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PATSY H. NANBU  
Controller

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PUBLIC UTILITIES  
COMMISSION

May 19, 2016

Public Utilities Commission  
of the State of Hawaii  
465 South King Street  
Kekuanaoa Building, 1<sup>st</sup> Floor  
Honolulu, Hawaii 96813

Industry Type Electric  
Period Ending 12/31/15  
Initials PN

Subject: **HAWAIIAN ELECTRIC COMPANY, INC.  
2015 PUC ANNUAL UTILITY REPORT**

Dear Commissioners:

Enclosed are four (4) signed and notarized copies of Hawaiian Electric Company, Inc.'s 2015 Public Utilities Commission Annual Report. The Annual Report has been prepared utilizing the FERC Form No. 1 format, which provides statistical financial and operational information in a format that is readily comparable to other utilities.

Please call me at 543-7424 if you have any questions.

Sincerely,

Patsy H. Nanbu  
Controller

Enclosures

xc: Division of Consumer Advocacy (2 copies)



**FILED**

2016 MAY 19 10:14

PUBLIC UTILITIES  
COMMISSION

# Annual Report of

Hawaiian Electric Company, Inc.

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State exact corporate name of respondent

900 Richards Street, Honolulu, HI 96813

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Address of Respondent's Principal Business Office

## To the **Public Utilities Commission**

### State of Hawaii

### For the year ending

December 31, 2015

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Approved Annual Report  
for  
Electric Utilities



Revised Form  
Approved by Public Utilities Commission





Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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LIST OF SCHEDULES (Electric Utility)

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

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
1	General Information	101	
2	Control Over Respondent	102	
3	Corporations Controlled by Respondent	103	
4	Officers	104	
5	Directors	105	
6	Information on Formula Rates	106(a)(b)	N/A
7	Important Changes During the Year	108-109	
8	Comparative Balance Sheet	110-113	
9	Statement of Income for the Year	114-117	
10	Statement of Retained Earnings for the Year	118-119	
11	Statement of Cash Flows	120-121	
12	Notes to Financial Statements	122-123	
13	Statement of Accum Comp Income, Comp Income, and Hedging Activities	122(a)(b)	
14	Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep	200-201	
15	Nuclear Fuel Materials	202-203	N/A
16	Electric Plant in Service	204-207	
17	Electric Plant Leased to Others	213	N/A
18	Electric Plant Held for Future Use	214	N/A
19	Construction Work in Progress-Electric	216	
20	Accumulated Provision for Depreciation of Electric Utility Plant	219	
21	Investment of Subsidiary Companies	224-225	
22	Materials and Supplies	227	
23	Allowances	228(ab)-229(ab)	N/A
24	Extraordinary Property Losses	230	N/A
25	Unrecovered Plant and Regulatory Study Costs	230	N/A
26	Transmission Service and Generation Interconnection Study Costs	231	
27	Other Regulatory Assets	232	
28	Miscellaneous Deferred Debits	233	
29	Accumulated Deferred Income Taxes	234	N/A
30	Capital Stock	250-251	
31	Other Paid-in Capital	253	N/A
32	Capital Stock Expense	254	
33	Long-Term Debt	256-257	
34	Reconciliation of Reported Net Income with Taxable Inc for Fed Inc Tax	261	
35	Taxes Accrued, Prepaid and Charged During the Year	262-263	
36	Accumulated Deferred Investment Tax Credits	266-267	

Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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LIST OF SCHEDULES (Electric Utility) (continued)

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

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
37	Other Deferred Credits	269	
38	Accumulated Deferred Income Taxes-Accelerated Amortization Property	272-273	N/A
39	Accumulated Deferred Income Taxes-Other Property	274-275	
40	Accumulated Deferred Income Taxes-Other	276-277	
41	Other Regulatory Liabilities	278	
42	Electric Operating Revenues	300-301	
43	Regional Transmission Service Revenues (Account 457.1)	302	N/A
44	Sales of Electricity by Rate Schedules	304	
45	Sales for Resale	310-311	N/A
46	Electric Operation and Maintenance Expenses	320-323	
47	Purchased Power	326-327	
48	Transmission of Electricity for Others	328-330	N/A
49	Transmission of Electricity by ISO/RTOs	331	N/A
50	Transmission of Electricity by Others	332	N/A
51	Miscellaneous General Expenses-Electric	335	
52	Depreciation and Amortization of Electric Plant	336-337	
53	Regulatory Commission Expenses	350-351	
54	Research, Development and Demonstration Activities	352-353	
55	Distribution of Salaries and Wages	354-355	
56	Common Utility Plant and Expenses	356	N/A
57	Amounts included in ISO/RTO Settlement Statements	397	N/A
58	Purchase and Sale of Ancillary Services	398	N/A
59	Monthly Transmission System Peak Load	400	
60	Monthly ISO/RTO Transmission System Peak Load	400a	N/A
61	Electric Energy Account	401	
62	Monthly Peaks and Output	401	
63	Steam Electric Generating Plant Statistics	402-403	
64	Hydroelectric Generating Plant Statistics	406-407	N/A
65	Pumped Storage Generating Plant Statistics	408-409	N/A
66	Generating Plant Statistics Pages	410-411	N/A

Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of _____ 2015/Q4
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LIST OF SCHEDULES (Electric Utility) (continued)

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Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
67	Transmission Line Statistics Pages	422-423	
68	Transmission Lines Added During the Year	424-425	
69	Substations	426-427	
70	Transactions with Associated (Affiliated) Companies	429	
71	Footnote Data	450	
	<p>Stockholders' Reports Check appropriate box:</p> <p><input type="checkbox"/> Two copies will be submitted</p> <p><input type="checkbox"/> No annual report to stockholders is prepared</p>		



Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of <u>2015/Q4</u>
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**GENERAL INFORMATION**

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

Patsy H. Nanbu, Controller  
900 Richards Street  
Honolulu, HI 96813

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

Respondent was incorporated on October 13, 1891 and is validly existing as a corporation under the laws of the State of Hawaii.

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

Not Applicable.

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

The respondent is an operating public utility engaged in the business of generating, purchasing, transmitting, distributing and selling electric energy on the island of Oahu, in the State of Hawaii.

There is no other Public Utility rendering electric service on the Island of Oahu.

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

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

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**CONTROL OVER RESPONDENT**

1. If any corporation, business trust, or similar organization or a combination of such organizations jointly held control over the respondent at the end of the year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.

1. SINCE JULY 1, 1983, HAWAIIAN ELECTRIC COMPANY, INC. HAS BEEN A WHOLLY OWNED SUBSIDIARY OF HAWAIIAN ELECTRIC INDUSTRIES, INC. HAWAIIAN ELECTRIC INDUSTRIES, INC. HOLDS DIRECT CONTROL OVER HAWAIIAN ELECTRIC COMPANY, INC. BY REASON OF OWNERSHIP OF 15,805,327 SHARES OF COMMON STOCK OF HAWAIIAN ELECTRIC COMPANY, INC., THIS BEING ALL (100%) OF THE OUTSTANDING CLASS OF COMMON STOCK OF HAWAIIAN ELECTRIC COMPANY, INC. WITH FULL VOTING POWERS.

2. ADDITIONAL INFORMATION TO NOTE 1 ABOVE IS AVAILABLE IN THE COMBINED SEC 2015 10-K REPORT FOR HAWAIIAN ELECTRIC INDUSTRIES, INC. (PARENT COMPANY OF HAWAIIAN ELECTRIC COMPANY, INC.) AND HAWAIIAN ELECTRIC COMPANY, INC.

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**CORPORATIONS CONTROLLED BY RESPONDENT**

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

**Definitions**

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

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1	Maui Electric Company, Limited	Public Utility	100%	
2				
3	Hawaii Electric Light Company, Inc.	Public Utility	100%	
4				
5	HECO Capital Trust III	Business Trust for Preferred		
6		Security Financing	100%	
7				
8	Renewable Hawaii, Inc.	Renewable Energy	100%	
9				
10	Uluwehiokama Biofuels Corp.	Biofuels Development	100%	
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Name of Respondent Hawaiian Electric Company, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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**OFFICERS**

1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.

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

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)
1	1. OFFICERS:		
2			
3	Chairman of the Board *	Constance H. Lau	
4	President and Chief Executive Officer	Alan M. Oshima	
5	Senior Vice President - Customer Service	Jimmy D. Alberts	
6	Senior Vice President and Chief Information Officer	Stephen M. McMenamín	
7	Senior Vice President and Chief Financial Officer	Tayne S. Y. Sekimura	
8	Senior Vice President, General Counsel, Chief		
9	Compliance & Administrative Officer and		
10	Corporate Secretary	Susan A. Li	
11	Vice President - Energy Delivery	Colton K. Ching	
12	Vice President - Power Supply	Ronald R. Cox	
13	Vice President - Government & Community Affairs	Darcy L. Endo-Omoto	
14	Vice President - Enterprise Project Management	Richard R. Houck	
15	Vice President - Regulatory Affairs	Joseph P. Viola	
16	Vice President - System Operation	Scott W. H. Seu	
17	Vice President - Corporate Relations	Lynne T. Unemori	
18	Vice President - Corporate Planning and Business		
19	Development	Shelee M. T. Kimura	
20	Treasurer	Lorie Ann Nagata	
21	Controller	Patsy H. Nanbu	
22	Assistant Secretary	Julie R. Smolinkski	
23			
24	2. CHANGES DURING THE YEAR		
25	See footnote page for detail of changes		
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39	* Salary paid by parent company,		
40	Hawaiian Electric Industries, Inc.		
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FOOTNOTE DATA			

**Schedule Page: 104 Line No.: 3 Column: a**

Salary paid by parent company, Hawaiian Electric Industries, Inc.

**Schedule Page: 104 Line No.: 25 Column: a**

CHANGES DURING THE YEAR

Effective January 9, 2015, Dan V. Giovanni retired from the position of Senior Vice President - Operations.

Effective November 4, 2015, the following organizational changes were made:

- Susan Li who was Senior Vice President, General Counsel, Chief Compliance Officer, and Corporate Secretary became Senior Vice President, General Counsel, Chief Compliance & Administrative Officer and Corporate Secretary.

Effective December 14, 2015, the following organizational changes were made:

- Patricia U. Wong retired from the position of Senior Vice president, Corporate Services (comprising Human Resources, Safety and Security and Facilities Operations and Planning).
- Susan A. Li, Senior Vice President, General Counsel, Chief Compliance & Administrative Officer and Corporate Secretary assumed responsibility for Human Resources at Hawaiian Electric in addition to continuing with her current responsibilities.
- Ronald R. Cox, Vice President of Power Supply assumed interim responsibility for the Safety and Security Division at Hawaiian Electric in addition to overseeing the daily operation of Hawaiian Electric's power plants as well as fuel procurement and infrastructure.
- Tayne S.Y. Sekimura, Senior Vice President & Chief Financial Officer assumed responsibility for the Facilities Operations and Planning Division at Hawaiian Electric in addition to overseeing the finance area.

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Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of <u>2015/Q4</u>
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**DIRECTORS**

- Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.
- Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.

Line No.	Name (and Title) of Director (a)	Principal Business Address (b)
1	1. DIRECTORS	
2		
3	Constance H. Lau (Chairman of the Board)	Honolulu, Hawaii
4	Alan M. Oshima (President and Chief Executive Officer)	Honolulu, Hawaii
5	Don E. Carroll	Honolulu, Hawaii
6	Thomas B. Fargo	Honolulu, Hawaii
7	Peggy Y. Fowler	Tigard, Oregon
8	Timothy E. Johns	Honolulu, Hawaii
9	Micah A. Kane	Kailua, Hawaii
10	Bert A. Kobayashi, Jr.	Honolulu, Hawaii
11	Kelvin H. Taketa	Honolulu, Hawaii
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14	2. EXECUTIVE COMMITTEE	
15	None	
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Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 12/31/2015	Year/Period of Report End of 2015/Q4
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**IMPORTANT CHANGES DURING THE QUARTER/YEAR**

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

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 104 or 105 of the Annual Report Form No. 1, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. (Reserved.)
12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.
13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

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



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IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

Line No.	Important Changes During the Quarter/Year																																																
1	None																																																
2	None																																																
3	None																																																
4	None																																																
5	None																																																
6	<p>Guarantee of Securities Issued by Subsidiaries</p> <p>Hawaiian Electric Company, Inc. (Hawaiian Electric or Company) has obligated itself to make dividend, redemption and liquidation payments on the preferred stock of either its subsidiaries, Hawaii Electric Light Company, Inc. (Hawaii Electric Light) and Maui Electric Company, Limited (Maui Electric), if the respective subsidiary is unable to make such payments, provided that such obligation is subordinated to any obligation to make such payments on Hawaiian Electric's own preferred stock.</p> <p>Hawaiian Electric also unconditionally guarantees 1) Hawaii Electric Light's and Maui Electric's special purpose revenue bonds, 2) their respective private placement note agreements and Hawaii Electric Light notes and Maui Electric notes issued, and 3) trust preferred securities.</p> <p>Hawaii Electric Light Company, Inc.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Preferred Stock - Series G 7 5/8%</td> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 20%; text-align: right;">7,000,000</td> </tr> <tr> <td colspan="3">Cumulative Quarterly Income Preferred Securities</td> </tr> <tr> <td>Series 2004 (2004 Trust Preferred Securities), 6.50%</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">10,000,000</td> </tr> <tr> <td colspan="3">Obligations to the State of Hawaii for the repayment of Special Purpose Revenue Bonds</td> </tr> <tr> <td>Hawaii Electric Light, 6.50%, series 2009, due 2039</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">60,000,000</td> </tr> <tr> <td>Hawaii Electric Light, 4.60%, refunding series 2007B, due 2026</td> <td></td> <td style="text-align: right;">8,000,000</td> </tr> <tr> <td>Hawaii Electric Light, 4.65%, series 2007A, due 2037</td> <td></td> <td style="text-align: right;">20,000,000</td> </tr> <tr> <td>Hawaii Electric Light, 3.25%, refunding series 2015, due 2025</td> <td></td> <td style="text-align: right;">5,000,000</td> </tr> <tr> <td colspan="3">Taxable senior notes</td> </tr> <tr> <td>Hawaii Electric Light, 3.83%, Series 2013A, due 2020</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">14,000,000</td> </tr> <tr> <td>Hawaii Electric Light, 4.45%, Series 2013B, due 2022</td> <td></td> <td style="text-align: right;">12,000,000</td> </tr> <tr> <td>Hawaii Electric Light, 4.84%, Series 2013C, due 2027</td> <td></td> <td style="text-align: right;">30,000,000</td> </tr> <tr> <td>Hawaii Electric Light, 3.79%, Series 2012A, due 2018</td> <td></td> <td style="text-align: right;">11,000,000</td> </tr> <tr> <td>Hawaii Electric Light, 4.55%, Series 2012B, due 2023</td> <td></td> <td style="text-align: right;">20,000,000</td> </tr> <tr> <td>Hawaii Electric Light, 5.23%, Series 2015A, due 2045</td> <td></td> <td style="text-align: right;">25,000,000</td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">222,000,000</td> </tr> </table>	Preferred Stock - Series G 7 5/8%	\$	7,000,000	Cumulative Quarterly Income Preferred Securities			Series 2004 (2004 Trust Preferred Securities), 6.50%	\$	10,000,000	Obligations to the State of Hawaii for the repayment of Special Purpose Revenue Bonds			Hawaii Electric Light, 6.50%, series 2009, due 2039	\$	60,000,000	Hawaii Electric Light, 4.60%, refunding series 2007B, due 2026		8,000,000	Hawaii Electric Light, 4.65%, series 2007A, due 2037		20,000,000	Hawaii Electric Light, 3.25%, refunding series 2015, due 2025		5,000,000	Taxable senior notes			Hawaii Electric Light, 3.83%, Series 2013A, due 2020	\$	14,000,000	Hawaii Electric Light, 4.45%, Series 2013B, due 2022		12,000,000	Hawaii Electric Light, 4.84%, Series 2013C, due 2027		30,000,000	Hawaii Electric Light, 3.79%, Series 2012A, due 2018		11,000,000	Hawaii Electric Light, 4.55%, Series 2012B, due 2023		20,000,000	Hawaii Electric Light, 5.23%, Series 2015A, due 2045		25,000,000	Total	\$	222,000,000
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Hawaii Electric Light, 3.79%, Series 2012A, due 2018		11,000,000																																															
Hawaii Electric Light, 4.55%, Series 2012B, due 2023		20,000,000																																															
Hawaii Electric Light, 5.23%, Series 2015A, due 2045		25,000,000																																															
Total	\$	222,000,000																																															

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Hawaiian Electric Company, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2015	2015/Q4
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

Maui Electric Company, Limited

Preferred Stock - Series H 7 5/8%	\$	5,000,000
Cumulative Quarterly Income Preferred Securities		
Series 2004 (2004 Trust Preferred Securities), 6.50%	\$	10,000,000
Obligations to the State of Hawaii for the repayment of Special Purpose Revenue Bonds		
Maui Electric, 4.60%, refunding series 2007B, due 2026	\$	55,000,000
Maui Electric, 4.65%, series 2007A, due 2037		20,000,000
Maui Electric, 3.25%, refunding series 2015, due 2025		2,000,000
Taxable senior notes		
Maui Electric, 4.84%, Series 2013A, due 2027	\$	20,000,000
Maui Electric, 5.65%, Series 2013B, due 2043		20,000,000
Maui Electric, 3.79%, Series 2012A, due 2018		9,000,000
Maui Electric, 4.03%, Series 2012B, due 2020		20,000,000
Maui Electric, 4.55%, Series 2012C, due 2027		30,000,000
Maui Electric, 5.23%, Series 2015A, due 2045		5,000,000
	Total \$	196,000,000

7 None

8 None

9 Legal proceedings

See 2015 10-K pages 117-128, "Note 3 Electric utility segment - Commitments and contingencies"

10 None

11 Reserved

12 None

13 See "Officers" and "Directors" on pages 104 and 105, respectively.

14 Not applicable

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(Next page is 110)

Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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**COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)**

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
<b>1</b>	<b>UTILITY PLANT</b>			
2	Utility Plant (101-106, 114)	200-201	4,069,635,124	3,826,257,428
3	Construction Work in Progress (107)	200-201	147,979,390	134,375,394
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		4,217,614,514	3,960,632,822
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	1,590,337,100	1,510,209,855
6	Net Utility Plant (Enter Total of line 4 less 5)		2,627,277,414	2,450,422,967
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		0	0
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0
14	Net Utility Plant (Enter Total of lines 6 and 13)		2,627,277,414	2,450,422,967
15	Utility Plant Adjustments (116)		0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
<b>17</b>	<b>OTHER PROPERTY AND INVESTMENTS</b>			
18	Nonutility Property (121)		6,860,977	6,149,516
19	(Less) Accum. Prov. for Depr. and Amort. (122)		1,202,158	1,199,873
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	558,074,357	540,185,689
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other Investments (124)		0	0
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		0	0
29	Special Funds (Non Major Only) (129)		0	0
30	Long-Term Portion of Derivative Assets (175)		0	0
31	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		563,733,176	545,135,332
<b>33</b>	<b>CURRENT AND ACCRUED ASSETS</b>			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		16,273,122	12,407,887
36	Special Deposits (132-134)		0	0
37	Working Fund (135)		8,025	8,025
38	Temporary Cash Investments (136)		0	0
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		114,503,188	125,991,208
41	Other Accounts Receivable (143)		1,702,758	1,406,858
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		2,797,894	1,258,916
43	Notes Receivable from Associated Companies (145)		0	16,100,000
44	Accounts Receivable from Assoc. Companies (146)		6,986,039	6,131,914
45	Fuel Stock (151)	227	49,455,852	74,500,878
46	Fuel Stock Expenses Undistributed (152)	227	0	14,060
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	29,284,085	30,862,953
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	0	0

Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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**COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS) (Continued)**

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	1,636,301	2,291,618
55	Gas Stored Underground - Current (164.1)		0	0
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
57	Prepayments (165)		20,256,199	14,684,636
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		95,435	78,475
60	Rents Receivable (172)		0	0
61	Accrued Utility Revenues (173)		73,031,267	103,547,866
62	Miscellaneous Current and Accrued Assets (174)		5,153,865	5,467,365
63	Derivative Instrument Assets (175)		0	0
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
65	Derivative Instrument Assets - Hedges (176)		0	0
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0
67	Total Current and Accrued Assets (Lines 34 through 66)		315,588,242	392,234,827
68	<b>DEFERRED DEBITS</b>			
69	Unamortized Debt Expenses (181)		5,742,494	5,639,544
70	Extraordinary Property Losses (182.1)	230a	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b	0	0
72	Other Regulatory Assets (182.3)	232	660,218,085	682,334,142
73	Prelim. Survey and Investigation Charges (Electric) (183)		0	0
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)		0	0
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)		10,213,167	8,865,045
77	Temporary Facilities (185)		308,001	248,310
78	Miscellaneous Deferred Debits (186)	233	24,871,146	31,142,797
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
81	Unamortized Loss on Reaquired Debt (189)		0	0
82	Accumulated Deferred Income Taxes (190)	234	0	0
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		701,352,893	728,229,838
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		4,207,951,725	4,116,022,964

Name of Respondent Hawaiian Electric Company, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (mo, da, yr) 12/31/2015	Year/Period of Report end of <u>2015/Q4</u>
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**COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)**

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	<b>PROPRIETARY CAPITAL</b>			
2	Common Stock Issued (201)	250-251	105,388,460	105,388,460
3	Preferred Stock Issued (204)	250-251	22,293,140	22,293,140
4	Capital Stock Subscribed (202, 205)		0	0
5	Stock Liability for Conversion (203, 206)		0	0
6	Premium on Capital Stock (207)		582,884,126	582,884,126
7	Other Paid-In Capital (208-211)	253	0	0
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254b	3,954,256	3,945,878
11	Retained Earnings (215, 215.1, 216)	118-119	725,537,669	697,953,391
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	317,544,033	299,819,957
13	(Less) Reaquired Capital Stock (217)	250-251	0	0
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	924,707	44,927
16	<b>Total Proprietary Capital (lines 2 through 15)</b>		<b>1,750,617,879</b>	<b>1,704,438,123</b>
17	<b>LONG-TERM DEBT</b>			
18	Bonds (221)	256-257	292,000,000	292,000,000
19	(Less) Reaquired Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	0	0
21	Other Long-Term Debt (224)	256-257	588,546,400	538,546,400
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		0	0
24	<b>Total Long-Term Debt (lines 18 through 23)</b>		<b>880,546,400</b>	<b>830,546,400</b>
25	<b>OTHER NONCURRENT LIABILITIES</b>			
26	Obligations Under Capital Leases - Noncurrent (227)		0	0
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		0	0
29	Accumulated Provision for Pensions and Benefits (228.3)		409,660,979	449,891,494
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		0	0
35	<b>Total Other Noncurrent Liabilities (lines 26 through 34)</b>		<b>409,660,979</b>	<b>449,891,494</b>
36	<b>CURRENT AND ACCRUED LIABILITIES</b>			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		84,631,297	122,432,498
39	Notes Payable to Associated Companies (233)		23,000,000	0
40	Accounts Payable to Associated Companies (234)		2,480,182	2,596,717
41	Customer Deposits (235)		13,509,072	15,296,264
42	Taxes Accrued (236)	262-263	131,667,889	176,339,128
43	Interest Accrued (237)		15,516,206	15,175,962
44	Dividends Declared (238)		230,817	231,568
45	Matured Long-Term Debt (239)		0	0

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**COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)** (continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		3,516	-3,894
48	Miscellaneous Current and Accrued Liabilities (242)		24,510,474	26,688,074
49	Obligations Under Capital Leases-Current (243)		0	0
50	Derivative Instrument Liabilities (244)		0	0
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0
52	Derivative Instrument Liabilities - Hedges (245)		0	0
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	0
54	Total Current and Accrued Liabilities (lines 37 through 53)		295,549,453	358,756,317
55	<b>DEFERRED CREDITS</b>			
56	Customer Advances for Construction (252)		2,776,019	2,299,828
57	Accumulated Deferred Investment Tax Credits (255)	266-267	54,077,965	49,864,618
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	342,050,056	302,718,584
60	Other Regulatory Liabilities (254)	278	6,539,659	9,527,843
61	Unamortized Gain on Reacquired Debt (257)		0	0
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	0	0
63	Accum. Deferred Income Taxes-Other Property (282)		249,878,012	225,992,075
64	Accum. Deferred Income Taxes-Other (283)		216,255,303	181,987,682
65	Total Deferred Credits (lines 56 through 64)		871,577,014	772,390,630
66	<b>TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)</b>		4,207,951,725	4,116,022,964

Name of Respondent Hawaiian Electric Company, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report 2015/Q4
FOOTNOTE DATA			

**Schedule Page: 112 Line No.: 59 Column: c**

Line 59 column (c) and (d) includes \$319,727,698 and \$283,739,660 at December 31, 2015 and December 31, 2014, respectively, of Contributions in Aid of Construction as prescribed by NARUC System of Accounts and authorized by the Hawaii Public Utilities Commission.

**Schedule Page: 112 Line No.: 59 Column: d**

See footnote for line 59, column c.



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Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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**STATEMENT OF INCOME**

- Quarterly
- Report in column (c) the current year to date balance. Column (c) equals the total of adding the data in column (g) plus the data in column (i) plus the data in column (k). Report in column (d) similar data for the previous year. This information is reported in the annual filing only.
  - Enter in column (e) the balance for the reporting quarter and in column (f) the balance for the same three month period for the prior year.
  - Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in column (k) the quarter to date amounts for other utility function for the current year quarter.
  - Report in column (h) the quarter to date amounts for electric utility function; in column (j) the quarter to date amounts for gas utility, and in column (l) the quarter to date amounts for other utility function for the prior year quarter.
  - If additional columns are needed, place them in a footnote.

- Annual or Quarterly if applicable
- Do not report fourth quarter data in columns (e) and (f)
  - Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
  - Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	1,642,785,661	2,140,430,078		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	1,112,522,850	1,574,786,069		
5	Maintenance Expenses (402)	320-323	66,649,304	66,513,081		
6	Depreciation Expense (403)	336-337	118,094,844	109,459,131		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337				
8	Amort. & Depl. of Utility Plant (404-405)	336-337	2,994,642	2,598,097		
9	Amort. of Utility Plant Acq. Adj. (406)	336-337				
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)					
13	(Less) Regulatory Credits (407.4)					
14	Taxes Other Than Income Taxes (408.1)	262-263	156,694,959	201,300,696		
15	Income Taxes - Federal (409.1)	262-263	-3,098,857	2,698,337		
16	- Other (409.1)	262-263	-376,595	-7,860,874		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	52,630,566	45,292,353		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	-6,852,483	-14,026,850		
19	Investment Tax Credit Adj. - Net (411.4)	266	4,284,213	4,997,777		
20	(Less) Gains from Disp. of Utility Plant (411.6)		3,407,954	2,853,647		
21	Losses from Disp. of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)					
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)					
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		1,513,840,455	2,010,957,870		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27		128,945,206	129,472,208		

Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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**STATEMENT OF INCOME FOR THE YEAR (Continued)**

9. Use page 122 for important notes regarding the statement of income for any account thereof.
10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
11. Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.
12. If any notes appearing in the report to stockholders are applicable to the Statement of Income, such notes may be included at page 122.
13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year to Date (in dollars) (g)	Previous Year to Date (in dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)	
						1
1,642,785,661	2,140,430,078					2
						3
1,112,522,850	1,574,786,069					4
66,649,304	66,513,081					5
118,094,844	109,459,131					6
						7
2,994,642	2,598,097					8
						9
						10
						11
						12
						13
156,694,959	201,300,696					14
-3,098,857	2,698,337					15
-376,595	-7,860,874					16
52,630,566	45,292,353					17
-6,852,483	-14,026,850					18
4,284,213	4,997,777					19
3,407,854	2,853,647					20
						21
						22
						23
						24
1,513,840,455	2,010,957,870					25
128,945,206	129,472,208					26

STATEMENT OF INCOME FOR THE YEAR (continued)

Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
			Current Year (c)	Previous Year (d)		
27	Net Utility Operating Income (Carried forward from page 114)		128,945,206	129,472,208		
28	Other Income and Deductions					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)		1,488	6,950		
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)					
33	Revenues From Nonutility Operations (417)			2,058		
34	(Less) Expenses of Nonutility Operations (417.1)		83,505	7,404		
35	Nonoperating Rental Income (418)		182,784	178,854		
36	Equity in Earnings of Subsidiary Companies (418.1)	119	43,020,049	41,063,960		
37	Interest and Dividend Income (419)		1,811,563	2,035,366		
38	Allowance for Other Funds Used During Construction (419.1)		5,640,893	6,084,570		
39	Miscellaneous Nonoperating Income (421)		3,592,822	4,446,860		
40	Gain on Disposition of Property (421.1)			2,085		
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		54,166,094	53,813,299		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)					
44	Miscellaneous Amortization (425)		55,086	55,086		
45	Donations (426.1)					
46	Life Insurance (426.2)					
47	Penalties (426.3)					
48	Exp. for Certain Civic, Political & Related Activities (426.4)					
49	Other Deductions (426.5)		4,407,206	1,244,348		
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		4,462,292	1,299,434		
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	176,247	125,440		
53	Income Taxes-Federal (409.2)	262-263	-202,364	-783,178		
54	Income Taxes-Other (409.2)	262-263	-108,727	-343,951		
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	-2,559,414	1,456,987		
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277				
57	Investment Tax Credit Adj.-Net (411.5)					
58	(Less) Investment Tax Credits (420)					
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		-2,694,258	455,298		
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		52,398,080	52,058,567		
61	Interest Charges					
62	Interest on Long-Term Debt (427)		40,371,975	39,756,599		
63	Amort. of Debt Disc. and Expense (428)		1,856,486	1,691,675		
64	Amortization of Loss on Required Debt (428.1)					
65	(Less) Amort. of Premium on Debt-Credit (429)					
66	(Less) Amortization of Gain on Required Debt-Credit (429.1)					
67	Interest on Debt to Assoc. Companies (430)		2,057,412	2,051,604		
68	Other Interest Expense (431)		2,230,174	1,615,710		
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		1,967,056	2,305,679		
70	Net Interest Charges (Total of lines 62 thru 69)		44,548,991	42,809,909		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		136,794,275	138,720,866		
72	Extraordinary Items					
73	Extraordinary Income (434)					
74	(Less) Extraordinary Deductions (435)					
75	Net Extraordinary Items (Total of line 73 less line 74)					
76	Income Taxes-Federal and Other (409.3)	262-263				
77	Extraordinary Items After Taxes (line 75 less line 76)					
78	Net Income (Total of line 71 and 77)		136,794,275	138,720,866		

Name of Respondent Hawaiian Electric Company, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report 2015/Q4
FOOTNOTE DATA			

**Schedule Page: 114 Line No.: 20 Column: g**

Line 20 column (c) & (g) includes the following items which do not fit into the prescribed format:

	Current Year to Date (c) & (g)
	-----
Amortization of Contributions In Aid of Construction	\$ (6,771,148)
Amortization of Investment Income Differential	184,971
Amortization of Regulatory Assets	3,178,223

**Schedule Page: 114 Line No.: 20 Column: h**

Line 20 column (d) & (h) includes the following items which do not fit into the prescribed format:

	Previous Year to Date (d) & (h)
	-----
Amortization of Contributions In Aid of Construction	\$ (6,147,559)
Amortization of Investment Income Differential	184,971
Amortization of Regulatory Assets	3,108,941

Name of Respondent Hawaiian Electric Company, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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**STATEMENT OF RETAINED EARNINGS**

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

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	<b>UNAPPROPRIATED RETAINED EARNINGS (Account 216)</b>			
1	Balance-Beginning of Period		697,953,391	663,791,816
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4				
5				
6				
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10				
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		93,774,226	97,656,906
17	Appropriations of Retained Earnings (Acct. 436)			
18				
19				
20				
21				
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
24			1,079,907	( 1,079,907)
25				
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)		-1,079,907	( 1,079,907)
30	Dividends Declared-Common Stock (Account 438)			
31			-90,406,015	( 88,491,936)
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-90,406,015	( 88,491,936)
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings		25,295,971	26,076,512
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		725,537,666	697,953,391

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**STATEMENT OF RETAINED EARNINGS**

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

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	<b>APPROPRIATED RETAINED EARNINGS (Account 215)</b>			
39				
40				
41				
42				
43				
44				
45	<b>TOTAL Appropriated Retained Earnings (Account 215)</b>			
	<b>APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)</b>			
46	<b>TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)</b>			
47	<b>TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)</b>			
48	<b>TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)</b>		725,537,666	697,953,391
	<b>UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account</b>			
	<b>Report only on an Annual Basis, no Quarterly</b>			
49	Balance-Beginning of Year (Debit or Credit)		299,819,957	284,832,509
50	Equity in Earnings for Year (Credit) (Account 418.1)		43,020,049	41,063,960
51	(Less) Dividends Received (Debit)		25,295,971	26,076,512
52				
53	<b>Balance-End of Year (Total lines 49 thru 52)</b>		317,544,035	299,819,957

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FOOTNOTE DATA			

**Schedule Page: 118 Line No.: 24 Column: c**

Dividends Declared - Preferred Stock (Account 437)

Dividends Declared - Preferred Stock (Account 437):

<u>Item (a)</u>	<u>Amount (d)</u>
Series C, \$0.85 .....	\$ 127,500
Series D, \$1.00 .....	50,000
Series E, \$1.00 .....	150,000
Series H, \$1.05 .....	262,500
Series I, \$1.00 .....	89,657
Series J, \$0.95 .....	237,500
Series K, \$0.93 .....	<u>162,750</u>
<b>TOTAL .....</b>	<b>\$ 1,079,907</b>

**Schedule Page: 118 Line No.: 24 Column: d**

See footnote for column (c) line 24



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Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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**STATEMENT OF CASH FLOWS**

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper, and (d) Identify separately such items as investments, fixed assets, intangibles, etc.  
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.  
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.  
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 78(c) on page 117)	136,794,275	138,720,866
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	117,681,531	109,203,581
5	Amortization of	4,678,005	4,535,583
6	Impairment of utility assets	4,573,172	1,865,524
7	Other	4,403,497	758,000
8	Deferred Income Taxes (Net)	53,338,223	56,900,788
9	Investment Tax Credit Adjustment (Net)	4,284,213	4,997,777
10	Net (Increase) Decrease in Receivables	45,385,068	20,893,040
11	Net (Increase) Decrease in Inventory	27,293,271	27,454,565
12	Net (Increase) Decrease in Allowances Inventory		
13	Net Increase (Decrease) in Payables and Accrued Expenses	-42,751,231	-56,044,804
14	Net (Increase) Decrease in Other Regulatory Assets	-20,357,185	-14,620,439
15	Net Increase (Decrease) in Other-Regulatory Liabilities		
16	(Less) Allowance for Other Funds Used During Construction	5,640,893	6,084,570
17	(Less) Undistributed Earnings from Subsidiary Companies	43,020,049	41,063,959
18	Other (provide details in footnote):		
19	Changes in other assets and liabilities	-48,411,474	-28,831,832
20			
21			
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	238,250,423	218,684,120
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)		
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant	-273,261,579	-244,053,941
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction	-5,640,893	-6,084,570
31	Other (provide details in footnote):		
32	Contributions in Aid of Construction	35,955,611	30,021,258
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-231,665,075	-207,948,113
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)	923,952	603,611
38			
39	Investments in and Advances to Assoc. and Subsidiary Companies	16,100,000	-9,261,000
40	Contributions and Advances from Assoc. and Subsidiary Companies		
41	Disposition of investments in (and Advances to)		
42	Associated and Subsidiary Companies		
43			
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		

Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of <u>2015/Q4</u>
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**STATEMENT OF CASH FLOWS**

- (1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, Intangibles, etc.
- (2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
- (3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
- (4) Investing Activities: include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
46	Loans Made or Purchased		
47	Collections on Loans		
48			
49	Net (Increase) Decrease in Receivables		
50	Net (Increase ) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Other (provide details in footnote):		
54			
55			
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	-214,641,123	-216,605,502
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)	50,000,000	
62	Preferred Stock		
63	Common Stock		40,000,000
64	Other (provide details in footnote):		
65			
66	Net Increase in Short-Term Debt (c)	23,000,000	
67	Other (provide details in footnote):		
68			
69			
70	Cash Provided by Outside Sources (Total 61 thru 69)	73,000,000	40,000,000
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)		
74	Preferred Stock		
75	Common Stock		
76	Other (provide details in footnote):		
77	Issuing costs	-1,257,392	-336,900
78	Net Decrease in Short-Term Debt (c)		-1,000,000
79			
80	Dividends on Preferred Stock	-1,080,658	-1,079,155
81	Dividends on Common Stock	-90,406,015	-88,491,936
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	-19,744,065	-50,907,991
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	3,865,235	-48,829,373
87			
88	Cash and Cash Equivalents at Beginning of Period	12,415,912	61,245,285
89			
90	Cash and Cash Equivalents at End of period	16,281,147	12,415,912

Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 12/31/2015	Year/Period of Report End of <u>2015/Q4</u>
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**NOTES TO FINANCIAL STATEMENTS**

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

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

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NOTES TO FINANCIAL STATEMENTS (Continued)

## Notes to Consolidated Financial Statements

### Hawaiian Electric Company, Inc. and Subsidiaries

#### 1 - Summary of significant accounting policies

##### General

Hawaiian Electric and its wholly-owned operating subsidiaries, Hawaii Electric Light Company, Inc. (Hawaii Electric Light) and Maui Electric Company, Limited (Maui Electric), are regulated public electric utilities (collectively, the Utilities) in the business of generating, purchasing, transmitting, distributing and selling electric energy on all major islands in Hawaii other than Kauai. Hawaiian Electric also owns Renewable Hawaii, Inc. (RHI), Uluwehiokama Biofuels Corp. (UBC) and HECO Capital Trust III.

