\$35,500,894	\$39,620,231	\$43,824,568	\$46,585,703	\$49,489,825		
				Monthly Interest Booked		\$149,600	\$169,116	\$187,334	\$208,092	\$225,487	\$239,815		
				Adjusted Monthly Target Revenue		\$43,978,461	\$45,536,140	\$46,938,051	\$45,008,190	\$45,526,718	\$42,830,375		Revised Targets
				Recorded Adjusted Revenue		\$37,844,203	\$40,909,846	\$41,328,298	\$39,445,423	\$41,324,182	\$38,638,624		
				Adjusted Target vs. Actual Revenue		\$6,034,258	\$4,626,494	\$5,609,753	\$5,562,767	\$4,202,536	\$4,191,751		Total RBA adjustment
				Reversal of Previous Year Actual -		(\$1,546,140)	(\$1,811,187)	(\$1,879,772)	(\$1,569,477)	(\$1,859,897)	(\$1,540,058)		JE #0000404
				Net RBA Change		\$4,490,013	\$3,017,269	\$3,732,003	\$3,996,246	\$2,345,648	\$2,654,507		
				Beginning RBA Balance		\$27,674,896	\$32,312,609	\$35,497,017	\$39,614,308	\$43,815,552	\$46,583,746		
				End Balance Before Interest		\$32,163,014	\$35,327,916	\$39,426,998	\$43,607,597	\$46,356,311	\$49,235,441		
				Balance Subject to Interest		\$29,916,955	\$33,820,263	\$37,462,008	\$41,810,953	\$45,086,592	\$47,968,594		
				Monthly Adjusted Interest		\$149,595	\$169,101	\$187,310	\$208,055	\$225,435	\$239,548		
				Adjusted Ending RBA Balance		\$32,312,609	\$35,497,017	\$39,614,308	\$43,815,552	\$46,583,746	\$49,474,869		
				Initial Monthly Interest Booked		\$149,600	\$169,116	\$187,334	\$208,092	\$225,487	\$239,815		
				Adjusted Monthly Interest		\$148,595	\$168,101	\$187,310	\$208,055	\$225,435	\$239,548		
				Monthly Interest Adjustment		(\$5)	(\$14)	(\$24)	(\$37)	(\$52)	(\$67)		
				Total Interest Adjustment (199)									
				JE #0000404									

Note (1):
Amounts may not add due to rounding.

Note (2):
A manual true-up adjustment to the RBA, including interest, was recorded in December 2012. The adjustment was a result of revisions to the target revenues for the period June 2012 through November 2012.

HECO-WP-B-006
HAWAIIAN ELECTRIC COMPANY, INC.
MONTHLY FINANCIAL REPORT
DEC 2012 ADJUSTMENT - MISCELLANEOUS CUSTOMER BILLING ADJUSTMENTS

REVENUE BALANCING ACCOUNT - REVENUE TRACKER

AS PREVIOUSLY STATED	REVENUE TRACKER											
	Revised Mar-11	Revised Apr-11	Revised May-11	Revised Jun-11	Revised Jul-11	Revised Aug-11	Revised Sept-11	Revised Oct-11	Nov-11	Dec-11		
L1 Monthly Target Revenue	\$36,452,740	\$35,681,973	\$37,812,917	\$39,048,559	\$41,350,321	\$45,998,046	\$44,070,248	\$44,577,970	\$41,937,817	\$41,937,817		
L2 Recorded Adjusted Revenue	\$37,597,340	\$35,851,594	\$37,185,200	\$36,792,084	\$39,118,815	\$41,752,640	\$40,663,487	\$41,117,996	\$38,896,254	\$40,002,372		
L3 Target vs. Actual Revenue	(\$1,144,600)	(\$198,621)	\$827,717	\$2,256,475	\$2,231,506	\$4,145,406	\$3,406,761	\$3,459,974	\$3,041,563	\$1,935,445		
L4 Reversal of Previous Year Actual	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
L5 Net RBA Change	(\$1,144,600)	(\$198,621)	\$827,717	\$2,256,475	\$2,231,506	\$4,145,406	\$3,406,761	\$3,459,974	\$3,041,563	\$1,935,445		
L6 Beginning RBA Balance	\$0	(\$1,147,708)	(\$1,323,492)	(\$1,500,823)	\$1,584,972	\$3,736,832	\$1,974,601	\$11,428,752	\$17,935,583	\$20,014,915		
L7 End Balance Before Interest	(\$1,144,600)	(\$1,317,329)	(\$1,485,775)	(\$1,662,842)	\$1,788,478	\$3,882,238	\$2,149,282	\$14,687,726	\$17,935,583	\$20,014,915		
L8 Balance Subject to Interest	(\$572,423)	(\$1,232,519)	(\$1,409,646)	\$426,130	\$2,610,725	\$5,736,363	\$418,390	\$3,459,974	\$3,041,563	\$1,935,445		
L9 Interest	(\$2,862)	(\$6,161)	(\$5,046)	\$2,133	\$13,358	\$25,263	\$48,397	\$48,397	\$48,397	\$48,397		
L10 Ending RBA Balance	(\$1,147,461)	(\$1,322,492)	(\$1,490,791)	\$428,263	\$2,794,083	\$5,961,626	\$466,787	\$3,908,371	\$3,089,960	\$2,083,842		
Target vs Actual Diff												
Recorded Adjusted Revenues - unadjusted	\$37,597,340	\$35,851,594	\$37,185,200	\$36,792,084	\$39,118,815	\$41,752,640	\$40,663,487	\$41,117,996	\$38,896,254	\$40,002,372		
Customer 1 adjustment	(84)	(69)	(74)	(111)	(115)	(123)	(101)	(86)	(88)	(58)		
Customer 2 adjustment	(131)	(100)	(78)	(83)	(78)	(117)	(101)	(99)	(101)	(113)		
Customer 3 adjustment	(51)	(20)	0	0	0	0	0	0	(17)	(28)		
Revised revenues	\$37,597,340	\$35,681,973	\$37,812,917	\$36,792,084	\$39,118,815	\$41,752,640	\$40,663,487	\$41,117,996	\$38,896,254	\$40,002,372		
Target	(1,144,600)	(169,432)	\$2,862	\$2,253,859	\$2,231,506	\$4,145,406	\$3,406,761	\$3,459,974	\$3,041,563	\$1,935,445		
AS REVISED												
AS REVISED	REVENUE TRACKER											
	Revised Mar-11	Revised Apr-11	Revised May-11	Revised Jun-11	Revised Jul-11	Revised Aug-11	Revised Sept-11	Revised Oct-11	Nov-11	Dec-11		
L1 Monthly Target Revenue	\$36,452,740	\$35,681,973	\$37,812,917	\$39,048,559	\$41,350,321	\$45,998,046	\$44,070,248	\$44,577,970	\$41,937,817	\$41,937,817		
L2 Recorded Adjusted Revenue	\$37,597,340	\$35,851,594	\$37,185,200	\$36,792,084	\$39,118,815	\$41,752,640	\$40,663,487	\$41,117,996	\$38,896,254	\$40,002,372		
L3 Target vs. Actual Revenue	(\$1,144,600)	(\$198,621)	\$827,717	\$2,256,475	\$2,231,506	\$4,145,406	\$3,406,761	\$3,459,974	\$3,041,563	\$1,935,445		
L4 Reversal of Previous Year Actual	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
L5 Net RBA Change	(\$1,144,600)	(\$198,621)	\$827,717	\$2,256,475	\$2,231,506	\$4,145,406	\$3,406,761	\$3,459,974	\$3,041,563	\$1,935,445		
L6 Beginning RBA Balance	\$0	(\$1,147,708)	(\$1,323,492)	(\$1,500,823)	\$1,584,972	\$3,736,832	\$1,974,601	\$11,428,752	\$17,935,583	\$20,014,915		
L7 End Balance Before Interest	(\$1,144,600)	(\$1,317,329)	(\$1,485,775)	(\$1,662,842)	\$1,788,478	\$3,882,238	\$2,149,282	\$14,687,726	\$17,935,583	\$20,014,915		
L8 Balance Subject to Interest	(\$572,423)	(\$1,232,519)	(\$1,409,646)	\$426,130	\$2,610,725	\$5,736,363	\$418,390	\$3,459,974	\$3,041,563	\$1,935,445		
L9 Interest	(\$2,862)	(\$6,161)	(\$5,046)	\$2,133	\$13,358	\$25,263	\$48,397	\$48,397	\$48,397	\$48,397		
L10 Ending RBA Balance	(\$1,147,461)	(\$1,322,492)	(\$1,490,791)	\$428,263	\$2,794,083	\$5,961,626	\$466,787	\$3,908,371	\$3,089,960	\$2,083,842		
Revised adjustment (dr) credit to revenue												
RBA adjustment recorded (dr) credit to rev.	(1,144,600)	(189,432)	\$2,862	\$2,253,859	\$2,231,506	\$4,145,406	\$3,406,761	\$3,459,974	\$3,041,563	\$1,935,445		
Adjustment credit to revenue	246	189	152	194	193	240	211	105	206	190		
Revised interest	(2,862)	(6,161)	(5,046)	2,133	13,358	25,263	48,397	48,397	48,397	48,397		
Interest recorded	(\$2,862)	(\$6,161)	(\$5,046)	\$2,133	\$13,358	\$25,263	\$48,397	\$48,397	\$48,397	\$48,397		
1	1	2	2	3	4	5	7	7	9	10		
Interest income 2011 = 50												
Dr RBA												
Cr Interest income - RBA												

Note (1)
Amounts may not add due to rounding

Note (2)
The Company recorded an adjustment to the RBA related to miscellaneous customer billing adjustments that were processed in December 2012, some of which were related to revenues recorded prior to March 2011 [the implementation of decoupling]. The Company recalculated the RBA, including interest, based on reflecting the billing adjustments in the proper month incurred

HECO-WP-B-006
HAWAIIAN ELECTRIC COMPANY, INC.
MONTHLY FINANCIAL REPORT
DEC 2012 ADJUSTMENT - MISCELLANEOUS CUSTOMER BILLING ADJUSTMENTS

AS PREVIOUSLY STATED

	Jan-12	Feb-12	Mar-12	Apr-12	May-12	June-12	July-12	Aug-12	Sept-12	Oct-12	Nov-12
L1 Monthly Target Revenue	\$41,125,462	\$38,860,599	\$41,125,462	\$40,152,722	\$43,255,064	\$43,878,461	\$45,536,140	\$46,938,051	\$45,006,190	\$45,526,718	\$42,830,375
L2 Recorded Adjusted Revenue	\$39,525,345	\$37,367,090	\$38,821,842	\$38,384,038	\$41,840,204	\$37,944,203	\$40,008,646	\$41,328,298	\$39,445,423	\$41,324,162	\$38,038,624
L3 Target vs Actual Revenue	\$1,600,117	(\$506,491)	\$2,303,620	\$1,768,684	\$1,414,860	\$5,934,258	\$5,527,500	\$5,609,753	\$5,560,767	\$4,202,556	\$4,791,751
L4 Reversal of Previous Year Accrual *	\$0	\$0	\$0	\$0	\$0	(\$1,546,140)	(\$1,546,140)	(\$1,546,140)	(\$1,546,140)	(\$1,546,140)	(\$1,546,140)
L5 Net RBA Change	\$1,600,117	(\$506,491)	\$2,303,620	\$1,768,684	\$1,414,860	\$5,934,258	\$5,527,500	\$5,609,753	\$5,560,767	\$4,202,556	\$4,791,751
L6 Beginning RBA Balance	\$20,110,150	\$21,814,819	\$23,619,136	\$25,423,996	\$27,228,387	\$29,032,787	\$30,837,180	\$32,641,574	\$34,445,968	\$36,250,362	\$38,054,756
L7 End Balance Before Interest	\$21,710,267	\$23,414,928	\$25,219,253	\$27,023,640	\$28,828,031	\$30,632,424	\$32,436,817	\$34,241,210	\$36,045,603	\$37,850,000	\$39,654,393
L8 Balance Subject to Interest	\$20,910,209	\$22,614,870	\$24,419,195	\$26,223,582	\$28,027,973	\$29,832,366	\$31,636,759	\$33,441,152	\$35,245,545	\$37,049,938	\$38,854,331
L9 Interest	\$104,551	\$197,808	\$200,958	\$205,058	\$206,414	\$206,917	\$207,420	\$207,923	\$208,426	\$208,929	\$209,432
L10 Ending RBA Balance	\$21,814,819	\$23,619,136	\$25,423,996	\$27,228,387	\$29,032,787	\$30,837,180	\$32,641,574	\$34,445,968	\$36,250,362	\$38,054,756	\$39,858,723

Target vs Actual Diff
(57)
(86)
(104)
(114)
(114)
(114)
(114)
(114)
(114)
(114)
(114)
(114)

Target vs Actual Diff
(57)
(86)
(104)
(114)
(114)
(114)
(114)
(114)
(114)
(114)
(114)
(114)

AS REVISED

	Jan-12	Feb-12	Mar-12	Apr-12	May-12	June-12	July-12	Aug-12	Sept-12	Oct-12	Nov-12	Dec-12
L1 Monthly Target Revenue	\$41,125,462	\$38,860,599	\$41,125,462	\$40,152,722	\$43,255,064	\$43,878,461	\$45,536,140	\$46,938,051	\$45,006,190	\$45,526,718	\$42,830,375	\$40,330,375
L2 Recorded Adjusted Revenue	\$39,525,345	\$37,367,090	\$38,821,842	\$38,384,038	\$41,840,204	\$37,944,203	\$40,008,646	\$41,328,298	\$39,445,423	\$41,324,162	\$38,038,624	\$35,538,624
L3 Target vs Actual Revenue	\$1,600,117	(\$506,491)	\$2,303,620	\$1,768,684	\$1,414,860	\$5,934,258	\$5,527,500	\$5,609,753	\$5,560,767	\$4,202,556	\$4,791,751	\$4,791,751
L4 Reversal of Previous Year Accrual *	\$0	\$0	\$0	\$0	\$0	(\$1,546,140)	(\$1,546,140)	(\$1,546,140)	(\$1,546,140)	(\$1,546,140)	(\$1,546,140)	(\$1,546,140)
L5 Net RBA Change	\$1,600,117	(\$506,491)	\$2,303,620	\$1,768,684	\$1,414,860	\$5,934,258	\$5,527,500	\$5,609,753	\$5,560,767	\$4,202,556	\$4,791,751	\$4,791,751
L6 Beginning RBA Balance	\$20,110,150	\$21,814,819	\$23,619,136	\$25,423,996	\$27,228,387	\$29,032,787	\$30,837,180	\$32,641,574	\$34,445,968	\$36,250,362	\$38,054,756	\$39,858,723
L7 End Balance Before Interest	\$21,710,267	\$23,414,928	\$25,219,253	\$27,023,640	\$28,828,031	\$30,632,424	\$32,436,817	\$34,241,210	\$36,045,603	\$37,850,000	\$39,654,393	\$41,458,366
L8 Balance Subject to Interest	\$20,910,209	\$22,614,870	\$24,419,195	\$26,223,582	\$28,027,973	\$29,832,366	\$31,636,759	\$33,441,152	\$35,245,545	\$37,049,938	\$38,854,331	\$40,658,304
L9 Interest	\$104,551	\$197,808	\$200,958	\$205,058	\$206,414	\$206,917	\$207,420	\$207,923	\$208,426	\$208,929	\$209,432	\$209,935
L10 Ending RBA Balance	\$21,814,819	\$23,619,136	\$25,423,996	\$27,228,387	\$29,032,787	\$30,837,180	\$32,641,574	\$34,445,968	\$36,250,362	\$38,054,756	\$39,858,723	\$41,668,239

Revised adjustment (d) credit to revenue
RBA adjustment recorded (d) credit to rev
Adjustment credit to revenue

Revised interest
Interest recorded

Total
3,658
JE #00010567

Interest income 2012 = 178
Dr RBA
Cr Interest income - RBA

228 Total Interest Adjustment
JE #00010567

Hawaiian Electric Company, Inc.
Recovery of 12/31/11 RBA Balance

		2012						
		June	July	August	September	October	November	December
Billed RBA Revenues	Note 1	884,514	2,067,685	2,702,750	2,384,906	2,324,641	2,336,010	2,160,393
Net Unbilled Revenues	Note 1	1,342,777	253,309	(282,954)	(123,997)	66,523	(117,483)	132,070
Total billed + Unbilled		2,227,291	2,320,994	2,419,796	2,260,909	2,391,164	2,218,527	2,292,463
x % Share for RBA	Note 2	0.76187175	0.76187175	0.76187175	0.76187175	0.76187175	0.76187175	0.76187175
RBA Revenues (Recovery of 12/31/11 RBA balance)		1,696,910	1,768,300	1,843,574	1,722,523	1,821,760	1,690,233	1,746,563
		Schedule B2						
Less: Revenue Taxes	0.08885	(150,770)	(157,113)	(163,802)	(153,046)	(161,863)	(150,177)	(155,182)
RBA Revenues (Recovery of 12/31/11 RBA Balance), net of Revenue Taxes		1,546,140	1,611,186	1,679,773	1,569,477	1,659,897	1,540,056	1,591,381
		Schedule B						

* Differences are due to rounding

Note 1: RBA rate adjustment revenues per the Billed reports and Unbilled reports include both RBA and RAM revenues. Therefore, an allocation % is utilized to determine RBA revenues.

Note 2:

RBA Rate Adjustment Allocation for June 1, 2012 - May 31, 2013:

RBA Rate Adjustment effective June 1, 2012	a	0.3894	Transmittal No. 12-02 (Decoupling) - RBA Rate Adjustment (Filed May 23, 2012)
		cents per kWh	
Revenue for RBA Balance	b	22,443,506	Transmittal No. 12-02 (Decoupling) - RBA Rate Adjustment (Filed May 23, 2012)
Revenue for RAM Revenue Adjustment	c	7,014,872	Transmittal No. 12-02 (Decoupling) - RBA Rate Adjustment (Filed May 23, 2012)
Total RBA Revenue Adjustment	d	29,458,378	
Percentage share for RBA Balance	e = b/d	0.76187175	
RBA Rate Adjustment for RBA Balance	f = a x e	0.29667286	cents per kWh
RBA Rate Adjustment for RAM Revenue Adjustment	g = a - f	0.09272714	cents per kWh

Hawaiian Electric Company, Inc.

Bargaining Unit Wage Increase per Collective Bargaining Agreement - Effective January 1, 2011

Tentative Settlement Agreement- Effective January 1, 2014

Wage Increases:	1/1/2011	1.75%	(Note 1)
(non-compounded)	1/1/2012	2.50%	(Note 1)
	1/1/2013	3.00%	(Note 1)

<u>Increase effective</u>		<u>Increase Amount</u>	<u>Wage Rate With Increase</u>	<u>Labor Cost Escalation Rate</u>	
		(a)	(b)	(c)	
			prev (b) + (a)	(b) / prev (b) -1	
1.00	1.75% 1/1/2011	0.0175	1.0175		
	2.50% 1/1/2012	0.0250	1.0425	0.0246	2.46%
	3.00% 1/1/2013	0.0300	1.0725	0.0288	2.88%

(1) Agreement ratified by the IBEW, Local 1260 on March 11, 2011, reflects a 1.75% increase effective 1/1/2011, 2.50% increase effective 1/1/2012, and 3.00% increase effective 1/1/2013.

See HECO's Form 8-K dated March 11, 2011 filed with Securities and Exchange Commission at www.hei.com, under SEC filings.

Blue Chip Economic Indicators®

Top Analysts' Forecasts of the U.S. Economic Outlook for the Year Ahead
Vol. 38, No. 2, February 10, 2013

2013 Real GDP Forecast Slips Back To 1.9%

FEBRUARY 2013 Forecast For 2013 SOURCE:	Percent Change 2013 From 2012 (Full Year-Over-Prior Year)									Average For 2013			Total Units-2013		2013--
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Real GDP (Chained) (2005 \$)	GDP Price Index	Nominal GDP (Cur. \$)	Consumer Price Index	Indus. Prod. (Total)	Dis. Pers. Income (2005 \$)	Personal Cons. Exp. (2005 \$)	Non-Res. Fix. Inv. (2005 \$)	Corp. Profits (Cur. \$)	Treas. Bills 3-mo.	Treas. Notes 10-Year	Unempl. Rate (Civ.)	Housing Starts (Mil.)	Auto&Light Truck Sales (Mil.)	Net Exports (2005 \$)
Standard & Poors Corp.*	3.0 H	1.6	4.6	1.5	3.6 H	1.4	2.7	9.0 H	na	0.1	2.1	7.3 L	1.11	15.6	-450.4
Naroff Economic Advisors*	2.7	2.4 H	5.2 H	2.9	3.0	1.1	2.8 H	5.9	6.0	0.2	2.3	7.5	0.96	15.8	-455.0 L
RBS	2.5	2.0	4.6	2.0	1.8	1.4	1.8	5.9	5.0	0.1	2.0	7.5	1.09	15.1	-400.0
Swiss Re	2.4	1.7	4.1	2.0	2.5	1.6	2.1	6.4	5.7	0.1	2.0	7.4	1.07	15.2	-414.5
Oxford Economics	2.3	1.8	4.1	2.0	2.5	1.0	2.3	5.5	3.2	0.1	2.1	7.9	0.94	15.0	-421.5
UBS	2.3	1.8	4.1	1.6	3.4	1.8	2.2	5.6	na	0.1	2.1	7.7	1.00	na	-405.0
AIG	2.2	1.5	3.5	1.4	2.7	1.3	2.0	4.1	3.6	0.1	2.1	7.6	1.03	15.4	-391.4
Turning Points (Micrometrics)	2.2	1.6	3.8	1.8	2.2	na	2.2	3.0	7.0 H	0.1	1.9	7.5	1.06	15.7	-405.5
BMO Capital Markets*	2.2	1.6	3.8	1.9	2.6	1.6	2.1	5.2	4.4	0.1	2.0	7.6	0.97	15.8	-404.0
National Assn. of Realtors	2.2	2.1	4.3	2.5	na	1.2	2.0	5.1	5.0	0.1	2.2	7.8	1.11	15.1	-401.0
Ford Motor Company*	2.2	1.6	3.8	1.6	2.5	0.5	1.8	4.2	na	0.1	2.0	7.7	1.05	na	-373.0
Societe Generale	2.2	1.7	4.0	1.4	2.1	1.9	1.6	6.1	2.2	na	2.4 H	7.8	0.96	16.5	-372.9
Moody's Analytics	2.1	2.2	4.1	2.1	1.2 L	0.1	1.9	2.4	2.4	0.2 H	2.3	7.7	1.17 H	15.4	-414.9
Russell Investments	2.1	1.9	4.0	1.7	2.3	1.5	1.9	2.6	6.0	0.1	2.0	7.6	0.94	15.0	-405.0
Economist Intelligence Unit	2.1	2.0	4.1	2.2	2.8	1.5	1.7	5.8	na	0.1	2.0	7.6	0.95	15.2	-386.0
DuPont***	2.0	1.5	3.6	2.1	2.2	1.6	1.9	4.7	5.0	0.1	2.3	7.6	1.00	15.3	-402.0
Macroeconomic Advisers, LLC**	2.0	1.4	3.4	1.6	2.6	0.2	1.9	4.2	-0.8	0.1	na	7.8	1.05	15.7	-398.3
National Assn. of Home Builders	2.0	1.6	3.6	1.9	2.0	1.0	2.0	1.9	7.0 H	0.1	2.2	7.8	0.98	15.1	-398.0
General Motors Corporation	2.0	1.4	3.4	2.0	2.2	2.0 H	1.8	4.6	3.5	0.2	2.2	7.7	1.05	na	-397.5
Credit Suisse	2.0	1.7	3.8	1.4	2.4	na	1.7	5.5	4.7	na	2.0	7.6	0.94	15.3	-396.0
RDQ Economics	2.0	2.1	4.1	2.2	2.3	1.8	1.7	5.2	5.0	0.1	2.3	7.7	1.00	14.5	-394.4
Mesirow Financial	2.0	1.4	3.4	1.6	2.6	0.1	1.8	4.6	-0.6	0.1	2.0	7.8	1.05	15.7	-392.3
Kellner Economic Advisers	2.0	1.8	3.8	2.0	2.2	1.1	1.6	3.9	4.1	0.1	2.0	7.8	0.98	15.3	-390.0
J.W. Coons Advisors	1.9	2.0	4.0	2.1	1.6	1.4	2.3	3.7	4.8	0.2 H	2.1	7.7	0.95	15.0	-440.0
Citigroup U.S. Economics	1.9	na	3.5	1.6	2.4	na	1.9	2.7	na	na	2.1	7.7	na	na	-424.0
Daiwa Capital Markets America	1.9	1.8	3.7	2.1	2.4	0.0 L	2.2	4.5	6.0	0.1	2.2	7.7	0.87	15.3	-420.0
U.S. Chamber of Commerce	1.9	1.7	3.6	2.1	1.6	1.9	2.0	4.8	4.4	0.1	1.8	8.1 H	0.93	na	-414.7
Inform - Univ. of Maryland	1.9	1.9	3.8	2.3	2.7	1.2	1.9	4.3	2.6	0.1	2.2	7.8	1.02	15.0	-409.0
Wells Capital Management	1.9	1.7	3.4	1.8	1.9	1.9	1.9	4.6	2.7	0.2	2.3	7.6	0.89	14.9	-408.0
Pierpont Securities	1.9	2.0	3.9	2.2	1.6	1.8	1.7	4.6	5.0	0.1	2.0	7.7	1.07	15.4	-406.0
Moody's Capital Markets	1.9	1.8	3.8	1.9	3.4	0.8	2.0	3.2	4.2	0.1	2.0	7.7	0.94	15.2	-405.0
Econoclast	1.9	1.7	3.6	2.0	2.5	1.0	1.8	4.1	4.5	0.1	2.2	7.7	0.98	15.1	-396.0
Fannie Mae	1.9	1.6	3.5	1.6	2.5	0.3	1.7	3.8	2.4	0.1	2.1	7.7	0.95	15.9	-393.7
Eaton Corporation	1.9	1.7	3.6	1.9	2.1	1.1	1.7	4.0	5.6	0.1	2.1	8.0	1.01	15.0	-379.9
Bank of Tokyo-Mitsubishi UFJ	1.8	2.1	3.9	1.7	2.4	na	2.1	9.0 H	7.0 H	0.1	2.2	7.4	1.00	15.5	-430.0
Comerica	1.8	1.7	3.5	1.9	3.1	0.2	1.7	4.7	na	0.1	2.0	7.5	0.95	15.3	-410.0
MacroFin Analytics	1.8	1.4	3.2	1.3 L	2.3	1.4	1.8	4.5	5.1	0.1	2.0	7.7	0.85	15.3	-407.8
FedEx Corporation	1.8	1.8	3.6	1.9	2.8	0.9	1.9	4.5	4.8	0.1	2.1	7.8	0.99	15.0	-406.3
Goldman Sachs & Co.**	1.8	1.5	4.3	1.7	1.4	0.8	1.6	5.7	na	0.1	2.0	7.7	1.01	na	-399.5
Wintrust Wealth Management*	1.8	1.9	3.8	3.0 H	3.0	1.2	1.9	4.2	4.7	0.1	2.0	7.7	0.99	15.1	-391.1
UCLA Business Forecasting Proj.*	1.7	1.5	3.2	1.5	1.8	na	2.0	5.2	0.0	0.1	2.1	7.8	0.99	14.9	-437.3
PNC Financial Services Group	1.7	1.8	3.5	2.3	2.5	1.3	1.7	4.4	na	0.1	1.7 L	7.6	0.95	15.0	-417.9
Nomura Securities	1.7	1.7	3.4	1.6	2.1	0.5	1.8	3.3	2.5	0.1	2.3	7.7	1.03	15.1	-413.5
Wells Fargo	1.7	1.9	3.6	1.7	2.4	1.5	1.6	3.7	5.3	0.2	2.1	7.6	0.99	14.8	-366.3
ClearView Economics*	1.6	1.2 L	2.8 L	1.6	1.7	0.5	1.9	3.0	1.3	0.1	1.9	7.7	0.97	15.3	-422.0
Northern Trust Company*	1.6	1.6	3.3	1.6	na	na	1.7	5.0	na	0.1	1.9	7.5	0.97	15.5	-421.2
Conference Board*	1.6	1.6	3.2	2.0	1.3	1.9	1.8	4.9	4.6	0.1	2.1	7.6	1.00	15.4	-415.8
Barclays Capital	1.6	1.7	3.3	1.8	3.0	0.5	1.8	5.7	5.1	0.1	1.7 L	7.4	1.04	na	-402.3
J.P. Morgan Chase	1.5	1.6	3.1	1.6	2.0	0.5	1.3 L	4.5	3.9	0.1	1.8	7.8	1.10	15.0	-417.3
RBC Capital Markets	1.5	1.6	3.1	1.6	na	na	1.6	3.6	na	0.1	2.3	7.7	0.94	15.1	-399.0
Action Economics	1.4	1.6	3.0	1.9	2.5	1.9	2.6	4.2	3.4	0.1	2.3	7.8	0.98	15.8	-398.4
Bank of America Merrill Lynch	1.4	1.5	3.0	1.6	2.1	na	1.4	4.4	na	0.0 L	2.0	7.6	0.98	15.0	-403.8
Morgan Stanley*	1.4	1.7	3.1	1.8	1.7	0.9	1.4	1.1 L	-1.4 L	0.1	2.0	8.0	0.98	14.4	-370.9
Georgia State University*	1.2 L	1.5	2.8 L	1.4	1.7	0.9	1.7	1.6	3.1	0.1	2.2	7.7	0.84 L	14.7	-365.3 H
2013 Consensus: February Avg.	1.9	1.7	3.7	1.9	2.3	1.1	1.9	4.5	4.0	0.1	2.1	7.7	0.99	15.2	-404.8
Top 10 Avg.	2.4	2.1	4.4	2.4	3.1	1.8	2.3	6.5	6.1	0.2	2.3	7.9	1.09	15.8	-378.8
Bottom 10 Avg.	1.5	1.4	3.1	1.5	1.6	0.3	1.6	2.5	1.1	0.1	1.9	7.5	0.91	14.8	-432.1
January Avg.	2.0	1.8	3.9	1.9	2.3	1.1	1.9	4.0	4.7	0.1	2.0	7.7	0.95	15.0	-397.8
Historical data: 2009	-3.1	0.9	-2.2	-0.4	-11.4	-2.8	-1.9	-18.1	7.5	0.2	3.2	9.3	0.55	10.4	-355.2
2010	2.4	1.3	3.8	1.6	5.4	1.8	1.8	0.7	26.8	0.1	3.2	9.6	0.59	11.6	-419.7
2011	1.8	2.1	4.0	3.2	4.1	1.3	2.5	8.6	7.3	0.1	2.8	9.0	0.61	12.7	-408.0
2012	2.2	1.8	4.0	2.1	3.6	1.5	1.9	7.7	na	0.1	1.8	8.1	0.78	14.4	-405.6
Number Of Forecasts Changed From A Month Ago:															
Down	33	37	37	21	14	18	24	12	22	7	5	12	3	6	35
Same	10	11	10	21	11	10	15	8	13	44	20	24	17	11	6
Up	11	5	7	12	26	18	15	34	8	0	28	18	33	29	13
February Median	1.9	1.7	3.6	1.9	2.4	1.2	1.9	4.5	4.5	0.1	2.1	7.7	0.99	15.2	-404.5
February Diffusion Index	30 %	20 %	22 %	42 %	62 %	50 %	42 %	70 %	34 %	43 %	72 %	56 %	78 %	75 %	30 %

*Former winner of annual Lawrence R. Klein Award for Blue Chip Forecast Accuracy. **Denotes two-time winner. ***Denotes three-time winner.

Hawaiian Electric Company, Inc.
CIP CT-1 in 2013 RAM Calculations
HECO Summary
(\$ in 000's)

Line	Description	Rate Base CIP CT-1 Cost Recoverable at 12/31/12 (Note 2)	Amortization (7 months) (Note 1)	Rate Base CIP CT-1 Cost Recoverable at 12/31/13
1	Depreciation deferral	\$ 1,165	\$ (113)	\$ 1,052
2	Carrying charge (AFUDC)	3,281	(319)	2,962
3 = 1 + 2		4,446	(432)	4,014
4	Depreciation deferral			
5	January 1-May 31, 2013 (Note 1)	343	(33)	309
6	Carrying charge (AFUDC)			
7	January 1-May 31, 2013 (Note 1)	937	(91)	846
8 = 5 + 7		1,280	(124)	1,155
9 = 3 + 8	CIP CT-1 deferred costs recoverable	\$ 5,726	\$ (557)	\$ 5,169

(1) Amortized over 6 years, per Exhibit 1, page 1 of 3 of the Hawaiian Electric 2009 Test Year Rate Case Stipulated Settlement Agreement between the Hawaiian Electric Companies and the Division of Consumer Advocacy regarding Certain Regulatory Matters, filed January 28, 2013 in Docket No. 2008-0083.

(2) See calculation at page 2.

Hawaiian Electric Company, Inc.
CIP CT-1 Regulatory Asset Summary

Per Settlement (WP for Exh. 3 CT-1)					
	Depreciation Deferral	AFUDC Equity	AFUDC Debt	AFUDC Debt/Equity	Additional Debt
Jul-11	38,826	130,038	55,232	185,268	-
Aug-11	65,966	129,070	54,642	183,712	-
Sep-11	65,966	123,391	52,589	175,980	207,198
Oct-11	65,967	127,450	54,134	181,584	68,731
Nov-11	65,966	129,944	55,193	185,137	69,634
Dec-11	65,967	128,200	54,452	182,652	70,019
2011 Total	368,658	768,091	326,242	1,094,333	415,582
Jan-12	43,188	129,600	59,425	189,025	69,646
Feb-12	68,506	132,130	60,619	192,749	71,001
Mar-12	68,506	134,216	61,575	195,791	72,123
Apr-12	68,506	131,613	60,381	191,994	70,723
May-12	68,506	132,204	60,653	192,857	71,041
Jun-12	68,506	131,078	60,135	191,211	70,435
Jul-12	68,506	131,300	60,237	191,537	70,556
Aug-12	68,506	126,055	53,260	179,315	50,010
Sep-12	68,506	126,243	53,339	179,582	50,084
Oct-12	68,506	126,405	53,407	179,812	50,148
Nov-12	68,506	151,242	64,199	215,441	61,152
Dec-12	68,506	131,641	55,620	187,261	52,225
2012 Total	798,754	1,583,725	702,850	2,286,575	759,144
Jan-13	68,506	138,009	58,328	196,337	68,472
Feb-13	68,506	138,535	58,550	197,085	68,733
Mar-13	68,506	139,082	58,782	197,864	69,005
Apr-13	68,506	139,633	59,014	198,647	69,278
May-13	68,506	140,187	59,249	199,436	69,553
2013 Total	342,530	695,446	293,923	989,369	345,041
Total Deferred	1,507,942	3,047,262	1,323,015	4,370,277	1,519,767

REVISED (ADJUSTED) - Note 1					
	Depreciation Deferral	AFUDC Equity	AFUDC Debt	AFUDC Debt/Equity	Additional Debt
Jul-11	38,826	130,036	55,232	185,268	-
Aug-11	65,966	129,070	54,642	183,712	-
Sep-11	65,966	123,391	52,589	175,980	207,198
Oct-11	65,967	127,450	54,134	181,584	68,731
Nov-11	65,966	129,944	55,193	185,137	69,634
Dec-11	65,967	128,200	54,452	182,652	70,019
2011 Total	368,658	768,091	326,242	1,094,333	415,582
Jan-12	43,188	126,625	58,060	184,685	-
Feb-12	68,506	126,171	57,884	184,055	87,799
Mar-12	68,506	128,660	58,109	184,769	68,062
Apr-12	68,506	127,153	58,335	185,488	68,327
May-12	68,506	127,648	58,562	186,210	68,593
Jun-12	68,506	128,147	58,791	186,938	68,861
Jul-12	68,506	128,649	59,021	187,670	69,131
Aug-12	68,506	123,787	52,301	176,088	49,110
Sep-12	68,506	124,248	52,498	176,744	49,293
Oct-12	68,506	124,686	52,681	177,367	49,466
Nov-12	68,506	125,127	52,868	177,995	49,641
Dec-12	68,506	125,571	53,055	178,626	49,817
2012 Total	796,754	1,514,472	672,163	2,186,635	658,100
Jan-13	68,506	131,975	53,997	185,972	63,583
Feb-13	68,506	132,492	54,208	186,700	63,832
Mar-13	68,506	133,026	54,428	187,452	64,090
Apr-13	68,506	133,563	54,646	188,210	64,349
May-13	68,506	134,104	54,868	188,972	64,609
2013 Total	342,530	665,160	272,146	937,306	320,463
Total Deferred	1,507,942	2,947,223	1,270,551	4,218,274	1,394,145

	as of 12/31/2012	Jan - May 2013	as of 5/31/2013
Depreciation deferral	1,165,412	342,530	1,507,942
AFUDC (Equity)	2,351,818	695,446	3,047,262
AFUDC (Debt)	1,029,092	293,923	1,323,015
Carrying Charge (AFUDC)	3,380,908	989,369	4,370,277
AFUDC (Debt)	1,029,092	293,923	1,323,015
AFUDC (Additional Debt)	1,174,726	345,041	1,519,767
Full Debt	2,203,818	638,964	2,842,782

	as of 12/31/2012	Jan - May 2013	as of 5/31/2013
Depreciation deferral	1,165,412	342,530	1,507,942
AFUDC (Equity)	2,282,563	665,160	2,947,723
AFUDC (Debt)	998,405	272,146	1,270,551
Carrying Charge (AFUDC)	3,280,968	937,306	4,218,274
AFUDC (Debt)	998,405	272,146	1,270,551
AFUDC (Additional Debt)	1,073,682	320,463	1,394,145
Full Debt	2,072,087	592,609	2,664,696

(1) Subsequent to the 2012 year end, it was noted that the 12/31/2012 ADIT balance used in the CIP CT-1 Carrying Charge Calculation that was presented in the Stipulated Settlement was incorrectly stated at \$2,903,781, due to a spreadsheet formula error that excluded the 2009 ADIT. The corrected amount is \$4,255,163 (see p.7, Def Tax for additional information). The entire 2012 Carrying Charge was recalculated using the revised corrected amount resulting in a reduction to the 2012 carrying charge and the estimated 2013 carrying charge as indicated above.