**Basis of presentation.** In preparing the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP), management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses. Actual results could differ significantly from those estimates.

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

**Consolidation.** The consolidated financial statements include the accounts of Hawaiian Electric and its subsidiaries. The consolidated financial statements exclude subsidiaries which are variable interest entities (VIEs) when the Utilities are not the primary beneficiaries. Investments in companies over which the Utilities have the ability to exercise significant influence, but not control, are accounted for using the equity method.

**Regulation by the Public Utilities Commission of the State of Hawaii (PUC).** The Utilities are regulated by the PUC and account for the effects of regulation under FASB ASC Topic 980, "Regulated Operations." As a result, the actions of regulators can affect the timing of recognition of revenues, expenses, assets and liabilities. Management believes the Utilities' operations currently satisfy the ASC Topic 980 criteria. If events or circumstances should change so that those criteria are no longer satisfied, the Utilities expect that their regulatory assets, net of regulatory liabilities, would be charged to the statement of income in the period of discontinuance.

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

**Accounts receivable.** Accounts receivable are recorded at the invoiced amount. The Utilities generally assess a late payment charge on balances unpaid from the previous month. The allowance for doubtful accounts is the Utilities' best estimate of the amount of probable credit losses in the Utilities existing accounts receivable. At December 31, 2015 and 2014, the allowance for customer accounts receivable, accrued unbilled revenues and other accounts receivable was \$1.7 million and \$2.0 million, respectively.

**Equity method.** Investments in up to 50%-owned affiliates over which the Utilities have the ability to exercise significant influence over the operating and financing policies and investments in unconsolidated subsidiaries (e.g. HECO Capital Trust III) are accounted

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NOTES TO FINANCIAL STATEMENTS (Continued)			

for under the equity method, whereby the investment is carried at cost, plus (or minus) the equity in undistributed earnings (or losses) and minus distributions since acquisition. Equity in earnings or losses is reflected in operating revenues. Equity method investments are also evaluated for OTTI.

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

**Depreciation.** Depreciation is computed primarily using the straight-line method over the estimated lives of the assets being depreciated. Electric utility plant additions in the current year are depreciated beginning January 1 of the following year in accordance with rate-making. Electric utility plant has lives ranging from 20 to 88 years for production plant, from 25 to 65 years for transmission and distribution plant and from 5 to 65 years for general plant. The Utilities' composite annual depreciation rate, which includes a component for cost of removal, was 3.2%, 3.1% and 3.1% in 2015, 2014 and 2013, respectively.

**Leases.** The Utilities have entered into lease agreements for the use of equipment and office space. The provisions of some of the lease agreements contain renewal options.

The Utilities' operating lease expense was \$9 million, \$9 million and \$8 million in 2015, 2014 and 2013, respectively. The Utilities' future minimum lease payments are as follows:

(in millions)	Hawaiian Electric
2016	\$ 5
2017	4
2018	3
2019	2
2020	2
Thereafter	6
	\$ 22

**Retirement benefits.** Pension and other postretirement benefit costs are charged primarily to expense and electric utility plant. Funding for the Utilities' qualified pension plans (Plans) is based on actuarial assumptions adopted by the Pension Investment Committee administering the Plans on the advice of an enrolled actuary. The participating employers contribute amounts to a master pension trust for the Plans in accordance with the funding requirements of the Employee Retirement Income Security Act of 1974, as amended (ERISA), including changes promulgated by the Pension Protection Act of 2006, and considering the deductibility of contributions under the Internal Revenue Code. The Utilities generally fund at least the net periodic pension cost during the year, subject to limits and targeted funded status as determined with the consulting actuary. Under a pension tracking mechanism approved by the Public Utilities Commission of the State of Hawaii (PUC), the Utilities generally will make contributions to the pension fund at the greater of the minimum level required under the law or net periodic pension cost.

Certain health care and/or life insurance benefits are provided to eligible retired employees and the employees' beneficiaries and

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NOTES TO FINANCIAL STATEMENTS (Continued)			

covered dependents. The Utilities generally fund the net periodic postretirement benefit costs other than pensions (except for executive life) and the amortization of the regulatory asset for postretirement benefits other than pensions (OPEB), while maximizing the use of the most tax advantaged funding vehicles, subject to cash flow requirements and reviews of the funded status with the consulting actuary. The Utilities must fund OPEB costs as specified in the OPEB tracking mechanisms, which were approved by the PUC. Future decisions in rate cases could further impact funding amounts.

The Utilities recognize on their respective balance sheets the funded status of their defined benefit pension and other postretirement benefit plans, as adjusted by the impact of decisions of the PUC.

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

**Financing costs.** Financing costs related to the registration and sale of common stock are recorded in shareholders' equity.

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

The Utilities use the straight-line method to amortize the fees and related costs paid to secure a firm commitment under their line-of-credit arrangements.

**Contributions in aid of construction.** The Utilities receive contributions from customers for special construction requirements. As directed by the PUC, contributions are amortized on a straight-line basis over 30 to 55 years as an offset against depreciation expense.

**Electric utility revenues.** Electric utility revenues are based on rates authorized by the PUC. Revenues related to the sale of energy were generally recorded when service was rendered or energy was delivered to customers and included revenues applicable to energy consumed in the accounting period but not yet billed to the customers.

The rate schedules of the Utilities include energy cost adjustment clauses (ECACs) under which electric rates are adjusted for changes in the weighted-average price paid for fuel oil and certain components of purchased power, and the relative amounts of company-generated power and purchased power. The rate schedules also include purchased power adjustment clauses (PPACs) under which the remaining purchase power expenses are recovered through surcharge mechanisms. The amounts collected through the ECACs and PPACs are required to be reconciled quarterly.

Upon the implementation of decoupling (Hawaiian Electric on March 1, 2011, Hawaii Electric Light on April 9, 2012 and Maui Electric on May 4, 2012), the Utilities: (1) recognize monthly revenue balancing account (RBA) revenues or refunds for the difference

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between PUC-approved target revenues and recorded adjusted revenues, which delinks revenues from kilowatthour sales, (2) recognize a revenue escalation component via a rate adjustment mechanism (RAM) for certain operation and maintenance (O&M) expenses and rate base changes and (3) recognize (when applicable) an earnings sharing mechanism, which would provide for a reduction of revenues between rate cases in the event the utility's ratemaking return on average common equity (ROACE) exceeds the ROACE allowed in its most recent rate case.

The Utilities' revenues include amounts for various Hawaii state revenue taxes. Revenue taxes are generally recorded as an expense in the year the related revenues are recognized. However, the Utilities' revenue tax payments to the taxing authorities are based on the prior year's billed revenues (in the case of public service company taxes and PUC fees) or on the current year's cash collections from electric sales (in the case of franchise taxes). For 2015, 2014 and 2013, the Utilities included approximately \$209 million, \$267 million and \$266 million, respectively, of revenue taxes in "revenues" and in "taxes, other than income taxes" expense.

**Power purchase agreements.** If a power purchase agreement (PPA) falls within the scope of ASC Topic 840, "Leases," and results in the classification of the agreement as a capital lease, the Utilities would recognize a capital asset and a lease obligation. Currently, none of the PPAs are required to be recorded as a capital lease.

The Utilities evaluate PPAs to determine if the PPAs are VIEs, if the Utilities are primary beneficiaries and if consolidation is required. See Note 4.

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

**Allowance for funds used during construction (AFUDC).** AFUDC is an accounting practice whereby the costs of debt and equity funds used to finance plant construction are credited on the statement of income and charged to construction in progress on the balance sheet. If a project under construction is delayed for an extended period of time, AFUDC on the delayed project may be stopped after assessing the causes of the delay and probability of recovery.

The weighted-average AFUDC rate was 7.6% in 2015, 7.7% in 2014 and 7.6% in 2013, and reflected quarterly compounding.

**Income taxes.** Deferred income tax assets and liabilities are established for the temporary differences between the financial reporting bases and the tax bases of the Utilities' assets and liabilities at federal and state tax rates expected to be in effect when such deferred tax assets or liabilities are realized or settled. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Valuation allowances are established when necessary to reduce deferred income tax assets to the amount expected to be realized.

The Utilities' investment tax credits are deferred and amortized over the estimated useful lives of the properties to which the credits relate, in accordance with Accounting Standards Codification (ASC) Topic 980, "Regulated Operations."

The Utilities are included in the consolidated income tax returns of HEI. However, income tax expense has been computed for financial statement purposes as if the Utilities filed separate consolidated Hawaiian Electric income tax returns.

Governmental tax authorities could challenge a tax return position taken by management. If the Utilities' position does not prevail, the Utilities' results of operations and financial condition may be adversely affected as the related deferred or current income tax asset might be impaired and charged to expense or an unanticipated tax liability might be incurred.



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The Utilities use a "more-likely-than-not" recognition threshold and measurement standard for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

**Fair value measurements.** Fair value estimates are estimates of the price that would be received to sell an asset, or paid upon the transfer of a liability, in an orderly transaction between market participants at the measurement date. The fair value estimates are generally determined based on assumptions that market participants would use in pricing the asset or liability and are based on market data obtained from independent sources. However, in certain cases, the Utilities use their own assumptions about market participant assumptions based on the best information available in the circumstances. These valuations are estimates at a specific point in time, based on relevant market information, information about the financial instrument and judgments regarding future expected loss experience, economic conditions, risk characteristics of various financial instruments and other factors. These estimates do not reflect any premium or discount that could result if the Utilities were to sell its entire holdings of a particular financial instrument at one time. Because no active trading market exists for a portion of the Utilities' financial instruments, fair value estimates cannot be determined with precision. Changes in the underlying assumptions used, including discount rates and estimates of future cash flows, could significantly affect the estimates. In addition, the tax ramifications related to the realization of the unrealized gains and losses could have a significant effect on fair value estimates, but have not been considered in making such estimates.

The Utilities group their financial assets measured at fair value in three levels outlined as follows:

**Level 1:** Inputs to the valuation methodology are quoted prices, unadjusted, for identical assets or liabilities in active markets. A quoted price in an active market provides the most reliable evidence of fair value and is used to measure fair value whenever available.

**Level 2:** Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; inputs to the valuation methodology include quoted prices for identical or similar assets or liabilities in markets that are not active; or inputs to the valuation methodology that are derived principally from or can be corroborated by observable market data by correlation or other means.

**Level 3:** Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Level 3 assets and liabilities include financial instruments whose value is determined using discounted cash flow methodologies, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

Classification in the hierarchy is based upon the lowest level input that is significant to the fair value measurement of the asset or liability. For instruments classified in Level 1 and 2 where inputs are primarily based upon observable market data, there is less judgment applied in arriving at the fair value. For instruments classified in Level 3, management judgment is more significant due to the lack of observable market data.

Fair value is also used on a nonrecurring basis to evaluate certain assets for impairment or for disclosure purposes. Examples of nonrecurring uses of fair value include mortgage servicing rights accounted for by the amortization method, loan impairments for certain loans, real estate owned, goodwill and asset retirement obligations (AROs).

**Share-based compensation.** The Utilities apply the fair value based method of accounting to account for its stock compensation, including the use of a forfeiture assumption. See Note 8.

**Impairment of long-lived assets and long-lived assets to be disposed of.** The Utilities review long-lived assets and certain

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identifiable intangibles for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell.

**Recent accounting pronouncements.**

Revenues from contracts. In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers: (Topic 606)." The core principle of the guidance in ASU No. 2014-09 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should apply the following steps: (1) identify the contract/s with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when, or as, the entity satisfies a performance obligation.

The Utilities plan to adopt ASU No. 2014-09 in the first quarter of 2018, but has not determined the method of adoption (full or modified retrospective application) nor the impact of adoption on its results of operations, financial condition or liquidity.

Investments in certain entities that calculate net asset value per share. In May 2015, the FASB issued ASU No. 2015-07, "Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)," which removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient and limits certain disclosures to those investments.

The Utilities plan to retrospectively adopt ASU No. 2015-07 in the first quarter 2016 and will adjust its disclosures on the fair value of retirement benefit plan assets accordingly.

Balance sheet classification of deferred taxes. In November 2015, the FASB issued ASU No. 2015-17, "Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes," which eliminates the current requirement for entities to present deferred tax liabilities and assets as current and noncurrent in a classified balance sheet and instead requires all deferred tax liabilities and assets be classified as noncurrent.

The Utilities retrospectively adopted ASU No. 2015-17 in the fourth quarter of 2015. Hawaiian Electric's consolidated balance sheets as of December 31, 2015 and 2014, which are classified balance sheets, do not separate deferred tax liabilities and assets into a current amount and a noncurrent amount, but presents all deferred tax liabilities and assets as noncurrent amounts. The table below summarizes the impact to the prior period financial statements of the adoption of ASU No. 2015-17:

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(in thousands)	As previously filed	Adjustment from adoption of ASU No. 2015-17	As currently reported
<b>December 31, 2014</b>			
<b>Hawaiian Electric Consolidated Balance Sheet</b>			
Prepayments and other	\$ 66,383	\$ (32,915)	\$ 33,468
Total current assets	615,003	(32,915)	582,088
Total assets and Total capitalization and liabilities	5,590,457	(32,915)	5,557,542
Other current liabilities	65,146	(3,482)	61,664
Total current liabilities	502,430	(3,482)	498,948
Deferred income taxes	602,872	(29,433)	573,439
Total deferred credits and other liabilities	1,698,612	(29,433)	1,669,179
<b>Note 3 - Hawaiian Electric Consolidating Balance Sheet</b>			
<b><u>Hawaiian Electric (parent only)</u></b>			
Prepayments and other	44,680	(24,449)	20,231
Total current assets	463,929	(24,449)	439,480
Total assets and Total liabilities and shareholders' equity	4,396,815	(24,449)	4,372,366
Other current liabilities	48,282	(2,913)	45,369
Total current liabilities	362,652	(2,913)	359,739
Deferred income taxes	429,515	(21,536)	407,979
Total deferred credits and other liabilities	1,215,441	(21,536)	1,193,905
<b><u>Hawaii Electric Light</u></b>			
Prepayments and other	8,611	1,526	10,137
Total current assets	77,561	1,526	79,087
Total assets and Total liabilities and shareholders' equity	924,885	1,526	926,411
Other current liabilities	9,866	(279)	9,587
Total current liabilities	85,631	(279)	85,352
Deferred income taxes	90,119	1,805	91,924
Total deferred credits and other liabilities	265,993	1,805	267,798
<b><u>Maui Electric</u></b>			
Prepayments and other	13,567	(9,992)	3,575
Total current assets	98,911	(9,992)	88,919
Total assets and Total liabilities and shareholders' equity	832,977	(9,992)	822,985
Other current liabilities	16,094	(290)	15,804
Total current liabilities	79,646	(290)	79,356
Deferred income taxes	83,238	(9,702)	73,536
Total deferred credits and other liabilities	217,421	(9,702)	207,719
<b>December 31, 2013</b>			
Hawaiian Electric Consolidated assets	5,087,129	(20,702)	5,066,427

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**Financial instruments.** In January 2016, the FASB issued ASU No. 2016-01, "Financial Instruments-Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities," which, among other things:

- Requires equity investments (except those accounted for under the equity method of accounting, or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income.
- Requires public business entities to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes.
- Requires separate presentation of financial assets and financial liabilities by measurement category and form of financial asset (i.e., securities or loans and receivables).
- Eliminates the requirement for public business entities to disclose the method(s) and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost.

The Utilities plan to adopt ASU No. 2016-01 in the first quarter of 2018 and has not yet determined the impact of adoption.

**Reclassifications.** Reclassifications made to prior years' financial statements to conform to the 2015 presentation did not affect previously reported results of operations and include additional detail of noncash items in operating activities on the Hawaiian Electric's Consolidated Statements of Cash Flows.

## 2 • Proposed Merger

On December 3, 2014, HEI, parent of the Utilities, and NextEra Energy, Inc., a Florida corporation (NEE), NEE Acquisition Sub I, LLC, a Delaware limited liability company and a wholly owned subsidiary of NEE (Merger Sub II) and NEE Acquisition Sub II, Inc., a Delaware corporation and a wholly owned subsidiary of NEE (Merger Sub I), entered into an Agreement and Plan of Merger (the Merger Agreement). The Merger Agreement provides for Merger Sub I to merge with and into HEI (the Initial Merger), with HEI surviving, and then for HEI to merge with and into Merger Sub II, with Merger Sub II surviving as a wholly owned subsidiary of NEE (the Merger). The Merger is intended to qualify as a tax-free reorganization under the Internal Revenue Code of 1986, as amended, and to be tax-free to HEI shareholders.

Pursuant to the Merger Agreement, upon the closing of the Merger, each issued and outstanding share of HEI common stock will automatically be converted into the right to receive 0.2413 shares of common stock of NEE (the Exchange Ratio). No adjustment to the Exchange Ratio is made in the Merger Agreement for any changes in the market price of either HEI or NEE common stock between December 3, 2014 and the closing of the Merger.

The closing of the Merger is subject to various conditions, including, among others, (i) the approval of holders of 75% of the outstanding shares of HEI common stock, (ii) effectiveness of the registration statement for the NEE common stock to be issued in the Initial Merger and the listing of such shares on the New York Stock Exchange, (iii) expiration or termination of the applicable Hart-Scott-Rodino Act waiting period, (iv) receipt of all required regulatory approvals from, among others, the Federal Energy Regulatory Commission (FERC), the Federal Communications Commission and the Hawaii Public Utilities Commission, (v) the absence of any law or judgment in effect or pending in which a governmental entity has imposed or is seeking to impose a legal restraint that would prevent or make illegal the closing of the Merger, (vi) the absence of any material adverse effect with respect to either HEI or NEE, (vii) subject to certain exceptions, the accuracy of the representations and warranties of, and compliance with covenants by, each of the parties to the Merger Agreement, (viii) receipt by each of HEI and NEE of a tax opinion of its counsel regarding the tax treatment of the transactions contemplated by the Merger Agreement, (ix) effectiveness of the ASB Hawaii

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registration statement necessary to consummate the Spin-Off and (x) the determination by each of HEI and NEE that, upon completion of the Spin-Off, HEI will no longer be a savings and loan holding company or be deemed to control ASB for purposes of the Home Owners' Loan Act. The Spin-Off will be subject to various conditions, including, among others, the approval of the Federal Reserve Board (FRB). Some, but not all, of these conditions have been satisfied and certain of these conditions will only be satisfied shortly before closing.

The Merger Agreement contains customary representations, warranties and covenants of HEI and NEE.

The Merger Agreement contains certain termination rights for both HEI and NEE, including the right of either party to terminate the Merger Agreement if the Merger has not been consummated by June 3, 2016, and further provides that upon termination of the Merger Agreement under specified circumstances NEE would be required to pay HEI a termination fee of \$90 million and reimburse HEI for up to \$5 million of its documented out-of-pocket expenses incurred in connection with the Merger Agreement.

On January 29, 2015, HEI submitted its application to the FERC requesting all necessary authorizations to consummate the transactions contemplated by the Merger Agreement. The FERC issued its order authorizing the proposed merger on March 27, 2015.

On February 1, 2015, HEI submitted a letter to the FRB advising the FRB of its intent to seek deregistration as a Savings & Loan Holding Company (SLHC) to be effective upon the contemplated Spin-off of ASB Hawaii.

On March 26, 2015, NEE's Form S-4, which registers NEE common stock expected to be issued in the Initial Merger, was declared effective.

On March 30, 2015, ASB Hawaii filed its Form 10, the registration statement for the ASB Hawaii shares expected to be distributed in the Spin-Off.

HEI Shareholders approved the proposed merger agreement with NEE on June 10, 2015.

On August 7, 2015, each of HEI and NEE filed their respective notifications pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act), with the U.S. Department of Justice and Federal Trade Commission. On September 8, 2015, the mandatory, pre-merger waiting period under the HSR Act expired.

PUC application. In January 2015, NEE and Hawaiian Electric filed an application with the PUC requesting approval of the proposed Merger (under which Hawaiian Electric would become a wholly-owned indirect subsidiary of NEE). The application also requests modification of certain conditions agreed to by HEI and the PUC in 1982 for the merger and corporate restructuring of Hawaiian Electric, and confirmation that with approval of the Merger Agreement, the recommendations in the 1995 Dennis Thomas Report (resulting from a proceeding to review the relationship between HEI and Hawaiian Electric and any impact of HEI's then diversified activities on the Utilities) will no longer be applicable. The application includes a commitment that, for at least four years following the completion of the transaction, Hawaiian Electric will not submit any applications seeking a general base rate increase and will reduce the RAM, which amounts to approximately \$60 million in cumulative savings for customers, over the four-year base rate moratorium, subject to certain exceptions and conditions, including that the following remain in effect: the revenue balancing account (RBA) and RAM tariff provisions, the Renewable Energy Infrastructure Program, and Renewable Energy Infrastructure Surcharge, the integrated resource planning/DSM Recovery tariff provisions, the ECAC tariff provisions, the PPA tariff provision and the Pension and OPEB tracker mechanism. Various governmental, environmental and commercial interests groups have been allowed to intervene in the proceeding.

Twenty-eight interveners filed direct testimonies in the docket in July 2015. Eleven interveners recommended the merger not be approved, eleven recommended approval only with conditions, and six did not specifically make a recommendation either way. The Consumer Advocate filed its direct testimonies on August 10, 2015, stating that the Applicants have not justified that the proposed transaction is in the public interest but that if the Consumer Advocate's recommended conditions were adopted, the results would

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reflect substantial net benefits that would support a finding that the proposed transaction is in the public interest. Among its recommended conditions was a rate plan to permanently reduce the Utilities' rates by approximately \$62 million annually.

On August 31, 2015, the Applicants filed their responsive testimonies, offering a number of additional commitments, including:

- subject to PUC approval, completing full smart meter deployment to all customers by December 31, 2019
- reflecting 100% of all net non-fuel O&M savings achieved by the Utilities and limiting non-fuel O&M expenses to levels no higher than the non-fuel O&M expenses in 2014, adjusted for inflation, in the revenue requirements in the first rate case following the four-year rate case moratorium
- establishing a funding mechanism of \$2.5 million per year during the four-year rate case moratorium to be used for purposes in the public interest at the PUC's discretion and direction
- committing to corporate giving of at least \$2.2 million for a minimum of 10 years post-closing
- committing to not selling the Utilities or their holding company for at least 10 years post-closing

On October 7, 2015, the other parties filed rebuttal testimonies, and on October 16, 2015, the Applicants filed their surrebuttal testimonies. Discovery was conducted over a six month period and concluded on October 14, 2015 with the filing of final information request (IR) responses.

On November 27, 2015, pursuant to entering into an agreement with the Department of the Navy on behalf of the Department of Defense (DOD), the Applicants filed a motion to admit revised stipulated commitments into evidence, which revised Applicants' commitments to include the following 3 main changes:

- committing to undertake good faith efforts to achieve a consolidated renewable portfolio standard of thirty-five percent of net electricity sales by December 31, 2020, and fifty percent of net electricity sales by December 31, 2030;
- committing to and specifying in detail how \$60 million in total rate credits will be provided over the four-year base rate moratorium period; and
- committing to (i) establish a new intermediate holding company, Hawaiian Electric Utility Holdings, which will have a voting board of directors and a majority of the members of the board of directors who will be residents of Hawaii, (ii) implement a suite of additional ring fencing commitments, and (iii) develop employees from within the Companies to fill executive vacancies

In connection with the agreement, on November 27, 2015, DOD filed a motion to withdraw from the proceeding. Prior to this date, three other parties had withdrawn from the proceeding.

The initial round of evidentiary hearings were held from November 30 to December 16, 2015.

On January 4, 2016, the PUC issued an order granting the Applicants' motion to admit revised stipulated commitments into evidence and permitting additional discovery and testimony by the other parties regarding the revised stipulated commitments, and denying DOD's motion to withdraw.

Evidentiary hearings were reconvened and held from February 1 to 10, 2016. Further evidentiary hearings are scheduled to reconvene from February 29 to March 4, 2016.

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**Pending litigation and other matters.**

Litigation. HEI and its subsidiaries are subject to various legal proceedings that arise from time to time. Some of these proceedings may seek relief or damages in amounts that may be substantial. Because these proceedings are complex, many years may pass before they are resolved, and it is not feasible to predict their outcomes. Some of these proceedings involve claims HEI and Hawaiian Electric believe may be covered by insurance, and HEI and Hawaiian Electric have advised their insurance carriers accordingly.

Since the December 3, 2014 announcement of the merger agreement, eight purported class action complaints were filed in the Circuit Court of the First Circuit for the State of Hawaii by alleged stockholders of HEI against HEI, Hawaiian Electric (in one complaint), the individual directors of HEI, NEE and NEE's acquisition subsidiaries. The lawsuits are captioned as follows: *Miller v. Hawaiian Electric Industries, Inc., et al.*, Case No. 14-1-2531-12 KTN (December 15, 2014) (the Miller Action); *Walsh v. Hawaiian Electric Industries, Inc., et al.*, Case No. 14-1-2541-12 JHC (December 15, 2014) (the Walsh Action); *Stein v. Hawaiian Electric Industries, Inc., et al.*, Case No. 14-1-2555-12 KTN (December 17, 2014) (the Stein Action); *Brown v. Hawaiian Electric Industries, Inc., et al.*, Case No. 14-1-2643-12 RAN (December 30, 2014) (the Brown Action); *Cohn v. Hawaiian Electric Industries, Inc., et al.*, Case No. 14-1-2642-12 KTN (December 30, 2014) (the Cohn State Action); *Guenther v. Watanabe, et al.*, Case No. 15-1-003-01 ECN (January 2, 2015) (the Guenther Action); *Hudson v. Hawaiian Electric Industries, Inc., et al.*, Case No. 15-1-0013-01 JHC (January 5, 2015) (the Hudson Action); *Grieco v. Hawaiian Electric Industries, Inc., et al.*, Case No. 15-1-0094-01 KKS (January 21, 2015) (the Grieco Action). On January 12, 2015, plaintiffs in the Miller Action, the Walsh Action, the Stein Action, the Brown Action, the Guenther Action, and the Hudson Action filed a motion to consolidate their actions and to appoint co-lead counsel. On January 23, 2015, the Cohn State Action was voluntarily dismissed. On January 27, 2015, Cohn filed a purported class action captioned *Cohn v. Hawaiian Electric Industries, Inc., et al.*, Civil No. 15-00029-JMS-RLP in the United States District Court for the District of Hawaii against HEI, the individual directors of HEI, NEE, and NEE's acquisition subsidiaries (the Cohn Federal Action). On February 13, 2015, the state court orally granted the plaintiffs' motions to consolidate the seven state court actions and appoint co-lead counsel and entered a written order granting the motions on March 6, 2015. On March 10, 2015, plaintiffs filed a first consolidated complaint in state court that added as a defendant J.P. Morgan Securities, LLC (JP Morgan), the financial advisor to HEI for the Merger, and deleted Hawaiian Electric Company, Inc. as a defendant and concurrently served a first request for production of documents on HEI and the individual directors. On March 17, 2015, plaintiffs filed a motion for limited expedited discovery in the consolidated state action and thereafter on March 25, 2015 withdrew their request for limited discovery and first request for production of documents as a result of the parties' agreement to conduct certain specified limited discovery which included a stipulated confidentiality agreement and protective order protecting the confidentiality of certain information exchanged between the parties in connection with discovery in the consolidated action that was filed on April 6, 2015. On April 15 and 17, 2015, a deposition of a representative of HEI and a representative of JP Morgan were taken, respectively. On April 21, 2015, plaintiffs confirmed the cancellation of the preliminary injunction hearing that had been scheduled for May 5, 2015 in the consolidated action and on April 23, 2015, the state court entered a stipulation and order to extend indefinitely the time to answer or otherwise respond to the first amended consolidated complaint. On April 30, 2015, the state court entered a consolidated case management order confirming the consolidated treatment of the state actions for purposes of case management, pretrial discovery, procedural and other matters. On May 27, 2015, the federal court entered a stipulation and order approving the stipulation of the parties to stay the Cohn Federal Action pending the resolution of the state court consolidated action and administratively closing the Cohn Federal Action without prejudice to any party. On May 29, 2015, the state court entered a stipulated order amending the consolidated caption to read IN RE Consolidated HEI Shareholder Cases, Master File No. Civil No. 1CC15-1-HEI, to add JP Morgan as a named defendant in each individual action, add the caption for the Grieco Action, and remove Hawaiian Electric Company, Inc. from the caption in the Brown Action. In October 2015, several depositions of HEI representatives were taken in the state consolidated action. On February 9, 2016, plaintiffs filed an ex parte motion for second extension of time to file the pretrial statement in the state consolidated action from February 15, 2016 to August 15, 2016.

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The actions allege, among other things, that members of HEI's Board breached their fiduciary duties in connection with the proposed transaction, and that the Merger Agreement involves an unfair price, was the product of an inadequate sales process, and contains unreasonable deal protection devices that purportedly preclude competing offers. The complaints further allege that HEI, NEE and/or its acquisition subsidiaries aided and abetted the purported breaches of fiduciary duty. The plaintiffs in these lawsuits seek, among other things, (i) a declaration that the Merger Agreement was entered into in breach of HEI's directors' fiduciary duties, (ii) an injunction enjoining the HEI Board from consummating the Merger, (iii) an order directing the HEI Board to exercise their duties to obtain a transaction which is in the best interests of HEI's stockholders, (iv) a rescission of the Merger to the extent that it is consummated, and/or (v) damages suffered as a result of the defendants' alleged actions. Plaintiffs in the consolidated state action also allege that JP Morgan had a conflict of interest in advising HEI because JP Morgan and its affiliates had business ties to and investments in NEE. The consolidated state action also alleges that the HEI board of directors violated its fiduciary duties by omitting material facts from the Registration Statement on Form S-4. In addition, the Cohn Federal Action alleges that the HEI board of directors violated its fiduciary duties and federal securities laws by omitting material facts from the Registration Statement on Form S-4.

HEI and Hawaiian Electric believe the allegations in the complaints are without merit and intend to defend these lawsuits vigorously.

### 3 • Other Notes

**Regulatory assets and liabilities.** In accordance with ASC Topic 980, "Regulated Operations," the Utilities' financial statements reflect assets, liabilities, revenues and expenses based on current cost-based rate-making regulations. Their continued accounting under ASC Topic 980 generally requires that rates are established by an independent, third-party regulator; rates are designed to recover the costs of providing service; and it is reasonable to assume that rates can be charged to and collected from customers. Management believes the Utilities' operations currently satisfy the ASC Topic 980 criteria. If events or circumstances should change so that those criteria are no longer satisfied, the Utilities expect that the regulatory assets, net of regulatory liabilities, would be charged to the statement of income in the period of discontinuance, which may result in a material adverse effect on the Utilities' financial condition, results of operations and/or liquidity.

Regulatory assets represent deferred costs expected to be fully recovered through rates over PUC-authorized periods. Generally, the Utilities do not earn a return on their regulatory assets; however, they have been allowed to recover interest on certain regulatory assets and to include certain regulatory assets in rate base. Regulatory liabilities represent amounts included in rates and collected from ratepayers for costs expected to be incurred in the future. For example, the regulatory liability for cost of removal in excess of salvage value represents amounts that have been collected from ratepayers for costs that are expected to be incurred in the future to retire utility plant. Generally, the Utilities include regulatory liabilities in rate base or are required to apply interest to certain regulatory liabilities. In the table below, noted in parentheses are the original PUC authorized amortization or recovery periods and, if different, the remaining amortization or recovery periods as of December 31, 2015 are noted.

Regulatory assets were as follows:

December 31	2015	2014
<i>(in thousands)</i>		
Retirement benefit plans (balance primarily varies with plans' funded statuses)	\$ 679,766	\$ 683,243
Income taxes, net (1 to 55 years)	88,039	86,836
Decoupling revenue balancing account and RAM regulatory asset (1 to 2 years)	74,462	91,353
Unamortized expense and premiums on retired debt and equity issuances (19 to 30 years; 6 to 18 years)	14,089	15,569



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remaining)		
Vacation earned, but not yet taken (1 year)	10,420	10,248
Postretirement benefits other than pensions (18 years; less than 1 year remaining)	—	18
Other (1 to 50 years; 1 to 46 years remaining)	29,955	17,997
	\$ 896,731	\$ 905,264
Included in:		
Current assets	\$ 72,231	\$ 71,421
Long-term assets	824,500	833,843
	\$ 896,731	\$ 905,264

Regulatory liabilities were as follows:

December 31	2015	2014
(in thousands)		
Cost of removal in excess of salvage value (1 to 60 years)	\$ 357,825	\$ 331,000
Retirement benefit plans (5 years beginning with respective utility's next rate case)	9,835	12,413
Other (5 years; 1 to 2 years remaining)	3,883	1,436
	\$ 371,543	\$ 344,849
Included in:		
Current liabilities	\$ 2,204	\$ 632
Long-term liabilities	369,339	344,217
	\$ 371,543	\$ 344,849

The regulatory asset and liability relating to retirement benefit plans was recorded as a result of pension and OPEB tracking mechanisms adopted by the PUC in rate case decisions for the Utilities in 2007 (see Note 7).