Marshall Electric Company, Inc.
Marshall Projects - CIP CT-1
Monthly Carrying Charge Calculation

	June 2011	July 2011	August 2011	September 2011	October 2011	November 2011	December 2011
	CIP CT-1	CIP CT-1	CIP CT-1	CIP CT-1	CIP CT-1	CIP CT-1	CIP CT-1
	Change	Change	Change	Change	Change	Change	Change
Total Project Cost	195,050,054	194,748,343	194,751,036	194,753,563	194,770,749	194,773,708	194,979,577
(1) Less: NRENE (removal/expenditure) Costs	(303,711)	(4,693)	2,527	17,186	2,958	155,869	(43,189)
Beginning Month's Capital Costs	194,746,343	194,743,650	194,753,563	194,770,749	194,773,708	194,928,839	194,936,388
Current Month's Capital Costs	194,748,343	194,751,036	194,753,563	194,770,749	194,773,708	194,928,839	194,936,388
Ending Month's Capital Costs	194,748,343	194,751,036	194,753,563	194,770,749	194,773,708	194,928,839	194,936,388
Amount included in rate	194,748,343	194,751,036	194,753,563	194,770,749	194,773,708	194,928,839	194,936,388
Gross Capital Cost in excess of Commission - approved amount	31,466,692	31,471,385	31,473,912	31,491,098	31,494,057	31,648,926	31,648,926
	CIP CT-1	CIP CT-1	CIP CT-1	CIP CT-1	CIP CT-1	CIP CT-1	CIP CT-1
	Change	Change	Change	Change	Change	Change	Change
Gross Capital Cost in excess of Commission - approved amount	31,466,692	31,471,385	31,473,912	31,491,098	31,494,057	31,648,926	31,648,926
(1) Less: related accumulated depreciation	(644,967)	(38,826)	(65,970)	(85,966)	(85,966)	(85,966)	(85,966)
(2) Less: related ADIT	(2,800,330)	(174,577)	(3,094,807)	(3,094,807)	(3,094,807)	(3,094,807)	(3,094,807)
(3) Less: related unrecorded ITC	(44,388)	111	70	70	70	70	70
(4) Add: regulatory asset - depreciation expense	-	38,826	65,967	85,966	85,967	85,968	85,967
(5) Add: regulatory asset - carrying charge of AFUDC deficiency component	-	-	182,246	182,021	181,358	180,968	183,354
(6) Equals	27,947,006	27,777,233	27,878,140	27,874,484	27,756,344	28,304,097	28,487,146
Total base for calculating carrying charge	27,947,006	27,777,233	27,878,140	27,874,484	27,756,344	28,304,097	28,487,146
Average Capital Cost base for calculating carrying charge	27,947,006	27,777,233	27,878,140	27,874,484	27,756,344	28,304,097	28,487,146
(1) Multiply	0.006541	0.006541	0.006541	0.006541	0.006541	0.006541	0.006541
(2) Equals	182,246	182,246	182,246	182,246	182,246	182,246	182,246
Monthly Carrying Charge Breakdown							
AFUDC - Debt	54,331	54,331	54,331	54,331	54,331	54,331	54,331
AFUDC - Equity	127,915	127,915	127,915	127,915	127,915	127,915	127,915
Total AFUDC (as calculated)	182,246	182,246	182,246	182,246	182,246	182,246	182,246
AFUDC - Debt (prior adjustment)	-	-	(901)	(1,276)	(1,276)	(1,276)	(1,276)
AFUDC - Equity (prior adjustment)	-	-	(1,022)	(1,022)	(1,022)	(1,022)	(1,022)
Prior month's adjustments that should be recorded	-	-	(1,022)	(1,022)	(1,022)	(1,022)	(1,022)
AFUDC - Debt (revised adjustment)	54,331	54,331	54,331	54,331	54,331	54,331	54,331
AFUDC - Equity (revised adjustment)	127,915	127,915	127,915	127,915	127,915	127,915	127,915
Revised Total AFUDC (that should be recorded)	182,246	182,246	182,246	182,246	182,246	182,246	182,246
AFUDC - Debt (what was recorded)	55,332	55,332	54,842	54,331	54,331	54,331	54,331
AFUDC - Equity (what was recorded)	130,036	130,036	129,070	128,584	127,915	127,915	127,915
Total Recorded AFUDC (Net JED during the month)	185,368	185,368	183,912	182,915	182,246	182,246	182,246
AFUDC - Debt (adjustment for following month)	(901)	(901)	(1,276)	(1,276)	(1,276)	(1,276)	(1,276)
AFUDC - Equity (adjustment for following month)	(1,022)	(1,022)	(1,022)	(1,022)	(1,022)	(1,022)	(1,022)
Adjustment that should be reflected on the following month	-	-	(2,278)	(2,300)	(2,300)	(2,300)	(2,300)
True-Up (Additional AFUDC - Debt)	69,210	69,210	66,124	66,124	66,124	66,124	66,124
True-Up AFUDC - Debt (not adjustment)	69,210	69,210	66,124	66,124	66,124	66,124	66,124
True-Up AFUDC - Debt (that should be recorded)	69,210	69,210	66,124	66,124	66,124	66,124	66,124
True-Up AFUDC - Debt (what was recorded)	69,210	69,210	66,124	66,124	66,124	66,124	66,124
Capital Cost	7,676,961	7,676,961	7,676,961	7,676,961	7,676,961	7,676,961	7,676,961
P0001050	127,256	127,256	127,256	127,256	127,256	127,256	127,256
P0001051	3,803,555	3,803,555	3,803,555	3,803,555	3,803,555	3,803,555	3,803,555
P0001052	2,595	2,595	2,595	2,595	2,595	2,595	2,595
P0001053	1,809,875	1,809,875	1,809,875	1,809,875	1,809,875	1,809,875	1,809,875
P0001054	668,194	668,194	668,194	668,194	668,194	668,194	668,194
P0001055	753,115	753,115	753,115	753,115	753,115	753,115	753,115
P0001056	137,896	137,896	137,896	137,896	137,896	137,896	137,896
P0001057	39,662	39,662	39,662	39,662	39,662	39,662	39,662
P0001058	4,857,924	4,857,924	4,857,924	4,857,924	4,857,924	4,857,924	4,857,924
P0001059	3,261,761	3,261,761	3,261,761	3,261,761	3,261,761	3,261,761	3,261,761
P0001060	3,048,322	3,048,322	3,048,322	3,048,322	3,048,322	3,048,322	3,048,322
P0001061	16,533	16,533	16,533	16,533	16,533	16,533	16,533
P0001062	161,445,969	161,445,969	161,445,969	161,445,969	161,445,969	161,445,969	161,445,969
P0001063	(303,711)	(303,711)	(303,711)	(303,711)	(303,711)	(303,711)	(303,711)
P0001064	24,286	24,286	24,286	24,286	24,286	24,286	24,286
Less (NRENE Cost)	194,722,857	194,722,857	194,722,857	194,722,857	194,722,857	194,722,857	194,722,857

Hawaiian Electric Company, Inc.
Monthly Carrying Charge Calculation

January 2012	February 2012	March 2012	April 2012	May 2012	June 2012	July 2012	August 2012	September 2012	October 2012
CIP CT-1	CIP CT-1	CIP CT-1	CIP CT-1	CIP CT-1	CIP CT-1	CIP CT-1	CIP CT-1	CIP CT-1	CIP CT-1
194,929,577	194,929,577	194,929,577	194,929,577	194,929,577	194,929,577	194,929,577	194,929,577	194,929,577	194,929,577
194,929,577	194,929,577	194,929,577	194,929,577	194,929,577	194,929,577	194,929,577	194,929,577	194,929,577	194,929,577
163,280,000	163,280,000	163,280,000	163,280,000	163,280,000	163,280,000	163,280,000	163,280,000	163,280,000	163,280,000
31,649,577	31,649,577	31,649,577	31,649,577	31,649,577	31,649,577	31,649,577	31,649,577	31,649,577	31,649,577
31,649,577	31,649,577	31,649,577	31,649,577	31,649,577	31,649,577	31,649,577	31,649,577	31,649,577	31,649,577
(1,056,815)	(68,506)	(68,506)	(68,506)	(68,506)	(68,506)	(68,506)	(68,506)	(68,506)	(68,506)
(3,456,120)	(1,193,371)	(1,193,371)	(1,262,333)	(1,330,340)	(1,399,346)	(1,467,352)	(1,536,358)	(1,605,364)	(1,674,370)
(44,007)	(43,641)	(43,641)	(43,641)	(43,641)	(43,641)	(43,641)	(43,641)	(43,641)	(43,641)
411,846	480,352	548,859	617,384	685,870	754,376	822,882	891,388	959,894	1,028,400
1,095,682	1,278,018	1,460,055	1,647,492	1,834,929	2,022,366	2,209,803	2,397,240	2,584,677	2,772,114
28,600,163	28,711,092	28,822,021	28,932,950	29,043,879	29,154,808	29,265,737	29,376,666	29,487,595	29,598,524
28,543,664	28,654,593	28,765,522	28,876,451	28,987,380	29,098,309	29,209,238	29,320,167	29,431,096	29,542,025
0,006,423	0,006,423	0,006,423	0,006,423	0,006,423	0,006,423	0,006,423	0,006,423	0,006,423	0,006,423
183,338	184,055	184,772	185,489	186,206	186,923	187,640	188,357	189,074	189,791
57,658	57,658	58,108	58,558	59,008	59,458	59,908	60,358	60,808	61,258
125,678	125,678	125,678	125,678	125,678	125,678	125,678	125,678	125,678	125,678
183,338	183,338	183,338	183,338	183,338	183,338	183,338	183,338	183,338	183,338
402	402	402	402	402	402	402	402	402	402
1,341	1,341	1,341	1,341	1,341	1,341	1,341	1,341	1,341	1,341
58,080	58,080	58,080	58,080	58,080	58,080	58,080	58,080	58,080	58,080
125,625	125,625	125,625	125,625	125,625	125,625	125,625	125,625	125,625	125,625
184,885	184,885	184,885	184,885	184,885	184,885	184,885	184,885	184,885	184,885
59,425	59,425	59,425	59,425	59,425	59,425	59,425	59,425	59,425	59,425
129,800	129,800	129,800	129,800	129,800	129,800	129,800	129,800	129,800	129,800
189,025	189,025	189,025	189,025	189,025	189,025	189,025	189,025	189,025	189,025
(1,363)	(1,363)	(1,363)	(1,363)	(1,363)	(1,363)	(1,363)	(1,363)	(1,363)	(1,363)
(2,075)	(2,075)	(2,075)	(2,075)	(2,075)	(2,075)	(2,075)	(2,075)	(2,075)	(2,075)
(4,340)	(4,340)	(4,340)	(4,340)	(4,340)	(4,340)	(4,340)	(4,340)	(4,340)	(4,340)
67,514	67,514	67,514	67,514	67,514	67,514	67,514	67,514	67,514	67,514
513	513	513	513	513	513	513	513	513	513
68,047	68,047	68,047	68,047	68,047	68,047	68,047	68,047	68,047	68,047
88,848	88,848	88,848	88,848	88,848	88,848	88,848	88,848	88,848	88,848
(1,599)	(1,599)	(1,599)	(1,599)	(1,599)	(1,599)	(1,599)	(1,599)	(1,599)	(1,599)
7,804,217	7,804,217	7,804,217	7,804,217	7,804,217	7,804,217	7,804,217	7,804,217	7,804,217	7,804,217
3,808,851	3,808,851	3,808,851	3,808,851	3,808,851	3,808,851	3,808,851	3,808,851	3,808,851	3,808,851
606,162	606,162	606,162	606,162	606,162	606,162	606,162	606,162	606,162	606,162
1,809,875	1,809,875	1,809,875	1,809,875	1,809,875	1,809,875	1,809,875	1,809,875	1,809,875	1,809,875
668,194	668,194	668,194	668,194	668,194	668,194	668,194	668,194	668,194	668,194
753,115	753,115	753,115	753,115	753,115	753,115	753,115	753,115	753,115	753,115
1,933,837	1,933,837	1,933,837	1,933,837	1,933,837	1,933,837	1,933,837	1,933,837	1,933,837	1,933,837
252,087	252,087	252,087	252,087	252,087	252,087	252,087	252,087	252,087	252,087
4,857,924	4,857,924	4,857,924	4,857,924	4,857,924	4,857,924	4,857,924	4,857,924	4,857,924	4,857,924
1,261,761	1,261,761	1,261,761	1,261,761	1,261,761	1,261,761	1,261,761	1,261,761	1,261,761	1,261,761
3,048,322	3,048,322	3,048,322	3,048,322	3,048,322	3,048,322	3,048,322	3,048,322	3,048,322	3,048,322
7,107,036	7,107,036	7,107,036	7,107,036	7,107,036	7,107,036	7,107,036	7,107,036	7,107,036	7,107,036
161,323,906	161,323,906	161,323,906	161,323,906	161,323,906	161,323,906	161,323,906	161,323,906	161,323,906	161,323,906
(303,711)	(303,711)	(303,711)	(303,711)	(303,711)	(303,711)	(303,711)	(303,711)	(303,711)	(303,711)
194,929,576	194,929,576	194,929,576	194,929,576	194,929,576	194,929,576	194,929,576	194,929,576	194,929,576	194,929,576

[illegible]

Hawaiian Electric Company, Inc.
Major Projects: CIP CT-1
A/D Adjustment & AFUDC Rates

<u>Accumulated Depreciation Adjustment</u>	<u>Original CIP CT-1</u>	<u>Difference CIP CT-1</u>	<u>Excess Revised CIP CT-1</u>	<u>Annual Depreciation for entire (incl. Excess) CIP CT-1</u>
Total Project Cost (as of Dec 31, 2010)	102,912,182	Note 1		
Amount included in rates	161,469,776			
	31,442,406			
Depreciation Expense				
2011 Depr Exp (Jan - Jul)	465,906			
2011 Depr Exp (Monthly)	38,826			
Rev 2011 Depr Exp (Aug - Dec)	791,597	(197,279)	594,318	
Rev 2011 Depr Exp (Monthly)	65,968	(16,440)	49,527	
2012 Depr Exp (Jan - Dec)			822,074	
2012 Depr Exp (Monthly)			68,506	
2013 Depr Exp (Jan - Dec)			822,074	4,680,678
2013 Depr Exp (Monthly)			68,506	390,057
Accumulated Depreciation				
2010 Accum Depr (12/31/11)	412,014	955	412,969	
2011 Depr Exp (Jan - Jun)	232,953	64,206	297,159	
Total Accum Depr (6/30/11)	644,967	66,161	710,128	
2011 Depr Exp (Jul)	38,826	10,701	49,527	
Total Accum Depr (7/31/11)	683,793	76,862	759,655	
2011 Depr Exp (Aug - Dec)	329,832	(82,200)	247,632.50	
Total Accum Depr (12/31/11)	1,013,625	(6,338)	1,007,287	
2012 Depr Exp (Jan)	43,189		49,527	
Total Accum Depr (1/31/12)	1,056,814		1,056,814	
2012 Depr Exp (Feb-Dec)			753,568	
Total Accum Depr (12/31/12)			1,810,381	
2013 Depr Exp (Jan-Dec)			822,074	
Total Accum Depr (12/31/13)			2,632,455	

(1) Amount of the Total Project Cost (as of Dec 31, 2010) referenced above excludes land cost of \$1,809,875

Monthly 2011 AFUDC Debt rate	= rate in ELLIPSE table	0.001950	0.001950
Monthly 2011 AFUDC Equity rate	= rate in ELLIPSE table	0.004591	0.004591
		0.006541	0.006541
Annual 2011 AFUDC Debt rate	= rate in ELLIPSE table	0.023552	0.023552
Annual 2011 AFUDC Equity rate	= rate in ELLIPSE table	0.055449	0.055449
		0.079001	0.079001
Annual 2011 Actual Debt rate	Recalculated	0.053209	0.053209
Monthly 2011 Actual Debt rate	Recalculated	0.004434	0.004434
Monthly 2011 Actual Debt (true-up) rate	(0.004434 - 0.001950)	0.002484	0.002484

January - July 2012

Monthly 2012 AFUDC Debt rate	= rate in ELLIPSE table	0.002020	0.002020
Monthly 2012 AFUDC Equity rate	= rate in ELLIPSE table	0.004403	0.004403
		0.006423	0.006423
Monthly 2012 Actual Debt rate	Recalculated	0.004386	0.004386
Monthly 2012 Actual Debt (true-up) rate	(0.004386 - 0.002020)	0.002366	0.002366

2012

July - December 2012 ("Catch-up" Amount)

		"Catch-up Amount"	"Annual Amount"
Monthly 2012 AFUDC Debt rate	= rate in ELLIPSE table	0.001783	0.001863
Monthly 2012 AFUDC Equity rate	= rate in ELLIPSE table	0.004220	0.004408
		0.006003	0.006271
Monthly 2012 Actual Debt rate	Recalculated	0.003457	0.004050
Monthly 2012 Actual Debt (true-up) rate	(0.00345719 - 0.001783)	0.001674	0.002187

January - December 2013

Monthly 2013 AFUDC Debt rate	= rate in ELLIPSE table	0.001808	0.001808
Monthly 2013 AFUDC Equity rate	= rate in ELLIPSE table	0.004419	0.004419
		0.006227	0.006227
Monthly 2013 Actual Debt rate	Recalculated	0.003937	0.003937
Monthly 2013 Actual Debt (true-up) rate	(0.003937 - 0.001808)	0.002129	0.002129

ADIT & Unamortized ITC related to Excess Project Costs

Calculated by HEI Tax

CIP CT-1
As of December 31, 2012 (Revised 3/4/13)

	Before Settlement Discussions		Per Settlement (WP for Exh. 3 CT-1 Pg. 1 of 10)		REVISED (ADJUSTED) - NOTE (1)		DIFFERENCE	
	Before exclusion	Deferred	a/o 12/31/12	Jan - May 2013	a/o 12/31/12	Jan - May 2013	a/o 12/31/12	a/o 5/31/13
Plant in service	194,929,577							
Accumulated Depreciation	(10,379,709)							
Net Plant in Service	184,549,868							
Amount included in rates	163,280,000							
CT-1 Plant in service	31,649,577		31,649,577		31,649,577			
Accumulated Depreciation	(1,810,383)		(342,531)		(1,810,383)	(342,531)		
Depreciation deferral	1,165,412		342,530		1,165,412	342,530		
ADIT deferral	(2,903,781)		(363,200)		(4,255,163)	(327,577)	(1,351,382)	(1,315,759)
Unamortized State ITC deferral	(42,990)		395		(42,990)	395		
Carrying Charge (AFUDC)	3,380,907		989,370		3,280,968	937,305	(99,939)	(152,004)
Deferred Balance 12/31/12	31,438,742		626,564		29,987,421	610,122	(1,451,321)	(1,467,763)

(1) Subsequent to the 2012 year end, it was noted that the 12/31/2012 ADIT balance used in the CIP CT-1 Carrying Charge Calculation that was presented in the Stipulated Settlement was incorrectly stated at \$2,903,781, due to a spreadsheet formula error that excluded the 2009 ADIT. The corrected amount is \$4,255,163 (see p.7. Def Tax for additional information). The entire 2012 Carrying Charge was recalculated using the revised corrected amount resulting in a reduction to the 2012 carrying charge and the estimated 2013 carrying charge as indicated above.

CIP CT-1 Costs in 2013 RAM Calculations

Recoverable Costs:

		Rate Base RAM	
		Rate Base 12/31/2012	Rate Base 12/31/2013
CIP CT-1			
Plant In service	194,929,577	194,929,577	194,929,577
Accumulated Depreciation	<u>(10,379,709)</u>	<u>(10,379,709)</u>	<u>(15,060,387)</u>
Net Plant in Service as of 12/31/2012	<u>184,549,868</u>	<u>184,549,868</u>	<u>179,869,190</u>

Deferral Cost (REVISED)			
	To to 12/31/2012	Additional Through 5/31/2013	Deferral cost to 5/31/2013
Deferred CIP CT-1 costs			
Depreciation deferral	1,165,412	342,530	1,507,942 a
ADIT deferral	(4,255,163)	(327,577)	(4,582,740) a
Unamortized State ITC deferral	(42,990)	395	(42,595) a
Carrying Charge (AFUDC)	<u>3,280,968</u>	<u>937,305</u>	<u>4,218,273</u> a
Deferred costs	<u>148,227</u>	<u>952,653</u>	<u>1,100,880</u>

Additional annual amortization expense (deferred costs / 6 years) 183,480

Actual amortization expense (7/12 of annual amount) 107,030 993,850

Depreciation Expense 4,680,678 a

a Per Workpapers for Exhibit 3 CT-1

Hawaiian Electric Company, Inc.
ADIT ON EXCESS DEPRECIATION - CIP
MAY 2013

		# of months				
					12	5
		CIP	CIP	CIP	CIP	CIP
		2009	2010	2011	2012	2013
source						
FEDERAL DEFERRED TAXES						
1	State Tax Depreciation	1,451,953	2,843,312	2,655,185	2,404,449	903,852.92
2	Book Depreciation (NOTE A)					
3	Subtotal	1,451,953	2,843,312	2,655,185	2,404,449	903,853
	Line 1 + Line 2					
4	Effective Federal Tax Rate	32.89473684%	32.89473684%	32.89473684%	32.89473684%	32.89473684%
5	Federal Deferred Tax on State Depreciation	477,616	935,300	873,416	790,937	297,320
	Line 3 * Line 4					
6	Addback State Tax Depreciation	(1,451,953)	(2,843,312)	(2,655,185)	(2,404,449)	(903,853)
	Line 1					
7	Federal Tax Depreciation	3,698,897	2,784,912	2,455,697	2,220,882	834,533.33
	Line 2					
8	Book Depreciation	-	-	-	-	-
	Line 2					
9	Federal State Difference	2,246,944	(58,400)	(199,488)	(183,567)	(69,320)
	Line 6 + 7 + 8					
10	Tax Rate on Federal Only Adjustment	35%	35%	35%	35%	35%
11	Federal Deferred Tax Adjustment	786,430	(20,440)	(69,821)	(64,248)	(24,262)
	Line 9 * Line 10					
12	Total Federal Deferred Taxes	1,264,046	914,860	803,595	726,689	273,058
	Line 5 + 11					
STATE DEFERRED TAXES						
13	State Tax Depreciation	1,451,953	2,843,312	2,655,185	2,404,449	903,853
	Line 1					
14	Book Depreciation	-	-	-	-	-
	Line 2					
15	Subtotal	1,451,953	2,843,312	2,655,185	2,404,449	903,853
	Line 1 + Line 2					
16	Effective State Tax Rate	6.0150376%	6.0150376%	6.0150376%	6.0150376%	6.0150376%
17	Total State Deferred Taxes	87,336	171,026	159,710	144,629	54,367
	Line 15 * Line 16					
18	TOTAL DEFERRED TAXES	1,351,382	1,085,886	963,305	871,318	327,425
	Line 12 + Line 17					
19	Disallowed State ITC	-	(40,139)	(3,790)	939	391
20	Cumulative STATE ITC		(40,139)	(43,929)	(42,990)	(42,599)
21	Federal and State Deferred Tax Rate		38.91%	38.91%	38.91%	38.91%
22	Total Def Tax on Disallowed State ITC	-	(15,618)	(1,475)	365	152
	Line 19 x Line 21					
23	GRAND TOTAL - DEFERRED TAXES	1,351,382	1,070,268	961,830	871,683	327,577
	Line 18 + Line 22					
24	Cumulative Deferred Taxes		2,421,650	3,383,480	4,255,163	4,582,740
					2,903,781	
					(B)	

NOTE A> ADIT is calculated on tax depreciation only, since book depreciation was removed from the carrying charge calculation.