**Major customers.** The Utilities received 11% (\$265 million), 12% (\$350 million) and 11% (\$340 million) of their operating revenues from the sale of electricity to various federal government agencies in 2015, 2014 and 2013, respectively.

**Cumulative preferred stock.** The following series of cumulative preferred stock are redeemable only at the following prices in the event of voluntary liquidation or redemption:

December 31, 2015	Voluntary liquidation price	Redemption
Series		
C, D, E, H, J and K (Hawaiian Electric)	\$ 20	\$ 21
I (Hawaiian Electric)	20	20
G (Hawaii Electric Light)	100	100
H (Maui Electric)	100	100

Hawaiian Electric is obligated to make dividend, redemption and liquidation payments on the preferred stock of each of its subsidiaries if the respective subsidiary is unable to make such payments, but this obligation is subordinated to Hawaiian Electric's

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obligation to make payments on its own preferred stock.

**Related-party transactions.** HEI charged the Utilities \$6.5 million, \$7.0 million and \$6.2 million for general management and administrative services in 2015, 2014 and 2013, respectively. The amounts charged by HEI to its subsidiaries for services provided by HEI employees are allocated primarily on the basis of time expended in providing such services.

Hawaiian Electric's short-term borrowings totaled nil at December 31, 2015 and 2014. The interest charged on short-term borrowings from HEI is based on the lower of HEI's or Hawaiian Electric's effective weighted average short-term external borrowing rate. If both HEI and Hawaiian Electric do not have short-term external borrowings, the interest is based on the average of the effective rate for 30-day dealer-placed commercial paper quoted by the Wall Street Journal plus 0.15%.

Borrowings among the Utilities are eliminated in consolidation. Interest charged by HEI to Hawaiian Electric was nil in each of 2015, 2014 and 2013.

**Commitments and contingencies.**

**Fuel contracts.** The Utilities have contractual agreements to purchase minimum quantities of fuel oil, diesel fuel and biodiesel for multi-year periods, some through October 2017. Fossil fuel prices are tied to the market prices of crude oil and petroleum products in the Far East and U.S. West Coast and the biodiesel price is tied to the market prices of animal fat feedstocks in the U.S. West Coast and U.S. Midwest. Based on the average price per barrel as of December 31, 2015, the estimated cost of minimum purchases under the fuel supply contracts is \$245 million in 2016, \$4 million in 2017 and nil in 2018. The actual cost of purchases in 2016 and future years could vary substantially from this estimate of minimum purchases as a result of changes in market prices, quantities actually purchased, entry into new supply contracts and/or other factors. The Utilities purchased \$0.6 billion, \$1.1 billion and \$1.1 billion of fuel under contractual agreements in 2015, 2014 and 2013, respectively.

Hawaiian Electric and Chevron Products Company (Chevron), a division of Chevron USA, Inc., are parties to the Low Sulfur Fuel Oil Supply Contract (LSFO Contract) for the purchase/sale of low sulfur fuel oil (LSFO), which terminates on December 31, 2016 and may automatically renew for annual terms thereafter unless earlier terminated by either party. The PUC approved the recovery of costs incurred under this contract on April 30, 2013.

On August 27, 2014, Chevron and Hawaiian Electric entered into a first amendment of the LSFO Contract. The amendment reduces the price of fuel above certain volumes, allows for increases in the volume of fuel, and modifies the specification of certain petroleum products supplied under the contract. In addition, Chevron agreed to supply a blend of LSFO and diesel as soon as January 2016 (for supply through the end of the contract term, December 31, 2016) to help Hawaiian Electric meet more stringent EPA air emission requirements known as Mercury and Air Toxics Standards. In March 2015, the amendment was approved by the PUC.

The Utilities are also parties to amended contracts for the supply of industrial fuel oil and diesel fuels with Chevron and Hawaii Independent Energy, LLC, (HIE), respectively, which were scheduled to end December 31, 2015, but have been extended through December 31, 2016. Both agreements may be automatically renewed for annual terms thereafter unless earlier terminated by either of the respective parties.

In August 2014, Chevron and the Utilities entered into a third amendment to the Inter-Island Industrial Fuel Oil and Diesel Fuel Supply Contract (Inter-island Fuel Supply Contract), which amendment extended the term of the contract through December 31, 2016 and provided for automatic renewal for annual terms thereafter unless earlier terminated by either party. In February 2015, Hawaiian Electric executed a similar extension, through December 31, 2016, of the corresponding Inter-Island Industrial Fuel Oil and Diesel Fuel Supply Contract with HIE.

In June 2015, the Utilities issued Requests for Proposals (RFP) for most of their fuel needs with supplies beginning in 2017 after

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the expiration of Chevron LSFO and Chevron/HIE Interisland contracts on December 31, 2016. Proposals were received in July 2015.

On February 18, 2016, Hawaiian Electric and Chevron entered into a fuel supply contract for LSFO, diesel and fuel to meet MATS requirements (2016 LSFO Contract) for the island of Oahu which terminates on December 31, 2019 and may automatically renew for annual terms thereafter unless earlier terminated by either party. Also on February 18, 2016, the Utilities and Chevron entered into a supply contract for industrial fuel oil, diesel and ultra-low sulfur diesel (Petroleum Fuels Contract) for the islands of Oahu, Maui, Molokai and the island of Hawaii, which terminates on December 31, 2019 and may automatically renew for annual terms thereafter unless earlier terminated by either party. Finally, on February 18, 2016, Hawaii Electric Light and Chevron entered into a fuels terminalling agreement which terminates on December 31, 2019 for the island of Hawaii and may automatically renew for annual terms thereafter unless earlier terminated by either party. Currently, terminalling services are provided for under the Inter-island Fuel Supply Contract with Chevron that expires on December 31, 2016. Each of these contracts are for a term of three years and become effective upon PUC approval and each can be terminated if PUC approval is not received by October 1, 2016. Additionally, Chevron is required to comply with the agreed upon fuel specifications as set forth in the 2016 LSFO Contract and the Petroleum Fuels Contract.

The energy charge for energy purchased from Kalaeloa Partners, L.P. (Kalaeloa) under Hawaiian Electric's PPA with Kalaeloa is based, in part, on the price Kalaeloa pays HIE for LSFO under a Facility Fuel Supply Contract (fuel contract) between them (assigned to HIE upon its purchase of the assets of Tesoro Hawaii Corp. as described above). The term of the fuel contract between Kalaeloa and HIE ends May 31, 2016 and may be extended for terms thereafter unless terminated by one of the parties.

The costs incurred under the Utilities' fuel contracts are included in their respective ECACs, to the extent such costs are not recovered through the Utilities' base rates.

Power purchase agreements. As of December 31, 2015, the Utilities had five firm capacity PPAs for a total of 551 megawatts (MW) of firm capacity. Purchases from these five independent power producers (IPPs) and all other IPPs totaled \$0.6 billion, \$0.7 billion and \$0.7 billion for 2015, 2014 and 2013, respectively. The PUC allows rate recovery for energy and firm capacity payments to IPPs under these agreements. Assuming that each of the agreements remains in place for its current term (and as amended) and the minimum availability criteria in the PPAs are met, aggregate minimum fixed capacity charges are expected to be approximately \$0.1 billion per year for 2016 through 2020 and a total of \$0.5 billion in the period from 2021 through 2035.

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

Purchase power adjustment clause. The PUC has approved purchased power adjustment clauses (PPACs) for the Utilities. Purchased power capacity, O&M and other non-energy costs previously recovered through base rates are now recovered in the PPACs and, subject to approval by the PUC, such costs resulting from new purchased power agreements can be added to the PPACs outside of a rate case. Purchased energy costs continue to be recovered through the ECAC to the extent they are not recovered through base rates.

AES Hawaii, Inc. Under a PPA entered into in March 1988, as amended, for a period of 30 years beginning September 1992, Hawaiian Electric agreed to purchase 180 MW of firm capacity from AES Hawaii. In August 2012, Hawaiian Electric filed an application with the PUC seeking an exemption from the PUC's Competitive Bidding Framework to negotiate an amendment to the

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PPA to purchase 186 MW of firm capacity, and amend the energy pricing formula in the PPA. The PUC approved the exemption in April 2013, but Hawaiian Electric and AES Hawaii were not able to reach agreement on an amendment. In June 2015, AES Hawaii filed an arbitration demand regarding a dispute about whether Hawaiian Electric was obligated to buy up to 9 MW of additional capacity based on a 1992 letter. Hawaiian Electric responded to the arbitration demand and, in October 2015, AES Hawaii and Hawaiian Electric entered into a Settlement Agreement to stay the arbitration proceeding. The Settlement Agreement includes certain conditions precedent which, if satisfied will release the parties from the claims under the arbitration proceeding. Among the conditions precedent is the successful negotiation of an amendment to the existing purchase power agreement and PUC approval of such amendment.

On November 13, 2015, Hawaiian Electric entered into Amendment No. 3 to the PPA, subject to PUC approval. Amendment No. 3 provides more favorable pricing for the additional 9 MW than the existing pricing, the benefit of which will be passed on to customers, and among other things, provides (1) for an increase in firm capacity of up to 9 MW (the Additional Capacity) above the 180 MW capacity of the AES Hawaii facility, subject to a demonstration of such increased available capacity, (2) for the payment for the Additional Capacity to include a Priority Peak Capacity Charge, a Non-Peak Capacity Charge, a Priority Peak Energy Charge and a Non-Peak Energy Charge, and (3) that AES will make certain operational commitments to improve reliability, and Hawaiian Electric will pay a reliability bonus according to a schedule for reduced Full Plant Trips. On January 22, 2016, Amendment No. 3 was filed with the PUC for approval. If such approval is obtained, the final condition to the Settlement Agreement's release of the parties from the arbitration claims will be satisfied. The arbitration proceeding has been stayed to allow the PUC approval proceeding to proceed.

Liquefied natural gas. On May 31, 2015, the previous August 2014 agreement with Fortis BC Energy Inc. (Fortis) for liquefaction capacity for liquefied natural gas (LNG) was superseded with a liquefaction Heads of Agreement by and between FortisBC Holdings Inc. and Hawaiian Electric. The agreement, which is subject to PUC approval, other regulatory approvals and permits and other conditions precedent before it becomes effective, provides for LNG liquefaction capacity purchases of 700,000 tonnes per year for the first five years, 600,000 tonnes per year for the next five years and 500,000 tonnes per year for the last ten years. Fortis must also obtain regulatory and other approvals for the agreement to become effective. The Fortis agreement is assignable and can be assigned to the selected bidder in the Utilities' RFP for the supply of containerized LNG and will help ensure that liquefaction capacity is available at pricing that management believes will lower customer bills.

Utility projects. Many public utility projects require PUC approval and various permits from other governmental agencies. Difficulties in obtaining, or the inability to obtain, the necessary approvals or permits can result in significantly increased project costs or even cancellation of projects. In the event a project does not proceed, or if it becomes probable the PUC will disallow cost recovery for all or part of a project, project costs may need to be written off in amounts that could result in significant reductions in Hawaiian Electric's consolidated net income.

Renewable energy project matters. In November 2013, Hawaiian Electric and Maui Electric filed an application for recovery of its actual deferred costs totaling \$405,000 (split evenly between Hawaiian Electric and Maui Electric) for outside contractor services for additional studies to determine the value proposition of interconnecting the islands of Oahu and of Maui County (Maui, Lanai, and Molokai) through the Renewable Energy Infrastructure Program (REIP) surcharge. In July 2015, the PUC approved recovery of the deferred costs for Hawaiian Electric over a four-month period, and over a two-year period for Maui Electric.

In February 2012, the PUC granted Hawaiian Electric's request for deferred accounting treatment for the inter-island project support costs. The amount of the deferred costs was limited to \$5.89 million. Through December 31, 2013, Hawaiian Electric deferred \$3.1 million related to outside contractor service costs incurred with the Oahu 200 MW RFP, and began amortizing such costs over 3 years beginning in July 2014.

In May 2012, the PUC instituted a proceeding for a competitive bidding process for up to 50 MW of firm renewable geothermal dispatchable energy (Geothermal RFP) on the island of Hawaii, and in July 2012, Hawaii Electric Light filed an application to defer

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2012 costs related to the Geothermal RFP. In November 2015, the PUC approved the deferral of \$2.1 million of costs related to the Geothermal RFP, and will review the prudence and reasonableness of the deferred costs in the next Hawaii Electric Light rate case. In February 2013, Hawaii Electric Light issued the Final Geothermal RFP. Six bids were received, but Hawaii Electric Light notified bidders that none of the submitted bids sufficiently met both the low-cost and technical requirements of the Geothermal RFP. In October 2014, Hawaii Electric Light issued Addendum No. 1 (Best and Final Offer) and Attachment A (Best and Final Offer Bidder's Response Package) directly to five eligible bidders. The submittals received in January 2015 will be considered for final selection of one project to proceed with PPA negotiations. In February 2015, Ormat Technologies, Inc. was selected for an award and began PPA negotiations with Hawaii Electric Light. In February 2016, Hawaii Electric Light provided the PUC with a status update notifying the PUC that the selected bidder had determined the proposed project not to be economically and financially viable, resulting in conclusion of PPA negotiations.

*Enterprise Resource Planning/Enterprise Asset Management (ERP/EAM) Implementation Project.* The Utilities submitted its Enterprise Information System Roadmap to the PUC in June 2014 and refiled an application for an ERP/EAM implementation project in July 2014 with an estimated cost of \$82.4 million. The refiled application addressed the concerns raised by the PUC, in the initial application, regarding the benefits to customers of completing this project. The estimated cost of the project included the cost of ERP software that had been purchased and recorded as a deferred cost.

To address the Consumer Advocate's position that the proceeding should be stayed to determine if the project as proposed in the application is reasonable and necessary for future operations as an indirect NEE subsidiary, in May 2015, the Utilities filed a report describing the impact the pending merger with NEE would have on the scope, costs and benefits of the ERP/EAM project. The report indicated that the two viable courses of action for replacing its current system are Option A (to proceed with the project as initially scoped in the Application), and Option B (to move the Utilities to NEE's existing ERP/EAM solutions). Option B is estimated to cost approximately \$20.8 million less than Option A, but can only be pursued if the merger is approved. The Utilities requested the PUC to approve the commencement of work on Option B if the merger is approved; and in the alternative, Option A if the merger is not approved.

In October 2015, the PUC issued a D&O (1) finding that there is a need to replace the existing ERP/EAM system, and (2) deferring any ruling on whether it is reasonable and in the public interest for the Utilities to commence with the project under Options B or A.

In the D&O, the PUC denied the Utilities request to defer the cost for the ERP software purchased in 2012. As a result, the Utilities expensed the ERP software costs of \$4.8 million in the third quarter of 2015.

The D&O requires the Utilities to file their bottom-up low-level benefits analysis for both Options A and B, and specified additional information required as part of the their Cost/Benefit Analysis, which will be due by April 8, 2016.

Management cannot predict the further outcome of this proceeding.

*Schofield Generating Station Project.* In August 2012, the PUC approved a waiver from the competitive bidding framework to allow Hawaiian Electric to negotiate with the U.S. Army for the construction of a 50 MW utility owned and operated firm, renewable and dispatchable generation facility at Schofield Barracks. In September 2015, the PUC approved Hawaiian Electric's application to expend \$167 million for the project. In approving the project, the PUC placed a cap of \$167 million for the project, stated 90% of the cap is allowed for cost recovery through cost recovery mechanisms other than base rates, and stated the \$167 million cap will be adjusted downward due to any reduction in the cost of the engine contract due to a reduction in the foreign exchange rate. Hawaiian Electric is required to take all necessary steps to lock in the lowest possible exchange rate. On January 5, 2016, Hawaiian Electric executed a window forward agreement which lowered the cost of the engine contract by \$9.7 million, resulting in a revised project cap of \$157.3 million. The generating station is now expected to be placed in service in the first quarter of 2018.

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Environmental regulation. The Utilities are subject to environmental laws and regulations that regulate the operation of existing facilities, the construction and operation of new facilities and the proper cleanup and disposal of hazardous waste and toxic substances. In recent years, legislative, regulatory and governmental activities related to the environment, including proposals and rulemaking under the Clean Air Act and Clean Water Act (CWA), have increased significantly and management anticipates that such activity will continue.

On August 14, 2014, the EPA published in the Federal Register the final regulations required by section 316(b) of the CWA designed to protect aquatic organisms from adverse impacts associated with existing power plant cooling water intake structures. The regulations were effective October 14, 2014 and apply to the cooling water systems for the steam generating units at Hawaiian Electric's power plants on the island of Oahu. The regulations prescribe a process, including a number of required site-specific studies, for states to develop facility-specific entrainment and impingement controls to be incorporated in each facility's National Pollutant Discharge Elimination System permit. In the case of Hawaiian Electric's power plants, there are a number of studies that have yet to be completed before Hawaiian Electric and the State of Hawaii Department of Health (DOH) can determine what entrainment or impingement controls, if any, might be necessary at the affected facilities to comply with the new 316(b) rule.

On February 16, 2012, the Federal Register published the EPA's final rule establishing the EPA's National Emission Standards for Hazardous Air Pollutants for fossil-fuel fired steam electrical generating units (EGUs). The final rule, known as the Mercury and Air Toxics Standards (MATS), applies to the 14 EGUs at Hawaiian Electric's power plants. MATS establishes the Maximum Achievable Control Technology standards for the control of hazardous air pollutants emissions from new and existing EGUs. Based on a review of the final rule and the benefits and costs of alternative compliance strategies, Hawaiian Electric has selected a MATS compliance strategy based on switching to lower emission fuels. The use of lower emission fuels will provide for MATS compliance at lower overall costs and avoid the reduction in operational flexibility imposed by emissions control equipment. Hawaiian Electric requested and received a one-year extension, resulting in a MATS compliance date of April 16, 2016. Hawaiian Electric submitted to the EPA a Petition for Reconsideration and Stay dated April 16, 2012, which asked the EPA to revise an emissions standard for non-continental oil-fired EGUs on the grounds that the promulgated standard was incorrectly derived. On April 21, 2015, the EPA denied Hawaiian Electric's Petition. Hawaiian Electric appealed the EPA's denial of the Petition. On June 29, 2015, the U.S. Supreme Court found that the EPA's determination that it was appropriate and "necessary" to regulate hazardous air pollutants from power plants was flawed because the EPA did not take the costs of compliance into account. The Supreme Court sent the MATS rule case back to the D.C. Circuit Court of Appeals for further proceedings. On December 15, 2015, the D.C. Circuit ordered the EPA to update its "appropriate and necessary" finding and ordered that the costs of compliance must be considered. The D.C. Circuit did not stay the MATS rule so all requirements of the MATS rule, including the April 16, 2016 compliance deadline remain in effect.

On February 6, 2013, the EPA issued a guidance document titled "Next Steps for Area Designations and Implementation of the Sulfur Dioxide National Ambient Air Quality Standard," which outlines a process that will provide the states additional flexibility and time for their development of one-hour sulfur dioxide (SO2) National Ambient Air Quality Standard (NAAQS) implementation plans. In August 2015, the EPA published the final data requirements rule for states to characterize their air quality in relation to the one-hour SO2 NAAQS. Under this rule, the EPA expects to designate areas as attaining, or not attaining, the one-hour SO2 NAAQS in December 2017 or December 2020, depending on whether the area was characterized through modeling or monitoring. Hawaiian Electric will work with the DOH in implementing the one-hour SO2 NAAQS and in developing cost-effective strategies for NAAQS compliance, if needed.

Depending upon the rules and guidance developed for compliance with the more stringent NAAQS, the Utilities may be required to incur material capital expenditures and other compliance costs, but such amounts and their timing are not determinable at this time. Additionally, the combined effects of the CWA 316(b) regulations, the MATS rule and the more stringent NAAQS may contribute to a decision to retire or deactivate certain generating units earlier than anticipated.

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Hawaiian Electric, Hawaii Electric Light and Maui Electric, like other utilities, periodically encounter petroleum or other chemical releases into the environment associated with current or previous operations. The Utilities report and take action on these releases when and as required by applicable law and regulations. The Utilities believe the costs of responding to such releases identified to date will not have a material adverse effect, individually or in the aggregate, on Hawaiian Electric's consolidated results of operations, financial condition or liquidity.

*Potential Clean Air Act Enforcement.* On July 1, 2013, Hawaii Electric Light and Maui Electric received a letter from the U.S. Department of Justice (DOJ) asserting potential violations of the Prevention of Significant Deterioration (PSD) and Title V requirements of the Clean Air Act involving the Hill and Kahului Power Plants. The parties are continuing to negotiate toward a resolution of the DOJ's claims. As part of the ongoing negotiations, the DOJ proposed in November 2014 entering into a consent decree pursuant to which the Utilities would install certain pollution controls and pay a penalty. The Utilities continue to have discussions with, and provide information to, the DOJ, but are unable to estimate the amount or effect of a consent decree, if any, at this time.

*Former Molokai Electric Company generation site.* In 1989, Maui Electric acquired by merger Molokai Electric Company. Molokai Electric Company had sold its former generation site (Site) in 1983, but continued to operate at the Site under a lease until 1985. The EPA has since performed Brownfield assessments of the Site that identified environmental impacts in the subsurface. Although Maui Electric never operated at the Site and operations there had stopped four years before the merger, in discussions with the EPA and the DOH, Maui Electric agreed to undertake additional investigations at the Site and an adjacent parcel that Molokai Electric Company had used for equipment storage (the Adjacent Parcel) to determine the extent of impacts of subsurface contaminants. A 2011 assessment by a Maui Electric contractor of the Adjacent Parcel identified environmental impacts, including elevated polychlorinated biphenyls (PCBs) in the subsurface soils. In cooperation with the DOH and EPA, Maui Electric is further investigating the Site and the Adjacent Parcel to determine the extent of impacts of PCBs, residual fuel oils, and other subsurface contaminants. Maui Electric has a reserve balance of \$3.6 million as of December 31, 2015 for the additional investigation and estimated cleanup costs at the Site and the Adjacent Parcel; however, final costs of remediation will depend on the results of continued investigation. The final site investigation plan was submitted to the DOH and EPA in December 2014 for their approval. The DOH formally approved the investigation plan on September 14, 2015. The EPA determined that their formal approval is not required until the next phase of work that determines cleanup actions for the site. Sampling of the site per the investigation plan will proceed after securing required permits and access agreements.

*Pearl Harbor sediment study.* In July 2014, the U.S. Navy notified Hawaiian Electric of the Navy's determination that Hawaiian Electric is responsible for cleanup of PCB contamination in sediment in the area offshore of the Waiiau Power Plant. The Navy has also requested that Hawaiian Electric reimburse the costs incurred by the Navy to date to investigate the area, and is asking Hawaiian Electric to engage in negotiations regarding the financing and undertaking of future response actions to address the sediment contamination offshore from the Waiiau Power Plant. The extent of the contamination, the appropriate remedial measures to address it, and Hawaiian Electric's potential responsibility for any associated costs, including any past costs incurred by the Navy, have not yet been determined. The Navy has completed a remedial investigation and a feasibility study (FS) for the remediation of contaminated sediment at several locations in Pearl Harbor. The Navy's study identified elevated levels of PCBs in the sediment in East Loch of Pearl Harbor, offshore from the Waiiau Power Plant. The Navy issued its Final FS Report on June 29, 2015. The Navy has indicated that additional data collection is necessary and will be conducted as part of the remedial design, and that the results will be used to finalize the remediation plan and to better define the areas where remediation is necessary to reduce the potential environmental risks. Hawaiian Electric has requested to participate with the Navy in the preparation of the remedial design for the contaminated sediment offshore from the Waiiau Power Plant, and in particular in the development of the work plan for additional data collection, and refinement of the environmental risk analysis, the final remedy, and the response costs for the offshore area. To date, Hawaiian Electric's role in the development of the remedial design and response costs is uncertain.

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On March 23, 2015, Hawaiian Electric received a letter from the EPA requesting that Hawaiian Electric submit a work plan to assess potential sources and extent of PCB contamination onshore at the Waiiau Power Plant. Hawaiian Electric submitted a sampling and analysis (SAP) work plan to the EPA and the DOH. Sampling of outfall sediments at the Waiiau Power Plant was completed in accordance with the SAP in December 2015. The extent of the onshore contamination, the appropriate remedial measures to address it, and any associated costs have not yet been determined.

As of December 31, 2015, the reserve account recorded by Hawaiian Electric to address the PCB contamination stands at \$4.7 million. The reserve represents the probable and reasonably estimable cost to complete the onshore and offshore investigations and the remediation of PCB contamination in the offshore sediment. The final remediation costs will depend on the results of the onshore investigation and assessment of potential source control requirements, as well as the further investigation of contaminated sediment offshore from the Waiiau Power Plant.

Hawaiian Electric has also conducted a search for other potential sources of sediment contamination in the Waiiau area that are unrelated to electric power generation at its Waiiau Power Plant. Hawaiian Electric has identified a potential source east of the plant: a former Naval Reserve (a Formerly Used Defense Site (FUDS)) where a used drum storage area, a waste oil burning pit, and an oil/water separator were operated by the Navy from the 1940s until approximately 1962. This FUDS is located on the property currently occupied by the City and County (C&C) of Honolulu's Neal S. Blaisdell Park. To further assess this former Naval Reserve site, Hawaiian Electric has requested environmental investigation reports, environmental data, and permits for this property and the adjacent Waimalu Stream (e.g., dredging permits and related environmental impact assessments and studies) from several federal and state agencies, as well as the C&C of Honolulu. The contribution of PCBs to sediment contamination in East Loch from this potential source has not yet been determined.

*Global climate change and greenhouse gas emissions reduction.* National and international concerns about climate change and the contribution of greenhouse gas (GHG) emissions (including carbon dioxide emissions from the combustion of fossil fuels) to climate change have led to federal legislative and regulatory proposals and action by the State of Hawaii to reduce GHG emissions.

In July 2007, the State Legislature passed Act 234, which requires a statewide reduction of GHG emissions by January 1, 2020 to levels at or below the statewide GHG emission levels in 1990. On June 20, 2014, the Governor signed the final regulations required to implement Act 234 (i.e., the final GHG rule), which went into effect on June 30, 2014. In general, Act 234 and the corresponding GHG rule require affected sources (that have the potential to emit GHGs in excess of established thresholds) to reduce their GHG emissions by 16% below 2010 emission levels by 2020. In accordance with the GHG rule, the Utilities submitted their Emissions Reduction Plan (EmRP) to the DOH on June 30, 2015. Hawaiian Electric, Maui Electric, and Hawaii Electric Light have a total of 11 facilities affected by the state GHG rule. Hawaiian Electric made use of the partnering provisions in the DOH GHG rule to prepare one EmRP for all 11 of the Utilities' affected facilities. In this plan, the Utilities have committed to a 16% reduction in GHG emissions company-wide. Pursuant to the State's GHG rule, the DOH will incorporate the proposed facility-specific GHG emission limits into each facility's covered source permit based on the 2020 levels specified in Hawaiian Electric's approved EmRP. The GHG rule also requires affected sources to pay an annual fee that is based on tons per year of GHG emissions starting on the effective date of the regulations. The fee for the Utilities is estimated to be approximately \$0.5 million annually. The latest assessment of the proposed federal and final state GHG rules is that the continued growth in renewable power generation will significantly reduce the compliance costs and risk for the Utilities.

On September 22, 2009, the EPA issued its "Final Mandatory Reporting of Greenhouse Gases Rule," which requires sources that emit GHGs above certain threshold levels to monitor and report their GHG emissions. Following these requirements, the Utilities have submitted the required reports for 2010 through 2014 to the EPA. In December 2009, the EPA made the finding that motor vehicle GHG emissions endanger public health or welfare. Since then, the EPA has also issued rules to address GHG emissions from stationary sources, like the Utilities' EGU's.



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As part of President Obama's Climate Action Plan, the EPA has been directed to adopt GHG emission limits for new and existing EGUs. The EPA issued the final federal rule for GHG emission reductions from existing EGUs, also known as the Clean Power Plan, on August 3, 2015. The final federal GHG rule for existing EGUs sets interim state-wide emissions limits for EGUs operating in the 48 contiguous states that must be met on average from 2022 through 2029; final limits will apply from 2030. The EPA did not issue final guidelines for Alaska, Hawaii, Puerto Rico or Guam because the Best System of Emission Reduction established for the contiguous states is not appropriate for these locations. The EPA has said it will work with the state and territorial governments for Alaska, Hawaii, Puerto Rico and Guam and other stakeholders to gather additional information regarding the emissions reduction measures available in these jurisdictions, particularly with respect to renewable generation. Hawaiian Electric plans to participate in this process. Management's latest assessment of the Clean Power Plan is that the continued growth of renewable power generation and the expected use of LNG as a transitional fuel by the Utilities in the future will significantly reduce the compliance costs and risk for the Utilities. To date, no timetable has been established by the EPA to develop GHG emission limits for Alaska, Hawaii, Puerto Rico or Guam, and such timing has become more uncertain in light of the decision of the U.S. Supreme Court on February 9, 2016, blocking implementation of the Clean Power Plan while it is being challenged in court.

The Utilities have taken, and continue to identify opportunities to take, direct action to reduce GHG emissions from their operations, including, but not limited to, supporting DSM programs that foster energy efficiency, using renewable resources for energy production and purchasing power from IPPs generated by renewable resources, burning renewable biodiesel in Hawaiian Electric's Campbell Industrial Park combustion turbine No. 1 (CIP CT-1), using biodiesel for startup and shutdown of selected Maui Electric generating units, and testing biofuel blends in other Hawaiian Electric and Maui Electric generating units. The Utilities are also working with the State of Hawaii and other entities to pursue the use of LNG as a cleaner and lower-cost fuel to replace, at least in part, the petroleum oil that would otherwise be used. Management is unable to evaluate the ultimate impact on the Utilities' operations of more comprehensive GHG regulations that might be promulgated; however, the various initiatives that the Utilities are pursuing are likely to provide a sound basis for appropriately managing the Utilities' carbon footprint and thereby meet both state and federal GHG reduction goals.

While the timing, extent and ultimate effects of climate change cannot be determined with any certainty, climate change is predicted to result in sea level rise. This effect could potentially result in impacts to coastal and other low-lying areas (where much of the Utilities' electric infrastructure is sited), and result in increased flooding and storm damage due to heavy rainfall, increased rates of beach erosion, saltwater intrusion into freshwater aquifers and terrestrial ecosystems, and higher water tables in low-lying areas. The effects of climate change on the weather (for example, more intense or more frequent rain events, flooding, or hurricanes), sea levels, and freshwater availability and quality have the potential to materially adversely affect the results of operations, financial condition, and liquidity of the Utilities. For example, severe weather could cause significant harm to the Utilities' physical facilities.

Asset retirement obligations. AROs represent legal obligations associated with the retirement of certain tangible long-lived assets, are measured as the present value of the projected costs for the future retirement of specific assets and are recognized in the period in which the liability is incurred if a reasonable estimate of fair value can be made. The Utilities' recognition of AROs have no impact on their earnings. The cost of the AROs is recovered over the life of the asset through depreciation. AROs recognized by the Utilities relate to obligations to retire plant and equipment, including removal of asbestos and other hazardous materials.

Hawaiian Electric has recorded estimated AROs related to removing retired generating units at its Honolulu and Waiau power plants. These removal projects are ongoing, with significant activity and expenditures occurring in 2014 in partial settlement of these liabilities. Both removal projects are expected to continue through 2015.

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Changes to the ARO liability included in "Other liabilities" on Hawaiian Electric's balance sheet were as follows:

(in thousands)	2015	2014
Balance, January 1	\$ 29,419	\$ 43,106
Accretion expense	24	890
Liabilities incurred	—	—
Liabilities settled	(2,595)	(14,577)
Revisions in estimated cash flows	—	—
Balance, December 31	\$ 26,848	\$ 29,419

**Decoupling.** In 2010, the PUC issued an order approving decoupling, which was implemented by Hawaiian Electric on March 1, 2011, by Hawaii Electric Light on April 9, 2012 and by Maui Electric on May 4, 2012. Decoupling is a regulatory model that is intended to facilitate meeting the State of Hawaii's goals to transition to a clean energy economy and achieve an aggressive renewable portfolio standard. The decoupling model implemented in Hawaii delinks revenues from sales and includes annual rate adjustments for certain O&M expenses and rate base changes. The decoupling mechanism has three components: (1) a sales decoupling component via a revenue balancing account (RBA), (2) a revenue escalation component via a rate adjustment mechanism (RAM) and (3) an earnings sharing mechanism, which would provide for a reduction of revenues between rate cases in the event the utility exceeds the ROACE allowed in its most recent rate case. Decoupling provides for more timely cost recovery and earning on investments.

On May 31, 2013, as provided for in its original order issued in 2010 approving decoupling and citing three years of implementation experience for Hawaiian Electric, the PUC opened an investigative docket to review whether the decoupling mechanisms are functioning as intended, are fair to the Utilities and their ratepayers, and are in the public interest. The PUC affirmed its support for the continuation of the sales decoupling (RBA) mechanism and stated its interest in evaluating the RAM to ensure it provides the appropriate balance of risks, costs, incentives and performance requirements, as well as administrative efficiency, and whether the current interest rate applied to the outstanding RBA balance is reasonable. In October 2013, the PUC issued orders that bifurcated the proceeding (into Schedule A and Schedule B issues).

On February 7, 2014, the PUC issued a decision and order (D&O) on the Schedule A issues, which made certain modifications to the decoupling mechanism. Specifically, the D&O required:

- An adjustment to the Rate Base RAM Adjustment to include 90% of the amount of the current RAM Period Rate Base RAM Adjustment that exceeds the Rate Base RAM Adjustment from the prior year, to be effective with the Utilities' 2014 decoupling filing.
- Effective March 1, 2014, the interest rate to be applied on the outstanding RBA balances to be the short term debt rate used in each Utilities last rate case (ranging from 1.25% to 3.25%), instead of the 6% that had been previously approved.

As required, the Utilities have made available to the public, on the Utilities' websites, performance metrics identified by the PUC. The Utilities are updating the performance metrics on a quarterly basis.

On March 31, 2015, the PUC issued an Order (the March Order) related to the Schedule B portion of the proceeding to make certain further modifications to the decoupling mechanism, and to establish a briefing schedule with respect to certain issues in the proceeding. The March Order modified the RAM portion of the decoupling mechanism to be capped at the lesser of the RAM Revenue Adjustment as currently determined (adjusted to eliminate the 90% limitation on the current RAM Period Rate Base RAM adjustment that was ordered in the Schedule A portion of the proceeding) and a RAM Revenue Adjustment calculated based on the cumulative annual compounded increase in Gross Domestic Product Price Index (GDPPI) applied to the 2014 annualized target revenues (adjusted

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for certain items specified in the Order). The 2014 annualized target revenues represent the target revenues from the last rate case, and RAM revenues, offset by earnings sharing credits, if any, allowed under the decoupling mechanism through the 2014 decoupling filing. The Utilities may apply to the PUC for approval of recovery of revenues for Major Projects (including related baseline projects grouped together for consideration as Major Projects) through the RAM above the RAM cap or outside of the RAM through the Renewable Energy Infrastructure Program (REIP) surcharge or other adjustment mechanism. The RAM was amended on an interim basis pending the outcome of the PUC's review of the Utilities' Power Supply Improvement Plans. The triennial rate case cycle required under the decoupling mechanism continues to serve as the maximum period between the filing of general rate cases, and the amendments to the RAM do not limit or dilute the ordinary opportunities for the Utilities to seek rate relief according to conventional/traditional ratemaking procedures.

In making the modifications to the RAM Adjustment, the PUC stated the changes are designed to provide the PUC with control of and prior regulatory review over substantial additions to baseline projects between rate cases. The modifications do not deprive the Utilities of the opportunity to recover any prudently incurred expenditure or limit orderly recovery for necessary expanded capital programs.

The RBA, which is the sales decoupling component, was retained by the PUC in its March Order, and the PUC made no change in the authorized return on common equity. The PUC stated that performance-based ratemaking is not adopted at this time.

On May 28, 2015, the PUC issued an Order (the May Order) related to the Utilities' revised annual decoupling filing for tariffed rates submitted on April 15, 2015. The May Order ruled on the specific matters identified by the PUC in its information requests and by the Consumer Advocate in its Statement of Position. As a result of the May Order, on June 3, 2015, the Utilities filed revised tariff rates reflecting a reduction to the RAM portion of the tariff filing. The revision was made primarily to adjust the RAM to reflect reduced operations and maintenance expenses associated with the Utilities' change in estimate related to the allocation of indirect costs implemented in 2014, and to exclude the GDPPI factor on the depreciation expense portion for the calculation of the 2015 RAM Cap. The May Order also requires a one-time adjustment to customers for the impact of bonus tax depreciation enacted in December 2014 on the RAM revenues used for the 2014 tariff filing.

The revised 2015 annual incremental RAM revenues for the Utilities amounts to \$11.1 million compared to the \$26.2 million filed on April 15, 2015 and the \$31.6 million filed on March 31, 2015 based on the methodology prior to its modification in the March Order. The tariffed rates, which became effective on June 8, 2015, also include the collection or refund of the accrued RBA balance and associated revenue taxes as of December 31, 2014 and any accrued earnings sharing mechanism credits. The net refund to be provided by the three Utilities under the revised tariffs amounts to \$0.4 million, compared to a collection of \$14.7 million under the tariffs filed on April 15, 2015. Below is a summary of the 2015 incremental impact by company.

(\$ in millions)	Hawaiian Electric	Hawaii Electric Light	Maui Electric
Annual incremental RAM adjusted revenues	\$ 8.1	\$ 1.5	\$ 1.5
Annual change in accrued earnings sharing credits to be refunded	\$ —	\$ —	\$ (0.1)
Annual change in accrued RBA balance as of December 31, 2015 (and associated revenue taxes) to be collected	\$ (9.2)	\$ 0.1	\$ (2.2)
Net annual incremental amount to be collected under the tariffs	\$ (1.1)	\$ 1.5	\$ (0.8)
Impact on typical residential customer monthly bill (in dollars) *	\$ (0.09)	\$ 0.88	\$ (0.13)

Note: Columns may not foot due to rounding

\* Based on a 500 kilowatt-hour (KWH) bill for Hawaiian Electric, Maui Electric, and Hawaii Electric Light. The bill impact for Lanai and Molokai customers is a decrease of \$0.11, based on a 400 KWH bill.

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As required by the March Order, the Parties filed initial and reply briefs related to the following issues: (1) whether and, if so, how the conventional performance incentive mechanisms proposed in this proceeding should be refined and implemented in this docket; (2) what are the appropriate steps, processes and timing for determining measures to improve the efficiency and effectiveness of the general rate case filing and review process; and (3) what are the appropriate steps, processes and timing to further consider the merits of the proposed changes to the ECAC identified in this proceeding. In identifying the issue on possible changes to the ECAC, the PUC stated that changes to the ECAC should be made with great care to avoid unintended consequences.

In accordance with the March Order, the Utilities and the Consumer Advocate filed on June 15, 2015, their *Joint Proposed Modified REIP Framework/Standards and Guidelines* regarding the eligibility of projects for cost recovery above the RAM Cap through the REIP surcharge. On the same date, the Utilities filed their proposed standards and guidelines on the eligibility of projects for cost recovery through the RAM above the RAM Cap. On June 30, 2015, the Consumer Advocate filed comments on this proposal, and the County of Hawaii filed comments on both the REIP and the RAM above the RAM Cap proposals. On October 26, 2015, Hawaiian Electric filed an application to recover the revenue requirements associated with 2015 net plant additions in the amount of \$40.3 million and other associated costs for its Underground Cable Program and the 138kV Transmission and 46kV Sub-Transmission Structures Major Baseline Projects through the RAM above the 2015 RAM Cap. On October 30, 2015, Maui Electric filed an application to recover the revenue requirements associated with 2015 net plant additions in the amount of \$4.3 million and other associated costs for its transmission and distribution and generation plant reliability Major Baseline Project through the RAM above the 2015 RAM Cap. In November 2015, the Consumer Advocate filed preliminary statements of position (PSOPs) on these two applications, recommending that the PUC reject the applications. In December 2015, the Utilities filed responses to the Consumer Advocate's PSOPs, pointing out that the PUC had already authorized the filing of such applications for recovery of capital costs above the RAM Cap and requesting that the PUC proceed with review of the applications.

Potential impact of lava flows. In June 2014, lava from the Kilauea Volcano on the island of Hawaii began flowing toward the town of Pahoa. Hawaii Electric Light monitored utility property and equipment near the affected areas and protected that property and equipment to the extent possible (e.g., building barriers around poles). In March 2015 Hawaii Electric Light filed an application with the PUC requesting approval to defer costs incurred to monitor, prepare for, respond to, and take other actions necessary in connection with the June 2014 Kilauea lava flow such that Hawaii Electric Light can request PUC approval to recover those costs in a future rate case. The Consumer Advocate objected to the request. A PUC decision is pending.

**April 2014 regulatory orders.** In April 2014, the PUC issued four orders that collectively address certain key policy, resource planning and operational issues for the Utilities. The four orders are as follows:

Integrated Resource Planning. The PUC did not accept the Utilities' Integrated Resource Plan and Action Plans submission, and, in lieu of an approved plan, has commenced other initiatives to enable resource planning. The PUC directed each of Hawaiian Electric and Maui Electric to file within 120 days its respective Power Supply Improvement Plans (PSIPs), and the PSIPs were filed in August 2014. The PUC also provided its inclinations on the future of Hawaii's electric utilities in an exhibit to the order. The exhibit provides the PUC's perspectives on the vision, business strategies and regulatory policy changes required to align the Utilities' business model with customers' interests and the state's public policy goals.

Reliability Standards Working Group. The PUC ordered the Utilities (and in some cases the Kauai Island Utility Cooperative (KIUC)) to take timely actions intended to lower energy costs, improve system reliability and address emerging challenges to integrate additional renewable energy. In addition to the PSIPs mentioned above, the PUC ordered certain filing requirements which include the following:

- Distributed Generation Interconnection Plan - the Utilities' Plan was filed in August 2014.

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- Plan to implement an on-going distribution circuit monitoring program to measure real-time voltage and other power quality parameters - the Utilities' Plan was filed in June 2014.
- Action Plan for improving efficiencies in the interconnection requirements studies - the Utilities' Plan was filed in May 2014.
- The Utilities are to file monthly reports providing details about interconnection requirements studies.
- Integrated interconnection queue for each distribution circuit for each island grid - the Utilities' integrated interconnection queue plan was filed in August 2014 and the integrated interconnection queues were implemented in January 2015.

The PUC also stated it would be opening new dockets to address (1) reliability standards, (2) the technical, economic and policy issues associated with distributed energy resources (see "Distributed Energy Resources (DER) Investigative Proceeding" below) and (3) the Hawaii electricity reliability administrator, which is a third party position which the legislature has authorized the PUC to create by contract to provide support for the PUC in developing and periodically updating local grid reliability standards and procedures and interconnection requirements and overseeing grid access and operation.

Policy Statement and Order Regarding Demand Response Programs. The PUC provided guidance concerning the objectives and goals for demand response programs, and ordered the Utilities to develop an integrated Demand Response Portfolio Plan that will enhance system operations and reduce costs to customers. The Utilities' Plan was filed in July 2014. Subsequently, the Utilities submitted status updates and an update and supplemental report to the Plan. On July 28, 2015, the PUC issued an order appointing a special advisor to guide, monitor and review the Utility's Plan design and implementation. On December 30, 2015, the Utilities filed applications with the PUC (1) for approval of their proposed DR Portfolio Tariff Structure, Reporting Schedule and Cost Recovery of Program Costs through the Demand-Side Management (DSM) Surcharge, and (2) for approval to defer and recover certain computer software and software development costs for a Demand Response Management System (DRMS) through the Renewable Energy Infrastructure Program (REIP) Surcharge.

Maui Electric Company 2012 Test Year Rate Case. The PUC acknowledged the extensive analyses provided by Maui Electric in its System Improvement and Curtailment Reduction Plan (SICRP) filed in September 2013. The PUC stated that it is encouraged by the changes in Maui Electric's operations that have led to a significant reduction in the curtailment of renewables, but stated that Maui Electric has not set forth a clearly defined path that addresses integration and curtailment of additional renewables. The PUC directed Maui Electric to present a PSIP to address present and future system operations so as to not only reduce curtailment, but to optimize the operation of its system for its customers' benefit. The Maui Electric PSIP was filed in August 2014, and is currently being reviewed by the PUC in a new docket along with the Hawaiian Electric and Hawaii Electric Light PSIPs. Maui Electric filed its second annual SICRP status update in September 2015.

Review of PSIPs. Collectively, the PUC's April 2014 resource planning orders confirm the energy policy and operational priorities that will guide the Utilities' strategies and plans going forward.

PSIPs for Hawaiian Electric, Maui Electric and Hawaii Electric Light were filed in August 2014. The PSIPs each include a tactical plan to transform how electric utility services will be offered to meet customer needs and produce higher levels of renewable energy. Each plan contains a diversified mix of technologies, including significant distributed and utility-scale renewable resources, that is expected to result, on a consolidated basis, in over 65% of the Utilities' energy being produced from renewable resources by 2030. Under these plans, the Utilities will support sustainable growth of rooftop solar, expand use of energy storage systems, empower customers by developing smart grids, offer new products and services to customers (e.g., community solar, microgrids and voluntary "demand response" programs), switch from high-priced oil to lower cost liquefied natural gas, retire higher-cost, less efficient existing oil-based steam generators and lower full service residential customer bills in real dollars.

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In November 2015, the PUC issued an order in the proceeding to review the PSIPs filed. The order provided observations and concerns on the PSIPs submitted. In November 2015, as required by the order, the Utilities submitted a Proposed Revision Plan, which included a schedule and a work plan to supplement, amend and update the PSIPs in order to address the PUC's observations and concerns, including an Interim PSIP Update filing in February 2016 and updated PSIPs by April 1, 2016. The parties and participants filed comments on the Utilities Proposed Revision Plan in January 2016. The PUC is expected to provide further guidance regarding the substance and course of the proceeding.

In February 2016, the Utilities filed their PSIP Update Interim Status Report with the PUC, which discusses the status of the Utilities' ongoing planning and analysis for a diverse mix of energy resources to meet the state's 100% RPS goal by 2045. The report precedes more fully updated PSIPs to be filed by April 1, 2016.

Distributed Energy Resources (DER) Investigative Proceeding. In March 2015, the PUC issued an order to address DER issues.

On June 29, 2015, the Utilities submitted their final Statement of Position in the DER proceeding, which included:

- (1) new pricing provisions for future rooftop photovoltaic (PV) systems,
- (2) technical standards for advanced inverters,
- (3) new options for customers including battery-equipped rooftop PV systems,
- (4) a pilot time-of-use rate,
- (5) an improved method of calculating the amount of rooftop PV that can be safely installed, and
- (6) a streamlined and standardized PV application process.

On October 12, 2015, the PUC issued a D&O establishing DER reforms that: (1) promote rapid adoption of the next generation of solar PV and other distributed energy technologies; (2) encourage more competitive pricing of distributed energy resource systems; (3) lower overall energy supply costs for all customers; and (4) help to manage DER in terms of each island's limited grid capacity.

The D&O approved a customer self-supply tariff and a customer grid supply tariff to govern customer generators connected to the Utilities' systems. These tariffs replace the Net Energy Metering (NEM) program.

The D&O ordered the Utilities, among other things, (a) to collaborate with inverter manufacturers to develop a test plan by December 15, 2015 for the highest priority advanced inverter functions that are not UL certified and (b) to complete the circuit-level hosting capacity analysis for all islands in the Utilities' service territories by December 10, 2015. The DER Phase 2 of this docket began in November 2015 and focused on further developing competitive markets for distributed energy resources, including storage.

On October 21, 2015, The Alliance for Solar Choice, LLC (TASC) filed a complaint in Hawaii state court seeking an order enjoining the PUC from implementing the D&O and declaring that the D&O be reversed, modified, and/or remanded to the PUC for further proceedings. On January 19, 2016, the Circuit Court entered a final judgment against TASC on all of its claims. TASC has filed a notice of appeal from the final judgment. TASC also filed a second appeal of the D&O directly with the Intermediate Court of Appeals. The Utilities have moved to dismiss this appeal, and the motion is currently pending before the Court.

**Consolidating financial information.** Hawaiian Electric is not required to provide separate financial statements or other disclosures concerning Hawaii Electric Light and Maui Electric to holders of the 2004 Debentures issued by Hawaii Electric Light and Maui Electric to HECO Capital Trust III (Trust III) since all of their voting capital stock is owned, and their obligations with respect to these

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securities have been fully and unconditionally guaranteed, on a subordinated basis, by Hawaiian Electric. Consolidating information is provided below for Hawaiian Electric and each of its subsidiaries for the periods ended and as of the dates indicated.

Hawaiian Electric also unconditionally guarantees Hawaii Electric Light's and Maui Electric's obligations (a) to the State of Hawaii for the repayment of principal and interest on Special Purpose Revenue Bonds issued for the benefit of Hawaii Electric Light and Maui Electric, (b) under their respective private placement note agreements and the Hawaii Electric Light notes and Maui Electric notes issued thereunder (see Hawaiian Electric and Subsidiaries' Consolidated Statements of Capitalization) and (c) relating to the trust preferred securities of Trust III (see Note 4). Hawaiian Electric is also obligated, after the satisfaction of its obligations on its own preferred stock, to make dividend, redemption and liquidation payments on Hawaii Electric Light's and Maui Electric's preferred stock if the respective subsidiary is unable to make such payments.

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**Consolidating statement of income**

Year ended December 31, 2015

(in thousands)	Hawaiian	Hawaii	Maui	Other	Consolidating	Hawaiian Electric Consolidated
<b>Revenues</b>	\$ 1,644,181	345,549	345,517	—	(81) [1]	\$ 2,335,166
<b>Expenses</b>						
Fuel oil	458,069	71,851	124,680	—	—	654,600
Purchased power	440,983	97,503	55,610	—	—	594,096
Other operation and maintenance	284,583	63,098	65,408	—	—	413,089
Depreciation	117,682	37,250	22,448	—	—	177,380
Taxes, other than income taxes	156,871	32,312	32,702	—	—	221,885
<b>Total expenses</b>	<b>1,458,188</b>	<b>302,014</b>	<b>300,848</b>	<b>—</b>	<b>—</b>	<b>2,061,050</b>
<b>Operating income</b>	<b>185,993</b>	<b>43,535</b>	<b>44,669</b>	<b>—</b>	<b>(81)</b>	<b>274,116</b>
Allowance for equity funds used during construction	5,641	604	683	—	—	6,928
Equity in earnings of subsidiaries	42,920	—	—	—	(42,920) [2]	—
Interest expense and other charges, net	(45,899)	(10,773)	(9,779)	—	81 [1]	(66,370)
Allowance for borrowed funds used during construction	1,967	215	275	—	—	2,457
<b>Income before income taxes</b>	<b>190,622</b>	<b>33,581</b>	<b>35,848</b>	<b>—</b>	<b>(42,920)</b>	<b>217,131</b>
Income taxes	53,828	12,292	13,302	—	—	79,422
<b>Net income</b>	<b>136,794</b>	<b>21,289</b>	<b>22,546</b>	<b>—</b>	<b>(42,920)</b>	<b>137,709</b>
Preferred stock dividends of subsidiaries	—	534	381	—	—	915
<b>Net income attributable to Hawaiian Electric</b>	<b>136,794</b>	<b>20,755</b>	<b>22,165</b>	<b>—</b>	<b>(42,920)</b>	<b>136,794</b>
Preferred stock dividends of Hawaiian Electric	1,080	—	—	—	—	1,080
<b>Net income for common stock</b>	<b>\$ 135,714</b>	<b>20,755</b>	<b>22,165</b>	<b>—</b>	<b>(42,920)</b>	<b>\$ 135,714</b>

**Consolidating statement of comprehensive income**

Year ended December 31, 2015

(in thousands)	Hawaiian	Hawaii Electric Light	Maui	Other	Consolidating	Hawaiian Electric Consolidated
<b>Net income for common stock</b>	<b>\$ 135,714</b>	<b>20,755</b>	<b>22,165</b>	<b>—</b>	<b>(42,920)</b>	<b>\$ 135,714</b>
Other comprehensive income (loss), net of taxes:						
Retirement benefit plans:						
Net gains (losses) arising during the period, net of tax benefits	5,638	(2,710)	(1,352)	—	4,062 [1]	5,638
Less: amortization of transition obligation,						



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prior service credit and net losses recognized during the period in net periodic benefit cost, net of tax benefits	20,381	2,728	2,503	—	(5,231) [1]	20,381
Less: reclassification adjustment for impact of D&Os of the PUC included in regulatory assets, net of taxes	(25,139)	104	(1,107)	—	1,003 [1]	(25,139)
Other comprehensive income, net of tax benefits	880	122	44	—	(166)	880
Comprehensive income attributable to common shareholder	\$ 136,594	20,877	22,209	—	(43,086)	\$ 136,594

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**Consolidating balance sheet**

December 31, 2015

(in thousands)	Hawaiian	Hawaii Electric Light	Maui	Other	Consolidating	Hawaiian Electric Consolidated
<b>Assets</b>						
<b>Property, plant and equipment</b>						
<b>Utility property, plant and equipment</b>						
Land	\$ 43,557	6,219	3,016	—	—	\$ 52,792
Plant and equipment	4,026,079	1,212,195	1,077,424	—	—	6,315,698
Less accumulated depreciation	(1,316,467)	(486,028)	(463,509)	—	—	(2,266,004)
Construction in progress	147,979	11,455	15,875	—	—	175,309
<b>Utility property, plant and equipment, net</b>	<b>2,901,148</b>	<b>743,841</b>	<b>632,806</b>	<b>—</b>	<b>—</b>	<b>4,277,795</b>
Nonutility property, plant and equipment, less accumulated depreciation	5,659	82	1,531	—	—	7,272
<b>Total property, plant and equipment, net</b>	<b>2,906,807</b>	<b>743,923</b>	<b>634,337</b>	<b>—</b>	<b>—</b>	<b>4,285,067</b>
Investment in wholly-owned subsidiaries, at equity	556,528	—	—	—	(556,528) [2]	0
<b>Current assets</b>						
Cash and equivalents	16,281	2,682	5,385	101	—	24,449
Advances to affiliates	—	15,500	7,500	—	(23,000) [1]	—
Customer accounts receivable, net	93,515	20,508	18,755	—	—	132,778
Accrued unbilled revenues, net	60,080	12,531	11,898	—	—	84,509
Other accounts receivable, net	16,421	1,275	1,674	—	(8,962) [1]	10,408
Fuel oil stock, at average cost	49,455	8,310	13,451	—	—	71,216
Materials and supplies, at average cost	30,921	6,865	16,643	—	—	54,429
Prepayments and other	25,505	9,091	2,295	—	(251) [3]	36,640
Regulatory assets	63,615	4,501	4,115	—	—	72,231
<b>Total current assets</b>	<b>355,793</b>	<b>81,263</b>	<b>81,716</b>	<b>101</b>	<b>(32,213)</b>	<b>486,660</b>
<b>Other long-term assets</b>						
Regulatory assets	608,957	114,562	100,981	—	—	824,500
Unamortized debt expense	5,742	1,494	1,105	—	—	8,341
Other	47,731	14,693	13,062	—	—	75,486
<b>Total other long-term assets</b>	<b>662,430</b>	<b>130,749</b>	<b>115,148</b>	<b>—</b>	<b>—</b>	<b>908,327</b>
<b>Total assets</b>	<b>\$ 4,481,558</b>	<b>955,935</b>	<b>831,201</b>	<b>101</b>	<b>(588,741)</b>	<b>\$ 5,680,054</b>
<b>Capitalization and liabilities</b>						
<b>Capitalization</b>						
Common stock equity	\$ 1,728,325	292,702	263,725	101	(556,528) [2]	\$ 1,728,325
Cumulative preferred stock—not subject to mandatory redemption	22,293	7,000	5,000	—	—	34,293
Long-term debt, net	880,546	215,000	191,000	—	—	1,286,546
<b>Total capitalization</b>	<b>2,631,164</b>	<b>514,702</b>	<b>459,725</b>	<b>101</b>	<b>(556,528)</b>	<b>3,049,164</b>

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**Current liabilities**

Short-term borrowings-affiliate	23,000	—	—	—	(23,000) [1]	—
Accounts payable	84,631	17,702	12,513	—	—	114,846
Interest and preferred dividends payable	15,747	4,255	3,113	—	(4) [1]	23,111
Taxes accrued	131,668	30,342	29,325	—	(251) [3]	191,084
Regulatory liabilities	—	1,030	1,174	—	—	2,204
Other	41,083	8,760	13,194	—	(8,958) [1]	54,079
<b>Total current liabilities</b>	<b>296,129</b>	<b>62,089</b>	<b>59,319</b>	<b>—</b>	<b>(32,213)</b>	<b>385,324</b>

**Deferred credits and other liabilities**

Deferred income taxes	466,133	100,681	87,706	—	286 [1]	654,806
Regulatory liabilities	254,033	84,623	30,683	—	—	369,339
Unamortized tax credits	54,078	15,406	14,730	—	—	84,214
Defined benefit pension and other postretirement benefit plans liability	409,021	69,893	74,060	—	—	552,974
Other	51,273	13,243	13,916	—	(286) [1]	78,146
<b>Total deferred credits and other liabilities</b>	<b>1,234,538</b>	<b>283,846</b>	<b>221,095</b>	<b>—</b>	<b>—</b>	<b>1,739,479</b>

Contributions in aid of construction	319,727	95,298	91,062	—	—	506,087
<b>Total capitalization and liabilities</b>	<b>\$ 4,481,558</b>	<b>955,935</b>	<b>831,201</b>	<b>101</b>	<b>(588,741)</b>	<b>\$ 5,680,054</b>

**Consolidating statements of changes in common stock equity**

(in thousands)	Hawaiian	Hawaii Electric Light	Maui	Other	Consolidating	Hawaiian Electric Consolidated
Balance, December 31, 2014	\$ 1,682,144	281,846	256,692	101	(538,639)	\$ 1,682,144
Net income for common stock	135,714	20,755	22,165	—	(42,920)	135,714
Other comprehensive income, net of tax benefits	880	122	44	—	(166)	880
Common stock issuance expenses	(8)	—	(1)	—	1	(8)
Common stock dividends	(90,405)	(10,021)	(15,175)	—	25,196	(90,405)
Balance, December 31, 2015	\$ 1,728,325	292,702	263,725	101	(556,528)	\$ 1,728,325

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Consolidating statement of cash flows  
Year ended December 31, 2015

(in thousands)	Hawaiian	Hawaii Electric Light	Maui	Other	Consolidating	Hawaiian Electric Consolidated
<b>Cash flows from operating activities</b>						
Net income	\$ 136,794	21,289	22,546	—	(42,920) [2]	\$ 137,709
Adjustments to reconcile net income to net cash provided by operating activities						
Equity in earnings	(43,020)	—	—	—	42,920 [2]	(100)
Common stock dividends received from subsidiaries	25,296	—	—	—	(25,196) [2]	100
Depreciation of property, plant and equipment	117,682	37,250	22,448	—	—	177,380
Other amortization	4,678	2,124	2,137	—	—	8,939
Impairment of utility assets	4,573	724	724	—	—	6,021
Other	4,403	(2,476)	(255)	—	—	1,672
Increase in deferred income taxes	53,338	8,295	13,707	—	286 [1]	75,626
Change in tax credits, net	4,284	527	33	—	—	4,844
Allowance for equity funds used during construction	(5,641)	(604)	(683)	—	—	(6,928)
Changes in assets and liabilities:						
Decrease in accounts receivable	15,652	3,420	4,617	—	38 [1]	23,727
Decrease in accrued unbilled revenues	29,733	4,593	5,767	—	—	40,093
Decrease in fuel oil stock	25,060	5,490	4,280	—	—	34,830
Decrease (increase) in materials and supplies	2,233	(201)	789	—	—	2,821
Decrease (increase) in regulatory assets	(20,356)	(3,930)	104	—	—	(24,182)
Decrease in accounts payable	(42,751)	(6,425)	(5,379)	—	—	(54,555)
Change in prepaid and accrued income taxes and revenue taxes	(50,382)	(6,166)	(6,548)	—	—	(63,096)
Increase (decrease) in defined benefit pension and other postretirement benefit plans liability	870	(161)	416	—	—	1,125
Change in other assets and liabilities	(24,197)	(3,545)	(4,554)	—	(324) [1]	(32,620)
<b>Net cash provided by operating activities</b>	<b>238,249</b>	<b>60,204</b>	<b>60,149</b>	<b>—</b>	<b>(25,196)</b>	<b>333,406</b>
<b>Cash flows from investing activities</b>						
Capital expenditures	(267,621)	(48,645)	(33,895)	—	—	(350,161)
Contributions in aid of construction	35,955	2,160	2,124	—	—	40,239
Advances from affiliates	16,100	(15,500)	(7,500)	—	6,900 [1]	—
Other	924	132	84	—	—	1,140
<b>Net cash used in investing activities</b>	<b>(214,642)</b>	<b>(61,853)</b>	<b>(39,187)</b>	<b>—</b>	<b>6,900</b>	<b>(308,782)</b>
<b>Cash flows from financing activities</b>						
Common stock dividends	(90,405)	(10,021)	(15,175)	—	25,196 [2]	(90,405)
Preferred stock dividends of Hawaiian Electric and subsidiaries	(1,080)	(534)	(381)	—	—	(1,995)
Proceeds from issuance of long-term debt	50,000	25,000	5,000	—	—	80,000

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Net increase (decrease) in short-term borrowings from non-affiliates and affiliate with original maturities of three months or less	23,000	(10,500)	(5,600)	—	(6,900) [2]	—
Other	(1,257)	(226)	(54)	—	—	(1,537)
Net cash (used in) provided by financing activities	(19,742)	3,719	(16,210)	—	18,296	(13,937)
Net increase in cash and cash equivalents	3,865	2,070	4,752	—	—	10,687
Cash and cash equivalents, January 1	12,416	612	633	101	—	13,762
Cash and cash equivalents, December 31	\$ 16,281	2,682	5,385	101	—	\$ 24,449

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#### 4 • Unconsolidated variable interest entities

**HECO Capital Trust III.** Trust III was created and exists for the exclusive purposes of (i) issuing in March 2004 2,000,000 6.50% Cumulative Quarterly Income Preferred Securities, Series 2004 (2004 Trust Preferred Securities) (\$50 million aggregate liquidation preference) to the public and trust common securities (\$1.5 million aggregate liquidation preference) to Hawaiian Electric, (ii) investing the proceeds of these trust securities in 2004 Debentures issued by Hawaiian Electric in the principal amount of \$31.5 million and issued by Hawaii Electric Light and Maui Electric each in the principal amount of \$10 million, (iii) making distributions on these trust securities and (iv) engaging in only those other activities necessary or incidental thereto. The 2004 Trust Preferred Securities are mandatorily redeemable at the maturity of the underlying debt on March 18, 2034, which maturity may be extended to no later than March 18, 2053; and are currently redeemable at the issuer's option without premium. The 2004 Debentures, together with the obligations of the Utilities under an expense agreement and Hawaiian Electric's obligations under its trust guarantee and its guarantee of the obligations of Hawaii Electric Light and Maui Electric under their respective debentures, are the sole assets of Trust III. Taken together, Hawaiian Electric's obligations under the Hawaiian Electric debentures, the Hawaiian Electric indenture, the subsidiary guarantees, the trust agreement, the expense agreement and trust guarantee provide, in the aggregate, a full, irrevocable and unconditional guarantee of payments of amounts due on the Trust Preferred Securities. Trust III has at all times been an unconsolidated subsidiary of Hawaiian Electric. Since Hawaiian Electric, as the holder of 100% of the trust common securities, does not absorb the majority of the variability of Trust III, Hawaiian Electric is not the primary beneficiary and does not consolidate Trust III in accordance with accounting rules on the consolidation of VIEs. Trust III's balance sheet as of December 31, 2015 consisted of \$51.5 million of 2004 Debentures; \$50.0 million of 2004 Trust Preferred Securities; and \$1.5 million of trust common securities. Trust III's income statement for 2015 consisted of \$3.4 million of interest income received from the 2004 Debentures; \$3.3 million of distributions to holders of the Trust Preferred Securities; and \$0.1 million of common dividends on the trust common securities to Hawaiian Electric. So long as the 2004 Trust Preferred Securities are outstanding, Hawaiian Electric is not entitled to receive any funds from Trust III other than pro-rata distributions, subject to certain subordination provisions, on the trust common securities. In the event of a default by Hawaiian Electric in the performance of its obligations under the 2004 Debentures or under its Guarantees, or in the event any of the Utilities elect to defer payment of interest on any of their respective 2004 Debentures, then Hawaiian Electric will be subject to a number of restrictions, including a prohibition on the payment of dividends on its common stock.

**Power purchase agreements.** As of December 31, 2015, the Utilities had five PPAs for firm capacity and other PPAs with smaller IPPs and Schedule Q providers (i.e., customers with cogeneration and/or small power production facilities with a capacity of 100 kilowatts (kW) or less who buy power from or sell power to the Utilities), none of which are currently required to be consolidated as VIEs. Approximately 90% of the firm capacity is purchased from AES Hawaii, Inc. (AES Hawaii), Kalaeloa Partners, L.P. (Kalaeloa), Hamakua Energy Partners, L.P. (HEP) and Hpower. Purchases from all IPPs were as follows:

Years ended December 31 (in millions)	2015	2014	2013
AES Hawaii	\$ 134	\$ 145	\$ 134
Kalaeloa	187	279	301
HEP	44	51	51
Hpower	66	66	61
Puna Geothermal Venture	29	45	49
Hawaiian Commercial & Sugar (HC&S)	8	15	13
Other IPPs	126	121	102
<b>Total IPPs</b>	<b>\$ 594</b>	<b>\$ 722</b>	<b>\$ 711</b>

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In October 2015 the amended PPA between Maui Electric and HC&S became effective following PUC approval in September 2015. The amended PPA amends the pricing structure and rates for energy sold to Maui Electric, eliminates the capacity payment to HC&S, eliminates Maui Electric's minimum purchase obligation, provides that Maui Electric may request up to 4 MW of scheduled energy during certain months, and be provided up to 16 MW of emergency power, and extends the term of the PPA from 2014 to 2017.

Some of the IPPs provided sufficient information for Hawaiian Electric to determine that the IPP was not a VIE, or was either a "business" or "governmental organization," and thus excluded from the scope of accounting standards for VIEs. Other IPPs declined to provide the information necessary for Hawaiian Electric to determine the applicability of accounting standards for VIEs.

Since 2004, Hawaiian Electric has continued its efforts to obtain from the IPPs the information necessary to make the determinations required under accounting standards for VIEs. In each year from 2005 to 2015, the Utilities sent letters to the identified IPPs requesting the required information. All of these IPPs declined to provide the necessary information, except that Kalaeloa later agreed to provide the information pursuant to the amendments to its PPA (see below) and an entity owning a wind farm provided information as required under its PPA. Management has concluded that the consolidation of two entities owning wind farms was not required as Hawaii Electric Light and Maui Electric do not have variable interests in the entities because the PPAs do not require them to absorb any variability of the entities.

If the requested information is ultimately received from the remaining IPPs, a possible outcome of future analyses of such information is the consolidation of one or more of such IPPs in the Consolidated Financial Statements. The consolidation of any significant IPP could have a material effect on the Consolidated Financial Statements, including the recognition of a significant amount of assets and liabilities and, if such a consolidated IPP were operating at a loss and had insufficient equity, the potential recognition of such losses. If the Utilities determine they are required to consolidate the financial statements of such an IPP and the consolidation has a material effect, the Utilities would retrospectively apply accounting standards for VIEs.

Kalaeloa Partners, L.P. In October 1988, Hawaiian Electric entered into a PPA with Kalaeloa, subsequently approved by the PUC, which provided that Hawaiian Electric would purchase 180 MW of firm capacity for a period of 25 years beginning in May 1991. In October 2004, Hawaiian Electric and Kalaeloa entered into amendments to the PPA, subsequently approved by the PUC, which together effectively increased the firm capacity from 180 MW to 208 MW. The energy payments that Hawaiian Electric makes to Kalaeloa include: (1) a fuel component, with a fuel price adjustment based on the cost of low sulfur fuel oil, (2) a fuel additives cost component, and (3) a non-fuel component, with an adjustment based on changes in the Gross National Product Implicit Price Deflator. The capacity payments that Hawaiian Electric makes to Kalaeloa are fixed in accordance with the PPA. Kalaeloa also has a steam delivery cogeneration contract with another customer, the term of which coincides with the PPA. The facility has been certified by the Federal Energy Regulatory Commission as a Qualifying Facility under the Public Utility Regulatory Policies Act of 1978.

Hawaiian Electric and Kalaeloa are in negotiations to address the upcoming end of the PPA term in May 2016. The PPA will automatically extend on a month-to-month basis as long as the parties are still negotiating in good faith. The month-to-month term extensions shall end 60 days after either party notifies the other in writing that negotiations have terminated.

Pursuant to the current accounting standards for VIEs, Hawaiian Electric is deemed to have a variable interest in Kalaeloa by reason of the provisions of Hawaiian Electric's PPA with Kalaeloa. However, management has concluded that Hawaiian Electric is not the primary beneficiary of Kalaeloa because Hawaiian Electric does not have the power to direct the activities that most significantly impact Kalaeloa's economic performance nor the obligation to absorb Kalaeloa's expected losses, if any, that could potentially be significant to Kalaeloa. Thus, Hawaiian Electric has not consolidated Kalaeloa in its consolidated financial statements. The energy payments paid by Hawaiian Electric will fluctuate as fuel prices change, however, the PPA does not currently expose Hawaiian



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Electric to losses as the fuel and fuel related energy payments under the PPA have been approved by the PUC for recovery from customers through base electric rates and through Hawaiian Electric's ECAC to the extent the fuel and fuel related energy payments are not included in base energy rates. As of December 31, 2015, Hawaiian Electric's accounts payable to Kalaeloa amounted to \$11 million.