NOTE B> The 12/31/12 ADIT balance presented in the Stipulated Settlement was incorrectly stated at \$2,903,781, due to a spreadsheet formula error that excluded the 2009 ADIT. The corrected amount is \$4,255,163.

Hawaiian Electric Company, Inc.
EXCESS TAX DEPRECIATION
VINTAGE 2011

Project No.	DIS	Description	Total Basis	Less PUC Approved Amt	Disallowed Costs	Plant Acct	Life	Bonus	2011	2012	2013	
FEDERAL												
P0001052	4/22/2009	CIP1 CEIP Substation Mod	1		1	3530	20	50	1	-	-	
P0001135	6/3/2009	CIP1 Unit Addition-Microwave			-	3970	20	50	-	-	-	
P0001340	12/30/2008	CIP1 Unit Addition-Easements			-	3503 (B)	50	0				
P0001585	5/27/2008	CIP1 - Land - Gen Station			-	3400 (B)	Land	0				
P0001050	7/27/2009	CIP1 AES-CEIP#2 Trans. Line			-	(C)	15	50				
P0001051	4/9/2009	CIP1 AES Substation Add	5,296		5,296	(D)	20	0	199	382	354	
P0001134	7/27/2009	CIP1 Unit Addition-Fiber			-	3970	20	50				
P0001136	10/1/2009	CIP1 Unit Addition-Kahe Bkrs	5,752		5,752	3530	20	50	2,984	208	192	
P0001137	4/1/2009	CIP1 Unit Addition-Kalaelo			-	3970	20	50				
P4900000	8/3/2009	CIP1 Unit 1 Addition	196,470		196,470	(E)	see below	0	9,753	18,520	16,658	
		Adj for Black Start and Water Treatment System				3450/3460	15	0	-	-	-	
P0001880	10/15/2009	Black Start Generator			-	3450	15	50	-	-	-	
P0001881	12/15/2009	Water Treatment System			-	3460	15	50	-	-	-	
		Plant Additions	207,519	-	207,519				12,937	19,110	17,204	
		Parcel between Hanua Street and AES Substation included in PHFRU			-							
P0001084		Total Project Cost	207,519	-	207,519							
HAWAII												
P0001052	4/22/09	CIP1 CEIP Substation Mod	1	-	1		20		-	-	-	
P0001135	6/3/09	CIP1 Unit Addition-Microwave	-	-	-		20		-	-	-	
P0001340	12/30/08	CIP1 Unit Addition-Easements	-	-	-		50		-	-	-	
P0001585	5/27/08	CIP1 - Land - Gen Station	-	-	-		Land		-	-	-	
P0001050	7/27/09	CIP1 AES-CEIP#2 Trans. Line	-	-	-		15		-	-	-	
P0001051	4/9/09	CIP1 AES Substation Add	5,296	-	5,296		20		199	382	354	
P0001134	7/27/09	CIP1 Unit Addition-Fiber	-	-	-		20		-	-	-	
P0001136	10/1/09	CIP1 Unit Addition-Kahe Bkrs	5,752	-	5,752		20		216	415	384	
P0001137	4/1/09	CIP1 Unit Addition-Kalaelo	-	-	-		20		-	-	-	
P4900000	8/3/09	CIP1 Unit 1 Addition	196,470	-	196,470		see below		9,753	18,520	16,658	
		Adj for Black Start and Water Treatment System	-	-	-		15		-	-	-	
P0001880		Black Start Generator	-	-	-		15		-	-	-	
P0001881		Water Treatment System	-	-	-		15		-	-	-	
		Plant Additions	207,519	-	207,519				10,168	19,317	17,396	
(B) Land and rights of way in fee are not depreciable assets												
(C) Plant Account			Total	% of Project	Docket total	Disallowed Costs	Book Depr Rate	Book Depr				
3550			6,605,098	87.58		0	0.03090	0				
3560			735,197	9.75		0	0.05190	0				
3970			201,233	2.67		0	0.05940	0				
Total			7,541,528	100.00	0	0		0				
(D) Plant Account			Total			5,296	Depr Rate	Depr				
3520			905,502	23.69		1,255	0.02400	30				
3530			2,642,422	69.13		3,661	0.02560	94				
3970			274,407	7.18		380	0.05940	23				
Total			3,822,331	100.00	0	5,296		146				
(E) Plant Account			Total			196,470	Depr Rate	Depr	no bonus Tax Life	tax depr		
3410			29,100,000	17.14	33,679	33,679	0.00890	300	15	1,684	3,199	2,880
3420			13,500,000	7.95	15,624	15,624	0.01569	245	15	781	1,484	1,336
3430			58,126,556	40.13	78,846	78,846	0.00876	691	15	3,942	7,490	6,741
3440			15,900,000	9.37	18,402	18,402	0.01131	208	15	920	1,748	1,573
3450			23,742,741	13.99	27,479	27,479	0.01776	488	15	1,374	2,610	2,349
3460			11,089,376	6.53	12,834	12,834	(0.00640)	(82)	15	642	1,219	1,097
3530			700,000	0.41	810	810	0.02560	21	20	30	58	54
3570			6,000,000	3.53	6,944	6,944	0.01700	118	20	260	501	464
3580			1,100,000	0.65	1,273	1,273	0.02410	31	20	48	92	85
3912			200,000	0.12	231	231	0.08334	19	5	46	74	44
3913			100,000	0.06	116	116	0.06667	8	7	17	28	20
3970			200,000	0.12	231	231	0.05940	14	20	9	17	15
Total			169,758,673	100.00	196,470	196,470		2,060		9,753	18,520	16,658

Project No.	DJS	Description	Total Basis	Less PUC Approved Amt	Disallowed Costs	Plant Acct	Life	Bonus	2010	2011	2012	2013
FEDERAL												
P0001052	4/22/2009	CIP1 CEIP Substation Mod			-	3530	20	50	-	-	-	-
P0001135	6/3/2009	CIP1 Unit Addition-Microwave	1,108		1,108	3970	20	50	575	40	37	34
P0001340	12/30/2008	CIP1 Unit Addition-Easements			-	3503 (B)	50	0				
P0001585	5/27/2008	CIP1 - Land - Gen Station			-	3400 (B)	Land	0				
P0001050	7/27/2009	CIP1 AES-CEIP#2 Trans. Line	135,433		135,433	(C)	15	50	71,102	6,433	5,790	5,214
P0001051	4/9/2009	CIP1 AES Substation Add	(20,811)		(20,811)	(D)	20	0	(780)	(1,502)	(1,390)	(1,285)
P0001134	7/27/2009	CIP1 Unit Addition-Fiber	29,419		29,419	3970	20	50	15,261	1,062	982	909
P0001136	10/1/2009	CIP1 Unit Addition-Kahe Bkrs	24,204		24,204	3530	20	50	12,556	874	808	748
P0001137	4/1/2009	CIP1 Unit Addition-Kalaeloa	1,725		1,725	3970	20	50	895	62	58	53
P4900000	8/3/2009	CIP1 Unit 1 Addition Adj for Black Start and Water Treatment System	1,400,880		1,400,880	(E)	see below	0	69,543	132,071	118,787	106,965
P0001880	10/15/2009	Black Start Generator	3,581		3,581	3450/3460	15	50	1,880	170	153	138
P0001881	12/15/2009	Water Treatment System	117,660		117,660	3460	15	50	61,772	5,589	5,030	4,530
		Plant Additions	1,693,199	-	1,693,199				232,804	144,799	130,255	117,306
		Parcel between Hanua Street and AES Substation included in PHFFU			-							
P0001084		Total Project Cost	1,693,199	-	1,693,199							
HAWAII												
P0001052	4/22/09	CIP1 CEIP Substation Mod	-	-	-		20		-	-	-	-
P0001135	6/3/09	CIP1 Unit Addition-Microwave	1,108	-	1,108		20		42	80	74	68
P0001340	12/30/08	CIP1 Unit Addition-Easements	-	-	-		50					
P0001585	5/27/08	CIP1 - Land - Gen Station	-	-	-		Land					
P0001050	7/27/09	CIP1 AES-CEIP#2 Trans. Line	135,433	-	135,433		15		6,772	12,866	11,580	10,428
P0001051	4/9/09	CIP1 AES Substation Add	(20,811)	-	(20,811)		20		(780)	(1,502)	(1,390)	(1,285)
P0001134	7/27/09	CIP1 Unit Addition-Fiber	29,419	-	29,419		20		1,103	2,124	1,964	1,817
P0001136	10/1/09	CIP1 Unit Addition-Kahe Bkrs	24,204	-	24,204		20		908	1,747	1,616	1,495
P0001137	4/1/09	CIP1 Unit Addition-Kalaeloa	1,725	-	1,725		20		65	125	115	107
P4900000	8/3/09	CIP1 Unit 1 Addition Adj for Black Start and Water Treatment System	1,400,880	-	1,400,880		see below		69,543	132,071	118,787	106,965
P0001880		Black Start Generator	3,581	-	3,581		15		179	340	306	276
P0001881		Water Treatment System	117,660	-	117,660		15		5,883	11,178	10,060	9,060
		Plant Additions	1,693,199	-	1,693,199				83,715	159,029	143,112	128,931
(B) Land and rights of way in fee are not depreciable assets												
			Docket total		Disallowed Costs	Book Depr Rate	Book Depr					
(C) Plant Account	Total	% of Project			135,433							
3550	6,605,098	87.58			118,616	0.03090	3,665					
3560	735,197	9.75			13,203	0.05190	685					
3970	201,233	2.67			3,614	0.05940	215					
Total	7,541,528	100.00	0		135,433		4,565					
(D) Plant Account	Total				(20,811)	Depr Rate	Depr					
3520	905,502	23.69			(4,930)	0.02400	(118)					
3530	2,642,422	69.13			(14,387)	0.02560	(368)					
3970	274,407	7.18			(1,494)	0.05940	(89)					
Total	3,822,331	100.00	0		(20,811)		-575					
(E) Plant Account	Total				1,400,880	Depr Rate	Depr	no bonus Tax Life	tax depr			
3410	29,100,000	17.14	240,139		240,139	0.00890	2,137	15	12,007	22,813	20,532	18,491
3420	13,500,000	7.95	111,404		111,404	0.01569	1,748	15	5,570	10,583	9,525	8,578
3430	68,126,556	40.13	562,193		562,193	0.00876	4,925	15	28,110	53,408	48,067	43,289
3440	15,900,000	9.37	131,210		131,210	0.01131	1,484	15	6,560	12,465	11,218	10,103
3450	23,742,741	13.99	195,929		195,929	0.01776	3,480	15	9,796	18,613	16,752	15,087
3460	11,089,376	6.53	91,512		91,512	(0.00640)	(586)	15	4,576	8,694	7,824	7,046
3530	700,000	0.41	5,777		5,777	0.02560	148	20	217	417	386	357
3570	6,000,000	3.53	49,513		49,513	0.01700	842	20	1,857	3,574	3,306	3,058
3580	1,100,000	0.65	9,077		9,077	0.02410	219	20	340	655	606	561
3912	200,000	0.12	1,650		1,650	0.08334	138	5	330	528	317	190
3913	100,000	0.06	825		825	0.06667	55	7	118	202	144	103
3970	200,000	0.12	1,650		1,650	0.05940	98	20	62	119	110	102
Total	169,758,673	100.00	1,400,880		1,400,880		14,687		69,543	132,071	118,787	106,965

Hawaiian Electric Company, Inc.
EXCESS TAX DEPRECIATION
VINTAGE 2009

Project No.	DIS	Description	Total Basis	Less PUC Approved Amt	Disallowed Costs	Plant Acct	Life	Bonus	2009	2010	2011	2012	2013
FEDERAL													
P0001052	4/22/2009	CIP1 CEIP Substation Mod	603,567	3,890	599,677	3530	20	50	311,082	21,645	20,020	18,521	17,130
P0001135	6/3/2009	CIP1 Unit Addition-Microwave	752,007	-	752,007	3970	20	50	390,104	27,144	25,106	23,226	21,481
P0001340	12/30/2008	CIP1 Unit Addition-Easements	4,857,924	4,857,924	-	3503 (B)	50	0					
P0001585	5/27/2008	CIP1 - Land - Gen Station	1,261,761	1,261,761	-	3400 (B)	Land	0					
P0001050	7/27/2009	CIP1 AES-CEIP#2 Trans. Line	7,541,528	5,790,887	1,750,641	(C)	15	50	919,087	83,155	74,840	67,400	60,660
P0001051	4/9/2009	CIP1 AES Substation Add	3,822,331	3,153,110	669,221	(D)	20	0	25,096	48,311	44,684	41,338	38,233
P0001134	7/27/2009	CIP1 Unit Addition-Fiber	638,775	531,769	107,006	3970	20	50	55,509	3,862	3,572	3,305	3,057
P0001136	10/1/2009	CIP1 Unit Addition-Kahe Bkrs	1,771,737	1,720,778	50,959	3530	20	50	26,435	1,839	1,701	1,574	1,456
P0001137	4/1/2009	CIP1 Unit Addition-Kalaeloa	210,680	289,912	(79,232)	3970	20	50	(41,102)	(2,860)	(2,645)	(2,447)	(2,263)
P4900000	8/3/2009	CIP1 Unit 1 Addition Adj for Black Start and Water Treatment System	169,758,673 (10,032,117)	143,859,745 (8,501,585)	25,898,928 (1,530,532)	(E) 3450/3460	see below 15	0	1,285,684 (76,527)	2,441,713 (145,401)	2,196,113 (130,860)	1,977,526 (117,851)	1,781,649 (106,066)
P0001880	10/15/2009	Black Start Generator	3,042,741	2,578,531	464,210	3450	15	50	243,710	22,050	19,845	17,872	16,085
P0001881	12/15/2009	Water Treatment System	6,989,376	5,923,054	1,066,322	3460	15	50	559,819	50,650	45,585	41,053	36,948
Plant Additions			191,218,983	161,469,776	29,749,207				3,698,897	2,552,108	2,297,961	2,071,517	1,868,370
Parcel between Hanua Street and AES Substation included in PHFFU													
P0001084			1,809,875	1,809,875	-								
Total Project Cost			193,028,858	163,279,651	29,749,207								
HAWAII													
P0001052	4/22/09	CIP1 CEIP Substation Mod	603,567	3,890	599,677		20		22,488	43,291	40,040	37,042	34,260
P0001135	6/3/09	CIP1 Unit Addition-Microwave	752,007	-	752,007		20		28,200	54,287	50,212	46,451	42,962
P0001340	12/30/08	CIP1 Unit Addition-Easements	4,857,924	4,857,924	-		50						
P0001585	5/27/08	CIP1 - Land - Gen Station	1,261,761	1,261,761	-		Land						
P0001050	7/27/09	CIP1 AES-CEIP#2 Trans. Line	7,541,528	5,790,887	1,750,641		15		87,532	166,311	149,680	134,799	121,319
P0001051	4/9/09	CIP1 AES Substation Add	3,822,331	3,153,110	669,221		20		25,096	48,311	44,684	41,338	38,233
P0001134	7/27/09	CIP1 Unit Addition-Fiber	638,775	531,769	107,006		20		4,013	7,725	7,145	6,610	6,113
P0001136	10/1/09	CIP1 Unit Addition-Kahe Bkrs	1,771,737	1,720,778	50,959		20		1,911	3,679	3,403	3,148	2,911
P0001137	4/1/09	CIP1 Unit Addition-Kalaeloa	210,680	289,912	(79,232)		20		(2,971)	(5,720)	(5,290)	(4,894)	(4,527)
P4900000	8/3/09	CIP1 Unit 1 Addition Adj for Black Start and Water Treatment System	169,758,673 (10,032,117)	143,859,745 (8,501,585)	25,898,928 (1,530,532)		see below 15		1,285,684 (76,527)	2,441,713 (145,401)	2,196,113 (130,860)	1,977,526 (117,851)	1,781,649 (106,066)
P0001880		Black Start Generator	3,042,741	2,578,531	464,210		15		23,211	44,100	39,690	35,744	32,170
P0001881		Water Treatment System	6,989,376	5,923,054	1,066,322		15		53,316	101,301	91,171	82,107	73,896
Plant Additions			191,218,983	161,469,776	29,749,207				1,451,953	2,759,597	2,485,988	2,242,020	2,022,920
(B) Land and rights of way in fee are not depreciable assets													
(C) Plant Account		Total	% of Project	Docket total	Disallowed Costs	Book Depr Rate	Book Depr						
3550		6,605,093	87.58	5,790,887	5,071,834	0.03090	47,378						
3560		735,197	9.75	564,533	170,664	0.05190	8,857						
3970		201,233	2.67	154,520	46,713	0.05940	2,775						
Total		7,541,528	100.00	5,790,887	1,750,641		59,010						
(D) Plant Account		Total		3,153,110		Depr Rate	Depr						
3520		905,502	23.69	746,965	158,537	0.02400	3,805						
3530		2,642,422	69.13	2,179,782	462,640	0.02560	11,844						
3970		274,407	7.18	226,363	48,044	0.05940	2,854						
Total		3,822,331	100.00	3,153,110	669,221		18,502						
(E) Plant Account		Total		143,859,745		Depr Rate	Depr	no bonus Tax Life	tax depr				
3410		29,100,000	17.14	24,660,411	4,439,589	0.00890	39,512	15	221,979	421,761	379,585	341,848	307,664
3420		13,500,000	7.95	11,440,397	2,059,603	0.01569	32,315	15	102,980	195,662	176,096	158,589	142,731
3430		68,126,556	40.13	57,732,950	10,393,606	0.00876	91,048	15	519,680	987,393	888,653	800,308	720,277
3440		15,900,000	9.37	13,474,245	2,425,755	0.01131	27,435	15	121,288	230,447	207,402	186,783	168,105
3450		23,742,741	13.99	20,120,472	3,622,269	0.01776	64,331	15	181,113	344,116	309,704	278,915	251,023
3460		11,089,376	6.53	9,397,545	1,691,831	(0.00640)	(10,828)	15	84,592	160,724	144,652	130,271	117,244
3530		700,000	0.41	593,206	106,794	0.02560	2,734	20	4,005	7,709	7,131	6,597	6,101
3570		6,000,000	3.53	5,084,621	915,379	0.01700	15,561	20	34,327	66,081	61,120	56,543	52,296
3580		1,100,000	0.65	932,180	167,820	0.02410	4,044	20	6,293	12,115	11,205	10,366	9,588
3912		200,000	0.12	169,487	30,513	0.08334	2,543	5	6,103	9,764	5,858	3,515	3,515
3913		100,000	0.06	84,744	15,256	0.06667	1,017	7	2,180	3,738	2,670	1,906	1,362
3970		200,000	0.12	169,487	30,513	0.05940	1,812	20	1,144	2,203	2,037	1,885	1,743
Total		169,758,673	100.00	143,859,745	25,898,928		271,527		1,285,684	2,441,713	2,196,113	1,977,526	1,781,649

Hawaiian Electric Company, Inc.
DISALLOWED STATE ITC ON CIP

	2010	2011	2012
Disallowed Costs	1,693,199	207,519	
5 year average of outside materials & service	59.2648%	59.2648%	59.2648%
Disallowed State ITC base	1,003,471	122,986	-
State ITC rate	4%	4%	4%
Disallowed State ITC	40,139	4,919	-
Cumulative Disallowed State ITC		45,058	

NOTE> In 2009, the State suspended State ITC beginning in May 2009. CIP was placed in service in August 2009, so there was no State ITC on the 2009 CIP plant addition.