AES Hawaii, Inc. In March 1988, Hawaiian Electric entered into a PPA with AES Barbers Point, Inc. (now known as AES Hawaii, Inc.), which, as amended (through Amendment No. 2) and approved by the PUC, provided that Hawaiian Electric would purchase 180 MW of firm capacity for a period of 30 years beginning in September 1992. In November 2015, Hawaiian Electric entered into an Amendment No. 3, for which PUC approval has been requested. If approved by the PUC, Amendment No. 3 would increase the firm capacity from 180 MW to a maximum of 189 MW. The payments that Hawaiian Electric makes to AES Hawaii for energy associated with the first 180 MW of firm capacity include a fuel component, a variable O&M component and a fixed O&M component, all of which are subject to adjustment based on changes in the Gross National Product Implicit Price Deflator. If Amendment No. 3 is approved by the PUC, payments for energy associated with firm capacity in excess of 180 MW will not include any O&M component or be subject to adjustment based on changes in the Gross National Product Implicit Price Deflator. The capacity payments that Hawaiian Electric makes to AES Hawaii are fixed in accordance with the PPA and, if approved by the PUC, Amendment No. 3.

Pursuant to the current accounting standards for VIEs, Hawaiian Electric is deemed to have a variable interest in AES Hawaii by reason of the provisions of Hawaiian Electric's PPA with AES Hawaii. However, management has concluded that Hawaiian Electric is not the primary beneficiary of AES Hawaii because Hawaiian Electric does not have the power to control the most significant activities of AES Hawaii that impact AES Hawaii's economic performance, including operations and maintenance of AES Hawaii's facility. Thus, Hawaiian Electric has not consolidated AES Hawaii in its consolidated financial statements. As of December 31, 2015, Hawaiian Electric's accounts payable to AES Hawaii amounted to \$12 million.

#### 5 • Short-term borrowings

As of December 31, 2015 and 2014, Hawaiian Electric had no commercial paper outstanding.

As of December 31, 2015, Hawaiian Electric maintained a syndicated credit facility of \$200 million. Hawaiian Electric had no borrowings under its facility during 2015 and 2014. None of the facilities are collateralized.

#### Credit agreements.

On April 2, 2014, Hawaiian Electric and a syndicate of nine financial institutions entered into an amended and restated revolving non-collateralized credit agreement (Hawaiian Electric Facility). The Hawaiian Electric Facility increased Hawaiian Electric's line of credit to \$200 million from \$175 million. In January 2015, the PUC approved Hawaiian Electric's request to extend the term of the credit facility to April 2, 2019. The Hawaiian Electric Facility provided improved pricing compared to its prior facility. Under the Hawaiian Electric Facility, draws would generally bear interest, based on Hawaiian Electric's current long-term credit ratings, at the "Adjusted LIBO Rate," as defined in the agreement, plus 125 basis points and annual fees on undrawn commitments of 17.5 basis points. The Hawaiian Electric Facility contains updated provisions for pricing adjustments in the event of a long-term ratings change based on the Hawaiian Electric Facility's ratings-based pricing grid. Certain modifications were made to incorporate some updated terms and conditions customary for facilities of this type. The Hawaiian Electric Facility does not contain clauses that would affect access to the facility by reason of a ratings downgrade, nor does it have broad "material adverse change" clauses, but it continues to contain customary conditions which must be met in order to draw on it, including compliance with several covenants (such as covenants preventing its subsidiaries from entering into agreements that restrict the ability of the subsidiaries to pay dividends to, or to repay borrowings from, Hawaiian Electric, and restricting its ability as well as the ability of any of its subsidiaries to guarantee

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additional indebtedness of the subsidiaries if such additional debt would cause the subsidiary's "Consolidated Subsidiary Funded Debt to Capitalization Ratio" to exceed 65% (ratio of 42% for Hawaii Electric Light and 42% for Maui Electric as of December 31, 2015, as calculated under the agreement)). In addition to customary defaults, Hawaiian Electric's failure to maintain its financial ratios, as defined in its credit agreement, or meet other requirements may result in an event of default. For example, under the credit agreement, it is an event of default if Hawaiian Electric fails to maintain a "Consolidated Capitalization Ratio" (equity) of at least 35% (ratio of 57% as of December 31, 2015, as calculated under the credit agreement), or if Hawaiian Electric is no longer owned by HEI. Under the proposed Merger Agreement, Hawaiian Electric will become a wholly-owned subsidiary of NEE. The terms of the Hawaiian Electric Facility are such that the proposed Merger would constitute a "Change in Control." Hawaiian Electric has requested, and the financial institutions providing the Hawaiian Electric Facility have consented and agreed, that the proposed Merger shall not constitute a "Change in Control," as defined in the credit agreement, provided that (i) the Merger is consummated and (ii) Hawaiian Electric becomes and remains a wholly-owned subsidiary of NEE:

The credit facility will be maintained to support the issuance of commercial paper, but also may be drawn to repay Hawaiian Electric's short-term indebtedness, to make loans to subsidiaries and for Hawaiian Electric's capital expenditures, working capital and general corporate purposes.

#### 6 • Long-term debt

December 31	2015	2014
(dollars in thousands)		
Long-term debt <sup>1</sup>	\$ 1,286,546	\$ 1,206,546

<sup>1</sup> See components of "Total long-term debt" and unamortized discount in Hawaiian Electric and subsidiaries' Consolidated Statements of Capitalization.

As of December 31, 2015, the aggregate payments of principal required on the Utilities' long-term debt for 2016 through 2020 are nil in 2016 and 2017, \$50 million in 2018, nil in 2019 and \$96 million in 2020.

The Utilities' senior notes contain customary representations and warranties, affirmative and negative covenants, and events of default (the occurrence of which may result in some or all of the notes of each and all of the utilities then outstanding becoming immediately due and payable) and provisions requiring the maintenance by Hawaiian Electric, and each of Hawaii Electric Light and Maui Electric, of certain financial ratios generally consistent with those in Hawaiian Electric's existing amended revolving noncollateralized credit agreement, expiring on April 2, 2019 (See Note 5 of the Consolidated Financial Statements).

#### Changes in long-term debt.

On October 15, 2015, Hawaiian Electric, Maui Electric and Hawaii Electric Light issued, through a private placement pursuant to separate note purchase agreements (the Note Purchase Agreements), \$50 million, \$5 million and \$25 million, respectively, of Series 2015A taxable unsecured 5.23% senior notes due October 1, 2045 (collectively, the Notes). Hawaiian Electric is also a party as guarantor under the Note Purchase Agreements entered into by Maui Electric and Hawaii Electric Light.

All the proceeds of the Notes were used by the Utilities to finance their capital expenditures and for the reimbursement of funds used for the payment of capital expenditures.

The Note Purchase Agreements contain customary representations and warranties, affirmative and negative covenants, and events of default (the occurrence of which may result in some or all of the Notes then outstanding becoming immediately due and payable).

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The Note Purchase Agreements also include provisions regarding the maintenance of financial ratios that are generally consistent with those in the Hawaiian Electric credit agreement described above.

The Notes may be prepaid in whole or in part at any time at the prepayment price of the principal amount plus a "Make-Whole Amount." Each of the Note Purchase Agreements also (a) requires the Utilities to offer to prepay the Notes (without a Make-Whole Amount) in the event that there is a "change in control" as defined, and (b) permits the Utilities to offer to prepay Notes (without a Make-Whole Amount) in the event of certain sales of assets. Under the Note Purchase Agreements, the proposed merger of HEI and NEE will not be deemed a "change in control."

On December 15, 2015, the Department issued, at par, Refunding Series 2015 SPRBs in the aggregate principal amount of \$47 million with a maturity of January 1, 2025 and a fixed coupon interest rate of 3.25% and loaned the proceeds to Hawaiian Electric (\$40 million), Hawaii Electric Light (\$5 million) and Maui Electric (\$2 million). Proceeds from the sale were applied, together with other funds provided by the Utilities, to redeem at par on December 30, 2015, the Refunding Series 2005A SPRBs (which had an original maturity of January 1, 2025 and a fixed coupon rate of 4.80%).

## 7 · Retirement benefits

**Defined benefit plans.** Substantially all of the employees of the Utilities participate in the Retirement Plan for Employees of Hawaiian Electric Industries, Inc. and Participating Subsidiaries (HEI Pension Plan). The HEI Pension Plan is a qualified, noncontributory defined benefit pension plans and includes benefits for utility union employees determined in accordance with the terms of the collective bargaining agreements between the Utilities and the union. The Plan is subject to the provisions of ERISA. In general, benefits are based on the employees' or directors' years of service and compensation.

The continuation of the Plan and the payment of any contribution thereunder are not assumed as contractual obligations by the participating employers.

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

To determine pension costs for HEI and its subsidiaries under the Plan is necessary to make complex calculations and estimates based on numerous assumptions, including the assumptions identified under "Defined benefit pension and other postretirement benefit plans information" below.

**Postretirement benefits other than pensions.** The Utilities provide eligible employees health and life insurance benefits upon retirement under the Postretirement Welfare Benefits Plan for Employees of Hawaiian Electric Company, Inc. and participating employers (Hawaiian Electric Benefits Plan). Eligibility of employees and dependents is based on eligibility to retire at termination, the retirement date and the date of hire. The plan was amended in 2011, changing eligibility for certain bargaining unit employees hired prior to May 1, 2011, based on new minimum age and service requirements effective January 1, 2012, per the collective bargaining agreement, and certain management employees hired prior to May 1, 2011 based on new eligibility minimum age and service requirements effective January 1, 2012. The minimum age and service requirements for management and bargaining unit employees hired May 1, 2011 and thereafter have increased and their dependents are not eligible to receive postretirement benefits. Employees may be eligible to receive benefits from the HEI Pension Plan but may not be eligible for postretirement welfare benefits if

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the different eligibility requirements are not met.

The executive death benefit plan was frozen on September 10, 2009 to participants and benefit levels as of that date. The electric discount was eliminated for management employees and retirees of Hawaiian Electric in August 2009, Hawaii Electric Light in November 2010, and Maui Electric in August 2010, and for bargaining unit employees and retirees on January 31, 2011 per the collective bargaining agreement.

The Utilities' cost for OPEB has been adjusted to reflect the plan amendments, which reduced benefits and created prior service credits to be amortized over average future service of affected participants. The amortization of the prior service credit will reduce benefit costs over the next few years until the various credit bases are fully recognized. Each participating employer reserves the right to terminate its participation in the Hawaiian Electric Benefits Plan at any time.

**Balance sheet recognition of the funded status of retirement plans.** Employers must recognize on their balance sheets the funded status of defined benefit pension and other postretirement benefit plans with an offset to AOCI in shareholders' equity (using the projected benefit obligation (PBO) and accumulated postretirement benefit obligation (APBO), to calculate the funded status).

The PUC allowed the Utilities to adopt pension and OPEB tracking mechanisms in previous rate cases. The amount of the net periodic pension cost (NPPC) and net periodic benefits costs (NPBC) to be recovered in rates is established by the PUC in each rate case. Under the Utilities' tracking mechanisms, any actual costs determined in accordance with GAAP that are over/under amounts allowed in rates are charged/credited to a regulatory asset/liability. The regulatory asset/liability for each utility will then be amortized over 5 years beginning with the respective utility's next rate case. Accordingly, all retirement benefit expenses (except for executive life and nonqualified pension plan expenses, which amounted to \$1.0 million and 1.2 million in 2015 and 2014, respectively) determined in accordance with GAAP will be recovered.

Under the tracking mechanisms, amounts that would otherwise be recorded in AOCI (excluding amounts for executive life and nonqualified pension plans), which amounts include the prepaid pension asset, net of taxes, as well as other pension and OPEB charges, are allowed to be reclassified as a regulatory asset, as those costs will be recovered in rates through the NPPC and NPBC in the future. The Utilities have reclassified to a regulatory asset/(liability) charges for retirement benefits that would otherwise be recorded in AOCI (amounting to the elimination of a potential charge to AOCI of \$(41) million pretax and \$340 million pretax for 2015 and 2014, respectively).

Under the pension tracking mechanism, the Utilities' are required to make contributions to the pension trust in the amount of the actuarially calculated NPPC, except when limited by the ERISA minimum contribution requirements or the maximum contribution limitations on deductible contributions imposed by the Internal Revenue Code.

The OPEB tracking mechanisms generally require the Utilities to make contributions to the OPEB trust in the amount of the actuarially calculated NPBC, except when limited by material, adverse consequences imposed by federal regulations.

Retirement benefits expense for the Utilities for 2015, 2014 and 2013 was \$30 million, \$32 million and \$30 million, respectively.

**Defined benefit pension and other postretirement benefit plans information.** The changes in the obligations and assets of the Utilities' retirement benefit plans and the changes in AOCI (gross) for 2015 and 2014 and the funded status of these plans and amounts related to these plans reflected in the Utilities' consolidated balance sheet as of December 31, 2015 and 2014 were as follows:

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(in thousands)	2015		2014	
	Pension benefits	Other benefits	Pension benefits	Other benefits
<b>Hawaiian Electric consolidated</b>				
Benefit obligation, January 1	\$ 1,690,777	\$ 211,760	\$ 1,320,810	\$ 169,579
Service cost	64,262	3,870	47,597	3,392
Interest cost	70,529	8,700	65,979	8,234
Actuarial losses (gains)	(114,286)	(2,860)	314,210	38,488
Benefits paid and expenses	(63,037)	(7,598)	(57,819)	(7,933)
Transfers	1,445	118	—	—
Benefit obligation, December 31	1,649,690	213,990	1,690,777	211,760
Fair value of plan assets, January 1	1,129,005	177,256	1,058,260	176,291
Actual (loss) return on plan assets	(10,646)	(2,712)	69,242	9,036
Employer contributions	85,139	864	58,948	(274)
Benefits paid and expenses	(62,584)	(7,598)	(57,445)	(7,797)
Other	919	120	—	—
Fair value of plan assets, December 31	1,141,833	167,930	1,129,005	177,256
Accrued benefit asset (liability), December 31	\$ (507,857)	\$ (46,060)	\$ (561,772)	\$ (34,504)
Other liabilities (short-term)	(425)	(518)	(421)	(460)
Defined benefit pension and other postretirement benefit plans liability	(507,432)	(45,542)	(561,351)	(34,044)
Accrued benefit asset (liability), December 31	\$ (507,857)	\$ (46,060)	\$ (561,772)	\$ (34,504)
AOCI debit/(credit), January 1 (excluding impact of PUC D&Os)	\$ 595,103	\$ 20,090	\$ 295,973	\$ (21,907)
Recognized during year – prior service credit (cost)	(40)	1,804	(62)	1,804
Recognized during year – net actuarial losses	(33,371)	(1,754)	(18,459)	—
Occurring during year – net actuarial losses (gains)	(20,574)	11,345	317,651	40,193
AOCI debit/(credit) before cumulative impact of PUC D&Os, December 31	541,118	31,485	595,103	20,090
Cumulative impact of PUC D&Os	(538,784)	(35,333)	(592,291)	(22,975)
AOCI debit/(credit), December 31	\$ 2,334	\$ (3,848)	\$ 2,812	\$ (2,885)
Net actuarial loss (gain)	\$ 541,071	\$ 43,784	\$ 595,017	\$ 34,192
Prior service cost (gain)	47	(12,299)	86	(14,102)
AOCI debit/(credit) before cumulative impact of PUC D&Os, December 31	541,118	31,485	595,103	20,090
Cumulative impact of PUC D&Os	(538,784)	(35,333)	(592,291)	(22,975)
AOCI debit/(credit), December 31	2,334	(3,848)	2,812	(2,885)
Income taxes (benefits)	(908)	1,497	(1,094)	1,122
AOCI debit/(credit), net of taxes (benefits), December 31	\$ 1,426	\$ (2,351)	\$ 1,718	\$ (1,763)

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The dates used to determine retirement benefit measurements for the defined benefit plans were December 31 of 2015, 2014 and 2013.

The Pension Protection Act of 2006 (Pension Protection Act) signed into law on August 17, 2006, amended the Employee Retirement Income Security Act of 1974 (ERISA). Among other things, the Pension Protection Act changed the funding rules for qualified pension plans. On August 8, 2014, President Obama signed the latest change to the Pension Protection Act, the Highway and Transportation Funding Act of 2014 (HATFA). HATFA resulted in an increase of the Adjusted Funding Target Attainment Percentage (AFTAP) for benefit distribution purposes and eased funding requirements effective with the 2014 plan year (a plan sponsor could have elected to apply the provisions of HATFA to 2013, but the Company did not so elect). As a result, the minimum funding requirements for the HEI Retirement Plan under ERISA are less than the net periodic cost for 2014 and 2015. Nevertheless, to satisfy the requirements of the Utilities pension and OPEB tracking mechanisms, the Utilities contributed the net periodic cost in 2014 and 2015 and expect to contribute the net periodic cost in 2016.

The Pension Protection Act provides that if a pension plan's funded status falls below certain levels, more conservative assumptions must be used to value obligations under the pension plan. The HEI Retirement Plan met the threshold requirements in each of 2013, 2014 and 2015 so that the more conservative assumptions did not apply for either 2014 or 2015 and will not apply for 2016. Other factors could cause changes to the required contribution levels.

For purposes of calculating NPPC and NPBC, the Utilities have determined the market-related value of retirement benefit plan assets by calculating the difference between the expected return and the actual return on the fair value of the plan assets, then amortizing the difference over future years – 0% in the first year and 25% in each of years two through five – and finally adding or subtracting the unamortized differences for the past four years from fair value. The method includes a 15% range restriction around the fair value of such assets (i.e., 85% to 115% of fair value).

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

The Utilities based their selection of an assumed discount rate for 2016 NPPC, NPBC and December 31, 2015 disclosure on a cash flow matching analysis that utilized bond information provided by Bloomberg for all non-callable, high quality bonds (i.e., rated AA- or better) as of December 31, 2015. In selecting the expected rate of return on plan assets for 2016 NPPC and NPBC, the Utilities considered economic forecasts for the types of investments held by the plans (primarily equity and fixed income investments), the Plans' asset allocations, industry and corporate surveys and the past performance of the plans' assets in selecting 7.75%.

The Utilities adopted mortality tables published in October 2014 by the Society of Actuaries as its mortality assumptions as of December 31, 2014. The use of the RP-2014 Tables and the Mortality Improvement Scale MP-2014 had a significant effect on the Utilities' benefit obligations and increased their costs and required contributions for 2015. The Utilities adopted revised mortality tables for their mortality assumptions as of December 31, 2015 (based on information published by the Society of Actuaries in October 2015), the use of which lowered obligations of the Utilities as of December 31, 2015 and will lower their costs and required contributions in 2016.

As of December 31, 2015, the assumed health care trend rates for 2016 and future years were as follows: medical, 8%, grading

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down to 5% for 2028 and thereafter; dental, 5%; and vision, 4%. As of December 31, 2014, the assumed health care trend rates for 2015 and future years were as follows: medical, 7.25%, grading down to 5% for 2024 and thereafter; dental, 5%; and vision, 4%. Medicare Advantage reimbursements are expected to phase out by 2016. For post age 65, the medical trend is 3% higher than pre-65 for 2015 to reflect anticipated increases above the ordinary medical trend rates. Starting in 2016, pre-65 and post-65 health care trend rates are assumed to be the same .

The components of NPPC and NPBC were as follows:

(in thousands)	Pension benefits			Other benefits		
	2015	2014	2013	2015	2014	2013
<b>Hawaiian Electric consolidated</b>						
Service cost	\$ 64,262	\$ 47,597	\$ 54,482	\$ 3,870	\$ 3,392	\$ 4,163
Interest cost	70,529	65,979	59,119	8,700	8,234	7,288
Expected return on plan assets	(82,541)	(72,661)	(64,551)	(11,495)	(10,739)	(10,002)
Amortization of net prior service (gain) cost	40	62	(464)	(1,804)	(1,804)	(1,803)
Amortization of net actuarial losses	33,371	18,459	34,597	1,754	—	1,544
Net periodic pension/benefit cost	85,661	59,436	83,183	1,025	(917)	1,190
Impact of PUC D&Os	(40,011)	(13,324)	(38,104)	(240)	1,976	(1,458)
Net periodic pension/benefit cost (adjusted for impact of PUC D&Os)	\$ 45,650	\$ 46,112	\$ 45,079	\$ 785	\$ 1,059	\$ (268)

The estimated prior service credit, net actuarial loss and net transition obligation for defined benefit plans that will be amortized from AOCI or regulatory assets into NPPC and NPBC during 2016 is as follows:

(in millions)	Hawaiian Electric consolidated	
	Pension benefits	Other benefits
Estimated prior service cost (credit)	\$ —	\$ (1.8)
Net actuarial loss	21.8	1.1

The Utilities recorded pension expense of \$29 million, \$31 million and \$30 million and OPEB expense of \$0.7 million, \$1.0 million and nil in 2015, 2014 and 2013, respectively, and charged the remaining amounts primarily to electric utility plant.

The health care cost trend rate assumptions can have a significant effect on the amounts reported for other benefits. As of December 31, 2015, for the Utilities, a one-percentage-point increase in the assumed health care cost trend rates would have increased the total service and interest cost by \$0.2 million and the APBO by \$3.7 million, and a one-percentage-point decrease would have reduced the total service and interest cost by \$0.2 million and the APBO by \$4.3 million.

The defined benefit pension plans with ABOs in excess of plan assets as of December 31, 2015 and 2014, had aggregate ABOs of \$1.4 billion and \$1.5 billion, respectively, and plan assets of \$1.1 billion and \$1.1 billion, respectively. All the defined benefit pension plans shown in the table above had PBOs in excess of plan assets as of December 31, 2015 and 2014. As of December 31, 2015 and 2014, the other postretirement benefit plan shown in the table above had ABOs in excess of plan assets.

The Utilities estimate that the cash funding for the qualified defined benefit pension plan in 2016 will be \$64 million, which should fully satisfy the minimum required contributions to that Plan, including requirements of the pension tracking mechanisms and

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the Plan's funding policy. The Utilities' current estimate of contributions to its other postretirement benefit plans in 2016 is \$23,000.

As of December 31, 2015, the benefits expected to be paid under all retirement benefit plans in 2016, 2017, 2018, 2019, 2020 and 2021 through 2025 amounted to \$74 million, \$77 million, \$80 million, \$84 million, \$88 million and \$501 million, respectively.

**Defined contribution plans information.**

Changes to retirement benefits for utility employees commencing employment after April 30, 2011 include a reduction of benefits provided through the defined benefit plan and the addition of a 50% match by the applicable employer on the first 6% of employee deferrals through the defined contribution plan (under the Hawaiian Electric Industries Retirement Savings Plan).

The Utilities' expense for its defined contribution pension plan under the HEIRSP Plan for 2015, 2014 and 2013 was \$1.5 million, \$0.9 million and \$0.6 million, respectively.

**8 • Share-based compensation**

Under the 2010 Equity and Incentive Plan, as amended, HEI, parent of the Utilities, can issue shares of common stock as incentive compensation to selected employees in the form of stock options, stock appreciation rights (SARs), restricted shares, restricted stock units, performance shares and other share-based and cash-based awards. The 2010 Equity and Incentive Plan (original EIP) was amended and restated effective March 1, 2014 (EIP) and an additional 1.5 million shares was added to the shares available for issuance under these programs.

As of December 31, 2015, approximately 3.5 million shares remained available for future issuance under the terms of the EIP, assuming recycling of shares withheld to satisfy minimum statutory tax liabilities relating to EIP awards, including an estimated 0.5 million shares that could be issued upon the vesting of outstanding restricted stock units and the achievement of performance goals for awards outstanding under long-term incentive plans (assuming that such performance goals are achieved at maximum levels).

As of May 11, 2010 (when the 2010 Equity and Incentive Plan became effective), no new awards could be granted under the 1987 Stock Option and Incentive Plan, as amended (SOIP). Since by March 2015 all of the shares of common stock for the outstanding SOIP grants and awards were issued or such grants and awards had expired, the remaining shares registered under the SOIP were deregistered and delisted.

For the SARs that were outstanding under the SOIP, the exercise price of each SAR generally equaled the fair market value of HEI's stock on or near the date of grant. SARs and related dividend equivalents issued in the form of stock awards generally became exercisable in installments of 25% each year for four years, and expired if not exercised ten years from the date of the grant. SARs compensation expense was recognized in accordance with the fair value-based measurement method of accounting. The estimated fair value of each SAR grant was calculated on the date of grant using a Binomial Option Pricing Model. There were no outstanding SARs as of December 31, 2015.

The restricted shares that had been issued under the 2010 Equity and Incentive Plan became unrestricted in four equal annual increments on the anniversaries of the grant date and were forfeited to the extent they had not become unrestricted for terminations of employment during the vesting period, except accelerated vesting was provided for terminations by reason of death, disability and termination without cause. Restricted shares compensation expense had been recognized in accordance with the fair-value-based measurement method of accounting. Dividends on restricted shares were paid quarterly in cash. There were no outstanding restricted shares as of December 31, 2015.

Restricted stock units awarded under the 2010 Equity and Incentive Plan in 2015, 2014, 2013 and 2012 will vest and be issued in unrestricted stock in four equal annual increments on the anniversaries of the grant date and are forfeited to the extent they have not



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become vested for terminations of employment during the vesting period, except that pro-rata vesting is provided for terminations due to death, disability and retirement. Restricted stock units expense has been recognized in accordance with the fair-value-based measurement method of accounting. Dividend equivalent rights are accrued quarterly and are paid at the end of the restriction period when the associated restricted stock units vest.

Stock performance awards granted under the 2013-2015 and 2014-2016 long-term incentive plans (LTIPs) entitle the grantee to shares of common stock with dividend equivalent rights once service conditions and performance conditions are satisfied at the end of the three-year performance period. LTIP awards are forfeited for terminations of employment during the performance period, except that pro-rata participation is provided for terminations due to death, disability and retirement based upon completed months of service after a minimum of 12 months of service in the performance period. Compensation expense for the stock performance awards portion of the LTIP has been recognized in accordance with the fair-value-based measurement method of accounting for performance shares.

Under the 2011 Nonemployee Director Stock Plan (2011 Director Plan), HEI can issue shares of common stock as compensation to nonemployee directors of Hawaiian Electric. As of December 31, 2015, there were 141,044 shares remaining available for future issuance under the 2011 Director Plan.

Share-based compensation expense and the related income tax benefit were as follows:

(in millions)	2015	2014	2013
<b>Hawaiian Electric consolidated</b>			
Share-based compensation expense <sup>1</sup>	1.9	3.1	2.3
Income tax benefit	0.7	1.2	0.9

<sup>1</sup> \$0.15 million, \$0.16 million and \$0.11 million of this share-based compensation expense was capitalized in 2015, 2014 and 2013, respectively.

## 9 • Income taxes

The components of income taxes attributable to net income for common stock were as follows:

Years ended December 31	Hawaiian Electric consolidated		
	2015	2014	2013
<b>(in thousands)</b>			
<b>Federal</b>			
Current (1)	\$ —	\$ 1,108	\$ 1,313
Deferred (1)	68,757	68,775	58,024
Deferred tax credits, net	318	—	224
	69,075	69,883	59,561
<b>State</b>			
Current (1)	(1,048)	(9,436)	(3,720)
Deferred (1)	6,869	14,172	6,483
Deferred tax credits, net	4,526	6,106	6,793
	10,347	10,842	9,556
<b>Total</b>	<b>\$ 79,422</b>	<b>\$ 80,725</b>	<b>\$ 69,117</b>

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A reconciliation of the amount of income taxes computed at the federal statutory rate of 35% to the amount provided in the consolidated statements of income was as follows:

Years ended December 31	Hawaiian Electric consolidated		
	2015	2014	2013
(in thousands)			
Amount at the federal statutory income tax rate (1)	\$ 75,996	\$ 77,126	\$ 67,914
Increase (decrease) resulting from:			
State income taxes, net of federal income tax benefit (1)	6,726	7,047	6,211
Other, net (1)	(3,300)	(3,448)	(5,008)
Total	\$ 79,422	\$ 80,725	\$ 69,117
Effective income tax rate	36.6%	36.6%	35.6%

The Utilities' effective tax rate increased in 2014 compared to 2013 primarily due to the out-of-period income tax benefits.

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

December 31	Hawaiian Electric consolidated	
	2015	2014
(in thousands)		
Deferred tax assets		
Net operating loss	\$ 37,283	\$ 51,936
Other (1)	20,238	17,663
Total deferred tax assets	57,521	69,599
Deferred tax liabilities		
Property, plant and equipment related	489,884	446,259
Repairs deduction	104,081	86,408
Regulatory assets, excluding amounts attributable to property, plant and equipment	34,261	33,795
Deferred RAM and RBA revenues	26,400	32,889
Retirement benefits	44,991	28,758
Other (1)	12,710	14,929
Total deferred tax liabilities	712,327	643,038
Net deferred income tax liability	\$ 654,806	\$ 573,439

(1) Hawaiian Electric consolidated amounts as of December 31, 2014 have been updated to reflect the Utilities' adoption of ASU No. 2014-01 and the Utilities' adoption of ASU No. 2015-17, respectively. See Note 1 for a discussion of the Utilities' adoption of ASU No. 2014-01 and the Utilities' adoption of ASU No. 2015-17.

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences are deductible. Based upon historical taxable income and projections for future taxable income,

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management believes it is more likely than not the Utilities will realize substantially all of the benefits of the deferred tax assets. As of December 31, 2015, the valuation allowance for deferred tax benefits is not significant. In 2015, the net deferred income tax liability continued to increase primarily as a result of accelerated tax deductions taken for bonus depreciation that was retroactively enacted in the Protecting Americans from Tax Hikes (PATH) Act of 2015. The Utilities are included in the consolidated federal and Hawaii income tax returns of HEI and are subject to the provisions of HEI's tax sharing agreement, which determines each subsidiary's (or subgroup's) income tax return liabilities and refunds on a standalone basis as if it filed a separate return (or subgroup consolidated return). Consequently, although HEI consolidated does not anticipate any unutilized net operating loss (NOL) as of December 31, 2015, standalone Hawaiian Electric consolidated expects an unutilized NOL for federal tax purposes in accordance with the HEI tax sharing agreement. The Hawaiian Electric deferred tax asset associated with this NOL as of December 31, 2015 has decreased from December 31, 2014 as shown above.

In 2014 and 2013, credit adjustments to interest expense on income taxes was reflected in "Interest and other charges" in the amount of \$0.7 million and \$0.3 million, respectively. The credit adjustments to interest expense were primarily due to the resolution of tax issues with the IRS. As of December 31, 2015 and 2014, the total amount of accrued interest related to uncertain tax positions was \$0.1 million. As of December 31, 2015, the total amount of liability for uncertain tax positions was \$3.6 million.

The changes in total unrecognized tax benefits were as follows:

(in millions)	Hawaiian Electric consolidated		
	2015	2014	2013
Unrecognized tax benefits, January 1	\$ —	\$ 0.5	0.4
Additions based on tax positions taken during the year	—	—	—
Reductions based on tax positions taken during the year	—	—	—
Additions for tax positions of prior years	3.6	0.1	0.5
Reductions for tax positions of prior years	—	—	(0.4)
Settlements	—	(0.6)	—
Lapses of statute of limitations	—	—	—
Unrecognized tax benefits, December 31	\$ 3.6	\$ —	\$ 0.5

As of December 31, 2015, the disclosures above present the Utilities' accruals for potential tax liabilities and related interest. Based on information currently available, the Utilities believe these accruals have adequately provided for potential income tax issues with federal and state tax authorities and related interest, and that the ultimate resolution of tax issues for all open tax periods will not have a material adverse effect on its results of operations, financial condition or liquidity.

In 2014, the IRS completed its examination of the HEI's federal income tax returns for tax years 2010 and 2011. In October 2014, HEI and the IRS reached an agreement on all adjustments, primarily related to depreciation, resulting in no material impacts to the income statement. Tax years 2011 through 2014 remain subject to examination by the Department of Taxation of the State of Hawaii.

**Out-of-period income tax benefit.** During 2013, HEI recorded a \$3.1 million (including \$2.7 million related to the Utilities) out-of-period income tax benefit, resulting primarily from the reversal of deferred tax liabilities due to errors in the amount of book over tax basis differences in plant and equipment. Management concluded that this out-of-period adjustment was not material to either the current or any prior period financial statements.

**Recent tax developments.** The Utilities adopted the safe harbor guidelines with respect to network (transmission and distribution) assets in 2011 and, in June 2013, the IRS released a revenue procedure relating to deductions for repairs of generation property, which provides some guidance (that is elective) for taxpayers that own steam or electric generation property. This guidance defines the

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NOTES TO FINANCIAL STATEMENTS (Continued)			

relevant components of generation property to be used in determining whether such component expenditures should be deducted as repairs or capitalized and depreciated by taxpayers. The revenue procedure also provides an extrapolation methodology that could be used by taxpayers in determining deductions for prior years' repairs without going back to the specific documentation of those years. The guidance does not provide specific methods for determining the repairs amount. Management has adopted a method believed to be consistent with this guidance in its 2014 tax return filed in September 2015.

## 10 • Cash flows

Years ended December 31	2015	2014	2013
(in millions)			
<b>Supplemental disclosures of cash flow information</b>			
<b>Hawaiian Electric consolidated</b>			
Interest paid to non-affiliates	61	61	59
Income taxes paid	13	6	6
Income taxes refunded	12	8	32
<b>Supplemental disclosures of noncash activities</b>			
<b>Hawaiian Electric consolidated</b>			
<b>Electric utility property, plant and equipment</b>			
AFUDC-equity (operating)	7	7	6
Estimated fair value of noncash contributions in aid of construction (investing)	3	3	5
Unpaid invoices and accruals (investing)	5	40	(12)
Refinancing of long-term debt (financing)	47	—	—

## 11 • Regulatory restrictions on net assets

As of December 31, 2015, the Utilities could not transfer approximately \$711 million of net assets to HEI in the form of dividends, loans or advances without PUC approval.

## 12 • Significant group concentrations of credit risk

Most of the Utilities' business activity is with customers located in the State of Hawaii.

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

## 13 • Other related-party transactions

Mr. Timothy Johns, a member of the Hawaiian Electric Board of Directors, is an executive officer of Hawaii Medical Service Association (HMSA). Ms. Susan Li, an executive of Hawaiian Electric, is the Vice Chairperson of the Hawaii Dental Service (HDS) Board of Directors. The Utilities' HMSA costs and expense (for health insurance premiums, claims plus administration expense and stop-loss insurance coverages) and HDS costs and expense (for dental insurance premiums) and the Utilities' HMSA costs and expense

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NOTES TO FINANCIAL STATEMENTS (Continued)			

(for health insurance premiums) and HDS costs and expense (for dental insurance premiums) were as follows:

(in millions)	Hawaiian Electric consolidated		
	2015	2014	2013
HMSA costs	\$ 23	\$ 20	\$ 18
HMSA expense*	14	13	12
HDS costs	2	2	2
HDS expense*	1	1	1

\* Charged the remaining costs primarily to electric utility plant.

The costs and expense in the table above are gross amounts (i.e., not net of employee contributions to employee benefits).

#### 14 • Quarterly information (unaudited)

Selected quarterly information was as follows:

(in thousands, except per share amounts)	Quarters ended				Years ended
	March 31	June 30	Sept. 30	Dec. 31	December 31
<b>Hawaiian Electric consolidated</b>					
<b>2015</b>					
Revenues	\$ 573,442	\$ 558,163	\$ 648,127	\$ 555,434	\$ 2,335,166
Operating income	57,636	66,161	82,657	67,662	274,116
Net income	27,373	33,340	43,504	33,492	137,709
Net income for common stock	26,874	32,841	43,006	32,993	135,714
<b>2014</b>					
Revenues	720,062	738,429	803,565	725,267	2,987,323
Operating income	70,666	70,068	76,156	58,878	275,768
Net income	35,919	34,729	39,377	29,611	139,636
Net income for common stock	35,420	34,230	38,879	29,112	137,641

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

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

Line No.	Item (a)	Unrealized Gains and Losses on Available-for-Sale Securities (b)	Minimum Pension Liability adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year		607,094		
2	Preceding Qtr/Yr to Date Reclassifications from Acct 219 to Net Income				
3	Preceding Quarter/Year to Date Changes in Fair Value		( 562,167)		
4	Total (lines 2 and 3)		( 562,167)		
5	Balance of Account 219 at End of Preceding Quarter/Year		44,927		
6	Balance of Account 219 at Beginning of Current Year		44,927		
7	Current Qtr/Yr to Date Reclassifications from Acct 219 to Net Income				
8	Current Quarter/Year to Date Changes in Fair Value		879,780		
9	Total (lines 7 and 8)		879,780		
10	Balance of Account 219 at End of Current Quarter/Year		924,707		

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

Line No.	Other Cash Flow Hedges Interest Rate Swaps  (f)	Other Cash Flow Hedges [Specify]  (g)	Totals for each category of Items recorded in Account 219  (h)	Net Income (Carried Forward from Page 117, Line 78)  (i)	Total Comprehensive Income  (j)
1			607,094		
2					
3			( 562,167)		
4			( 562,167)		( 562,167)
5			44,927		
6			44,927		
7					
8			879,780		
9			879,780		879,780
10			924,707		

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

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

Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)
1	Utility Plant		
2	In Service		
3	Plant in Service (Classified)	4,069,635,124	4,069,635,124
4	Property Under Capital Leases		
5	Plant Purchased or Sold		
6	Completed Construction not Classified		
7	Experimental Plant Unclassified		
8	Total (3 thru 7)	4,069,635,124	4,069,635,124
9	Leased to Others		
10	Held for Future Use		
11	Construction Work in Progress	147,979,390	147,979,390
12	Acquisition Adjustments		
13	Total Utility Plant (8 thru 12)	4,217,614,514	4,217,614,514
14	Accum Prov for Depr, Amort, & Depl	1,590,337,100	1,590,337,100
15	Net Utility Plant (13 less 14)	2,627,277,414	2,627,277,414
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	1,572,460,932	1,572,460,932
19	Amort & Depl of Producing Nat Gas Land/Land Right		
20	Amort of Underground Storage Land/Land Rights		
21	Amort of Other Utility Plant	17,774,351	17,774,351
22	Total In Service (18 thru 21)	1,590,235,283	1,590,235,283
23	Leased to Others		
24	Depreciation		
25	Amortization and Depletion		
26	Total Leased to Others (24 & 25)		
27	Held for Future Use		
28	Depreciation		
29	Amortization		
30	Total Held for Future Use (28 & 29)		
31	Abandonment of Leases (Natural Gas)		
32	Amort of Plant Acquisition Adj		
33	Total Accum Prov (equals 14) (22,26,30,31,32)	1,590,235,283	1,590,235,283



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

Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
					3
					4
					5
					6
					7
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FOOTNOTE DATA			

**Schedule Page: 200 Line No.: 22 Column: c**

Page 200, line 22, column (c) includes (\$40,482,401) for Retirement Work in Progress. This explains the difference between page 219, line 19, column (c) and Page 200, line 22.

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

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

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization		
3	(302) Franchises and Consents		
4	(303) Miscellaneous Intangible Plant		
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)		
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights	11,201,369	
9	(311) Structures and Improvements	89,072,912	5,576,815
10	(312) Boiler Plant Equipment	369,276,855	8,200,962
11	(313) Engines and Engine-Driven Generators		
12	(314) Turbogenerator Units	182,448,297	7,246,869
13	(315) Accessory Electric Equipment	73,540,758	2,754,616
14	(316) Misc. Power Plant Equipment	21,630,439	1,333,663
15	(317) Asset Retirement Costs for Steam Production		
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	747,170,630	25,112,925
17	B. Nuclear Production Plant		
18	(320) Land and Land Rights		
19	(321) Structures and Improvements		
20	(322) Reactor Plant Equipment		
21	(323) Turbogenerator Units		
22	(324) Accessory Electric Equipment		
23	(325) Misc. Power Plant Equipment		
24	(326) Asset Retirement Costs for Nuclear Production		
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)		
26	C. Hydraulic Production Plant		
27	(330) Land and Land Rights		
28	(331) Structures and Improvements		
29	(332) Reservoirs, Dams, and Waterways		
30	(333) Water Wheels, Turbines, and Generators		
31	(334) Accessory Electric Equipment		
32	(335) Misc. Power PLant Equipment		
33	(336) Roads, Railroads, and Bridges		
34	(337) Asset Retirement Costs for Hydraulic Production		
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)		
36	D. Other Production Plant		
37	(340) Land and Land Rights	3,109,743	
38	(341) Structures and Improvements	38,039,920	36,067
39	(342) Fuel Holders, Products, and Accessories	16,257,068	143
40	(343) Prime Movers	65,150,371	5,161,135
41	(344) Generators	27,710,730	1,394,361
42	(345) Accessory Electric Equipment	34,501,242	26,672
43	(346) Misc. Power Plant Equipment	18,224,141	110,878
44	(347) Asset Retirement Costs for Other Production		
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)	202,993,215	6,729,256
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	950,163,845	31,842,181

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

distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

7. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.

8. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirement of these pages.

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

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				1
				2
				3
				4
				5
				6
				7
	-1,938,319		9,263,050	8
153,963	747,560		95,243,324	9
2,241,692	-2,601,440		372,634,685	10
				11
168,460	-1,807,224		187,719,482	12
100,648	3,882,837		80,077,563	13
451,493	839,733		23,352,342	14
				15
3,116,256	-876,853		768,290,446	16
				17
				18
				19
				20
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				35
				36
1			3,109,742	37
887	131,369		38,206,469	38
	52,408		16,309,619	39
	-1,999,953		68,311,550	40
943,257	3,734,795		31,896,629	41
	-211,807		34,316,107	42
	309,256		18,644,275	43
				44
944,145	2,016,068		210,794,394	45
4,060,401	1,139,215		979,084,840	46

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

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
47	3. TRANSMISSION PLANT		
48	(350) Land and Land Rights	22,192,148	27,000
49	(352) Structures and Improvements	39,198,124	515,877
50	(353) Station Equipment	290,040,187	8,982,454
51	(354) Towers and Fixtures	19,145,586	
52	(355) Poles and Fixtures	280,419,552	12,803,519
53	(356) Overhead Conductors and Devices	147,876,362	24,552,691
54	(357) Underground Conduit	53,223,009	830,316
55	(358) Underground Conductors and Devices	54,101,473	2,974,525
56	(359) Roads and Trails	3,201,408	
57	(359.1) Asset Retirement Costs for Transmission Plant		
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	909,397,849	50,686,382
59	4. DISTRIBUTION PLANT		
60	(360) Land and Land Rights	10,746,068	548,325
61	(361) Structures and Improvements	24,476,393	1,142,310
62	(362) Station Equipment	225,061,391	8,699,629
63	(363) Storage Battery Equipment		
64	(364) Poles, Towers, and Fixtures	181,575,630	21,047,659
65	(365) Overhead Conductors and Devices	112,117,242	2,714,505
66	(366) Underground Conduit	241,891,265	-583,161
67	(367) Underground Conductors and Devices	376,113,270	56,578,715
68	(368) Line Transformers	205,094,071	13,361,541
69	(369) Services	234,004,225	33,457,592
70	(370) Meters	35,262,462	3,458,821
71	(371) Installations on Customer Premises		
72	(372) Leased Property on Customer Premises		
73	(373) Street Lighting and Signal Systems		
74	(374) Asset Retirement Costs for Distribution Plant		
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	1,646,342,017	140,425,936
76	5. REGIONAL TRANSMISSION AND MARKET OPERATION PLANT		
77	(380) Land and Land Rights		
78	(381) Structures and Improvements		
79	(382) Computer Hardware		
80	(383) Computer Software		
81	(384) Communication Equipment		
82	(385) Miscellaneous Regional Transmission and Market Operation Plant		
83	(386) Asset Retirement Costs for Regional Transmission and Market Oper		
84	TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83)		
85	6. GENERAL PLANT		
86	(389) Land and Land Rights	167,303	724
87	(390) Structures and Improvements	88,827,039	10,208,391
88	(391) Office Furniture and Equipment	41,426,690	6,500,232
89	(392) Transportation Equipment	50,548,810	10,747,419
90	(393) Stores Equipment	1,159,596	
91	(394) Tools, Shop and Garage Equipment	26,323,322	1,879,708
92	(395) Laboratory Equipment	573,848	
93	(396) Power Operated Equipment	13,078	
94	(397) Communication Equipment	105,964,465	12,129,216
95	(398) Miscellaneous Equipment	5,349,566	2,585,155
96	SUBTOTAL (Enter Total of lines 86 thru 95)	320,353,717	44,050,845
97	(399) Other Tangible Property		
98	(399.1) Asset Retirement Costs for General Plant		
99	TOTAL General Plant (Enter Total of lines 96, 97 and 98)	320,353,717	44,050,845
100	TOTAL (Accounts 101 and 106)	3,826,257,428	267,005,344
101	(102) Electric Plant Purchased (See Instr. 8)		
102	(Less) (102) Electric Plant Sold (See Instr. 8)		
103	(103) Experimental Plant Unclassified		
104	TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)	3,826,257,428	267,005,344

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

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				47
			22,219,148	48
105,203	450,090		40,058,888	49
1,522,100	-2,713,007		294,787,534	50
3,741,138			15,404,448	51
1,026,837	2,777,235		294,973,469	52
1,300,744	-5,869,010		165,259,299	53
-6,577,589	263,227		60,894,141	54
-574,740	6,140,225		63,790,963	55
	33,646		3,235,054	56
				57
543,693	1,082,406		960,622,944	58
				59
			11,294,393	60
24,762	-1,191,346		24,402,595	61
846,160	1,368,828		234,283,688	62
				63
1,836,216	1,052,937		201,840,010	64
794,806	2,219,008		116,255,949	65
56,621	19,910,979		261,162,462	66
1,475,520	-18,121,740		413,094,725	67
4,831,347	5,198,212		218,822,477	68
95,899	-9,718,449		257,647,469	69
1,251,800	101,335		37,570,818	70
				71
				72
				73
				74
11,213,131	819,764		1,776,374,586	75
				76
				77
				78
				79
				80
				81
				82
				83
				84
				85
11,821	1,938,320		2,094,526	86
48,802	-4,300,837		94,685,791	87
2,945,344	2,768,633		47,750,211	88
1,512,676	-2,392,057		57,391,496	89
	10,193		1,169,789	90
36,255	2,019,078		30,185,853	91
	62,787		636,635	92
	1,920		14,998	93
3,117,931	-3,891,585		111,084,165	94
137,594	742,163		8,539,290	95
7,810,423	-3,041,385		353,552,754	96
				97
				98
7,810,423	-3,041,385		353,552,754	99
23,627,648			4,069,635,124	100
				101
				102
				103
23,627,648			4,069,635,124	104

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

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

Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)
1	EWA NUI FOR HOOPILI TS	12,735,020
2	MISC UG SVC & EXTN (CID)	12,023,119
3	C&M MISC CBLE FAIL REPL	8,004,441
4	HOAEAE FOR WEST LOCH TRANSIT	5,864,732
5	MINOR DIST DESIGN OH ADDITIONS	5,330,644
6	MINOR UG ADDNS (CID)	4,620,833
7	DEPT OF DEFENSE DIST GEN	4,172,120
8	PUKELE 80MVA TSF #1	3,389,751
9	MINOR DIST SUBSTATION ADDITIONS	3,082,804
10	SMART GRID SUBT RELAYS	2,635,177
11	MINOR OH DIST ADDN (CID)	2,550,982
12	2011 DISTRIBUTION GENERATION	2,208,468
13	MINOR OH DIST REPL. (CMD)	1,875,039
14	WAHIAWA CONTROL HOURS EXPANS	1,833,114
15	BESS 10 MW PROJECT 2	1,803,714
16	MINOR OH SUBTRANS REPL. (CMD)	1,732,640
17	KAHE-HALAWA #2 SW INSTALL 2	1,723,419
18	BATT MONITOR INST - DIST SUB	1,699,561
19	W7 DIESEL CONVERSION	1,641,257
20	WAIPIOLANI FOR LCC TRANSIT	1,640,585
21	WAIU-WAHIWA STR 26	1,507,542
22	WAIWA PV - DEVELP SUB - SUB	1,498,088
23	MILILANI 2 DEVELOP SUB - SUB	1,420,065
24	W8 DIESEL CONVERSION	1,365,323
25	C&M MINOR OH TRANS REPL	1,347,127
26	MINOR TRANS SUBSTATION ADDITION	1,249,509
27	EMERGENCY POWER PLANT BLANKET	1,237,042
28	KAHE LARGE SCALE PV	1,193,741
29	K5 51 AUX CLG HX REPLACEMENT	1,177,607
30	BECKONING POINT STATCOM	1,167,487
31	K6 RSH REPLACEMENT	1,151,201
32	K4 DIESEL CONVERSION	1,067,127
33	WAIU-WAHIWA STR 15	1,049,241
34	PROJECTS UNDER \$1 MILLION	50,980,870
35		
36		
37		
38		
39		
40		
41		
42		
43	TOTAL	147,979,390

Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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**ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)**

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

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

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	1,551,135,485	1,551,135,485		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	118,094,844	118,094,844		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing	3,098,642	3,098,642		
7	Other Clearing Accounts				
8	Other Accounts (Specify, details in footnote):	2,994,642	2,994,642		
9					
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	124,188,128	124,188,128		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	23,615,826	23,615,826		
13	Cost of Removal	22,072,779	22,072,779		
14	Salvage (Credit)	1,082,676	1,082,676		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	44,605,929	44,605,929		
16	Other Debit or Cr. Items (Describe, details in footnote):				
17					
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	1,630,717,684	1,630,717,684		

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

20	Steam Production	335,244,381	335,244,381		
21	Nuclear Production				
22	Hydraulic Production-Conventional				
23	Hydraulic Production-Pumped Storage				
24	Other Production	30,460,178	30,460,178		
25	Transmission	337,095,327	337,095,327		
26	Distribution	802,037,732	802,037,732		
27	Regional Transmission and Market Operation				
28	General	125,879,766	125,879,766		



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FOOTNOTE DATA			

**Schedule Page: 219 Line No.: 8 Column: c**

Amount includes amortization of limited term electrical plant (account 404).

**Schedule Page: 219 Line No.: 19 Column: c**

Page 200, line 22, column (c) includes (\$40,482,401) for Retirement Work in Progress.  
This explains the difference between Page 219, Line 19, column (c) and Page 200, Line 22.

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Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of <u>2015/Q4</u>
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**INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)**

- Report below investments in Accounts 123.1, investments in Subsidiary Companies.
- Provide a subheading for each company and List there under the information called for below. Sub - TOTAL by company and give a TOTAL in columns (e),(f),(g) and (h)
  - Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity and interest rate.
  - Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
- Report separately the equity in undistributed subsidiary earnings since acquisition. The TOTAL in column (e) should equal the amount entered for Account 418.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date Of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	MAUI ELECTRIC COMPANY, LIMITED	11/01/68		
2	Beginning Balance			
3	Earnings			
4	Common Dividends			
5	Common Stock Expense			
6	AOCI Adjustment Recorded by Subsidiary			
7	FIN 48 Adjustment Recorded by Subsidiary			
8	Additional Investment			
9	Ending Balance			256,692,339
10				
11	Subtotal			256,692,339
12				
13	HAWAII ELECTRIC LIGHT COMPANY, INC.	02/01/70		
14	Beginning Balance			
15	Earnings			
16	Common Dividends			
17	Common Stock Expense			
18	AOCI Adjustment			
19	FIN 48 Adjustment Recorded by Subsidiary			
20	Additional Investment Recorded by Subsidiary			
21	Ending Balance			281,845,715
22				
23	Subtotal			281,845,715
24				
25	RENEWABLE HAWAII, INC.	12/2002		
26	Beginning Balance			
27	Earnings			
28	Common Dividends			
29	Investment			
30	Ending Balance			76,769
31				
32	Subtotal			76,769
33				
34	HECO CAPITAL TRUST III	3/2004		
35	Beginning Balance			
36	Earnings			
37	Common Dividends			
38	Investment			
39	Ending Balance			1,546,400
40				
41	Subtotal			1,546,400
42	Total Cost of Account 123.1 \$	0	TOTAL	540,185,689

Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of <u>2015/Q4</u>
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INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)

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

Equity in Subsidiary Earnings of Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)	Line No.
				1
				2
22,164,287				3
	15,174,687			4
	1,005			5
44,290				6
				7
				8
		263,725,224		9
				10
22,208,577	15,175,692	263,725,224		11
				12
				13
				14
20,755,246				15
	10,020,768			16
	221			17
121,526				18
				19
				20
		292,701,498		21
				22
20,876,772	10,020,989	292,701,498		23
				24
				25
				26
				27
				28
				29
		76,769		30
				31
		76,769		32
				33
				34
				35
100,516				36
	100,516			37
				38
		1,546,400		39
				40
100,516	100,516	1,546,400		41
				42
43,185,865	25,297,197	558,074,357		42

Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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**INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)**

- Report below investments in Accounts 123.1, investments in Subsidiary Companies.
- Provide a subheading for each company and List there under the information called for below. Sub - TOTAL by company and give a TOTAL in columns (e),(f),(g) and (h)  
 (a) Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity and interest rate.  
 (b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
- Report separately the equity in undistributed subsidiary earnings since acquisition. The TOTAL in column (e) should equal the amount entered for Account 418.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date Of Maturity (c)	Amount of Investment at Beginning of Year (d)
1				
2				
3	ULUWEHIOKAMA BIOFUELS CORP.	9/2007		
4	Beginning Balance			
5	Earnings			
6	Common Dividends			
7	Investment			
8	Ending Balance			24,466
9				
10	Subtotal			24,466
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42	Total Cost of Account 123.1 \$	0	TOTAL	540,185,689



Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)

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

Equity in Subsidiary Earnings of Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)	Line No.
				1
				2
				3
				4
				5
				6
				7
		24,466		8
				9
		24,466		10
				11
				12
				13
				14
				15
				16
				17
				18
				19
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				31
				32
				33
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				40
				41
43,185,865	25,297,197	558,074,357		42

Name of Respondent Hawaiian Electric Company, Inc.		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of <u>2015/Q4</u>
MATERIALS AND SUPPLIES					
<p>1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.</p> <p>2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.</p>					
Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)	
1	Fuel Stock (Account 151)	74,500,878	49,455,852		
2	Fuel Stock Expenses Undistributed (Account 152)	14,060			
3	Residuals and Extracted Products (Account 153)				
4	Plant Materials and Operating Supplies (Account 154)				
5	Assigned to - Construction (Estimated)				
6	Assigned to - Operations and Maintenance				
7	Production Plant (Estimated)				
8	Transmission Plant (Estimated)				
9	Distribution Plant (Estimated)				
10	Regional Transmission and Market Operation Plant (Estimated)				
11	Assigned to - Other (provide details in footnote)	30,862,953	29,284,085		
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	30,862,953	29,284,085		
13	Merchandise (Account 155)				
14	Other Materials and Supplies (Account 156)				
15	Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util)				
16	Stores Expense Undistributed (Account 163)	2,291,618	1,636,301		
17					
18					
19					
20	TOTAL Materials and Supplies (Per Balance Sheet)	107,669,509	80,376,238		

Name of Respondent Hawaiian Electric Company, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report 2015/Q4
FOOTNOTE DATA			

**Schedule Page: 227 Line No.: 11 Column: b**  
 Generation, transmission and distribution and materials inventory transactions. Separate generation and transmission and distribution inventory balance not readily available.

**Schedule Page: 227 Line No.: 11 Column: c**  
 Generation, transmission and distribution and materials inventory transactions. Separate generation and transmission and distribution inventory balance not readily available.

Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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**Transmission Service and Generation Interconnection Study Costs**

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

Line No.	Description (a)	Costs Incurred During Period (b)	Account Charged (c)	Reimbursements Received During the Period (d)	Account Credited With Reimbursement (e)
1	<b>Transmission Studies</b>				
2	FIT 2 IRS Agreements	92,690	560/588	97,863	456
3	FIT 3 IRS Agreements	70,339	557/560/588	195,538	456
4	Bilateral IRS Agreements	88,416	557/560/566/588	17,553	456
5	SIA IRS Agreements	321,066	588	123,265	456
6	IRS Waiver 2013	321,056	566/588	161,000	456
7	NEM IRS	11,366	588	( 1,893)	456
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	<b>Generation Studies</b>				
22					
23					
24					
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Name of Respondent Hawaiian Electric Company, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report 2015/Q4
FOOTNOTE DATA			

**Schedule Page: 231 Line No.: 2 Column: d**  
Negative balance primarily represents refund of excess reimbursement from 2014

Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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**OTHER REGULATORY ASSETS (Account 182.3)**

- Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
- Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.
- For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets  (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter /Year Account Charged (d)	Written off During the Period Amount (e)	
1	Income taxes	67,152,629	1,147,773			68,300,402
2	(Various amortization periods)					
3						
4	Vacation Earned by Employees, But Not Yet Taken	7,670,494	691,369			8,361,863
5						
6	Postemployment Benefits (SFAS 112)	300,279	( 55,949)			244,330
7						
8	Unamortized Debt Expense on Retired Issuances	8,498,200	238,409		1,001,010	7,735,599
9	(Various amortization periods)					
10						
11	Reverse Osmosis pipeline	5,191,151			116,436	5,074,715
12						
13	Straight-lining of operating leases	617,934	( 58,187)		2,345	557,402
14						
15	Integrated Resource Planning/Demand Side Management	14,607	444,256		80,695	378,168
16						
17	Deferred Rate Costs	869,685			579,661	290,024
18						
19	Investment income differential	2,171,303			182,807	1,988,496
20						
21	Public Benefit Fund Surcharge - true-up					
22						
23	Big Wind Costs	1,727,709			1,284,277	443,432
24						
25	Interisland Wind project	2,591,817			1,036,728	1,555,089
26						
27	Interisland Wind Stage 2 studies	224,512	( 22,012)		202,500	
28						
29	Customer Information System (CIS)	245,499	130,414		153,982	221,931
30						
31	Decoupling Revenue Balancing Account	64,506,612	( 13,592,847)			50,913,765
32						
33	Rate Adjustment Mechanism (RAM)	11,169,435	3,502,649			14,672,084
34						
35	Retirement benefit plans	488,573,863	74,050,246		90,674,063	471,950,046
36						
37	Postretirement benefits other than pensions	16,805,875	6,838,856		371,653	23,273,078
38						
39	Deferred Project Costs CIP-CT-1	3,121,616			706,782	2,414,834
40						
41	Deferred Project Costs EOTP Ph 1	880,922			271,053	609,869
42						
43	Interactive Voice Response		1,398,000		165,042	1,232,958
44	<b>TOTAL :</b>	882,334,142	74,712,977		96,829,034	660,218,085

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MISCELLANEOUS DEFFERED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a)
3. Minor item (1% of the Balance at End of Year for Account 186 or amounts less than \$100,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	Deferred Project Costs -					
2	CIS	11,707,596			1,123,929	10,583,667
3	Deferred Project Costs -					
4	HR Suites	3,271,997			484,403	2,787,594
5	Deferred Project Costs -					
6	OMS	2,158,920			471,037	1,687,883
7	Deferred Project Costs -					
8	ERP EAM Project	3,379,432	3,379,432		6,758,864	
9	Cash Surrender Value -					
10	Life Insurance	5,707,043	439,138		167,566	5,978,615
11	Budget System Project	1,321,343			145,469	1,175,874
12	Fuel Infrastructure Service					
13	Program (FISP)	1,514,348			605,736	908,612
14	Waiiau Water Wells	268,087	11,472		291,828	-12,269
15	Others	1,814,031	327,380,800		327,433,661	1,761,170
16						
17						
18						
19						
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41						
42						
43						
44						
45						
46						
47	Misc. Work in Progress					
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	31,142,797				24,871,146

Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of <u>2015/Q4</u>
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CAPITAL STOCKS (Account 201 and 204)

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

Line No.	Class and Series of Stock and Name of Stock Series  (a)	Number of shares Authorized by Charter  (b)	Par or Stated Value per share  (c)	Call Price at End of Year  (d)
1	COMMON	50,000,000	6.67	
2	(ACCOUNT 201)			
3	TOTAL_COM	50,000,000		
4				
5				
6	PREFERRED			
7	(CUMULATIVE)			
8	(ACCOUNT 204):			
9	C, 4.25%	150,000	20.00	21.00
10	D, 5.00%	50,000	20.00	21.00
11	E, 5.00%	150,000	20.00	21.00
12	H, 5.25%	250,000	20.00	21.00
13	I, 5.00%	100,000	20.00	20.00
14	J, 4.75%	250,000	20.00	21.00
15	K, 4.65%	175,000	20.00	21.00
16	UNISSUED	3,875,000	20.00	
17	UNISSUED	4,555,000	100.00	
18				
19	TOTAL_PRE	9,555,000		
20				
21				
22				
23				
24				
25				
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Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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CAPITAL STOCKS (Account 201 and 204) (Continued)

3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.
4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.
5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.
- Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No.
		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
15,805,327	105,388,460					1
						2
15,805,327	105,388,460					3
						4
						5
						6
						7
						8
150,000	3,000,000					9
50,000	1,000,000					10
150,000	3,000,000					11
250,000	5,000,000					12
89,657	1,793,140					13
250,000	5,000,000					14
175,000	3,500,000					15
						16
						17
						18
1,114,657	22,293,140					19
						20
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Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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**CAPITAL STOCK EXPENSE (Account 214)**

- Report the balance at end of the year of discount on capital stock for each class and series of capital stock.
- If any change occurred during the year in the balance in respect to any class or series of stock, attach a statement giving particulars (details) of the change. State the reason for any charge-off of capital stock expense and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1	COMMON STOCK	3,559,563
2		
3	PREFERRED STOCK:	
4	Series C	70,404
5	Series D	55,071
6	Series E	183,556
7	Series MECO	-57,159
8	Series HELCO	-70,968
9	Series H	59,679
10	Series I	64,701
11	Series J	49,654
12	Series K	39,755
13	OTHER	
14		
15		
16		
17		
18		
19		
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21		
22	TOTAL	3,954,256

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

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

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1	ACCOUNT 221 - BONDS:		
2	None		
3	ACCOUNT 222 - REACQUIRED BONDS:		
4	None		
5	SUBTOTAL		
6			
7	ACCOUNT 224 - OTHER LONG-TERM DEBT OBLIGATION TO THE STATE OF HAWAII		
8	REPAYMENT OF SPECIAL PURPOSE REVENUE BONDS:		
9	4.65% Refunding Series 2007A	100,000,000	1,719,991
10	4.60% Refunding Series 2007B	62,000,000	1,090,508
11	6.50% Series 2009	90,000,000	930,719
12	3.25% Refunding Series 2015	40,000,000	712,769
13	SUBTOTAL	292,000,000	4,453,987
14			
15	ACCOUNT 224 - LONG TERM ADVANCE FROM ASSOCIATED COMPANIES:		
16	6.50%, Series 2004, Junior subordinated deferrable interest		
17	debentures, due 2034	31,546,400	932,963
18	SUBTOTAL	31,546,400	932,963
19			
20	ACCOUNT 224 - OTHER LONG TERM DEBT (UNSECURED)		
21	TAXABLE UNSECURED SENIOR NOTES:		
22	3.79%, Series 2012A	30,000,000	159,071
23	4.03%, Series 2012B	62,000,000	328,983
24	4.55%, Series 2012C	50,000,000	265,266
25	4.72%, Series 2012D	35,000,000	185,620
26	5.39%, Series 2012E	150,000,000	828,280
27	4.53%, Series 2012F	40,000,000	199,673
28	4.45%, Series 2013A	40,000,000	195,342
29	4.84%, Series 2013B	50,000,000	244,075
30	5.65%, Series 2013C	50,000,000	244,075
31	5.23% Series 2015A	50,000,000	331,678
32	SUBTOTAL	557,000,000	2,982,063
33	TOTAL	880,546,400	8,369,013

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

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

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
						1
						2
						3
						4
						5
						6
						7
						8
03/2007	03/2037	03/2007	03/2037	100,000,000	4,650,000	9
03/2007	05/2026	03/2007	05/2026	62,000,000	2,852,000	10
07/2009	07/2039	07/2009	07/2039	90,000,000	5,850,000	11
12/2015	01/2025	01/2016	01/2025	40,000,000	61,389	12
				292,000,000	13,413,389	13
						14
						15
						16
03/2004	03/2034	03/2004	03/2034	31,546,400	2,050,516	17
				31,546,400	2,050,516	18
						19
						20
						21
04/2012	12/2018	04/2012	12/2018	30,000,000	1,137,000	22
04/2012	01/2020	04/2012	01/2020	62,000,000	2,498,600	23
04/2012	11/2023	04/2012	11/2023	50,000,000	2,275,000	24
04/2012	11/2029	04/2012	11/2029	35,000,000	1,652,000	25
04/2012	04/2042	04/2012	04/2042	150,000,000	8,085,000	26
09/2012	09/2032	09/2012	09/2032	40,000,000	1,812,000	27
10/2013	12/2022	10/2013	12/2022	40,000,000	1,780,000	28
10/2013	10/2027	10/2013	10/2027	50,000,000	2,420,000	29
10/2013	10/2043	10/2013	10/2043	50,000,000	2,825,000	30
10/2015	10/2045	10/2015	10/2045	50,000,000	559,319	31
				557,000,000	25,043,919	32
				880,546,400	40,507,824	33

Name of Respondent Hawaiian Electric Company, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report 2015/Q4
FOOTNOTE DATA			

**Schedule Page: 256 Line No.: 32 Column: i**

On December 30, 2015, the Utilities redeemed at par the Refunding Series 2005A Special Purpose Revenue Bonds (which had an original maturity of January 1, 2025 and a fixed coupon rate of 4.80%). For Hawaiian Electric, total interest expense incurred during 2015 on the Series 2005A Bonds amounted to \$1,914,667.

The difference between column (i) and accounts 427 and 430 is the interest paid on the Series 2005A Bonds of \$1,914,667 plus interest paid to Hawaii Electric Light and Maui Electric of \$6,896.

Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES**

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.
3. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 117)	
2		
3	SEE FOOTNOTE	
4	Taxable Income Not Reported on Books	
5		
6		
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	
10		
11		
12		
13		
14	Income Recorded on Books Not Included in Return	
15		
16		
17		
18		
19	Deductions on Return Not Charged Against Book Income	
20		
21		
22		
23		
24		
25		
26		
27	Federal Tax Net Income	
28	Show Computation of Tax:	
29		
30	Footnote Item 12                      \$41,779,375	
31	Multiplied by Tax Rate                      35%	
32		
33	Total Tax	14,622,781
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Name of Respondent Hawaiian Electric Company, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report 2015/Q4
FOOTNOTE DATA			

**Schedule Page: 261 Line No.: 3 Column: a**

Line No.	Particulars (Details) (a)	Amount (b)	
1.	Net income per books		93,874,742
2.	Federal income taxes		49,167,651
3.	Excess of capital losses over capital gains		0
4.	Income subject to tax not recorded on books this year:		
	a. Contributions in aid of construction received	24,043,115	
	Gain (Loss) on ACRS Retirements	882,659	
	b. Miscellaneous items under \$100,000	2,457	24,928,231
5.	Expenses recorded on books this year not deducted in this return:		
	a. RBA Revenues	9,193,341	
	b. Deferred State Income Taxes	8,738,976	
	c. Capitalized interest	5,004,935	
	d. Honolulu Harbor and Pearl Harbor reserve	3,797,477	
	e. ERP writeoff	3,379,432	
	f. Percentage Repairs Allowance	1,330,350	
	g. Big Wind costs	1,284,277	
	h. Rewards Program	689,244	
	i. Revenue Bond Cost Amortization	668,110	
	j. Rate Case costs	579,661	
	k. HR Suites project costs	484,402	
	l. Emissions Fee	369,107	
	m. State Income Tax Adjustment	292,921	
	n. Deferred Gain Land Sales	262,619	
	o. OMS project costs	261,592	
	p. Amortization of Revenue Bond Differential	187,036	
	q. Prepaid Expenses	141,634	
	r. Workers Compensation Awards Paid	122,033	
	s. Nondeductible Meals and Entertainment Expenses	120,305	
	t. RO Water Pipeline	116,436	
	u. Lobbying Expenses	103,829	
	v. Miscellaneous items under \$100,000	551,681	<u>37,679,398</u>
6.	TOTAL OF LINES 1 THROUGH 5		<u>205,650,022</u>
7.	Income recorded on books this year not included in this return:		
	a. Pension and Postretirement Benefit Expense	(16,757,952)	
	b. Statement of Financial Accounting Standards Number 109 book income	(4,461,177)	
	c. Franchise Tax	(1,031,092)	
	d. Long Term Incentive Plan Accrual	(520,970)	
	e. Keyman Insurance	(426,033)	
	f. Solar Saver Fund	(136,737)	
	g. Miscellaneous items under \$100,000	(100,709)	(23,434,670)



Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Hawaiian Electric Company, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2015	2015/Q4
FOOTNOTE DATA			

8.	Deductions in this tax return not charged against book income this year:		
	a. Excess of tax depreciation over book depreciation	(100,643,907)	
	b. Cost of removal	(21,527,732)	
	c. Repairs Deduction	(13,521,032)	
	d. Charitable contribution carryforward	(2,605,988)	
	e. Interactive Voice Response project costs	(1,789,800)	
	f. Restricted Stock Units	(152,575)	
	g. Miscellaneous items under \$100,000	(194,943)	<u>(140,435,977)</u>
9.	TOTAL OF LINES 7 AND 8		<u>(163,870,647)</u>
10.	TAXABLE INCOME (Line 6 less line 9)		41,779,375
11.	Special deductions:		
	a. Preferred dividends allowed on Series C and I	-	
	b. Dividends received exclusion	-	<u>0</u>
12.	TAXABLE INCOME (Line 10 less line 11)		41,779,375

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**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR**

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

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1	FEDERAL:					
2	Income	41,242		-4,250,191	6,287,000	2,804,000
3	Unemployment			53,223	53,223	
4	FICA	-18,012		15,181,331	15,083,939	
5	Excise					
6						
7	SUBTOTAL	23,230		10,984,363	21,424,162	2,804,000
8						
9	STATE:					
10	Income		9,774,195	3,014,238	320,000	-652,000
11	Unemployment			623,522	623,522	
12	Public Service Company	104,586,869		97,779,593	127,305,072	
13	PUC Fee	10,222,322		8,307,527	10,850,182	
14	Use and Excise	511,937		2,864,033	2,900,607	
15						
16	SUBTOTAL	115,321,128	9,774,195	112,588,913	141,999,383	-652,000
17						
18	COUNTY:					
19	Franchise	60,994,770		40,865,110	53,487,791	
20						
21						
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23						
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41	TOTAL	176,339,128	9,774,195	164,438,386	216,911,336	2,152,000

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**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)**

5. If any tax (exclude Federal and State income taxes)- covers more then one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
	7,691,949	-4,250,191				2
					53,223	3
79,380					15,181,331	4
						5
						6
79,380	7,691,949	-4,250,191			15,234,554	7
						8
						9
	7,731,957	3,014,238				10
					623,522	11
75,061,390					97,779,592	12
7,679,667					8,307,527	13
475,363					2,864,033	14
						15
83,216,420	7,731,957	3,014,238			109,574,674	16
						17
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48,372,089					40,865,110	19
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131,667,889	15,423,906	-1,235,953			165,674,338	41

Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of <u>2015/Q4</u>
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**ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)**

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

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)	
1	Electric Utility						
2	3%						
3	4%						
4	7%	830,782				45,322	
5	10%						
6	Energy Credits	388,383		317,946		25,544	
7	State Tax Credits	48,645,453		5,178,885		1,212,618	
8	TOTAL	49,864,618		5,496,831		1,283,484	
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
10							
11							
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ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (continued)

Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION	Line No.
			1
			2
			3
785,460			4
			5
680,785			6
52,611,720			7
54,077,965			8
			9
			10
			11
			12
			13
			14
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**OTHER DEFERRED CREDITS (Account 253)**

1. Report below the particulars (details) called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than \$100,000, whichever is greater) may be grouped by classes.