		CIP							
				v2010 +					
State ITC Amortization		v2011 YTD		v2011 YTD		YTD		YTD	
Beg Bal			4,919		40,139	Beg Bal			42,990
Jan-11	(111)		4,808		44,947	Jan-12	(78)	43,851	Jan-13 (78) 42,912
Feb-11	(111)		4,696		44,835	Feb-12	(78)	43,773	Feb-13 (78) 42,834
Mar-11	(111)		4,585		44,724	Mar-12	(78)	43,694	Mar-13 (78) 42,756
Apr-11	(111)		4,473		44,612	Apr-12	(78)	43,616	Apr-13 (78) 42,677
May-11	(111)		4,362		44,501	May-12	(78)	43,538	May-13 (78) 42,599
Jun-11	(111)		4,250		44,389	Jun-12	(78)	43,460	Jun-13 (78) 42,521
Jul-11	(111)		4,139		44,278	Jul-12	(78)	43,382	Jul-13 (78) 42,443
Aug-11	(70)		4,069		44,208	Aug-12	(78)	43,303	Aug-13 (78) 42,365
Sep-11	(70)		3,999		44,138	Sep-12	(78)	43,225	Sep-13 (78) 42,286
Oct-11	(70)		3,929		44,068	Oct-12	(78)	43,147	Oct-13 (78) 42,208
Nov-11	(70)		3,860		43,999	Nov-12	(78)	43,069	Nov-13 (78) 42,130
Dec-11	(70)		3,790		43,929	Dec-12	(78)	42,990	Dec-13 (78) 42,052
		(1,129)					(939)		(939)

Hawaiian Electric Company, Inc.
CIS in 2013 RAM Calculations
HECO Summary
(\$ in 000's)

Line	Description	Rate Base CIS Deferred Costs Recoverable at 12/31/12	Amortization (7 months) (Note 4)	Rate Base CIS Deferred Costs Recoverable at 12/31/13
1	CIS Deferred Cost (Note 1)	\$ 38,927	\$ (1,892)	\$ 37,035
2	CIS Deferred O&M Reclass (Note 1)	2,475	(120)	2,355
3	Carrying charge since go-live (Note 2)	1,830	(89)	1,741
4	Write-Off (Note 3)	(29,000)	1,410	(27,590)
5 = sum 1 - 4		14,232	(692)	13,540
6	Carrying charge (AFUDC)			
7	January 1-May 31, 2013 (Note 5)	405	(20)	385
8 = 5 + 7	CIS deferred costs recoverable	\$ 14,637	\$ (712)	\$ 13,925
9				
10 = 3 + 7	Total Carrying Charges	2,235	(109)	2,126

- (1) See the CIS Project Final Cost Report that will be filed on April 1, 2013, in Docket No. 04-0268.
- (2) See Exhibit 2, p.1, of the Hawaiian Electric 2009 Test Year Rate Case Stipulated Settlement Agreement between the Hawaiian Electric Companies and the Division of Consumer Advocacy regarding Certain Regulatory Matters, filed January 28, 2013 in Docket No. 2008-0083.
- (3) See Hawaiian Electric 2009 Test Year Rate Case Stipulated Settlement Agreement between the Hawaiian Electric Companies and the Division of Consumer Advocacy regarding Certain Regulatory Matters, filed January 28, 2013 in Docket No. 2008-0083.
- (4) Amortized over 12 years, per Exhibit 1, page 2 of 3, footnote 1 of the Hawaiian Electric 2009 Test Year Rate Case Stipulated Settlement Agreement between the Hawaiian Electric Companies and the Division of Consumer Advocacy regarding Certain Regulatory Matters, filed January 28, 2013 in Docket No. 2008-0083.
- (5) See calculation at page 4.

Hawaiian Electric Company, Inc.
Final CIS Cost Report
(\$ in 000's)

Allocation of Total CIS Deferred Costs
(in Thousands)
Per CIS Project Final Cost Report (N.1)

	HECO	HELCO	MECO	Total
CIS Deferred Project Cost	\$ 41,402	\$ 7,977	\$ 7,837	\$ 57,216
CIS Deferred Cost	\$ 38,927	\$ 7,977	\$ 7,268	
CIS Deferred O&M Reclass	\$ 2,475		\$ 569	
Carrying charge since go-live	1,830		371	2,201
	<u>43,232</u>	<u>7,977</u>	<u>8,208</u>	<u>59,417</u>
Percentage	72.8%	13.4%	13.8%	100.0%
Write-off amount	29,104	5,370	5,526	40,000
write-off amount rounded	<u>29,000</u>	<u>5,500</u>	<u>5,500</u>	<u>40,000</u>
CIS costs as of Final Cost Report	<u>\$ 14,232</u>	<u>\$ 2,477</u>	<u>\$ 2,708</u>	<u>\$ 19,417</u>

N.1 The CIS Project Final Cost Report will be filed on April 1, 2013, in Docket No. 04-0268.

Hawaiian Electric Company, Inc.
CIS in 2013 RAM Calculations
Updated Exhibit 3, Page 2 of Stipulated Settlement (Docket No. 2008-0083, filed on January 28, 2013)
(\$ in 000's)

Recoverable Costs:

	HECO	HELCO	MECO	Total	Rate Base RAM	
					Rate Base 12/31/2012	Rate Base 12/31/2013
CIS						
Total deferred cost per Settlement	14,232	2,477	2,708	19,417	b	
Carrying charge (AFUDC) January 1-May 31, 2013	405	85	89	579	c	
CIS deferred costs recoverable	14,637	2,562	2,797	19,996		19,996
Additional amortization expense	1,220	214	233	1,666		
Amortization in 2013 RAM (7/12 of annual amortization)	712	125	136	972		
CIS deferred costs -12-31-13	13,925	2,437	2,661	19,024		19,024

b Updated for Final CIS Cost Report that will be filed on April 1, 2013, in Docket No. 04-0268.

c See page 4

Hawaiian Electric Company, Inc.
Calculation of CIS Carrying Charges
January - May 2013

	CIS Def Cost (Acct 186050)	AFUDC Equity Cr. 42002000 Dr. 42002000	AFUDC Debt Cr. 42004000	AFUDC Ratemaking Dr. 18670202 Cr. 18670202
G.L. balance 12/31/12	14,232,029	(42,613)	(150)	(42,763) (a)
Costs incurred in 1/13				
Add AFUDC @ .6423%	-	62,702	25,654	88,357
Add'l costs after AFUDC calc				
G.L. balance 1/31/13	14,232,029			45,594
Costs incurred in 2/13	-			
Add AFUDC @ .6423%	-	63,093	25,814	88,907
Add'l costs after AFUDC calc				
G.L. balance 2/28/13	14,232,029			134,500
Costs incurred in 3/13	-			
Add AFUDC @ .6203%	-	63,486	25,975	89,460
Add'l costs after AFUDC calc				
G.L. balance 3/31/13	14,232,029			223,961
Costs incurred in 4/13	-			
Add AFUDC @ .6203%	-	63,881	26,136	90,017
Add'l costs after AFUDC calc				
G.L. balance 4/30/13	14,232,029			313,978
Costs incurred in 5/13	-			
Add AFUDC @ .6203%	-	64,279	26,299	90,578
G.L. balance 5/31/13	14,232,029	274,828	129,728	404,556

through Jan - May 2013

Monthly 2013 AFUDC Debt rate	0.001808 = rate in ELLIPSE table
Monthly 2013 AFUDC Equity rate	0.004419 = rate in ELLIPSE table
	<u>0.00622700</u>
Monthly 2013 AFUDC Full Debt Rate	<u>0.00393700</u>
Monthly 2013 AFUDC Incremental	0.00212900

(a) Adjustment related to AFUDC-Equity rate used from August 2012 - December 2012 (see page 7 for calculation)

Notes:

o AFUDC rate is 0.6227% per month in 2013. Budgets reviews rate quarterly.
(Annual rate = 7.5195%)

o AFUDC amount for current month is computed on prior end-of-month balance plus
1/2 of current month's additions

o AFUDC is added on AFUDC -- 0.6227% rate is reduced to reflect this compounding.

Hawaiian Electric Company, Inc.
Monthly Carrying Charge On Deferred CIS Development Project Costs (Post Go-live)
2012

	CIS Def Cost (Acct 186050)	AFUDC Equity Cr. 42002000 Dr. 42002000	AFUDC Debt Cr. 42004000 Dr. 42004000	Acct Balance Dr. 18670202	AFUDC Debt True-up	CIS Def O&M (Acct 18670201)	AFUDC Equity Cr. 42002000 Dr. 42002000	AFUDC Debt Cr. 42004000 Dr. 42004000	Acct Balance Dr. 18670203	AFUDC Debt True-up
G.L. balance 5/31/12	36,715,022			-		2,474,707			-	
Costs incurred in 6/12	1,179,192					-				
Add AFUDC @ .6423%	-	164,252	75,355	239,608	88,263	-	10,896	4,999	15,895	5,855
Add'l costs after AFUDC calc	887,072									
G.L. balance 6/30/12	38,781,286			239,608		2,474,707			15,895	
Costs incurred in 7/12	(849,442)					-				
Add AFUDC @ .6423%	-	169,939	77,964	247,903	91,319	-	10,966	5,031	15,997	5,893
Add'l costs after AFUDC calc	924,477									
G.L. balance 7/31/12	38,856,321			487,511		2,474,707			31,892	
Costs incurred in 8/12	(878,509)					-				
Add AFUDC @ .6203%	-	171,958	69,367	241,325	65,134	-	11,079	4,469	15,548	4,197
G.L. balance 8/31/12	37,977,812			728,836		2,474,707			47,441	
Costs incurred in 9/12	785,750					-				
Add AFUDC @ .6203%	-	172,820	69,714	242,534	65,480	-	11,148	4,497	15,645	4,223
Add'l costs after AFUDC calc	243,681									
G.L. balance 9/30/12	39,007,244			971,370		2,474,707			63,085	
Costs incurred in 10/12	(23,703)					-				
Add AFUDC @ .6203%	-	176,653	71,261	247,914	66,912	-	11,217	4,525	15,742	4,249
G.L. balance 10/31/12	38,983,541			1,219,284		2,474,707			78,827	
Costs incurred in 11/12	-					-				
Add AFUDC @ .6203%	-	177,696	71,682	249,378	67,307	-	11,287	4,553	15,840	4,275
G.L. balance 11/30/12	38,983,541			1,468,662		2,474,707			94,667	
Costs incurred in 12/12	(56,236)					-				
Add AFUDC @ .6203%	-	178,674	72,076	250,751	67,678	-	11,357	4,581	15,938	4,302
G.L. balance 12/31/12	38,927,304			1,719,413		2,474,707			110,605	
		1,211,993	507,419	1,719,413	512,072		77,950	32,655	110,605	32,992
		[1]	[2]		[3]		[1]	[2]		[3]

Through July 2012

August '12 - Current

Monthly 2012 AFUDC Debt rate	0.002020 = rate in ELLIPSE table	0.001783 = rate in ELLIPSE table
Monthly 2012 AFUDC Equity rate	0.004403 = rate in ELLIPSE table	0.00442 = rate in ELLIPSE table
	0.00642300	0.00620300
Monthly 2012 AFUDC Full Debt Rate	0.00439	0.00346
Monthly 2012 AFUDC Debt rate (true-up)	0.00237	0.00167

Carrying Charge Calculation Summary

AFUDC - Equity	Σ[1]	1,289,943
AFUDC - Debt	Σ[2]	540,075
		1,830,018
AFUDC - Additional Debt	Σ[3]	545,064

Notes:

o AFUDC rate is 0.6423% per month in 2012 (through July 2012). AFUDC rate is 0.6203% per month in 2012 (August onward). Budgets reviews rate quarterly.
(Annual rate = 7.7578% through July 2012, 7.5728% from August onward)

o AFUDC amount for current month is computed on prior end-of-month balance plus
1/2 of current month's additions

o AFUDC is added on AFUDC - 0.6423% (or 0.6203%) rate is reduced to reflect this compounding.

Hawaiian Electric Company, Inc.
Monthly Carrying Charge On Deferred CIS Development Project Costs (Post Go-live)
2012

	Corrected Calculation				Original				Corrected Calculation				Original				Acct Balance Cr. 18670204
	CIS Del Cost (Acct 196030)	AFUDC Equity Cr. 42002000 Dr. 42002000	AFUDC Debt Cr. 42004000 Dr. 42004000	Acct Balance Dr. 18670202	AFUDC Equity Cr. 42002000 Dr. 42002000	AFUDC Debt Cr. 42004000 Dr. 42004000	Acct Balance Dr. 18670203	CIS Del Cost (Acct 18670201)	AFUDC Equity Cr. 42002000 Dr. 42002000	AFUDC Debt Cr. 42004000 Dr. 42004000	Acct Balance Dr. 18670203	AFUDC Equity Cr. 42002000 Dr. 42002000	AFUDC Debt Cr. 42004000 Dr. 42004000	Acct Balance Dr. 18670203	AFUDC Equity Cr. 42002000 Dr. 42002000	AFUDC Debt Cr. 42004000 Dr. 42004000	
G.L. balance 5/31/12	36,715,022	164,232	75,355	239,008	164,232	75,355	239,008	2,474,707	10,896	4,999	15,895	10,896	4,999	15,895			255,503
Costs incurred in 9/12	1,179,197																
Add AFUDC @ 6423%				857,072													
Add costs after AFUDC calc																	
G.L. balance 6/30/12	38,781,286	164,232	75,355	239,008	164,232	75,355	239,008	2,474,707	10,896	4,999	15,895	10,896	4,999	15,895			255,503
Costs incurred in 7/12	(849,442)																
Add AFUDC @ 6423%				247,903													
Add costs after AFUDC calc																	263,000
G.L. balance 7/31/12	38,858,321	164,177	80,307	233,544	164,177	80,307	233,544	2,474,707	10,896	4,999	15,895	10,896	4,999	15,895			519,403
Costs incurred in 8/12	(878,509)																
Add AFUDC @ 6203%				233,544													248,591
G.L. balance 8/31/12	37,977,812	164,177	80,307	233,544	164,177	80,307	233,544	2,474,707	10,896	4,999	15,895	10,896	4,999	15,895			767,894
Costs incurred in 9/12	785,750																
Add AFUDC @ 6203%				721,055													
Add costs after AFUDC calc																	249,805
G.L. balance 9/30/12	39,007,244	168,594	71,233	239,827	168,594	71,233	239,827	2,474,707	10,896	4,999	15,895	10,896	4,999	15,895			1,017,799
Costs incurred in 10/12	(23,703)																
Add AFUDC @ 6203%				239,827													255,055
G.L. balance 10/31/12	38,983,541	168,594	71,233	239,827	168,594	71,233	239,827	2,474,707	10,896	4,999	15,895	10,896	4,999	15,895			1,272,854
Costs incurred in 11/12																	
Add AFUDC @ 5203%				1,105,549													259,515
G.L. balance 11/30/12	38,983,541	168,594	71,233	239,827	168,594	71,233	239,827	2,474,707	10,896	4,999	15,895	10,896	4,999	15,895			1,528,369
Costs incurred in 12/12	(58,236)																
Add AFUDC @ 6203%				242,474													257,886
G.L. balance 12/31/12	38,927,304	170,455	72,019	242,474	170,455	72,019	242,474	2,474,707	10,896	4,999	15,895	10,896	4,999	15,895			1,787,255
December 2012 adjustments	(25,440,154)																(25,440,154)
Adjusted G.L. balance 12/31/12	13,487,150																1,247,181
Through July 2012																	
Monthly 2012 AFUDC Debt rate	0.002020 = rate in ELLIPSE table																0.001783
Monthly 2012 AFUDC Equity rate	0.004403 = rate in ELLIPSE table																0.004422
	0.00642300																0.00600300

Notes:
o AFUDC rate is 0.6423% per month in 2012 (through July 2012). AFUDC rate is 0.6203% per month in 2012 (August onward). Budgets reviews rate quarterly (Annual rate = 7.578% through July 2012, 7.5728% from August onward)

o AFUDC amount for current month is computed on prior end-of-month balance plus 1/2 of current month's additions.

o AFUDC is added on AFUDC - 0.6423% (or 0.6203%) rate is reduced to reflect this compounding

Hawaiian Electric Company, Inc.
Revenue Decoupling - Rate Base RAM
2012 Major Projects and Other Plant Additions

Grandparent	*Project #	Project	Plant Addition Date	Net Plant Adds Thru 12/31/11	Total Project Cost	CIAC & Adjustments	Net Project Cost [2]	Net Plant Adds Thru 12/31/12	PUC Approved	Over/(Under) PUC Approved	Functional Plant Category
				(A) [1]	(B) [2]	(C) [3]	(D) = (B) - (C)	(E) = (A) - (D)	(F) [3]	(G) = (E) - (F)	
2012 Major Projects											
1	-	P0000899 BPT Tank 132 Improvements	2012/05	-	5,513,984	-	5,513,984	5,513,984	6,745,897 [4a]	(1,231,913)	Production Steam
2	-	P0000681 K1 Condenser Tube Replace	2012/06	-	4,910,700	-	4,910,700	4,910,700	5,580,381 [4b]	(669,681)	Production Steam
3	-	P0001595 Mobile Radio Replacement	2012/08	-	2,502,181	-	2,502,181	2,502,181	4,059,152 [4c]	(1,556,971)	Communication
4	Y00127	P0001606 Kapelei Substation	2012/11	-	4,544,879	-	4,544,879	-	-	-	Distribution
		P0001607 Kapelei Comm Links	2012/11	-	224,125	-	224,125	-	-	-	Distribution
		P0001608 Kapelei 12kV Line	2012/11	-	573,534	-	573,534	-	-	-	Distribution
		P0001609 Kapelei 46kV Line	2012/11	-	874,576	-	874,576	-	-	-	Distribution
				-	6,217,064	-	6,217,064	6,217,064	9,853,084 [4d]	(3,636,020)	
5	Y48500	P0001943 McCully Sub (EOTIP Ph2)	2012/03	-	1,891,724	765,587	1,126,137	-	-	-	Distribution
		P0001945 Kapaehulu Sub (EOTIP Ph2)	2012/03	-	1,790,849	563,152	1,227,697	-	-	-	Distribution
		P0001949 SmartTech Install (EOTIP Ph2)	2012/08	-	2,715,851	812,546	1,903,305	-	-	-	Distribution
				-	6,398,424	2,141,285 [2]	4,257,139	-	-	-	
	Y48500	P0001940 Pilioli Sub (EOTIP Ph2)	2012	1,156,190	38,435	136,842	(98,407)	-	-	-	Distribution
		P0001941 Manda Sub (EOTIP Ph2)	2012	1,060,470	27,870	9,830	18,040	-	-	-	Distribution
		P0001942 UH Quarry Sub (EOTIP Ph2)	2012	747,447	34,045	10,855	23,190	-	-	-	Distribution
		P0001944 Kewalo Sub (EOTIP Ph2)	2012	1,015,071	65,600	185,980	(120,380)	-	-	-	Distribution
		P0001946 Kahala Sub (EOTIP Ph2)	2012	1,210,830	15,707	12,932	2,775	-	-	-	Distribution
		P0001947 Waihu Sub (EOTIP Ph2)	2012	279,566	15,708	71,746	(56,038)	-	-	-	Distribution
		P0001948 Switch #4640 (EOTIP Ph2)	2012	202,397	11,789	9,597	2,192	-	-	-	Distribution
			2012 straggling	5,671,971	209,154	430,377 [2]	(221,223)	9,707,887	10,059,000 [4e]	(351,113)	
6	-	P7650000 W8 Boiler Controls Upgrade	2012 straggling	6,165,261	118,460	-	118,460	6,283,721	5,236,138 [4f]	1,047,583	Steam Production
7	-	P7590000 W7 Controls Upgrade	2012 straggling	5,009,888	119,081	-	119,081	5,128,969	5,021,440 [4g]	107,529	Steam Production
8	Y48500	P0000932 Kamoku 46kV UG Alt Phase 1 ("EOTIP")	2012 straggling	49,213,439	69	-	69	49,213,508	49,213,508 [5]	-	Transmission
9	-	P0001399 W8 Main Transformer Replace	2012 straggling	2,627,959	19,800	-	19,800	2,647,759	2,357,425 [6]	290,334	Steam Production
Other											
Y00138	Various	Kahuku Wind Power	2012 straggling	7,225,842	14,120	107,150 [2]	(93,030)	2,132,812	2,125,651 [7]	7,161	Various

[1] Transmittal No. 12-02 (Decoupling RBA Rate Adjustment Hawaiian Electric Revisions to Tariff Filing), HECO-WP-02-001, filed on May 23, 2012.

[2] Hawaiian Electric Companies' Exemption From and Modification of General Order No. 7 Paragraph No. 2.3(g), Relating to Capital Improvements Capital Projects Completed in 2012, in Docket No. 03-0257, filed on March 22, 2013. See HECO-WP-02-002.

[3] Per the Final Decision & Order and Dissenting Opinion of Leslie H. Kondo, Commissioner, filed on August 31, 2010, in Docket No. 2008-0274, on page 54, "for purposes of calculating the Rate Base for the RAM, the costs on Major Capital Projects shall be limited to those amounts most recently approved, e.g., when authorized in the commission's decision approving the HECO Companies' application in compliance with General Order No. 7 or in an interim or final decision and order issued by the commission in the HECO Companies' rate cases."