Line No.	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	Non-Current Tax Liability			2,588,823	3,263,012	674,189
2	Liability Reserves	4,754,022		326,471	544,997	4,972,548
3	Solar Saver Fund	766,088		136,770	34	629,352
4	Long Term Incentive Plan	1,825,295		1,257,605	1,014,980	1,582,670
5						
6						
7						
8						
9						
10	Unamortized Tenant					
11	Improvement allowances	7,735,778		1,243,344	467,684	6,960,118
12	Deferred Compensation - RSU	677,486		917,723	765,148	524,911
13	Other Miscellaneous	3,220,255		2,367,979	6,126,294	6,978,570
14						
15						
16						
17						
18						
19						
20						
21						
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34						
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37						
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40						
41						
42						
43						
44						
45						
46						
47	<b>TOTAL</b>	<b>18,978,924</b>		<b>8,838,715</b>	<b>12,182,149</b>	<b>22,322,358</b>

Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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**ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization

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

Line No.	Account  (a)	Balance at Beginning of Year  (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1  (c)	Amounts Credited to Account 411.1  (d)
1	Account 282			
2	Electric	225,992,075	23,885,941	
3	Gas			
4				
5	TOTAL (Enter Total of lines 2 thru 4)	225,992,075	23,885,941	
6				
7				
8				
9	TOTAL Account 282 (Enter Total of lines 5 thru 8)	225,992,075	23,885,941	
10	Classification of TOTAL			
11	Federal Income Tax	216,525,365	22,627,335	
12	State Income Tax	9,466,710	1,258,606	
13	Local Income Tax			

NOTES



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

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
						249,878,016	2
							3
							4
						249,878,016	5
							6
							7
							8
						249,878,016	9
							10
						239,152,700	11
						10,725,316	12
							13

NOTES (Continued)

Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of <u>2015/Q4</u>
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**ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)**

- Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
- For other (Specify), include deferrals relating to other income and deductions.

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

NOTES

Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of <u>2015/Q4</u>
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**ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)**

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

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
							2
							3
							4
							5
							6
							7
							8
							9
							10
							11
							12
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							21
							22
							23

NOTES (Continued)

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Hawaiian Electric Company, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2015	2015/Q4
FOOTNOTE DATA			

Schedule Page: 276 Line No.: 3 Column: a

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
Slate ITC	18,967,682.34	2,073,810.43	(530,544.83)							20,510,947.94
Uncollectible Acct	1,383,145.71	(2,749.09)	-							1,380,396.62
Discounted Work Comp	1,040,893.91	47,482.76	-							1,088,476.67
Cap to Construct (Cost of Removal)	(86,220,980.84)	(8,214,723.46)	(311,937.72)							(94,747,642.02)
Pension	(7,552,800.28)	6,116,324.71	(6,116,313.00)							(7,552,888.57)
Excess Benefit Plan	924,225.49	59,096.22	-							983,321.71
G/L ACRS Retirements	(21,917,321.71)	367,488.20	150,534.18							(21,399,299.33)
EICP	635,534.15	(10,080.74)	-							625,453.41
CIAC	38,509,292.38	1,571,013.07	(1,068,570.63)							37,011,734.82
Customer Advances	1,163,558.97	-	(7,198.70)							1,156,360.27
Capitalized Interest	16,959,088.82	(116,026.80)	(17,003.02)							16,826,059.00
Supplement Benefits - SERP	669,922.81	(32,133.91)	-							637,788.90
Gen/Auto (& Accidents)	1,135,151.81	18,015.22	-							1,153,167.03
CWIP Equity Trans	(1,211,748.82)	61,008.57	-							(1,150,740.25)
Plant Transition	(12,364,684.95)	697,470.54	-							(11,667,114.41)
CWIP Equity Net	(32,553,101.44)	(1,417,958.60)	-							(33,971,060.04)
CWIP Equity Grossup	(20,732,741.59)	(903,130.48)	-							(21,635,872.07)
CWIP Debt	(15,215,594.96)	(400,360.81)	-							(15,615,955.77)
Reg Lab Federal ITC	529,278.42	(28,866.38)	-							500,412.04
Prepaid Expenses	(1,145,037.06)	55,109.33	-							(1,089,927.66)
Revenue Bond Cost Amort.	(2,056,686.72)	259,960.12	-							(1,796,726.60)
Honolulu Harbor Reserve	302,152.08	1,477,589.80	8,975.71							1,788,717.59
Emissions Fees	569,273.12	143,618.53	-							712,891.65
CIS Project	(1,862,218.04)	(94,334.88)	249,087.83							(1,807,465.09)
OPEB Exec Life	4,766,192.96	133,872.19	-							4,900,065.15
Percentage Repairs Allowance	(5,276,384.69)	526,505.63	-							(4,749,879.06)
Cap Interest (D&T)	(5,525,623.82)	277,740.46	107,418.52							(5,140,464.84)
HR Suites project costs	(1,176,811.23)	188,479.94	-							(988,331.29)
Pension Tracker	(19,080,611.57)	(12,279,825.97)	-							(31,360,437.54)
OPEB Tracker	2,020,953.07	(517,814.39)	-							1,503,138.68
Repairs Adjustment	(51,864,973.42)	(5,873,665.83)	(3,136,670.27)							(60,875,309.52)
CIP interest	(1,214,613.08)	275,007.00	-							(939,606.08)
NOL	40,379,669.00	(13,404,523.00)	-							26,975,146.00
Franchise Tax	2,967,399.93	(401,195.69)	(83,285.60)							2,462,918.64
RBA revenues	(22,483,986.29)	4,939,981.06	-							(17,544,005.23)
RAM revenues	(4,346,001.96)	(1,362,872.82)	-							(5,708,874.78)
FIN 48 tax	1.00	674,189.00	-							674,190.00
AOCI - NOL Pension	683,632.84	-	-							683,632.84
AOCI - OPEB Exec Life	(907,000.51)	-	-							(907,000.51)
DEFERRED TAXES LESS THAN \$500,000										
Unearned Lease	681.04	-	-							681.04
Accrued Vacation	(291,436.61)	-	(112,484.26)							(403,920.87)
Directors Def Comp	18,858.65	(2,896.44)	-							15,962.21
Def Exec Comp (Def EICP&LTIP)	80,420.12	137.31	-							80,557.43
Software (no APPRISE & e business)	82,654.04	(113,897.39)	147,527.05							116,283.70
Connection Fees	(24,463.99)	-	-							(24,463.99)
Nondeductible Interest	41,170.06	(3,680.86)	-							37,489.20
LTIP	696,884.08	(202,708.25)	-							494,175.83
Waipahu Baseyard Int	132,314.46	-	-							132,314.46

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Hawaiian Electric Company, Inc.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2015	2015/Q4
FOOTNOTE DATA			

Waiau Water Well Pmts	258,062.84	(25,127.10)	-	232,935.74
Outage Loss Adj Exp	(24,509.00)	-	-	(24,509.00)
CWIP Debt Transition	(399,672.92)	18,533.11	-	(381,139.81)
Iolani Ct Plaza Sale	16,038.34	62,161.14	1,319.43	79,518.91
Kaonohi Sale	(44,694.29)	-	-	(44,694.29)
FAS 109 Flow Through	(644,822.97)	233,070.33	-	(411,752.64)
Gen/Auto Liability - Legal	85,079.43	(2,568.04)	-	82,511.39
Post Retirement Ben	(285,202.20)	-	-	(285,202.20)
IRP Costs	(39,276.40)	(4,687.46)	-	(43,963.86)
Reg Liab Excess 280	357,915.57	(19,928.81)	-	337,986.76
Miscellaneous	11,541.63	-	-	11,541.63
FMB X Premium	(49,691.04)	25,926.75	-	(23,764.29)
Coal Gas/ Costs	(11,273.00)	-	-	(11,273.00)
EEO Claims	6,247.02	25,093.95	-	31,340.97
Rev Bond Differential	(501,125.90)	72,775.41	-	(428,350.49)
TIP/Rewards Programs	132,267.39	268,183.33	(2,338.88)	398,111.86
HACO A	(1,533.00)	-	-	(1,533.00)
BONY Rev	(148.00)	-	-	(148.00)
GAQS Tel	(255.00)	-	-	(255.00)
Kalaheo	8,663.14	(15,333.09)	-	(6,669.95)
Sun Power	(577.09)	-	-	(577.09)
Overhaul (Waiau 3 Turbine)	33,583.56	(13,434.45)	-	20,149.11
Software (APPRISE only)	(50,607.54)	-	-	(50,607.54)
D&T Fee Accrual	(0.00)	-	-	(0.00)
Deferred Comp - restricted stock	263,608.51	(59,366.55)	-	204,241.96
AES Hawaii PPA	45,633.53	13,917.64	30,560.51	90,111.68
Rate Case Costs	(443,837.13)	225,544.80	105,442.76	(112,849.57)
Kalaheo PPA	14,094.87	(11,309.51)	263.42	3,048.78
QUIPS amortization	(399,089.14)	30,472.32	-	(368,616.82)
E-Business hardware	(41,091.40)	-	-	(41,091.40)
OMS project costs	176,743.73	101,784.94	-	278,528.67
Substation Land - Waianae	(0.10)	-	-	(0.10)
Substation Land - Aiea	(1,347.88)	-	-	(1,347.88)
Solar tax credit	1,242.78	-	-	1,242.78
Solar Saver Program	296,082.53	(53,203.97)	-	244,878.56
Substation Land - Barber's Pt	(0.07)	-	-	(0.07)
Substation Land - Haliu	(91.63)	-	-	(91.63)
Blue Earth reserve	(2,319.76)	-	(200.39)	(2,520.15)
RO Water Pipeline	244,413.10	45,304.99	-	289,718.09
Big Wind costs	(262,633.60)	499,709.41	-	237,075.81
Stimulus Funds	(64,501.11)	956.01	(1,355.61)	(64,900.71)
Budget System Replacement	(483,559.00)	46,811.99	-	(436,747.01)
EOTP interest / amort	(342,765.03)	105,466.16	-	(237,298.87)
ERP project costs	626,741.17	(675,074.89)	52,483.45	4,149.73
Reg Liab Federal PV	254,181.92	(5,094.85)	-	249,087.07
IVR project costs	501,178.49	(718,178.57)	(68,264.11)	(285,264.19)
CIS interest	174,673.07	446,488.54	(249,087.83)	372,073.78
NOL - charitable	269,070.55	(918,237.10)	616,221.72	(32,944.83)
G/L Landia	-	40,023.39	-	40,023.39
NOL - credits	-	54,086.00	236,286.00	290,372.00
FIN 48 Interest	(1.57)	34,382.24	-	34,380.67
Rounding	(414.19)	-	-	(414.19)
			plug	
TOTAL LESS THAN \$500K	421,305.05	(493,897.57)	756,373.28	683,780.76

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
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FOOTNOTE DATA

TOTAL ACCOUNT 283000	(182,780,469.13)	(25,590,397.58)	(9,999,134.25)	-	-	-	(218,370,000.96)
ADJUSTMENTS	337,738.00				18673510	191,332.00	74,327.00
TOTAL ACCOUNT 283000	(182,442,731.13)	(25,590,397.58)	(9,999,134.25)	-	-	191,332.00	(218,295,673.96)
Nonutility Depreciation	746,542.93	-	(153,798.68)	1,127,892.00			1,720,636.25
Nonutility - Other	455,049.67	-	1,585,320.77				2,040,370.44
RHI Tax Allocation	0.00	-					0.00
UBC Tax Allocation	0.00	-					0.00
Rounding	(1.75)	-					(1.75)
TOTAL ACCOUNT 283003	1,201,590.85	-	-	1,431,522.09			3,761,004.94
Accelerated Depreciation	(226,216,078.50)	(27,067,136.30)	2,197,680.42				(251,105,534.38)
Accel. Depr. - Excess	(0.00)	-	-				(0.00)
Accel. Depr. - Deficit	(522,538.19)	29,421.24	-				(493,116.95)
TOTAL ACCOUNT 282100	(226,738,616.69)	(27,057,715.06)	2,197,680.42	-	-	-	(251,598,651.33)
	(407,979,756.97)	(52,648,112.64)	(7,801,453.83)	1,431,522.09		191,332.00	(466,133,320.35)

**OTHER REGULATORY LIABILITIES (Account 254)**

1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.
3. For Regulatory Liabilities being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)
			Account Credited (c)	Amount (d)		
1	Retirement benefit plans	8,894,685		4,118,352	577,996	5,354,329
2						
3	Deferred gains on sales	58,573		61,422	221,179	218,330
4						
5	Public Benefit Fund Surcharge -					
6	True-up	320,500			646,500	967,000
7						
8	Earnings Sharing Mechanism					
9						
10	Demand Side Management	254,085		738,454	484,369	
11						
12						
13						
14						
15						
16						
17						
18						
19						
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35						
36						
37						
38						
39						
40						
41	<b>TOTAL</b>	9,527,843		4,918,228	1,930,044	6,539,659

Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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**ELECTRIC OPERATING REVENUES (Account 400)**

- The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.
- Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
- Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.
- If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.
- Disclose amounts of \$250,000 or greater in a footnote for accounts 451, 456, and 457.2.

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)
1	Sales of Electricity		
2	(440) Residential Sales	455,848,375	571,626,354
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	541,873,436	715,654,647
5	Large (or Ind.) (See Instr. 4)	628,552,992	834,001,306
6	(444) Public Street and Highway Lighting	9,969,974	12,811,379
7	(445) Other Sales to Public Authorities		
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers	1,636,244,777	2,134,093,686
11	(447) Sales for Resale		
12	TOTAL Sales of Electricity	1,636,244,777	2,134,093,686
13	(Less) (449.1) Provision for Rate Refunds		
14	TOTAL Revenues Net of Prov. for Refunds	1,636,244,777	2,134,093,686
15	Other Operating Revenues		
16	(450) Forfeited Discounts	1,560,449	1,800,704
17	(451) Miscellaneous Service Revenues	2,326,115	1,165,550
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	761,616	866,010
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	1,892,704	2,504,128
22	(456.1) Revenues from Transmission of Electricity of Others		
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues	6,540,884	6,336,392
27	TOTAL Electric Operating Revenues	1,642,785,661	2,140,430,078



Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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**ELECTRIC OPERATING REVENUES (Account 400)**

6. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)
7. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.
8. For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts.
9. Include unmetered sales. Provide details of such Sales in a footnote.

MEGAWATT HOURS SOLD		AVG.NO. CUSTOMERS PER MONTH		Line No.
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	
				1
1,626,917	1,611,149	268,842	266,922	2
				3
2,183,118	2,231,971	32,065	32,226	4
2,905,807	2,900,021	393	370	5
38,241	38,524	1,199	1,204	6
				7
				8
				9
6,754,083	6,781,665	302,499	300,722	10
				11
6,754,083	6,781,665	302,499	300,722	12
				13
6,754,083	6,781,665	302,499	300,722	14

Line 12, column (b) includes \$ -41,243,692 of unbilled revenues.  
Line 12, column (d) includes -49,850 MWH relating to unbilled revenues

Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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**SALES OF ELECTRICITY BY RATE SCHEDULES**

- Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
- Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
- Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
- The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
- For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
- Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	<b>BILLED REVENUES:</b>					
2	(440) Residential (R/R-T)	1,631,728	465,328,647	268,770	6,071	0.2852
3	(4421) General - NonDemand (G/GT)	314,482	91,582,552	25,037	12,561	0.2912
4	(4421) General - Demand (J/U)	1,882,991	462,307,196	7,029	267,889	0.2455
5	(4421) Electric vehicle (EV-F)	13	4,512	3	4,333	0.3471
6	(4422) Large power (P)	2,936,560	648,235,836	396	7,415,556	0.2207
7	(444) Street lighting (F)	35,540	9,067,984	429	82,844	0.2551
8	(444) Traffic lights (G-TS)	2,619	961,741	774	3,384	0.3672
9	<b>Total Billed Revenues</b>	<b>6,803,933</b>	<b>1,677,488,468</b>	<b>302,438</b>	<b>22,497</b>	<b>0.2465</b>
10						
11	<b>UNBILLED REVENUES:</b>					
12	(440) Residential (R/R-T)	-4,810	-9,480,272	72	-66,806	1.9710
13	(4421) General - NonDemand (G/GT)	-2,709	-1,646,322	-113	23,973	0.6077
14	(4421) General - Demand (J/U)	-11,661	-10,374,685	109	-106,982	0.8897
15	(4421) Electric vehicle (EV-F)	1	184			0.1840
16	(4422) Large power (P)	-30,753	-19,682,846	-3	10,251,000	0.6400
17	(444) Street lighting (F)	82	-59,751	-1	-82,000	-0.7287
18	(444) Traffic lights (G-TS)			-3		
19	<b>Total Unbilled Revenues</b>	<b>-49,850</b>	<b>-41,243,692</b>	<b>61</b>	<b>-817,213</b>	<b>0.8274</b>
20						
21	See Footnote 1					
22						
23						
24						
25						
26						
27						
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29						
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31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	<b>TOTAL Billed</b>	<b>6,803,933</b>	<b>1,677,488,468</b>	<b>302,438</b>	<b>22,497</b>	<b>0.2465</b>
42	<b>Total Unbilled Rev.(See Instr. 6)</b>	<b>-49,850</b>	<b>-41,243,692</b>	<b>61</b>	<b>-817,213</b>	<b>0.8274</b>
43	<b>TOTAL</b>	<b>6,754,083</b>	<b>1,636,244,776</b>	<b>302,499</b>	<b>22,328</b>	<b>0.2423</b>

Name of Respondent Hawaiian Electric Company, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report 2015/Q4
FOOTNOTE DATA			

**Schedule Page: 304 Line No.: 21 Column: a**

FOOTNOTE 1 (Fuel adjustment amounts included in column (c)):

<u>Schedule</u>	<u>Billed</u>	<u>Unbilled</u>	<u>Total</u>
440 - Residential (R/R-T)	30,318,248.65	(5,495,816.56)	24,822,432.09
4421 - General - Non-Demand (G/G-T)	3,897,449.94	(431,916.65)	3,465,533.29
4421 - General - Demand (J/U)	20,332,400.85	(4,825,418.03)	15,506,982.82
4421 - Electric vehicle (EV-F)	134.11	9.90	144.01
4422 - Large power (P)	25,121,554.39	(8,989,560.89)	16,131,993.50
444 - Street lighting (F)	641,220.60	(26,465.23)	614,755.37
444 - Traffic lights (G-TS)	31,997.50	-	31,997.50
Total ECAC revenue	<u>80,343,006.04</u>	<u>(19,769,167.46)</u>	<u>60,573,838.58</u>

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**ELECTRIC OPERATION AND MAINTENANCE EXPENSES**

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

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	<b>1. POWER PRODUCTION EXPENSES</b>		
2	<b>A. Steam Power Generation</b>		
3	Operation		
4	(500) Operation Supervision and Engineering	1,200,252	941,309
5	(501) Fuel	427,671,324	790,384,010
6	(502) Steam Expenses	9,313,853	9,111,231
7	(503) Steam from Other Sources		
8	(Less) (504) Steam Transferred-Cr.		
9	(505) Electric Expenses	5,995,097	5,614,745
10	(506) Miscellaneous Steam Power Expenses	12,727,807	10,994,428
11	(507) Rents	513,494	485,825
12	(509) Allowances		
13	<b>TOTAL Operation (Enter Total of Lines 4 thru 12)</b>	<b>457,421,827</b>	<b>817,531,548</b>
14	Maintenance		
15	(510) Maintenance Supervision and Engineering	3,213	361,175
16	(511) Maintenance of Structures	2,738,602	2,569,099
17	(512) Maintenance of Boiler Plant	16,404,966	19,086,546
18	(513) Maintenance of Electric Plant	7,406,061	8,022,182
19	(514) Maintenance of Miscellaneous Steam Plant	4,714,067	5,590,864
20	<b>TOTAL Maintenance (Enter Total of Lines 15 thru 19)</b>	<b>31,266,909</b>	<b>35,629,866</b>
21	<b>TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 &amp; 20)</b>	<b>488,688,736</b>	<b>853,161,414</b>
22	<b>B. Nuclear Power Generation</b>		
23	Operation		
24	(517) Operation Supervision and Engineering		
25	(518) Fuel		
26	(519) Coolants and Water		
27	(520) Steam Expenses		
28	(521) Steam from Other Sources		
29	(Less) (522) Steam Transferred-Cr.		
30	(523) Electric Expenses		
31	(524) Miscellaneous Nuclear Power Expenses		
32	(525) Rents		
33	<b>TOTAL Operation (Enter Total of lines 24 thru 32)</b>		
34	Maintenance		
35	(528) Maintenance Supervision and Engineering		
36	(529) Maintenance of Structures		
37	(530) Maintenance of Reactor Plant Equipment		
38	(531) Maintenance of Electric Plant		
39	(532) Maintenance of Miscellaneous Nuclear Plant		
40	<b>TOTAL Maintenance (Enter Total of lines 35 thru 39)</b>		
41	<b>TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 &amp; 40)</b>		
42	<b>C. Hydraulic Power Generation</b>		
43	Operation		
44	(535) Operation Supervision and Engineering		
45	(536) Water for Power		
46	(537) Hydraulic Expenses		
47	(538) Electric Expenses		
48	(539) Miscellaneous Hydraulic Power Generation Expenses		
49	(540) Rents		
50	<b>TOTAL Operation (Enter Total of Lines 44 thru 49)</b>		
51	<b>C. Hydraulic Power Generation (Continued)</b>		
52	Maintenance		
53	(541) Maintenance Supervision and Engineering		
54	(542) Maintenance of Structures		
55	(543) Maintenance of Reservoirs, Dams, and Waterways		
56	(544) Maintenance of Electric Plant		
57	(545) Maintenance of Miscellaneous Hydraulic Plant		
58	<b>TOTAL Maintenance (Enter Total of lines 53 thru 57)</b>		
59	<b>TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 &amp; 58)</b>		

Name of Respondent		This Report Is:	Date of Report	Year/Period of Report
Hawaiian Electric Company, Inc.		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 12/31/2015	End of 2015/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)				
If the amount for previous year is not derived from previously reported figures, explain in footnote.				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
60	D. Other Power Generation			
61	Operation			
62	(546) Operation Supervision and Engineering	4,291,535	3,034,003	
63	(547) Fuel	30,397,230	30,862,256	
64	(548) Generation Expenses	1,445,922	1,466,955	
65	(549) Miscellaneous Other Power Generation Expenses	969,077	903,133	
66	(550) Rents			
67	TOTAL Operation (Enter Total of lines 62 thru 66)	37,103,764	36,266,347	
68	Maintenance			
69	(551) Maintenance Supervision and Engineering	11,885		
70	(552) Maintenance of Structures	530,127	541,409	
71	(553) Maintenance of Generating and Electric Plant	6,052,089	2,954,049	
72	(554) Maintenance of Miscellaneous Other Power Generation Plant	443,295	504,045	
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)	7,037,396	3,999,503	
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)	44,141,160	40,265,850	
75	E. Other Power Supply Expenses			
76	(555) Purchased Power	440,982,921	537,821,036	
77	(556) System Control and Load Dispatching			
78	(557) Other Expenses	5,095,514	5,845,645	
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	446,078,435	543,666,681	
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	978,908,331	1,437,093,945	
81	2. TRANSMISSION EXPENSES			
82	Operation			
83	(560) Operation Supervision and Engineering	467,019	483,506	
84				
85	(561.1) Load Dispatch-Reliability			
86	(561.2) Load Dispatch-Monitor and Operate Transmission System	2,986,554	3,159,256	
87	(561.3) Load Dispatch-Transmission Service and Scheduling			
88	(561.4) Scheduling, System Control and Dispatch Services			
89	(561.5) Reliability, Planning and Standards Development			
90	(561.6) Transmission Service Studies			
91	(561.7) Generation Interconnection Studies			
92	(561.8) Reliability, Planning and Standards Development Services			
93	(562) Station Expenses	446,774	596,812	
94	(563) Overhead Lines Expenses	1,334,252	1,189,051	
95	(564) Underground Lines Expenses	70,832	138,049	
96	(565) Transmission of Electricity by Others			
97	(566) Miscellaneous Transmission Expenses	4,344,727	4,342,539	
98	(567) Rents	259,844	249,523	
99	TOTAL Operation (Enter Total of lines 83 thru 98)	9,910,002	10,158,736	
100	Maintenance			
101	(568) Maintenance Supervision and Engineering			
102	(569) Maintenance of Structures		6,590	
103	(569.1) Maintenance of Computer Hardware			
104	(569.2) Maintenance of Computer Software			
105	(569.3) Maintenance of Communication Equipment			
106	(569.4) Maintenance of Miscellaneous Regional Transmission Plant			
107	(570) Maintenance of Station Equipment	4,083,598	3,419,934	
108	(571) Maintenance of Overhead Lines	4,010,293	3,677,902	
109	(572) Maintenance of Underground Lines	50,856	47,450	
110	(573) Maintenance of Miscellaneous Transmission Plant	239,112	198,872	
111	TOTAL Maintenance (Total of lines 101 thru 110)	8,383,859	7,350,748	
112	TOTAL Transmission Expenses (Total of lines 99 and 111)	18,293,861	17,509,484	

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

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

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
113	<b>3. REGIONAL MARKET EXPENSES</b>		
114	Operation		
115	(575.1) Operation Supervision		
116	(575.2) Day-Ahead and Real-Time Market Facilitation		
117	(575.3) Transmission Rights Market Facilitation		
118	(575.4) Capacity Market Facilitation		
119	(575.5) Ancillary Services Market Facilitation		
120	(575.6) Market Monitoring and Compliance		
121	(575.7) Market Facilitation, Monitoring and Compliance Services		
122	(575.8) Rents		
123	Total Operation (Lines 115 thru 122)		
124	Maintenance		
125	(576.1) Maintenance of Structures and Improvements		
126	(576.2) Maintenance of Computer Hardware		
127	(576.3) Maintenance of Computer Software		
128	(576.4) Maintenance of Communication Equipment		
129	(576.5) Maintenance of Miscellaneous Market Operation Plant		
130	Total Maintenance (Lines 125 thru 129)		
131	TOTAL Regional Transmission and Market Op Exprs (Total 123 and 130)		
132	<b>4. DISTRIBUTION EXPENSES</b>		
133	Operation		
134	(580) Operation Supervision and Engineering	845,267	737,922
135	(581) Load Dispatching	3,154,943	2,121,497
136	(582) Station Expenses	1,089,029	1,179,726
137	(583) Overhead Line Expenses	616,649	309,886
138	(584) Underground Line Expenses	1,403,662	1,242,997
139	(585) Street Lighting and Signal System Expenses		
140	(586) Meter Expenses	3,815,353	3,608,854
141	(587) Customer Installations Expenses	322,176	342,803
142	(588) Miscellaneous Expenses	15,511,839	17,615,634
143	(589) Rents	9,996	9,646
144	TOTAL Operation (Enter Total of lines 134 thru 143)	26,768,914	27,168,965
145	Maintenance		
146	(590) Maintenance Supervision and Engineering		
147	(591) Maintenance of Structures	206,187	255,270
148	(592) Maintenance of Station Equipment	2,906,113	2,620,735
149	(593) Maintenance of Overhead Lines	9,622,934	10,068,274
150	(594) Maintenance of Underground Lines	3,755,493	3,432,703
151	(595) Maintenance of Line Transformers	887,373	724,335
152	(596) Maintenance of Street Lighting and Signal Systems	18,708	19,548
153	(597) Maintenance of Meters	144	459
154	(598) Maintenance of Miscellaneous Distribution Plant	1,524,682	1,608,593
155	TOTAL Maintenance (Total of lines 146 thru 154)	18,921,634	18,729,917
156	TOTAL Distribution Expenses (Total of lines 144 and 155)	45,690,548	45,898,882
157	<b>5. CUSTOMER ACCOUNTS EXPENSES</b>		
158	Operation		
159	(901) Supervision	1,865,096	1,650,242
160	(902) Meter Reading Expenses	3,663,077	3,359,473
161	(903) Customer Records and Collection Expenses	13,749,119	19,816,383
162	(904) Uncollectible Accounts	2,354,217	933,747
163	(905) Miscellaneous Customer Accounts Expenses		-33,761
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)	21,631,509	25,726,084

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

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

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
165	<b>6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES</b>		
166	Operation		
167	(907) Supervision	851,897	506,034
168	(908) Customer Assistance Expenses	12,924,452	13,665,270
169	(909) Informational and Instructional Expenses	1,670,597	935,049
170	(910) Miscellaneous Customer Service and Informational Expenses	95	2,595
171	<b>TOTAL Customer Service and Information Expenses (Total 167 thru 170)</b>	<b>15,447,041</b>	<b>15,108,948</b>
172	<b>7. SALES EXPENSES</b>		
173	Operation		
174	(911) Supervision		
175	(912) Demonstrating and Selling Expenses		
176	(913) Advertising Expenses		
177	(916) Miscellaneous Sales Expenses		
178	<b>TOTAL Sales Expenses (Enter Total of lines 174 thru 177)</b>		
179	<b>8. ADMINISTRATIVE AND GENERAL EXPENSES</b>		
180	Operation		
181	(920) Administrative and General Salaries	32,215,269	32,631,273
182	(921) Office Supplies and Expenses	21,384,196	26,303,242
183	(Less) (922) Administrative Expenses Transferred-Credit	18,834,094	17,904,282
184	(923) Outside Services Employed	2,282,676	2,079,290
185	(924) Property Insurance	3,330,815	3,692,014
186	(925) Injuries and Damages	11,000,162	7,457,371
187	(926) Employee Pensions and Benefits	36,912,668	34,584,976
188	(927) Franchise Requirements		
189	(928) Regulatory Commission Expenses	580,028	509,371
190	(929) (Less) Duplicate Charges-Cr.		
191	(930.1) General Advertising Expenses	24,808	28,003
192	(930.2) Miscellaneous General Expenses	3,105,113	2,908,014
193	(931) Rents	6,159,718	6,869,488
194	<b>TOTAL Operation (Enter Total of lines 181 thru 193)</b>	<b>98,161,359</b>	<b>99,158,760</b>
195	Maintenance		
196	(935) Maintenance of General Plant	1,039,505	803,047
197	<b>TOTAL Administrative &amp; General Expenses (Total of lines 194 and 196)</b>	<b>99,200,864</b>	<b>99,961,807</b>
198	<b>TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)</b>	<b>1,179,172,154</b>	<b>1,641,299,150</b>

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**PURCHASED POWER (Account 555)  
(Including power exchanges)**

- Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
- Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
- In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

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

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

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

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

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

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

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

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

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Chevron USA, Inc. [1]	OS	NA			
2	Par Hawaii Refining LLC [1]	OS	NA			
3	AES Hawaii Inc. [2, 3a, 4]	LF	NA			
4	City & County Honolulu (H-Power)					
5	[2, 3b, 4, 6]	LF	NA			
6	Kalaeloa Partners, L.P. [2, 3c, 5]	LF	NA			
7	Kahuku Wind Power, LLC [1]	OS	NA			
8	Kawaiiloa Wind, LLC [1]	OS	NA			
9	Forest City Sustainable Resources					
10	Oahu, LLC (KSEP) [1, 7]	OS	NA			
11	Kalaeloa Solar Two, LLC [1]	OS	NA			
12	Kalaeloa Renewable Energy Park LLC [1]	OS	NA			
13	Feed-in Tariff Tier 1 var. owners [1]	OS	NA			
14	Feed-in Tariff Tier 2 var. owners [1]	OS	NA			
	Total					



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**PURCHASED POWER (Account 555) (Continued)**  
(Including power exchanges)

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

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

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
169				-39,613		-39,613	1
6,628				723,190		723,190	2
1,372,966				72,554,964	61,861,892	134,416,856	3
							4
377,334				54,932,991	11,165,152	66,098,143	5
1,338,007				154,646,374	32,459,000	187,105,374	6
78,912				14,985,407		14,985,407	7
137,285				28,967,179		28,967,179	8
							9
1,963				463,188		463,188	10
11,403				2,312,362		2,312,362	11
9,137				1,973,493		1,973,493	12
873				192,953		192,953	13
17,392				3,784,389		3,784,389	14
3,352,069				335,496,877	105,486,044	440,982,921	

Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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**PURCHASED POWER (Account 555)**  
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

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

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

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

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

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

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

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

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

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	See footnote for explanations					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
	Total					

Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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**PURCHASED POWER (Account 555) (Continued)**  
(Including power exchanges)

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

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

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
							1
							2
							3
							4
							5
							6
							7
							8
							9
							10
							11
							12
							13
							14
3,352,069				335,496,877	105,486,044	440,982,921	

Name of Respondent Hawaiian Electric Company, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report 2015/Q4
FOOTNOTE DATA			

**Schedule Page: 326.1 Line No.: 1 Column: a**

The following are explanations for items footnoted in column (a):

- [1] As-available service.
- [2] Firm capacity service.
- [3] Termination dates: [a] 09-01-2022, [b] 04-02-2033, [c] 05-23-2016.
- [4] Capacity charges, paid in arrears.
- [5] Capacity charges, paid in advance.
- [6] Facility: Honolulu Program of Waste Energy Recovery (H-Power).
- [7] Facility: Kapolei Sustainable Energy Park (KSEP).

Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	465,272
2	Nuclear Power Research Expenses	
3	Other Experimental and General Research Expenses	1,973,771
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000	569,428
6	Community Relations	5,000
7	Amortization of MINCOM costs	91,642
8		
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46	TOTAL	3,105,113

Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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**DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405)**  
(Except amortization of acquisition adjustments)

- Report in section A for the year the amounts for : (b) Depreciation Expense (Account 403; (c) Depreciation Expense for Asset Retirement Costs (Account 403.1; (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).
- Report in Section 8 the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.
- Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.  
Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.  
In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.  
For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.
- If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

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

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Limited Term Electric Plant (Account 404) (d)	Amortization of Other Electric Plant (Acc 405) (e)	Total (f)
1	Intangible Plant					
2	Steam Production Plant	15,070,370				15,070,370
3	Nuclear Production Plant					
4	Hydraulic Production Plant-Conventional					
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant	5,197,968				5,197,968
7	Transmission Plant	22,181,188				22,181,188
8	Distribution Plant	61,461,887				61,461,887
9	Regional Transmission and Market Operation					
10	General Plant	14,183,431		2,994,642		17,178,073
11	Common Plant-Electric					
12	<b>TOTAL</b>	<b>118,094,844</b>		<b>2,994,642</b>		<b>121,089,486</b>

**B. Basis for Amortization Charges**

Amortization of general office building - straight line remaining life is used based on the building lease terms which will expire in various years.