[4a] Decision and Order, p. 9, Docket No. 2010-0286, For Approval to Commit Funds in Excess of \$2,500,000 (excluding customer contributions) for Item P0000899, Barbers Point Fuel Tank 132 Renovation, filed March 30, 2011.

[4b] Decision and Order, p. 10, Docket No. 2010-0176, For Approval to Commit Funds in Excess of \$2,500,000 (excluding customer contributions) for Item P0000681, Kapelei Unit No. 1 Condenser Tube Interim Accounting Report, filed January 31, 2011 was approved by the commission which authorized HECO to commit approximately \$6,060,000. Per Docket No. 2010-0126, Kapelei Unit No. 1 Condenser Tube Interim Accounting Report, filed August 27, 2012, of the \$6.1M authorized, \$5,580,381 represented capital costs.

[4c] Decision and Order, p. 13, Docket No. 2010-0162, For Approval to Commit Funds in Excess of \$2,500,000 (excluding customer contributions) for Item P0001595, Mobile Radio Replacement, filed May 13, 2011.

[4d] Decision and Order, p. 18, Docket No. 2011-0026, For Approval to Commit Funds in Excess of \$2,500,000 (excluding customer contributions) for Item P0001606, Kapelei Substation, filed October 19, 2010.

[4e] See Hawaiian Electric response to CA-IR-292, Attachment 8, p. 10, filed in Docket No. 2010-0080, Hawaiian Electric 2011 Test Year Rate Case.

[4f] See Hawaiian Electric response to CA-IR-292, Attachment 8, p. 6, filed in Docket No. 2010-0080, Hawaiian Electric 2011 Test Year Rate Case.

[4g] Order No. 20287, p. 11, Docket No. 2010-0080, Approving Joint Motion of Hawaiian Electric Company Inc., the Division of Consumer Advocacy, and the Department of Defense to Adjust Interim Increase, filed March 29, 2012, clarifying that the EOTIP settlement amount is the gross EOTIP plant in service amount that is in excess of the gross EOTIP plant in service already included in rates, less the \$9.5 million write down amount.

[5] In the 2011 Third Quarter Capital Projects Status Report filed on January 4, 2012, Hawaiian Electric identified that the project costs had unexpectedly exceeded \$2,500,000 and provided an explanation for the higher costs.

[6] Project cost is limited for rate base RAM recovery to the amount identified in Hawaiian Electric's response to CA-IR-292, Attachment 8, p. 8, filed in Docket No. 2010-0080, Hawaiian Electric 2011 Test Year Rate Case.

[7] Source: HECO-WP-02-003.

2012 General Order No. 7 (GO7) Report Summary Plant Additions

Projects	2012 Plant Addition (1)
Less than \$2.5M	229,954,640
Other projects	34,586
Greater than \$2.5M	25,989,048
PUC application filed prior to July 1, 2004	634
Total Plant Additions	255,978,908
Less: Major Project additions in 2012	
K1 Condenser Tube Replace	(4,910,700)
BPT Tank 132 Improvements	(5,513,984)
Mobile Radio Replacement	(2,502,181)
Waiau 8 Boiler Controls Upgrade	(118,460)
Waiau 7 Controls Upgrade	(119,081)
Kapolei Substation	(6,217,064)
McCully Sub (EOTP Ph2)	(1,891,724)
Kapahulu Sub (EOTP Ph2)	(1,790,849)
SmartTech Install (EOTP Ph2)	(2,715,851)
Piikoi Sub (EOTP Ph2)	(38,435)
Manoa Sub (EOTP Ph2)	(27,870)
UH Quarry Sub (EOTP Ph2)	(34,045)
Kewalo Sub (EOTP Ph2)	(65,600)
Kahala Sub (EOTP Ph2)	(15,707)
Wailupe Sub (EOTP Ph2)	(15,708)
Switch #4640 (EOTP Ph2)	(11,789)
Kamoku 46kV UG Alt Ph 1 (EOTP)	(69)
W8 Main Transformer Replace	(19,800)
	(26,008,917)
Baseline Plant Additions	229,969,991

(1) Source: Hawaiian Electric Companies' Exemption Form and Modification General Order No. 7 Paragraph No. 2.3(g), Relating to Capital Improvements Capital Projects Completed in 2012, in Docket No. 03-0257, filed on March 22, 2013.

Kahuku Wind Power (Y00138)
Analysis

HECO-WP-D2-003
(WITH SETTLEMENT)
PAGE 1 OF 1

Assumptions based on Decision and Order and Dissenting Opinion of Leslie H. Kondo, Commissioner,
filed on May 12, 2010 in Docket No. 2009-0176 ("D&O"), pages 57 & 58:

Hawaiian Electric can only recovery actuals up to the capped amount.
If actuals are below capped amount, Hawaiian Electric may only recover the amount that was actually spent.
If actuals are above capped amount, Hawaiian Electric may request recovery in Hawaiian Electric's next rate case.

<u>Total REIP Recovery</u>	<u>Per D&O</u>
A) Switching Station	500,000
B) Microwave System	1,787,876
C) Miscellaneous Microwave Network	89,614
	<u>2,377,490</u>

<u>Total REIP Recovery (Capped)</u>		Notes:
A) Switching Station	499,993	Actuals came in under \$500K (capped amount per D&O)
B) Microwave System	1,536,044	Actuals came in under \$1,787,876 (capped amount per D&O)
C) Miscellaneous Microwave Network	89,614	Actuals came in over \$89,614 (capped amount per D&O)
	<u>2,125,651</u>	[A]

Actuals as of 12/31/12, net of CIAC	2,132,812	See HECO-WP-D2-004 - "Kahuku First Wind Timeline"
Recovery thru REIP	[A] <u>2,125,651</u>	
Difference (over / (under))	<u>7,161</u>	

**Kahuku First Wind
Timeline**

Line	<u>2010</u>			
1	Incurred Cost	2,567,414	[A]	N1
2	Excluding P0001826 Plant Addition	<u>(287,122)</u>	[B]	
3		2,280,292		
4	CIAC	<u>(2,762,034)</u>		
5	Net Cost	(481,742)		
6				
7	<u>2011</u>			
8	Incurred Cost	4,586,371		
9	CIAC	<u>(1,878,787)</u>		
10	Net Cost	2,707,584		
11				
12	<u>2012</u>			
13	Incurred Cost	14,120	[C]	
14	CIAC	<u>(107,150)</u>	[C]	
15	Net Cost	(93,030)		
16				
17	Total Net Cost as of 12/31/12	<u>2,132,812</u>	See HECO-WP-D2-003	

NOTES:

- [A] See Exhibit 1, Page 11 of 13 in the Hawaiian Electric Companies' *Exemption From and Modification of General Order No. 7 Paragraph 2.3(g), Relating to Capital Improvements Capital Project Completed in 2010*, in Docket No. 03-0257 filed on March 31, 2011.
- [B] See page 5 of Hawaiian Electric Company, Inc.'s *Stipulated Procedural Order and Certificate of Service*, Docket No. 2009-0176, filed on September 30, 2009. Based upon this filing, the Company withdrew its request for the waiver of Rule 13 of its Tariff for the relocation of a portion of an existing 12kV overhead line. As a result, the Company excluded the First Wind T&D 12kV project (P0001826) when calculating the total PUC net cost.
- [C] Source: Hawaiian Electric Companies' *Exemption From and Modification of General Order No. 7 Paragraph No. 2.3(g), Relating to Capital Improvements Capital Projects Completed in 2012*, in Docket No. 03-0257 on March 22, 2013.
- N1 Transmittal No. 12-02 (Decoupling RBA Rate Adjustment Hawaiian Electric Revisions to Tariff Filing), HECO-WP-D2-004, filed on May 23, 2012.

Hawaiian Electric Company
2013 Plant Additions - Major Projects Support

Grandparent	Project	Functional Category	Plant Addition Date	Project to Date Recorded 12/31/12	2013 Plant Additions	Future Years
	P0001494: Pukele 80MVA Tsf #3	Transmission	201305	- NOTE1	4,519,878 [3]	- [3]
Y00119	P0001506: North South Road 46kV Line	Distribution	201303	-	1,876,156 [3]	- [3]
Y00119	P0001504: Kaloi Sub Land Transf	Land	201306	- NOTE4	2,276,439 [3]	- [3]
	P0001595: Mobile Radio Replacement	Communication	201208	2,502,181 [1]	61,573 [4]	- [3]
Y00127	Kapolei Substation	Distribution	201211	6,217,064 [1]	37,028 [4] 225,895 [3]	- [3]
Y48500	P0001940: Pihikoi Sub (EOTP Ph2)	Distribution	201110	1,795,400 [2]	113 [4]	- [3]
Y48500	P0001942: UH Quarry Sub (EOTP Ph2)	Distribution	201109	1,069,038 [2]	1,099 [4]	- [3]
Y48500	P0001945: Kapahulu Sub (EOTP Ph2)	Distribution	201203	1,790,849 [1]	6,511 [4]	- [3]
Y48500	P0001949: SmartTech Install (EOTP Ph2)	Distribution	201208	2,715,851 [1]	29,763 [4] 49,059 [3]	19,936 [3]
	P7590000: W7 Controls Upgrade	Production Steam	201111	5,128,969 NOTE2	253,298 [4], [5] 26,000 [3], [5]	- [3]
	P7650000: WB Boiler Controls Upgrade	Production Steam	201108	6,283,721 NOTE3	323 [4], [6] 29,062 [3], [6]	- [3]
	P0000681: K1 Condenser Tube Replace	Production Steam	201206	4,910,700 [1]	1,850 [4] 9,394,047	- [3]
Less: Pukele 80MVA Tsf #3 Costs in Excess of PUC Approved					(18,148) NOTE1	
Less: Waiiau 7 Controls Upgrade Costs in Excess of PUC Approved					(279,298) NOTE2	
Less: Waiiau 8 Boiler Controls Upgrade Costs in Excess of PUC Approved					(29,385) NOTE3	
Less: Kaloi Land Plant Addition Exclusion					(2,276,439) NOTE4	
See Schedule D3 - Determination of Major Capital Project Additions					6,790,777	

NOTE1: Pukele 80MVA Tsf #3 (P0001494) Reconciliation

PUC Approved Amount	4,501,730 [A]
2013 Anticipated Plant Additions	4,519,878 [3]
2013 Plant Addition - Excess	(18,148)
2013 Plant Addition Qualifying for RB RAM	4,501,730 Limited to PUC Approved Amount

[A] Decision and Order, p. 9, Docket No. 2011-0156, For Approval to Commit Funds in Excess of \$2,500,000 (excluding customer contributions) for Item P0001494, Pukele Tsf #3 80MVA; Item P0001492, Pukele Tsf #2 80MVA; and Item P0002264, Pukele Tsf #1 80MVA, filed October 12, 2012.

NOTE2: W7 Controls Upgrade (P7590000) Reconciliation

PUC Approved Amount	5,021,440 [B]
2011 Plant Additions	5,009,888 [2]
2012 Plant Additions	119,081 [2]
2013 Anticipated Plant Additions	279,298 sum [5]
	5,408,267 Limited to PUC Approved Amount
Total Plant Addition - Excess	(386,827)
2012 Plant Addition - Excess	(107,529) HECO-WP-D2-001
2013 Plant Addition - Excess	(279,298)

[B] See Hawaiian Electric response to CA-IR-292, Attachment 8, p. 6, filed in Docket No. 2010-0080, Hawaiian Electric 2011 Test Year Rate Case.

NOTE3: WB Boiler Controls Upgrade (P7650000) Reconciliation

PUC Approved Amount	5,236,138 [C]
2011 Plant Additions	6,165,261 [2]
2012 Plant Additions	118,460 [2]
2013 Anticipated Plant Additions	29,385 sum [6]
	6,313,106 Limited to PUC Approved Amount
Total Plant Addition - Excess	(1,076,968)
2012 Plant Addition - Excess	(1,047,583) HECO-WP-D2-001
2013 Plant Addition - Excess	(29,385)

[C] See Hawaiian Electric response to CA-IR-292, Attachment 8, p. 10, filed in Docket No. 2010-0080, Hawaiian Electric 2011 Test Year Rate Case.

NOTE4: SOURCE: HECO-WP-D3-002

[1] Source: Hawaiian Electric Companies' *Exemption From and Modification of General Order No. 7 Paragraph No. 2.3(g), Relating to Capital Improvements Capital Projects Completed in 2012*, in Docket No. 03-0257 filed on March 22, 2013. See HECO-WP-D2-001.

[2] Source: Hawaiian Electric Companies' *Exemption From and Modification of General Order No. 7 Paragraph No. 2.3(g), Relating to Capital Improvements Capital Projects Completed in 2012*, in Docket No. 03-0257 filed on March 22, 2013 and Hawaiian Electric Companies' *Exemption From and Modification of General Order No. 7 Paragraph No. 2.3(g), Relating to Capital Improvements Capital Projects Completed in 2011*, in Docket No. 03-0257 filed on March 30, 2012.

[3] Source: UI Planner Budget Files - Forecast obtained from the U1302 scenario.

[4] Source: UI Planner Budget Files. January based upon actual plant additions.

[5] See NOTE2.

[6] See NOTE3.

**Kaloi Substation - Land Transfer
Reconciliation**

Line		<u>HECO 2011 TY Rate Base Average Balance</u>	<u>Kaloi Sub Land Portion</u>
1	Property Held for Future Use	4,090 Sch D1, Line 1	2,276 [A]
2	Unamortized CIAC	(197,797) Sch D1, Line 16	(2,276) [B]
3	Major Project Additions (2013)	6,791 HECO-WP-D3-001	2,276 [C]

NOTES:

- [A] Land related to the Kaloi Substation was included in the Hawaiian Electric response to CA-IR-292, Attachment 5, p. 1 & 2, filed in Docket No. 2010-0080, Hawaiian Electric 2011 Test Year Rate Case. Excerpt filed at HECO-WP-D3-003.
- [B] Land related to the Kaloi Substation was also included within the 12/31/09 Unamortized Contributions in Aid of Construction balance identified in the Hawaiian Electric response to CA-IR-292, Attachment 6, p. 1, filed in Docket No. 2010-0080, Hawaiian Electric 2011 Test Year Rate Case. Excerpt and G/L screenshot filed at HECO-WP-D3-004.
- [C] Land is anticipated to be transferred from Property Held for Future Use (PHFFU) into Plant in Service in June 2013 when construction will begin. To avoid double recovery, the Company determined to exclude the total 2013 major plant addition (\$2,276K) at Schedule D3 - Determination of Major Capital Project Additions, as the project was included in the Hawaiian Electric 2011 Test Year Rate Case within the PHFFU & Unamortized CIAC lines.

CA-IR-292
DOCKET NO. 2010-0080
ATTACHMENT 5
PAGE 1 OF 2

Hawaiian Electric Company, Inc.
2010 and 2011
Property Held for Future Use Formatted Similar to HECO-1905
(\$ Thousands)

Recorded balance - 12/31/09	\$4,607
Kalaeloa - Barbers Point Harbor Pipeline	<u>(517)</u>
Recorded balance - 12/31/10	\$4,090
No Estimated Changes in 2011	<u>\$0</u>
Estimated balance - 12/31/11	\$4,090
Estimated average balance for 2011	
(Recorded 12/31/10 balance + Estimated 12/31/11 balance) / 2	\$4,090

CA-IR-292
DOCKET NO. 2010-0080
ATTACHMENT 5
PAGE 2 OF 2

Hawaiian Electric Company, Inc.
2010 and 2011
Property Held for Future Use Formatted Similar to HECO-1905
(\$ Thousands)

<u>Name of Site</u>	<u>Size</u>	<u>Tax Map Key</u>	<u>Year Acquired</u>	<u>Proposed Service Date</u>	<u>Purchase Price</u>
AES Substation Expansion/ Warehouse Parcel	1.76 acres	9-1-26:38	2007	2013 - 2014	\$1,810
Kapolei Substation	1.112 acres	9-1-16:90	2006	2012	\$4
Kalo Substation	1 acre	9-1-16:129	2009	2012	\$2,276

CA-IR-292
DOCKET NO. 2010-0080
ATTACHMENT 6
PAGE 1 OF 1
(REVISED 5/24/11)

Hawaiian Electric Company, Inc.
Unamortized Contributions In Aid of Construction
Formatted Similar to HECO-1906
(\$ in thousands)

	Dkt No. 2010-0053 Depreciation Rates	HECO Reference
Recorded Balance - 12/31/09	\$ 179,585	
Actual Changes in 2010:		
Cash Receipts	14,030	CA-IR-292, Attachment 9, p. 1
In-Kind Receipts	5,316	CA-IR-292, Attachment 9, p. 1
Transfer from Advances	(2)	CA-IR-292, Attachment 7, p. 1
Amortization	(9,615)	CA-IR-535, Attachment 1, p. 1
Recorded Balance - 12/31/10	189,314	A
Estimated Changes in 2011:		
Cash Receipts	17,457	CA-IR-292, Attachment 9, p. 1
In-Kind Receipts	7,260	CA-IR-292, Attachment 9, p. 1
Transfer from Advances	33	CA-IR-292, Attachment 7, p. 1
Amortization	(7,786) ⁽¹⁾	CA-IR-535, Attachment 1, p. 1
Estimated Balance - 12/31/11	206,279	B
Average Test Year 2011 Balance [(A+B)/2]	\$ 197,796	

⁽¹⁾ - Revised per response to CA-IR-535.

NOTE: Totals may not add exactly due to rounding.

Accounting Transaction Details Review (HAWAIIAN ELECTRIC COMPANY, INC.)

File Items Edit Tools Help

☒ OK ☐ Revert ☐ Undo Filters

Account Code: 0240000 CIAC

Acct Period: 05/09

Transaction	Amount	Act
1 Type TranNo : Typ Man Vchr Description		
2 SPJ 34760300000 M PR4220509 Accrue GET-CIAC and Cust	130116.94	
3 BPJ 49271840000 M FA290509 TO RECORD KALOI LAND DONA	-2276439.00	
4 BPJ 70659750000 M PF20905295 05 P61791 85 0980136	-1146.00	
5 BPJ 70659760000 M PF20905295 05 P61963 85 0980136	-989.00	
6 BPJ 73104320000 M PF20905285 05 P62548 85 0980136	-459.00	
7 BPJ 70954510000 M PF20905275 05 P55134 85 0980134	-1779.00	
8 BPJ 70954430000 M PF20905275 05 P48828 85 0980133	-7564.00	
9 BPJ 70954450000 M PF20905275 05 P61741 85 0980133	-7647.00	
10 BPJ 70954470000 M PF20905275 05 P56923 85 0980133	-15368.00	
11 BPJ 70954480000 M PF20905275 05 P62116 85 0980133	-1014.00	
12 BPJ 70954490000 M PF20905275 05 P53342 85 0980134	-11782.00	
13 BPJ 72937190000 M PF20905215 05 P62336 85 0980130	-2774.00	
14 BPJ 72937210000 M PF20905215 05 P62341 85 0980130	-471.00	
15 Balance C/Fwd	-2197315.06	

MSM902A

Date Printed 8 March 2013 09:04:00

Ellipse Userid mkoyanag

Program Name msq000.exe

Program Description Accounting Transaction Details Review (HAWAIIAN ELECTRIC COMPANY, INC.)

Version 001A

Revision 113 \$ Date: 24/04/08 10:21a \$

Module 3001

Product Version 5.2.3.2

File Version 5.23.219.1

Location L:\NZ3\CK8P\X5E\WFS\CSIDL_~2\Mincom\MIMSOP~1\523~1.2\Bin\

Compiled Date 6 November 2009 14:26

Form Name MSM902A

HAWAIIAN ELECTRIC CO., INC.		
DEFERRED INCOME TAXES		
FEDERAL		
		NOTE 1
		FEDERAL
(DR)CR		LIABILITY
LIAB	DESCRIPTION	12/31/2012
28311	Unearned Lease	(664.39)
28312	Accrued Vacation	1,272,846.46
28313	Uncollectible Acct	(1,586,054.17)
28314	Directors Def Comp	(21,536.79)
28317	Discounted Work Comp	(759,088.14)
28319	Cap to Construct (Cost of Remc	51,305,071.97
28321	Pension	7,150,215.55
28323	Excess Benefit Plan	(634,354.09)
28326	Def Exec Comp (Def EICP<IP	(59,738.82)
28327	Software (no APPRISE & e busi	145,924.43
28328	G/L ACRS Retirements	13,521,445.20
28330	EICP	(500,870.78)
28331	CIAC	(27,390,062.20)
28332	Customer Advances	(850,470.20)
28333	Capitalized Interest	(14,498,038.00)
28335	Connection Fees	16,019.85
28336	Nondeductible Interest	(47,485.55)
28337	Supplemt Benefits - SERP	(632,024.61)
28338	Nondeductible Vac	(1,084,196.31)
28340	LTIP	(269,842.54)
28341	Waipahu Baseyard Int	(111,861.55)
28347	Waiau Water Well Pmts	(260,641.10)
28348	Nonutil Bad Debt	8,047.29
28401	Genl/Auto (& Accidents)	(882,268.44)
28403	CWIP Debt Transition	369,221.99
28404	CWIP Equity Trans	1,127,579.20
28405	Iolani Ct Plaza Sale	(89,087.15)
28406	Kaonohi Sale	37,751.68
28407	FAS 109 Flow Through	939,257.34
28408	Plant Transition	11,632,420.84
28409	CWIP Equity Net	25,249,031.48
28410	CWIP Equity Grossup	16,080,778.70
28411	CWIP Debt	12,078,330.99
28412	Genl/Auto Liability - Legal	(128,289.70)
28413	Post Retirement Ben	73,009.24
28414	Reg Liab Federal ITC	(495,552.87)
28418	IRP Costs	34,727.28
28419	Reg Liab Excess 283	(335,740.53)
28422	Miscellaneous	(28,511.61)
28427	Prepaid Expenses	971,335.59
28430	FMB X Premium	85,845.71
28434	EEO Claims	(16,688.26)
28435	Rev Bond Differential	546,707.77
28436	TIP/Rewards Programs	(63,942.33)
28440	Kaiaeloa	(75,422.55)
28441	Sun Power	577.09
28442	Overhaul (Waiau 3 Turbine)	(51,104.16)
28512	Revenue Bond Cost Amort.	1,856,339.78
28516	Honolulu Harbor Reserve	(315,775.64)
28520	Deferred Comp - restricted stock	(303,002.94)

HAWAIIAN ELECTRIC CO., INC.		
DEFERRED INCOME TAXES		
FEDERAL		
		NOTE 1
(DR)CR		FEDERAL
LIAB	DESCRIPTION	LIABILITY
		12/31/2012
28522	Perry reserve	(353.18)
28526	Emissions Fees	(464,730.48)
28530	AES Hawaii PPA	(45,512.47)
28532	CIS Project	1,621,635.73
28538	Rate Case Costs	248,848.12
28540	Kalaeloa PPA	(27,259.93)
28542	QUIPS amortization	388,917.14
28544	OPEB Exec Life	(4,003,660.60)
28546	Percentage Repairs Allowance	5,208,815.52
28548	Cap interest (D&T)	4,640,324.38
28550	E-Business hardware	32,884.47
28552	OMS project costs	16,131.59
28556	Substation Land - Waianae	(1,357.97)
28558	Substation Land - Aiea	(864.78)
28560	Solar tax credit	(1,050.66)
28564	HR Suites project costs	1,322,889.78
28568	Solar Saver Program	(348,199.68)
28570	Pension Tracker	3,149,700.82
28572	OPEB Tracker	(2,115,650.94)
28574	Substation Land - Barber's Pt	(1,369.86)
28576	Substation Land - Haiku	(17,554.58)
28580	Blue Earth reserve	(10,120.80)
28584	RO Water Pipeline	(130,026.91)
28586	Big Wind costs	940,863.71
28590	Repairs Adjustment	32,589,531.39
28592	Stimulus Funds	7,500.00
28594	Budget System Replacement	324,771.37
28596	EOTP interest / amort	283,176.37
28598	CIP interest	724,940.13
28600	ERP project costs	(102,648.36)
28602	Reg Liab Federal PV	(100,519.00)
28604	IVR project costs	(170,647.70)
28606	NOL	(641,201.00)
	AOCI - NQ Pension	(766,373.53)
	AOCI - OPEB Exec Life	251,094.32
	FIN 48 tax	(281,093.00)
FIN 48 int	FIN 48 interest	(2,665.53)
	Rounding	14.92
	FED ACCOUNT 283, excluding state ITC	135,529,348.81
28310	State ITC	(12,784,512.99)
	FED ACCOUNT 28301000	122,744,835.82
28210000	Accelerated Depreciation	152,882,568.37
28210100	Accel. Depr. - Excess	0.00
28210200	Accel. Depr. - Deficit	491,856.02
	FED ACCOUNT 282100	153,374,424.39
	EF INCOME TAX - UTILITY	276,119,260.21

HAWAIIAN ELECTRIC CO., INC.		
DEFERRED INCOME TAXES		
FEDERAL		
		NOTE 1
(DR)CR		FEDERAL
LIAB	DESCRIPTION	LIABILITY
		12/31/2012
RATE BASE CALCULATION		
Total 283 Deferred Federal Tax		122,744,835.82
Less:		
28312	Accrued Vacation	1,272,846.46
28313	Uncollectible Acct	(1,586,054.17)
28314	Directors Def Comp	(21,536.79)
28317	Discounted Work Comp	(759,088.14)
28323	Excess Benefit Plan	(634,354.09)
28326	Def Exec Comp (Def EICP<II	(59,738.82)
28330	EICP	(500,870.78)
28336	Nondeductible Interest	(47,485.55)
28337	Supplemt Benefits - SERP	(632,024.61)
28338	Nondeductible Vac	(1,084,196.31)
28340	LTIP	(269,842.54)
28341	Waipahu Baseyard Int	(111,861.55)
28347	Waiau Water Well Pmts	(260,641.10)
28348	Nonutil Bad Debt	8,047.29
28401	Genl/Auto (& Accidents)	(882,268.44)
28412	Genl/Auto Liability - Legal	(128,289.70)
28418	IRP Costs	34,727.28
28434	EEO Claims	(16,688.26)
28436	TIP/Rewards Programs	(63,942.33)
28516	Honolulu Harbor Reserve	(315,775.64)
28520	Deferred Comp - restricted stoc	(303,002.94)
28522	Perry reserve	(353.18)
28538	Rate Case Costs	248,848.12
28544	OPEB Exec Life	(4,003,660.60)
28550	E-Business hardware	32,884.47
28580	Blue Earth reserve	(10,120.80)
	AOCI - NQ Pension	(766,373.53)
	AOCI - OPEB Exec Life	251,094.32
	FIN 48 tax	(281,093.00)
	FIN 48 interest	(2,665.53)
Total Exclusions		(10,893,480.47)
283 Deferred Fed Tax for Rate Base		133,638,316.29
282 Deferred Fed Tax for Rate Base		153,374,424.39
Total Deferred Fed Tax for Rate Base		287,012,740.68
NOTE 1> Tie out to trial balance:		
	Fed Account #282100	153,374,424.39
	Fed Account #283010	122,744,835.82
	State Account #282200	7,881,925.31
	State Account #283020	23,935,314.93
	Total	307,936,500.45
	Per trial balance	307,936,500.45
	Difference	0.00

HAWAIIAN ELECTRIC CO., INC.		
DEFERRED INCOME TAXES		
STATE		
		STATE
(DR)CR		LIABILITY
LIAB	DESCRIPTION	12/31/2012
28351	Unearned Lease	(43.51)
28352	Accrued Vacation	236,272.00
28353	Uncollectible Acct	(289,865.47)
28354	Directors Def Comp	(3,036.14)
28357	Discounted Work Comp	(139,056.98)
28359	Cap to Construct (Cost of Remo	9,391,018.84
28361	Pension	1,307,468.07
28363	Excess Benefit Plan	(111,468.55)
28366	Def Exec Comp (Def EICP<IP	(10,924.75)
28367	Software (no APPRISE & e bus)	(923.40)
28368	G/L ACRS Retirements	2,520,131.39
28370	EICP	(75,417.10)
28371	CIAC	(6,608,240.69)
28372	Customer Advances	(154,851.26)
28373	Capitalized Interest	(3,354,854.22)
28375	Connection Fees	8,444.14
28376	Nondeductible Interest	(8,682.72)
28377	Supplemt Benefits - SERP	(105,285.72)
28378	Nondeductible Vac	(195,605.00)
28380	LTIP	(49,342.51)
28381	Waipahu Baseyard Int	(20,452.91)
28387	Waiau Water Well Pmts	(47,675.92)
28388	Nonutil Bad Debt	1,317.69
28390	Outage Loss Adj Exp	24,509.00
28451	Genl/Auto (& Accidents)	(161,328.46)
28453	CWIP Debt Transition	67,517.13
28454	CWIP Equity Trans	206,186.71
28455	Iolani Ct Plaza Sale	(432.07)
28456	Kaonohi Sale	6,942.61
28457	FAS 109 Flow Through	171,706.06
28458	Plant Transition	2,127,104.52
28459	CWIP Equity Net	4,616,947.11
28460	CWIP Equity Grossup	2,940,472.47
28461	CWIP Debt	2,212,141.29
28462	Genl/Auto Liability - Legal	(21,029.72)
28463	Post Retirement Ben	(6,614.99)
28464	Reg Liab Federal ITC	(91,453.62)
28469	IRP Costs	5,510.76
28470	Reg Liab Excess 283	(62,032.64)
28473	Miscellaneous	16,969.99
28477	Prepaid Expenses	177,614.61
28480	FMB X Premium	15,698.80
28482	Coal Gasif Costs	11,273.00
28484	EEO Claims	(3,051.58)
28485	Rev Bond Differential	99,968.87
28486	TIP	(11,952.21)
RAR 88-89	HACOA	1,533.00
RAR 88-89	BONY Rev	148.00
RAR 88-89	GAQS Tel	255.00
RAR88-89	Kalaeloa	35,119.58

HAWAIIAN ELECTRIC CO., INC.		
DEFERRED INCOME TAXES		
STATE		
		STATE
(DR)CR		LIABILITY
LIAB	DESCRIPTION	12/31/2012
28492	Overhaul (Waiau 3 Turbine)	(9,345.29)
28513	Revenue Bond Cost Amort.	339,444.25
28515	Software (APPRISE only)	50,607.54
28517	Honolulu Harbor Reserve	(85,799.32)
28521	Deferred Comp - restricted stock	(55,405.73)
28523	Perry reserve	(64.09)
28527	Emissions Fees	(84,979.40)
28531	AES Hawaii PPA	(8,322.46)
28533	CIS Project	197,298.08
28539	Rate Case Costs	45,503.99
28541	Kalaeloa PPA	(4,984.39)
28543	QUIPS amortization	71,116.61
28545	OPEB Exec Life	(732,166.00)
28547	Percentage Repairs Allowance	1,149,648.43
28549	Cap interest (D&T)	996,701.86
28551	E-Business hardware	8,206.93
28553	OMS project costs	1,649.62
28557	Substation Land - Waianae	282.46
28559	Substation Land - Aiea	2,470.89
28561	Solar Tax Credit	(192.12)
28565	HR Suites project costs	242,096.37
28569	Solar Saver Program	(63,670.49)
28571	Pension Tracker	575,941.43
28573	OPEB Tracker	(386,859.90)
28575	Substation Land - Barber's Pt	29.21
28577	Substation Land - Haiku	(519.59)
28581	Blue Earth reserve	(1,850.68)
28585	RO Water Pipeline	(23,776.25)
28587	Big Wind costs	172,042.61
28591	Repairs Adjustment	9,248,123.95
28593	Stimulus Funds	1,371.42
28595	Budget System Replacement	59,386.40
28597	EOTP interest / amort	51,780.88
28599	CIP interest	132,559.93
28601	ERP project	(18,769.87)
28603	Reg Liab Federal PV	(18,381.00)
28605	IVR project costs	(31,203.96)
28607	NOL	-
	AOCI - NQ Pension	(140,139.31)
	AOCI - OPEB Exec Life	45,916.19
	FIN 48 tax	(137,634.00)
FIN 48 int	FIN 48 interest	(490.43)
STATE ACCOUNT 283, excluding state ITC		26,256,273.25
28300	State ITC	(2,320,958.32)
	STATE ACCOUNT 28302000	23,935,314.93
28220000	Accelerated Depr	7,792,400.69
28220100	Accel. Depr. - Excess	0.00
28220200	Accel. Depr. - Deficit	89,524.62
	STATE ACCOUNT 282200	7,881,925.31

HAWAIIAN ELECTRIC CO., INC.		
DEFERRED INCOME TAXES		
STATE		
		STATE
(DR)CR		LIABILITY
LIAB	DESCRIPTION	12/31/2012
RATE BASE CALCULATION		
Total 283 Deferred State Tax		23,935,314.93
Less:		
28352	Accrued Vacation	236,272.00
28353	Uncollectible Acct	(289,865.47)
28354	Directors Def Comp	(3,036.14)
28357	Discounted Work Comp	(139,056.98)
28363	Excess Benefit Plan	(111,468.55)
28366	Def Exec Comp (Def EICP<IP)	(10,924.75)
28370	EICP	(75,417.10)
28376	Nondeductible Interest	(8,682.72)
28377	Supplemt Benefits - SERP	(105,285.72)
28378	Nondeductible Vac	(195,605.00)
28380	LTIP	(49,342.51)
28381	Waipahu Baseyard Int	(20,452.91)
28387	Waiau Water Well Pmts	(47,675.92)
28388	Nonutil Bad Debt	1,317.69
28390	Outage Loss Adj Exp	24,509.00
28451	Genl/Auto (& Accidents)	(161,328.46)
28462	Genl/Auto Liability - Legal	(21,029.72)
28469	IRP Costs	5,510.76
28484	EEO Claims	(3,051.58)
28486	TIP	(11,952.21)
28517	Honolulu Harbor Reserve	(85,799.32)
28521	Deferred Comp - restricted stock	(55,405.73)
28523	Perry reserve	(64.09)
28539	Rate Case Costs	45,503.99
28545	OPEB Exec Life	(732,166.00)
28551	E-Business hardware	8,206.93
28581	Blue Earth reserve	(1,850.68)
	AOCI - NQ Pension	(140,139.31)
	AOCI - OPEB Exec Life	45,916.19
	FIN 48 tax	(137,634.00)
	FIN 48 interest	(490.43)
Total Exclusions		(2,040,488.74)
283 Deferred State Tax for Rate Base		25,975,803.67
282 Deferred State Tax for Rate Base		7,881,925.31
Total Deferred State Tax for Rate Base		33,857,728.98

HAWAIIAN ELECTRIC CO., INC.
ADIT ON EXCESS DEPRECIATION
DECEMBER 31, 2012

	source	W8 BOILER	W7 CONTROLS	W8 MAIN	KAHUKU WIND	TOTAL
FEDERAL DEFERRED TAXES						
1	State Tax Depreciation	106,357	3,199	30,418	7,501	147,475
2	Book Depreciation	(18,861)		(6,574)	(5,161)	(30,596)
3	Subtotal	87,496	3,199	23,844	2,340	116,879
4	Effective Federal Tax Rate	32.8947%	32.8947%	32.8947%	32.8947%	32.8947%
5	Federal Deferred Tax on State Depreciation	28,782	1,052	7,843	770	38,447
6	Addback State Tax Depreciation	(87,496)	(3,199)	(23,844)	(2,340)	(116,879)
7	Federal Tax Depreciation	576,971	55,363	160,376	7,331	800,041
8	Book Depreciation	(18,861)	-	(6,574)	(5,161)	(30,596)
9	Federal State Difference	470,614	52,164	129,958	(170)	652,566
10	Tax Rate on Federal Only Adjustment	35%	35%	35%	35%	35%
11	Federal Deferred Tax Adjustment	164,715	18,257	45,485	(60)	228,398
12	Total Federal Deferred Taxes	193,497	19,309	53,328	710	266,845
STATE DEFERRED TAXES						
13	State Tax Depreciation	106,357	3,199	30,418	7,501	147,475
14	Book Depreciation	(18,861)	-	(6,574)	(5,161)	(30,596)
15	Subtotal	87,496	3,199	23,844	2,340	116,879
16	Effective State Tax Rate	6.0150376%	6.0150376%	6.0150376%	6.0150376%	6.0150376%
17	Total State Deferred Taxes	5,263	192	1,434	141	7,030
18	TOTAL DEFERRED TAXES	198,760	19,501	54,762	851	273,875

HAWAIIAN ELECTRIC CO., INC.
EXCESS TAX DEPRECIATION
W8 BOILER

Project No.	D/S	Description	Total Basis	Less PUC Approved Amt	Disallowed Costs	Plant Acct Life	Bonus	2011	2012
FEDERAL									
P7650000	8/23/2011	W8 Boiler Controls Upgrade	6,165,261	5,236,138	929,123	Steam	20	50	481,983
	v2012	W8 Boiler Controls Upgrade	118,460		118,460	Steam	20	50	33,537
									61,451
		Total	6,283,721	5,236,138	1,047,583			481,983	94,988
		Cumulative						481,983	576,971
HAWAII									
P7650000	8/23/2011	W8 Boiler Controls Upgrade	6,165,261	5,236,138	929,123	Steam	20	0	34,842
	v2012	W8 Boiler Controls Upgrade	118,460	-	118,460	Steam	20	0	67,073
									4,442
		Total	6,283,721	5,236,138	1,047,583			34,842	71,515
		Cumulative						34,842	106,357

**HAWAIIAN ELECTRIC CO., INC.
EXCESS TAX DEPRECIATION
W7 CONTROLS UPGRADE**

Project No.	D/S	Description	Total Basis	Less PUC Approved Amt	Disallowed Costs	Plant Acct	Life	Bonus	2011	2012
FEDERAL										
P7590000	11/2/2011 v2012	W7 Controls Upgrade	5,009,888	5,021,440	(11,552)	Steam	20	50	(5,993)	(417)
		W7 Controls Upgrade	119,081		119,081	Steam	20	50		61,773
		Total	<u>5,128,969</u>	<u>5,021,440</u>	<u>107,529</u>				<u>(5,993)</u>	<u>61,356</u>
		Cumulative							<u>(5,993)</u>	<u>55,363</u>
HAWAII										
P7590000	11/2/2011 v2012	W7 Controls Upgrade	5,009,888	5,021,440	(11,552)	Steam	20	0	(433)	(834)
		W7 Controls Upgrade	119,081	-	119,081	Steam	20	0		4,466
		Total	<u>5,128,969</u>	<u>5,021,440</u>	<u>107,529</u>				<u>(433)</u>	<u>3,632</u>
		Cumulative							<u>(433)</u>	<u>3,199</u>

HAWAIIAN ELECTRIC CO., INC.
EXCESS TAX DEPRECIATION
W8 MAIN

Project No.	DIS	Description	Total Basis	Less PUC Approved Amt	Disallowed Costs	Plant Acct Life	Bonus	2011	2012
FEDERAL									
P0001399	8/-/11 v2012	W8 Main Transformer Replace	2,627,959	2,357,425	270,534	Steam	20	140,340	9,765
		W8 Main Transformer Replace	19,800		19,800	Steam	20		10,271
		Total	<u>2,647,759</u>	<u>2,357,425</u>	<u>290,334</u>			<u>140,340</u>	<u>20,036</u>
		Cumulative						<u>140,340</u>	<u>160,376</u>
HAWAII									
P0001399	8/-/11 v2012	W8 Main Transformer Replace	2,627,959	2,357,425	270,534	Steam	20	10,145	19,530
		W8 Main Transformer Replace	19,800	-	19,800	Steam	20		743
		Total	<u>2,647,759</u>	<u>2,357,425</u>	<u>290,334</u>			<u>10,145</u>	<u>20,273</u>
		Cumulative						<u>10,145</u>	<u>30,418</u>

**HAWAIIAN ELECTRIC CO., INC.
EXCESS TAX DEPRECIATION
KAHUKU WIND**

Project No.	DIS	Description	Total Basis	Less PUC Approved Amt	Disallowed Costs	Plant Acct	Life	Bonus	2011	2012
FEDERAL										
Y00138	12/-/10	Kahuku Wind Power Interconnect	2,225,842	2,125,651	100,191	Various	20	50	51,974	3,616
	v2012	Kahuku Wind Power Interconnect	(93,030)		(93,030)	Various	20	50		(48,259)
		Total	<u>2,132,812</u>	<u>2,125,651</u>	<u>7,161</u>				<u>51,974</u>	<u>(44,643)</u>
		Cumulative							<u>51,974</u>	<u>7,331</u>
HAWAII										
Y00138	12/-/10	Kahuku Wind Power Interconnect	2,225,842	2,125,651	100,191	Various	20	0	3,757	7,233
	v2012	Kahuku Wind Power Interconnect	(93,030)	-	(93,030)	Various	20	0		(3,489)
		Total	<u>2,132,812</u>	<u>2,125,651</u>	<u>7,161</u>				<u>3,757</u>	<u>3,744</u>
		Cumulative							<u>3,757</u>	<u>7,501</u>

Hawaiian Electric Company, Inc.
2012 Major Projects Excess Cost

Grandparent # or Project #	Project	DIS	(A) [1] Net Plant Adds Thru 12/31/11	(B) [1] Net Plant Adds Thru 12/31/12	(C) Docket No 2010- 0053 Depr Rate	(D) = (A) * (C) 2012 Depr	(E) = (B) * (C) 2013 Depr	(F) [1] PUC Approved	(G) = (A) - (F) 2011 Cost in Excess of Docket	(H) = (G) / (A) * (D) 2012 Cost in Excess of Docket	(I) = (H) / (B) * (E) 2013 Depr Related to Excess
P7650000	W8 Boiler Controls Upgrade	2011/08	6,165,261	6,283,721	312	0.02030	127,560	5,236,138	929,123	1,047,583	21,266
P7590000	W7 Controls Upgrade	2011/11	5,009,888	5,128,969	312	0.02030	104,118	5,021,440	(11,552)	107,529	2,183
P0001399	W8 Main Transformer Replace	2011/08	2,627,959	2,647,759	315	0.02430	64,341	2,357,425	270,534	290,334	7,055
V00138	Kahuku Wind Power	2010/12	2,225,842	2,132,812	397	0.06670	338,940	2,125,651	100,191	7,161	478

[1] Source: HECO-WP-02-001

[2] Transmittal No. 12-02 (Decoupling RBA Rate Adjustment Hawaiian Electric Revisions to Tariff Filing), HECO-WP-E-005, filed on May 23, 2012.

[3] 2013 Depr estimated using proportion of Net Plant Adds Thru 12/31/12 to Net Plant Adds Thru 12/31/11 applied to 2012 Depr. 2013 Depr Related to Excess calculated using (C) Docket No 2010-0053 Depr Rate * (1) 2012 Cost in Excess of Docket.

HAWAIIAN ELECTRIC COMPANY, INC.
TAX REPAIRS ADJUSTMENT
2013

	HECO-WP- F1-002		NOTE 2	A	B	C = A x B	D = A - C
	5 YR				HECO-WP- F1-001, pg 2		
	LIFE	AVERAGE	Allocation	Plant Adds	Repairs Allocation	Repairs Deduction	Depreciable Basis
Communication	20	3,877					
Comp/Off/Furn/Tools	7	6,970					
Distribution	20	57,540		57,540,000	26.64%	15,328,607	42,211,393
Land	-	1,504					
Non-Steam Production	15	2,201		2,201,000	0.25%	5,449	2,195,551
Steam Production	20	28,468		28,468,000	16.14%	4,593,364	23,874,636
Structural	39	1,586					
Transmission	20	22,836		22,836,000	9.64%	2,201,052	20,634,948
Vehicles	-	6,270					
TOTAL		131,252	0.00%	111,045,000		22,128,472	88,916,528

NOTE 1: This schedule computes the estimated amount of deductible tax repairs related to the baseline plant additions for the RAM year. The deductible tax repairs amounts are carried forward to Schedule F1 and serve to reduce the depreciable tax basis for the baseline plant additions. The repairs percentages (Column B) are calculated on HECO-WP-F1-001, page 2.

NOTE 2: This allocation is no longer required because the 5 year average of additions is only baseline plant additions (excluding major additions). Previously we began with total plant additions, computed the allocation percentages, and then applied these percentages to the total RAM year baseline additions. By starting with the average baseline plant additions, the need for this allocation is eliminated.

**HAWAIIAN ELECTRIC COMPANY, INC.
REPAIRS DEDUCTION**

		Distribution	Non Steam	Steam	Transmission
Repairs %:					
Total book basis repairs					
2008		10,778,554	431,923	4,847,721	4,157,324
2009		10,418,863	17,975	11,978,165	4,818,251
2010		12,083,904	-	537,281	1,397,088
2011		22,408,659	-	5,154,632	2,763,643
2012		29,418,955	-	6,074,873	4,182,277
		<u>85,108,935</u>	<u>449,898</u>	<u>28,592,672</u>	<u>17,318,583</u>
Total book basis adds					
2008	HECO-WP-F1-002	39,830,000	1,726,000	23,791,000	13,901,000
2009	HECO-WP-F1-002	46,079,000	170,241,000	28,936,000	29,414,000
2010	HECO-WP-F1-002	51,409,000	5,082,000	27,087,000	71,280,000
2011	HECO-WP-F1-002	80,297,000	3,048,000	43,732,000	17,624,000
2012	HECO-WP-F1-002	101,864,000	1,628,000	53,661,000	47,462,000
		<u>319,479,000</u>	<u>181,725,000</u>	<u>177,207,000</u>	<u>179,681,000</u>
AVERAGE %		26.639915%	0.247571%	16.135182%	9.638517%

NOTE 1> With the assistance of Price Waterhouse Coopers, the repairs deduction analysis was performed in 2010 and 2012 in connection with changing HECO's method of identifying deductible repairs for tax accounting purposes. The repairs percentage for each functional group represents the five year weighted average of the identified repairs costs.

HAWAIIAN ELECTRIC COMPANY, INC.
BASELINE PLANT ADDS

	LIFE	2008 ACTUAL			2009 ACTUAL			2010 ACTUAL		
		PROJECTS	PROGRAMS	TOTAL	PROJECTS	PROGRAMS	TOTAL	PROJECTS	PROGRAMS	TOTAL
Communication	20	1,304	1,056	2,360	3,766	402	4,168	2,581	1,441	4,022
Comp/Off/Furn/Tools	7	402	2,823	3,225	1,937	2,798	4,735	1,243	3,383	4,626
Distribution	20	7,834	31,996	39,830	13,201	32,878	46,079	14,241	37,168	51,409
Land	-	6,120	4	6,124		23	23	-	44	44
Non-Steam Production	15	1,726		1,726	170,241		170,241	5,082	-	5,082
Steam Production	20	22,131	1,660	23,791	25,955	2,981	28,936	22,719	4,368	27,087
Structural	39	953	368	1,321	556		556	231	20	251
Transmission	20	7,918	5,983	13,901	24,108	5,306	29,414	66,596	4,684	71,280
Vehicles	-	924	3,255	4,179		3,610	3,610	-	6,253	6,253
TOTAL		49,312	47,145	96,457	239,764	47,998	287,762	112,693	57,361	170,054

	LIFE	2011 ACTUAL			2012 ACTUAL			LESS MAJOR PROJECTS		
		PROJECTS	PROGRAMS	TOTAL	PROJECTS	PROGRAMS	TOTAL	PROJECTS	PROGRAMS	TOTAL
Communication	20	2,126	1,232	3,358	7,175	806	7,981	(2,502)		(2,502)
Comp/Off/Furn/Tools	7	1,901	7,646	9,547	5,009	7,709	12,718			-
Distribution	20	35,689	44,608	80,297	43,704	58,160	101,864	(31,781)		(31,781)
Land	-	1,162	91	1,253	-	77	77			-
Non-Steam Production	15	3,048		3,048	1,628		1,628	(170,719)		(170,719)
Steam Production	20	43,426	306	43,732	47,762	5,899	53,661	(34,870)		(34,870)
Structural	39	1,595	758	2,353	3,265	182	3,447	(1)		(1)
Transmission	20	8,809	8,815	17,624	35,695	30,015	65,710	(83,753)		(83,753)
Vehicles	-	-	8,413	8,413	-	8,892	8,892			-
TOTAL		97,756	71,869	169,625	144,238	111,740	255,978	(323,626)	-	(323,626)

	LIFE	TOTAL (2008 - 2012)			AVERAGE (2008-2012)			AVERAGE (2008-2012)		
		PROJECTS	PROGRAMS	TOTAL	PROJECTS	PROGRAMS	TOTAL	PROJECTS	PROGRAMS	TOTAL
Communication	20	14,450	4,937	19,387	2,890	987	3,877	2.20%	0.75%	2.95%
Comp/Off/Furn/Tools	7	10,492	24,359	34,851	2,098	4,872	6,970	1.60%	3.71%	5.31%
Distribution	20	82,888	204,810	287,698	16,578	40,962	57,540	12.63%	31.21%	43.84%
Land	-	7,282	239	7,521	1,456	48	1,504	1.11%	0.04%	1.15%
Non-Steam Production	15	11,006	-	11,006	2,201	-	2,201	1.68%	0.00%	1.68%
Steam Production	20	127,123	15,214	142,337	25,425	3,043	28,468	19.37%	2.32%	21.69%
Structural	39	6,599	1,328	7,927	1,320	266	1,586	1.01%	0.20%	1.21%
Transmission	20	59,373	54,803	114,176	11,875	10,961	22,836	9.05%	8.35%	17.40%
Vehicles	-	924	30,423	31,347	185	6,085	6,270	0.14%	4.64%	4.78%
TOTAL		320,137	336,113	656,250	64,028	67,224	131,252	48.79%	51.22%	100.01%

(A)

NOTE A> The actual baseline plant additions is \$131,249,293 (Schedule D2). The \$131,252 is a result of rounding.

Hawaiian Electric Company, Inc.
2013 CIAC Additions - Major Projects Support

Grandparent	Project	Functional Category	Project > Plant Addition Date	Project to Date		2013 CIAC Additions	Future Years
				Recorded 12/31/12			
Y48500	P0001949: SmartTech Install (EOTP Ph2)	Distribution	201208	(812,546)	N1	(54,766) N2	- N2
See Schedule G2 - Major Capital Project CIAC Additions						(54,766)	

N1 Source: Hawaiian Electric Companies' *Exemption From and Modification of General Order No. 7 Paragraph No. 2.3(g), Relating to Capital Improvements Capital Projects Completed in 2012*, in Docket No. 03-0257, filed on March 22, 2013. See HECO-WP-D2-001.

N2 Source: UI Planner Budget Files - Forecast obtained from the U1302 scenario.

HAWAIIAN ELECTRIC COMPANY, INC.
AVERAGE RATE BASE
2012
(\$ THOUSANDS)

	<u>12/31/2012</u>	<u>12/31/2011</u>	<u>Average</u>
<u>Investments in Assets Serving Customers</u>			
Net Cost of Plant in Service *	1,910,296	1,693,258	1,801,777
Property Held for Future Use	4,086	4,090	4,088
Fuel Inventory	123,176	128,037	125,607
Materials & Supplies Inventories	28,617	22,024	25,321
Unamortized Net SFAS 109 Regulatory Asset	64,857	63,357	64,107
Unamortized System Development Costs	8,953	8,297	8,625
Unamortized Deferred CIS	14,232	0	7,116
Unamortized EOTP Regulatory Asset	1,863	0	932
Unamortized CIP-CT1 Regulatory Asset	4,546	0	2,273
RO Water Pipeline Regulatory Asset	5,424	5,540	5,482
Contributions in Excess of NPPC Regulatory Asset	19,411	19,411	19,411
Working Cash	29,098	28,898	28,998
Total Investment in Assets	<u>2,214,559</u>	<u>1,972,912</u>	<u>2,093,736</u>
 <u>Funds from Non-Investors</u>			
Unamortized CIAC	238,510	204,795	221,653
Customer Advances	2,247	2,141	2,194
Customer Deposits	12,313	11,745	12,029
Accumulated Deferred Income Taxes	320,871	249,502	285,187
Unamortized Investment Tax Credit	38,719	33,856	36,288
Unamortized Gain on Sales	316	580	448
Pension Regulatory Liability	(9,575)	2,746	(3,415)
OPEB Regulatory Liability	6,432	8,721	7,577
Total Deductions	<u>609,833</u>	<u>514,086</u>	<u>561,960</u>
 Average Rate Base	 1,604,726	 1,458,826	 1,531,776

* Excludes amounts in excess of prior approved CIP CT-1 costs in 2011.

HAWAIIAN ELECTRIC COMPANY, INC.
AVERAGE RATE BASE AND RATE OF RETURN
(\$ Thousands)

RATE BASE	Month End		Simple Average
	Dec-12	Dec-11	
TOTAL UTILITY PLANT	2,313,477	2,111,010	
Adjustments:			
Franchise & Organizational Costs			
Construction Work in Progress	(130,143)	(117,624)	
Retirement Work in Progress	(10,140)	(11,018)	
Excess CIP CT-1 Capital Costs (net)		(30,636)	
Excess EOTP Phase 1 Capital Costs (net)			
Asset Retirement Obligation	(47,975)	(50,409)	
Regulatory Liability for Cost of Removal	(203,569)	(196,152)	
Other	(7,268)	(7,823)	
DEPRECIATED COST OF UTILITY PLANT IN SERVICE *	1,914,382	1,697,348	1,805,865
REGULATORY ASSETS - SFAS 109	64,857	63,357	64,107
REG ASSET- CONTRIB vs. NPPC	19,411	19,411	19,411
REGULATORY ASSET - PENSION NPPC vs. Rates	17,315	7,203	12,259
REGULATORY ASSET - OPEB NPBC vs. Rates	380	0	190
REGULATORY ASSET - RO PIPELINE	5,424	5,540	5,482
MATERIALS & SUPPLIES (Excluding Stores Expense)	30,360	24,978	27,669
MATERIALS & SUPPLIES ADJUSTMENT	(1,743)	(2,954)	(2,349)
FUEL STOCK	123,176	128,037	125,607
UNAMORTIZED DEFERRED OMS COSTS	3,101	3,572	3,337
UNAMORTIZED DEFERRED HR SUITE-PHASE 1	3,089	3,446	3,268
UNAMORTIZED DEFERRED HR SUITE-PHASE 2	1,151	1,279	1,215
UNAMORTIZED DEFERRED BUDGET SYSTEM PROJECT	1,612	0	806
UNAMORTIZED DEFERRED CIS COSTS	14,232	0	7,116
UNAMORTIZED EOTP REGULATORY ASSET	1,863	0	932
UNAMORTIZED CIP REGULATORY ASSET	4,546	0	2,273
WORKING CASH:	29,098	28,898	28,998
DEDUCTIONS:			
Unamortized Contributions in Aid of Construction	238,510	204,795	221,653
Customer Advances for Construction	2,247	2,141	2,194
Deferred Income Taxes	320,871	249,502	285,187
Unamortized Investment Tax Cr - 1962 Revenue Act & STC	38,719	33,856	36,288
Rental Premiums - Kamoku	0	0	0
Customer Deposits	12,313	11,745	12,029
Unamortized Gain on Sales	316	580	448
Regulatory Liability Tracker True-up	7,740	9,949	8,845
Regulatory Liability OPEB True-up	6,812	8,721	7,767
TOTAL DEDUCTIONS	627,528	521,289	574,409
MONTH ENDED RATE BASE	1,604,726	1,458,826	1,531,776

* Includes Property Held for Future Use balance of: 4,086 4,090 4,088

HAWAIIAN ELECTRIC COMPANY, INC.
Ratemaking Adjustments For Incentive Compensation And Other Non-Recoverable Expenses
2012

<u>Account/Activity No.</u>	<u>Description</u>	<u>YTD</u>	<u>Net of Tax</u>	<u>Rounded 000s</u>
P8M723PHENENPZZZZZ150*	LTIP expense (credit)	(22,960)		
P8M723PHENENPZZZZZ150*	EICP expense (credit)	1,209,708		
P8M723PHENENPZZZZZ150*	Manager award plan (credit)	645,324		
P8M723PHENENPZZZZZ900	LTIP share expense (credit)	833,695		
Incentive awards excel worksheet	New merit award	1,301,728		
Restricted stock report	Other incentive awards	580,523		Incentive
Provided by HEI	HEI charges for incentive compensation	1,643,594	3,782,470	3,782
P#R0001202	Executive life insurance(COLI) expense (credit) <i>not tax deduct</i>	(322,463)		
93022 Schedule	Company memberships	79,220		
WO#AD000945	(portion of EEI dues related to EEI's Government Affairs group, Communication, Marketing, Customer, and Employee Relations group)			
WO#HR000121	Ho'ola'a - service awards program	42,219		
WO#HR000034	HEIRS 401K	0		
WO#HR000035	HEIRS 401K-Fidelity Recordkeeping	25,192		
P#R0001091	Directors	7,881		
P#R0001087	Excess	330,605		
P#R0001088	SERP	147,144		
P#R0010240	OPEB (Executive life portion only)	937,769		
408040	Payroll taxes related to incentive compensation	172,460		Other
AUW excel spreadsheet	Community service adm - AUW	158,509	868,464	868
	Total adjustment to operating income	7,768,148		
	Tax on adjustments	(3,117,214)		
	Net adjustment to operating income	4,650,934	4,650,934	4,650

For HEIRS-Fidelity recordkeeping, applied the following percentage as disallowed (only fee for matched contribution allowed)
1-(117/1596*.7041) 94.84%

HAWAIIAN ELECTRIC COMPANY, INC.
Income Tax On Items To Be Replaced By Synchronized Interest
2012

	<u>Source</u>	<u>YTD</u>		
Total Interest Charges	PUC report	40,843,311		
Less: Int on Customer Deposits	Account 43105000	(773,785)		
AFUDC-Debt	NARUC 420030	(3,642,083)		
Amort of Inv Inc Differential	NARUC 403030	194,264	←	Line 2c
Equity in net income of trust	NARUC 421070	<u>(100,516)</u>		
		36,521,191		
	Tax rate	<u>38.9097744%</u>		
	Rounded (000s)	14,210	←	Line 2d

HAWAIIAN ELECTRIC COMPANY, INC.
Ratemaking Capitalization
2012

	Simple Average <u>Balance*</u>	<u>Ratios</u>	<u>Cost Rate</u>	<u>Weighted Cost of Debt</u>
Short-Term Debt	73,702	4.26%	0.52%	0.02%
Long-Term Debt	676,936	39.10%	5.79%	2.26%
Hybrid Securities	28,104	1.62%	7.33%	0.12%
Preferred Stock	20,862	1.21%	5.44%	0.07%
Common Equity	931,512	53.81%	10.00%	5.38%
	<u>1,731,116</u>	<u>100.00%</u>		<u>7.85%</u>

	<u>NARUC/ GL Code</u>	<u>YTD Dec 2011</u>	<u>Rounded (000s)</u>	<u>Cost Rate</u>
Short-Term Debt:				
430	430	2,101,979		
Less: Interest on QUIDS		(2,050,516)		
Int Exp-Commercial Paper	43100000	359,839		
Int Exp-SCF Loans	43108000	0		
Int Inc-Assoc Cos.	419300	(25,219)		
		<u>386,083</u>	386	0.52%
Long-Term Debt:				
Amort of Debt Disc & Exp	428	1,951,109		
Less: Hybrid Sec Amort of Iss Exp		(109,414)		
Interest on Long-Term Debt	427	37,152,345		
Amort Inv Inc Differential	403030	194,264		
		<u>39,188,304</u>	39,188	5.79%
Hybrid Securities:				
Interest on QUIDS	43006000	2,050,516		
Amort Exp-QUID1 Iss Exp	428QUID1	40,416		
Amort Exp-QUID2 Iss Exp	428QUID2	37,899		
Amort Exp-QUID3 Iss Exp	428QUID3	31,099		
Equity in Net Inc of Trust	421070	(100,516)		
		<u>2,059,414</u>	2,059	7.33%
Preferred Stock:				
Amort of Pfd Stk Iss Exp	42501000	55,085		
Preferred Stock dividends	437	1,079,907		
		<u>1,134,992</u>	1,135	5.44%

* Short-Term Debt based on a 12 month average.

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

Tayne S. Y. Sekimura

A circular notary seal for Deborah Ichishita, a Notary Public in the State of Hawaii. The seal features the text "DEBORAH ICHISHITA" at the top, "NOTARY PUBLIC" in the center, and "STATE OF HAWAII" at the bottom. The commission number "04-409" is also displayed in the center. The seal is surrounded by a decorative border of small stars.

Deborah Schickel

My Commission expires July 18, 2016

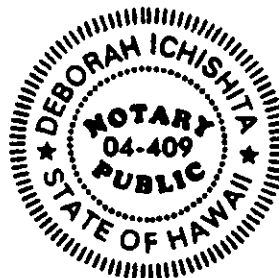
STATE OF HAWAII NOTARY CERTIFICATION

Doc. Date: 3/28/2013 # of pages 113

Notary Name: **DEBORAH ICHISHITA** First Circuit

Doc. Description: Hawaiian Electric
Application - Transmittal No. 13-03
(Decoupling)

Deborah Ichishita 3/28/13
Notary Signature Date



CERTIFICATE OF SERVICE

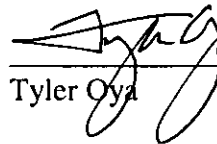
I hereby certify that the foregoing Transmittal No. 13-03 was served on the date of filing
by hand delivery, as indicated below.

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, March 28, 2013.

HAWAIIAN ELECTRIC COMPANY, INC.


Tyler Oya