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

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

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	311	89,073	54.00	18.00	1.60	SQ	31.50
13	312	369,277	47.00	18.00	2.03	SQ	31.50
14	314	182,448	51.00	18.00	1.54	SQ	31.50
15	315	73,541	44.00	18.00	2.43	SQ	31.50
16	316	21,630	20.00		5.00	SQ	
17	SUBTOTAL	735,969					
18							
19	341	38,040	53.00	5.00	0.77	SQ	31.50
20	342	16,257	39.00	5.00	2.58	SQ	31.50
21	343	65,150	48.00	5.00	3.26	SQ	31.50
22	344	27,711	51.00	5.00	1.01	SQ	31.50
23	345	34,501	46.00	5.00	2.51	SQ	31.50
24	346	18,224	20.00		5.00	SQ	
25	SUBTOTAL	199,883					
26							
27	350.1	3,043	60.00			R5	
28	352	39,198	55.00	5.00	1.60	R3	
29	353	290,040	60.00	30.00	1.86	R1	
30	354	19,146	60.00	30.00	1.48	R4	
31	355	280,420	50.00	60.00	3.24	R2	
32	356	147,876	50.00	100.00	3.27	R1.5	
33	357	53,223	60.00		1.59	R3	
34	358	54,101	60.00	20.00	1.73	R1	
35	359	3,201	60.00		1.49	R5	
36	SUBTOTAL	890,248					
37							
38	360.1	554	50.00		2.34	R5	
39	361	24,477	65.00	10.00	1.08	R1	
40	362	225,062	55.00	30.00	2.02	R1.5	
41	364	181,576	50.00	100.00	3.39	R0.5	
42	365	112,117	50.00	130.00	4.19	R1.5	
43	366	241,891	60.00	30.00	2.19	S5	
44	367	376,113	51.00	125.00	4.98	R5	
45	368	205,094	30.00	30.00	5.20	L1	
46	369.1	53,432	55.00	200.00	5.25	R3	
47	369.2	180,572	60.00	150.00	4.07	S2.5	
48	370	35,262	32.00		2.66	R1.5	
49	SUBTOTAL	1,636,150					
50							

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

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

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	390	61,995	50.00	-30.00	2.45	R3	
13	390.2	26,832					
14	391.1	23,066	5.00		20.00	SQ	
15	391.2	4,206	10.00		10.00	SQ	
16	391.3	14,155	15.00		6.67	SQ	
17	393	1,160	25.00		4.00	SQ	
18	394	26,323	25.00		4.00	SQ	
19	395	574	15.00		6.67	SQ	
20	396	13	18.00		5.56	SQ	
21	397	105,964	15.00		6.67	SQ	
22	398	5,350	15.00		6.67	SQ	
23	SUBTOTAL	269,638					
24							
25	392	50,549	15.00	10.00	6.13	L2	
26	SUBTOTAL	50,549					
27							
28	TOTAL	3,782,437					
29							
30							
31							
32							
33							
34							
35							
36							
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FOOTNOTE DATA			

**Schedule Page: 336 Line No.: 10 Column: b**  
Amount excludes vehicle depreciation of \$3,098,642.

**Schedule Page: 336 Line No.: 12 Column: b**  
Note for Column b. Depreciable plant base at the beginning of the year is used in the calculation of current year depreciation.

**Schedule Page: 336.1 Line No.: 13 Column: a**  
Amortization of leasehold improvements is straight-line over the remaining life of the respective leases.

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**REGULATORY COMMISSION EXPENSES**

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.
2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.

Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expense for Current Year (b) + (c) (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	Public Utilities Commission of the State of				869,685
2	Hawaii (PUC)				
3	Hawaiian Electric 2014 test year rate case				
4	- Docket 2013-0373				
5	- Amortization 7/2014 through 6/2017				
6					
7	For further detail, see 2015 10-K "Most recent				
8	proceedings in "Management's Discussion				
9	and Analysis of Financial Condition and				
10	Results of Operations," page 53-56.				
11					
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43					
44					
45					
46	TOTAL				869,685

**REGULATORY COMMISSION EXPENSES (Continued)**

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.
5. Minor items (less than \$25,000) may be grouped.

EXPENSES INCURRED DURING YEAR			AMORTIZED DURING YEAR				Line No.
CURRENTLY CHARGED TO			Deferred to Account 182.3	Contra Account	Amount	Deferred in Account 182.3 End of Year	
Department (f)	Account No. (g)	Amount (h)	(i)	(j)	(k)	(l)	
					579,661	290,024	1
							2
							3
							4
							5
							6
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							45
					579,661	290,024	46

Name of Respondent Hawaiian Electric Company, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report 2015/Q4
FOOTNOTE DATA			

**Schedule Page: 350 Line No.: 2 Column: f**

Hawaiian Electric 2014 test year rate case  
 Department Various  
 Department - Regulatory Rate Proceedings  
   - Docket 2013-0373  
   - Amortization 7/2014 through 6/2017

**Schedule Page: 350 Line No.: 2 Column: g**

Account 186720 - Regulatory Asset - Rate Case Costs  
 Account PNP735PHENENPNPZZZZZ901 (NARUC 928 - Regulatory Commission Expenses)

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(Next page is 352)

Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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**RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES**

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

**Classifications:**

- A. Electric R, D & D Performed Internally:
- (1) Generation
    - a. hydroelectric
      - i. Recreation fish and wildlife
      - ii Other hydroelectric
    - b. Fossil-fuel steam
    - c. Internal combustion or gas turbine
    - d. Nuclear
    - e. Unconventional generation
    - f. Siting and heat rejection
  - (2) Transmission
    - a. Overhead
    - b. Underground
  - (3) Distribution
  - (4) Regional Transmission and Market Operation
  - (5) Environment (other than equipment)
  - (6) Other (Classify and include items in excess of \$50,000.)
  - (7) Total Cost Incurred
- B. Electric, R, D & D Performed Externally:
- (1) Research Support to the electrical Research Council or the Electric Power Research Institute

Line No.	Classification (a)	Description (b)
1	B(1)	Research support to EPRI (HECO only)
2	A(6)	New Technology R&D
3	A(1)e	Sun Power for Schools
4	A(1)b,c	Biofuels Biodiesel Program
5	A(1)e	Distributed Generation technology
6	A(6)	Electronic Shock Absorber R&D
7	A(6)	Customer Energy Technology R&D
8	A(6)	Miscellaneous R&D
9	B(4)	Fuel Cell Test Facility
10	B(4)	Miscellaneous Engineering R&D
11	A(6)	Advanced Meter Infrastructure
12	A(6)	Demand Response
13	A(6)	Electric Vehicles
14	A(6)	Smart Grid
15	A(1)e	Wave Energy
16		
17	Total	
18		
19		
20		
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Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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**RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES (Continued)**

- (2) Research Support to Edison Electric Institute
  - (3) Research Support to Nuclear Power Groups
  - (4) Research Support to Others (Classify)
  - (5) Total Cost Incurred
3. Include in column (c) all R, D & D items performed internally and in column (d) those items performed outside the company costing \$50,000 or more, briefly describing the specific area of R, D & D (such as safety, corrosion control, pollution, automation, measurement, insulation, type of appliance, etc.). Group items under \$50,000 by classifications and indicate the number of items grouped. Under Other, (A (6) and B (4)) classify items by type of R, D & D activity.
4. Show in column (e) the account number charged with expenses during the year or the account to which amounts were capitalized during the year, listing Account 107, Construction Work in Progress, first. Show in column (f) the amounts related to the account charged in column (e)
5. Show in column (g) the total unamortized accumulating of costs of projects. This total must equal the balance in Account 188, Research, Development, and Demonstration Expenditures, Outstanding at the end of the year.
6. If costs have not been segregated for R, D & D activities or projects, submit estimates for columns (c), (d), and (f) with such amounts identified by "Est."
7. Report separately research and related testing facilities operated by the respondent.

Costs Incurred Internally Current Year (c)	Costs Incurred Externally Current Year (d)	AMOUNTS CHARGED IN CURRENT YEAR		Unamortized Accumulation (g)	Line No.
		Account (e)	Amount (f)		
	1,751,784	Various	1,751,784		1
223,977	5,988	Various	229,964		2
11,722	8,449	Various	20,171		3
					4
281,019	288,973	Various	569,992		5
					6
44,513	3,746	Various	48,259		7
73,141	4,677	Various	77,818		8
	31,560	Various	31,560		9
2,409	479	Various	2,888		10
	289	Various	289		11
8,122	9,209	Various	17,331		12
22,564	22,274	Various	44,838		13
73,160	1,162	Various	74,322		14
					15
					16
740,627	2,128,590		2,869,216		17
					18
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Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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**DISTRIBUTION OF SALARIES AND WAGES**

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

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production	20,486,982		
4	Transmission	3,403,523		
5	Regional Market			
6	Distribution	11,865,407		
7	Customer Accounts	11,444,582		
8	Customer Service and Informational	4,867,947		
9	Sales			
10	Administrative and General	33,825,976		
11	TOTAL Operation (Enter Total of lines 3 thru 10)	85,894,417		
12	Maintenance			
13	Production	15,507,204		
14	Transmission	2,490,943		
15	Regional Market			
16	Distribution	6,539,348		
17	Administrative and General	259,854		
18	TOTAL Maintenance (Total of lines 13 thru 17)	24,797,349		
19	Total Operation and Maintenance			
20	Production (Enter Total of lines 3 and 13)	35,994,186		
21	Transmission (Enter Total of lines 4 and 14)	5,894,466		
22	Regional Market (Enter Total of Lines 5 and 15)			
23	Distribution (Enter Total of lines 6 and 16)	18,404,755		
24	Customer Accounts (Transcribe from line 7)	11,444,582		
25	Customer Service and Informational (Transcribe from line 8)	4,867,947		
26	Sales (Transcribe from line 9)			
27	Administrative and General (Enter Total of lines 10 and 17)	34,085,830		
28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	110,691,766		110,691,766
29	Gas			
30	Operation			
31	Production-Manufactured Gas			
32	Production-Nat. Gas (Including Expl. and Dev.)			
33	Other Gas Supply			
34	Storage, LNG Terminaling and Processing			
35	Transmission			
36	Distribution			
37	Customer Accounts			
38	Customer Service and Informational			
39	Sales			
40	Administrative and General			
41	TOTAL Operation (Enter Total of lines 31 thru 40)			
42	Maintenance			
43	Production-Manufactured Gas			
44	Production-Natural Gas (Including Exploration and Development)			
45	Other Gas Supply			
46	Storage, LNG Terminaling and Processing			
47	Transmission			



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DISTRIBUTION OF SALARIES AND WAGES (Continued)

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
48	Distribution			
49	Administrative and General			
50	TOTAL Maint. (Enter Total of lines 43 thru 49)			
51	Total Operation and Maintenance			
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)			
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32,			
54	Other Gas Supply (Enter Total of lines 33 and 45)			
55	Storage, LNG Terminating and Processing (Total of lines 31 thru			
56	Transmission (Lines 35 and 47)			
57	Distribution (Lines 36 and 48)			
58	Customer Accounts (Line 37)			
59	Customer Service and Informational (Line 38)			
60	Sales (Line 39)			
61	Administrative and General (Lines 40 and 49)			
62	TOTAL Operation and Maint. (Total of lines 52 thru 61)			
63	Other Utility Departments			
64	Operation and Maintenance			
65	TOTAL All Utility Dept. (Total of lines 28, 62, and 64)	110,691,766		110,691,766
66	Utility Plant			
67	Construction (By Utility Departments)			
68	Electric Plant	40,055,834		40,055,834
69	Gas Plant			
70	Other (provide details in footnote):			
71	TOTAL Construction (Total of lines 68 thru 70)	40,055,834		40,055,834
72	Plant Removal (By Utility Departments)			
73	Electric Plant	7,104,057		7,104,057
74	Gas Plant			
75	Other (provide details in footnote):			
76	TOTAL Plant Removal (Total of lines 73 thru 75)	7,104,057		7,104,057
77	Other Accounts (Specify, provide details in footnote):			
78			58,385,711	58,385,711
79				
80				
81				
82				
83				
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94				
95	TOTAL Other Accounts		58,385,711	58,385,711
96	TOTAL SALARIES AND WAGES	157,851,657	58,385,711	216,237,368

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FOOTNOTE DATA			

**Schedule Page: 354 Line No.: 78 Column: c**

Temporary facilities, accounts receivable from associated companies, claims, other revenues, miscellaneous expenses and clearing accounts.

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**MONTHLY TRANSMISSION SYSTEM PEAK LOAD**

- (1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.  
(2) Report on Column (b) by month the transmission system's peak load.  
(3) Report on Columns (c ) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).  
(4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.

**NAME OF SYSTEM:**

Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Firm Network Service for Self (e)	Firm Network Service for Others (f)	Long-Term Firm Point-to-point Reservations (g)	Other Long-Term Firm Service (h)	Short-Term Firm Point-to-point Reservation (i)	Other Service (j)
1	January	1,018	19	18	981					
2	February	1,030	3	18	993					
3	March	1,015	2	19	978					
4	Total for Quarter 1				2,952					
5	April	1,039	23	19	1,002					
6	May	998	4	19	959					
7	June	1,084	30	19	1,047					
8	Total for Quarter 2				3,008					
9	July	1,130	29	19	1,093					
10	August	1,192	31	19	1,155					
11	September	1,206	10	19	1,167					
12	Total for Quarter 3				3,415					
13	October	1,134	19	18	1,097					
14	November	1,163	2	18	1,126					
15	December	1,099	14	18	1,062					
16	Total for Quarter 4				3,285					
17	Total Year to Date/Year				12,660					

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**ELECTRIC ENERGY ACCOUNT**

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

Line No.	Item (a)	MegaWatt Hours (b)	Line No.	Item (a)	MegaWatt Hours (b)
1	SOURCES OF ENERGY		21	DISPOSITION OF ENERGY	
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	6,754,083
3	Steam	3,665,970	23	Requirements Sales for Resale (See instruction 4, page 311.)	
4	Nuclear		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	
5	Hydro-Conventional		25	Energy Furnished Without Charge	
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	15,583
7	Other	68,102	27	Total Energy Losses	316,475
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	7,086,141
9	Net Generation (Enter Total of lines 3 through 8)	3,734,072			
10	Purchases	3,352,069			
11	Power Exchanges:				
12	Received				
13	Delivered				
14	Net Exchanges (Line 12 minus line 13)				
15	Transmission For Other (Wheeling)				
16	Received				
17	Delivered				
18	Net Transmission for Other (Line 16 minus line 17)				
19	Transmission By Others Losses				
20	TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)	7,086,141			

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**MONTHLY PEAKS AND OUTPUT**

1. Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non-integrated system.
2. Report in column (b) by month the system's output in Megawatt hours for each month.
3. Report in column (c) by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.
4. Report in column (d) by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.
5. Report in column (e) and (f) the specified information for each monthly peak load reported in column (d).

**NAME OF SYSTEM:**

Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instr. 4) (d)	Day of Month (e)	Hour (f)
29	January	550,014		1,018	19	1848
30	February	506,012		1,030	3	1849
31	March	545,751		1,015	2	1904
32	April	555,977		1,039	23	1915
33	May	561,465		996	4	1930
34	June	576,277		1,084	30	1947
35	July	641,761		1,130	29	1946
36	August	673,484		1,192	31	1920
37	September	643,243		1,206	10	1922
38	October	630,876		1,134	19	1847
39	November	606,042		1,163	2	1826
40	December	595,239		1,099	14	1830
41	TOTAL	7,086,141				

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**STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)**

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content of the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

Line No.	Item (a)	Plant Name: Honolulu (b)	Plant Name: Waiiau (c)
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear)	Steam	Steam
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	Conventional	Conventional/Outdoor
3	Year Originally Constructed	1928	1938
4	Year Last Unit was Installed	1957	1968
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	109.00	388.00
6	Net Peak Demand on Plant - MW (60 minutes)	0	343
7	Plant Hours Connected to Load	0	8760
8	Net Continuous Plant Capability (Megawatts)	108	370
9	When Not Limited by Condenser Water	108	370
10	When Limited by Condenser Water	108	370
11	Average Number of Employees	1	191
12	Net Generation, Exclusive of Plant Use - KWH	-1860900	1174600200
13	Cost of Plant: Land and Land Rights	662000	3147000
14	Structures and Improvements	6463000	14374000
15	Equipment Costs	70925000	239555000
16	Asset Retirement Costs	0	0
17	Total Cost	78050000	257076000
18	Cost per KW of Installed Capacity (line 17/5) Including	716.0550	662.5670
19	Production Expenses: Oper, Supv, & Engr	0	1195795
20	Fuel	177380	145535598
21	Coolants and Water (Nuclear Plants Only)	0	0
22	Steam Expenses	44735	4255636
23	Steam From Other Sources	0	0
24	Steam Transferred (Cr)	0	0
25	Electric Expenses	37294	2964829
26	Misc Steam (or Nuclear) Power Expenses	387585	3931893
27	Rents	0	417869
28	Allowances	0	0
29	Maintenance Supervision and Engineering	0	2475
30	Maintenance of Structures	48302	1221159
31	Maintenance of Boiler (or reactor) Plant	90534	5096962
32	Maintenance of Electric Plant	-15701	2252476
33	Maintenance of Misc Steam (or Nuclear) Plant	168938	2613677
34	Total Production Expenses	939067	169488369
35	Expenses per Net KWh	-0.5046	0.1443
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	Oil	Oil
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)	Barrel	Barrel
38	Quantity (Units) of Fuel Burned	0	2017724
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	0	150998
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	0.000	72.129
41	Average Cost of Fuel per Unit Burned	0.000	72.129
42	Average Cost of Fuel Burned per Million BTU	0.000	11.373
43	Average Cost of Fuel Burned per KWh Net Gen	-0.095	0.124
44	Average BTU per KWh Net Generation	0.000	10894.099



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**STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)**

9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

Plant Name: <i>Kahe</i>	Plant Name: <i>Waiou CT</i>	Plant Name: <i>CIP</i>	Line No.
(d)	(e)	(f)	
Steam	Combustion Turbine	Combustion Turbine	1
Outdoor	Outdoor	Outdoor	2
1963	1973	2009	3
1981	1973	2009	4
635.00	103.00	113.00	5
539	84	112	6
8760	1377	1227	7
604	103	113	8
604	103	113	9
604	103	113	10
163	0	24	11
2493230400	15677531	52424404	12
2175000	0	3072000	13
15621000	0	31402000	14
364519000	36257000	137240000	15
0	0	0	16
382315000	36257000	171714000	17
602.0709	352.0097	1519.5929	18
4457	4291535	0	19
281936333	6736008	23655287	20
0	0	0	21
5013482	0	0	22
0	0	0	23
0	0	0	24
2992973	15092	1430830	25
8408329	480512	488565	26
95625	0	0	27
0	0	0	28
737	11885	0	29
1469141	65831	464296	30
11217470	0	0	31
5169286	5254643	797445	32
1931452	0	443295	33
318239285	16855506	27279718	34
0.1276	1.0751	0.5204	35
Oil	Oil	Oil	36
Barrel	Barrel	Barrel	37
4119393	73021	161638	38
149841	137468	125519	39
68.441	92.248	146.347	40
68.441	92.248	146.347	41
10.875	15.977	27.760	42
0.113	0.430	0.451	43
10398.048	26891.848	16254.324	44

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FOOTNOTE DATA			

**Schedule Page: 403 Line No.: 11 Column: e**  
Uses Waiiau employees as needed.

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**TRANSMISSION LINE STATISTICS**

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

Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1	Archer	Kewalo #1	138.00	138.00	4	0.54		1
2	Waiau	Koolau #1	138.00	138.00	2 & 3	13.21		1
3	Waiau	Koolau #2	138.00	138.00	2 & 3	13.36		1
4	Waiau	Wahiawa	138.00	138.00	3		2.51	
5	Waiau	Wahiawa	138.00	138.00	2	9.70		1
6	Kahe	Wahiawa	138.00	138.00	2 & 3	17.69		1
7	Koolau	Pukele 1	138.00	138.00	2 & 3	6.42		1
8	Koolau	Pukele 2	138.00	138.00	2 & 3	6.04		1
9	Halawa	Kahe 1	138.00	138.00	2 & 3		14.92	
10	Halawa	Kahe 1	138.00	138.00	2	6.34		1
11	Kahe	Waiau	138.00	138.00	3	4.98	2.32	
12	Kahe	Waiau	138.00	138.00	2	11.59		1
13	Kahe	Halawa 2	138.00	138.00	2 & 3		13.07	
14	Kahe	Halawa 2	138.00	138.00	2 & 3	7.82		1
15	Halawa	Iwilei	138.00	138.00	1 & 2	6.34		1
16	Halawa	School	138.00	138.00	1 & 2	5.26		1
17	Iwilei	School	138.00	138.00	1	0.57		1
18	Halawa	Koolau	138.00	138.00	1 & 3	9.71		1
19	Waiau	Makalapa 1	138.00	138.00	1	4.14		1
20	Halawa	Makalapa	138.00	138.00	1	4.23		1
21	Kahe	CEIP #1	138.00	138.00	1 & 2	4.27		1
22	Makalapa	Airport	138.00	138.00	1	1.71		1
23	Kalaeloa	AES	138.00	138.00	1	0.74		1
24	AES	CEIP #1	138.00	138.00	1	2.07		1
25	School	Archer	138.00	138.00	4	1.88		1
26	Iwilei	Archer	138.00	138.00	4	1.84		1
27	AES	HRRV	138.00	138.00	1	0.18		1
28	Waiau	Makalapa 2	138.00	138.00	1	4.58		1
29	Airport (Sw.Sta.)	Airport #1	138.00	138.00	4	0.43		1
30	CEIP	Ewa Nui	138.00	138.00	1	6.64		1
31	Kalaeloa	Ewa Nui	138.00	138.00	1	2.32	5.95	1
32	Waiau	Ewa Nui 2	138.00	138.00	1	7.08		1
33	Waiau	Ewa Nui 1	138.00	138.00	1	1.99	5.17	1
34	Iwilei	Iwilei 1-138	138.00	138.00	4	0.03		1
35	Iwilei	Iwilei 2-138	138.00	138.00	4	0.04		1
36					TOTAL	717.08	90.86	38

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TRANSMISSION LINE STATISTICS (Continued)

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

Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
								1
								2
								3
								4
								5
								6
								7
								8
								9
								10
								11
								12
								13
								14
								15
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Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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**TRANSMISSION LINE STATISTICS**

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

Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1	Halawa	Koolau	138.00	138.00	4	0.09		
2	Archer	Kewalo #2	138.00	138.00	4	0.56		1
3	46KV	46KV	46.00	46.00	1	491.47	42.63	
4	Kewalo	Kamoku	138.00	138.00	4	1.81		1
5	46KV	46KV	46.00	46.00	4	51.40		
6	Kahe	CEIP #2	138.00	138.00	2		4.31	1
7	Airport	Iwilei	138.00	138.00	1	5.29		1
8	AES	CEIP #2	138.00	138.00	1	2.10		1
9	Airport	Airport #2	138.00	138.00	4	0.43		1
10	CIP	CT-1	138.00	138.00	4	0.19		1
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36					TOTAL	717.08	90.68	38

Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of <u>2015/Q4</u>
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**TRANSMISSION LINE STATISTICS (Continued)**

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

Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
								1
								2
								3
								4
								5
								6
								7
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								9
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								12
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Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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**TRANSMISSION LINES ADDED DURING YEAR**

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

Line No.	LINE DESIGNATION		Line Length in Miles (c)	SUPPORTING STRUCTURE		CIRCUITS PER STRUCTURE	
	From (a)	To (b)		Type (d)	Average Number per Miles (e)	Present (f)	Ultimate (g)
1	Waiau - Waimano		-0.02	1		1	
2	Waiau - Waimano		0.07	4			2
3	Waiau - Mililani		-0.40	1		1	2
4	Waiau - Mililani		0.50	4		1	1
5	Kahe - Standard Oil 2		-0.05	1		1	
6	Kahe - Standard Oil 2		0.06	1			1
7	Waiau - Barbers Pt.		-0.03	1		1	1
8	Waiau - Barbers Pt		0.06	4		1	1
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
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27							
28							
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37							
38							
39							
40							
41							
42							
43							
44	TOTAL		0.19			6	8



TRANSMISSION LINES ADDED DURING YEAR (Continued)

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

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

CONDUCTORS			Voltage KV (Operating) (k)	LINE COST					Line No.
Size (h)	Specification (i)	Configuration and Spacing (j)		Land and Land Rights (l)	Poles, Towers and Fixtures (m)	Conductors and Devices (n)	Asset Retire. Costs (o)	Total (p)	
336	AL AAC		46						1
1500	AL XLPE		46						2
556	AL ACSR		46						3
1500	AL XLPE		46						4
336	AL AAC		46						5
336	AL AAC		46						6
336	AL AAC		46						7
1500	AL XLPE		46						8
									9
									10
									11
									12
									13
									14
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									44

Name of Respondent Hawaiian Electric Company, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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**SUBSTATIONS**

- Report below the information called for concerning substations of the respondent as of the end of the year.
- Substations which serve only one industrial or street railway customer should not be listed below.
- Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
- Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Archer	Transmission	138.00	46.00	
2	Archer	Transmission	46.00	11.50	
3	Campbell Estate Industrial Park	Transmission	46.00	12.47	
4	Honolulu Unit 8	Transmission	11.50	46.00	
5	Honolulu Unit 9	Transmission	11.50	46.00	
6	Iwilei	Transmission	138.00	46.00	
7	Iwilei	Transmission	46.00	11.50	
8	Iwilei	Transmission	11.50	4.16	
9	Iwilei network	Transmission	138.00	11.50	
10	Iwilei	Transmission	25.00	11.50	
11	Kahe Units 1,2,3,4	Transmission	14.40	138.00	
12	Kahe Unit 5	Transmission	16.00	138.00	
13	Kahe Unit 6	Transmission	16.00	138.00	
14	Kahe	Transmission	138.00	46.00	
15	Kahe	Transmission	46.00	12.47	
16	Kamoku	Transmission	138.00	25.00	
17	Koolau	Transmission	138.00	46.00	
18	Koolau	Transmission	46.00	12.47	
19	Makalapa	Transmission	138.00	46.00	
20	School Street	Transmission	46.00	4.16	
21	School Street	Transmission	46.00	11.50	
22	School Street	Transmission	138.00	46.00	
23	Wahiawa	Transmission	138.00	46.00	
24	Wahiawa	Transmission	46.00	12.50	
25	Waiiau Units 3,4	Transmission	11.50	46.00	
26	Waiiau Units 5,6	Transmission	11.50	138.00	
27	Waiiau units 7,8	Transmission	14.40	138.00	
28	Waiiau Units 9, 10	Transmission	13.80	138.00	
29	Waiiau Bus Tie	Transmission	138.00	46.00	
30	Waiiau	Transmission	46.00	11.50	
31	Pukele	Transmission	138.00	46.00	
32	Pukele	Transmission	46.00	12.47	
33	Halawa	Transmission	138.00	46.00	
34	Campbell Estate Industrial Park	Transmission	138.00	46.00	
35	Makalapa	Transmission	46.00	11.50	
36	Airport	Transmission	138.00	11.50	
37	Ewa Nui	Transmission	138.00	46.00	
38	Ewa Nui	Transmission	46.00	12.47	
39	Iwilei	Transmission	138.00	25.00	
40	Kewalo	Transmission	138.00	25.00	

Name of Respondent Hawaiian Electric Company, Inc.	This Report Is:		Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of <u>2015/Q4</u>
	(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission		

SUBSTATIONS (Continued)

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

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

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (l)	Number of Units (j)	Total Capacity (In MVA) (k)	
250	3					1
25	2					2
12	1					3
60	3					4
60	3					5
160	2					6
61	3		Capacitor	24	7	7
3	2					8
150	3					9
25	2					10
396	4					11
164	1					12
164	1					13
100	2					14
12	1					15
50	1					16
320	4		Capacitor	168	50	17
10	1					18
240	3		Capacitor	126	38	19
5	1					20
35	3					21
160	2					22
210	3					23
35	3					24
112	6					25
120	2					26
198	2					27
125	2					28
160	2					29
10	1					30
320	4		Capacitor	168	50	31
12	1					32
160	2		Capacitor	84	25	33
130	2					34
25	2					35
100	2					36
80	1					37
26	2					38
100	2		Capacitor	96	19	39
50	1					40

Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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**SUBSTATIONS**

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Spare (80 MVA)	Transmission	138.00	46.00	
2	CIP CT Unit 1	Transmission	13.80	138.00	
3	Kamoku (80 MVA)	Transmission	138.00	46.00	
4	Ahi	Distribution	46.00	12.47	
5	Aiea	Distribution	46.00	11.50	
6	Aikahi	Distribution	46.00	4.16	
7	Aina Koa	Distribution	46.00	4.16	
8	Aina Koa	Distribution	46.00	12.47	
9	Ena	Distribution	46.00	12.47	
10	Ewa Beach	Distribution	46.00	12.47	
11	Fort Street	Distribution	46.00	4.16	
12	Fort Street	Distribution	46.00	11.50	
13	Hala	Distribution	46.00	11.50	
14	Halekauwila	Distribution	11.50	4.16	
15	Hauula	Distribution	46.00	11.50	
16	Hefemano	Distribution	46.00	12.47	
17	Hila	Distribution	46.00	11.50	
18	Hoaeae	Distribution	46.00	12.47	
19	Honolulu	Distribution	46.00	11.50	
20	Kahala	Distribution	46.00	4.16	
21	Kahala	Distribution	46.00	12.47	
22	Kahuku	Distribution	46.00	11.50	
23	Kailua	Distribution	46.00	4.16	
24	Kailua	Distribution	46.00	12.47	
25	Kaimuki	Distribution	46.00	4.16	
26	Kakaako	Distribution	46.00	11.50	
27	Kalama	Distribution	46.00	4.16	
28	Kalihi	Distribution	46.00	4.16	
29	Kalo	Distribution	46.00	12.47	
30	Kamiloiki	Distribution	46.00	12.47	
31	Kamoho	Distribution	46.00	4.16	
32	Kaneohe	Distribution	46.00	12.47	
33	Kaonohi	Distribution	46.00	11.50	
34	Kapahulu	Distribution	46.00	12.47	
35	Kapalama	Distribution	46.00	11.50	
36	Kapiolani	Distribution	46.00	4.16	
37	Kapolei	Distribution	46.00	12.47	
38	Keehi	Distribution	46.00	11.50	
39	Keolu	Distribution	46.00	12.47	
40	Kewalo	Distribution	46.00	12.50	

Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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SUBSTATIONS (Continued)

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

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

Capacity of Substation (In Service) (In MVa) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVa) (k)	
	2					1
160	1					2
80	1					3
20	2		Capacitor	72	7	4
33	3					5
9	3					6
4	1					7
10	1					8
48	4		Capacitor	72	7	9
22	2					10
5	1					11
25	2					12
25	2					13
2	1					14
10	1		Capacitor	36	4	15
19	2					16
33	3					17
22	2		Capacitor	36	4	18
25	2					19
7	2					20
25	2					21
12	1					22
7	2					23
10	1					24
7	2					25
63	4					26
5	2					27
7	2					28
20	2					29
10	1		Capacitor	36	4	30
7	2					31
30	3					32
25	2					33
70	6		Capacitor	180	18	34
35	3					35
7	2					36
25	2					37
50	4					38
23	2					39
25	2					40

Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of <u>2015/Q4</u>
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**SUBSTATIONS**

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Kuapa	Distribution	46.00	12.47	
2	Kuilima	Distribution	46.00	11.50	
3	Kuhio	Distribution	46.00	12.47	
4	Kunia	Distribution	46.00	11.50	
5	Laelae	Distribution	46.00	4.16	
6	Lagoon	Distribution	46.00	11.50	
7	Lakeside	Distribution	46.00	11.50	
8	Makaha	Distribution	46.00	12.47	
9	Makakilo	Distribution	46.00	12.50	
10	Makaloa	Distribution	46.00	12.47	
11	Malakole	Distribution	46.00	12.47	
12	Manoa	Distribution	46.00	12.50	
13	Manoa	Distribution	46.00	11.50	
14	Mapunapuna	Distribution	46.00	11.50	
15	McCully	Distribution	46.00	12.74	
16	Mikilua	Distribution	46.00	12.50	
17	Miilani	Distribution	46.00	12.50	
18	Mobile #1	Distribution	46.00	12.47	
19	Mobile #2	Distribution	46.00	12.47	
20	Moiliili	Distribution	46.00	12.50	
21	Nuuanu	Distribution	46.00	12.47	
22	Pauoa	Distribution	46.00	12.47	
23	Pearl City	Distribution	46.00	11.50	
24	Pohakapu	Distribution	46.00	12.47	
25	Piikoi	Distribution	46.00	12.47	
26	Puohala	Distribution	46.00	12.50	
27	Puunui	Distribution	46.00	4.16	
28	Quarry	Distribution	46.00	12.50	
29	Queens	Distribution	46.00	12.50	
30	Upper Kippa	Distribution	46.00	12.47	
31	Sand Island	Distribution	46.00	12.50	
32	Uwapoi	Distribution	46.00	12.50	
33	Waiakamilo	Distribution	46.00	11.50	
34	Waialae	Distribution	46.00	4.16	
35	Waialua	Distribution	46.00	11.50	
36	Waiawa	Distribution	46.00	12.47	
37	Waihee	Distribution	46.00	12.47	
38	Waikiki	Distribution	46.00	12.47	
39	Wailupe	Distribution	12.50	4.16	
40	Wailupe	Distribution	46.00	12.47	

Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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SUBSTATIONS (Continued)

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

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

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
23	2					1
5	1					2
20	2					3
5	1					4
5	2					5
13	1					6
22	2					7
22	2					8
20	2					9
47	4		Capacitor	72	7	10
23	2					11
10	1					12
10	1					13
25	2					14
39	3					15
36	3					16
23	2					17
5	1					18
13	1					19
10	1					20
10	2					21
10	1					22
10	1					23
5	1					24
45	4					25
10	1					26
7	2					27
7	1					28
10	1					29
25	2					30
20	2					31
22	2					32
22	2					33
6	2					34
20	2					35
25	2					36
20	2		Capacitor	46	4	37
38	3					38
2	2					39
10	1		Capacitor	85	4	40

Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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**SUBSTATIONS**

- Report below the information called for concerning substations of the respondent as of the end of the year.
- Substations which serve only one industrial or street railway customer should not be listed below.
- Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
- Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Waimalu	Distribution	46.00	11.50	
2	Waiamanalo Beach	Distribution	46.00	12.47	
3	Waimano	Distribution	46.00	11.50	
4	Waimea	Distribution	46.00	12.47	
5	Waipahu	Distribution	46.00	12.47	
6	Waipio	Distribution	46.00	12.50	
7	Whitmore	Distribution	46.00	12.74	
8	Wiliwili	Distribution	46.00	12.47	
9	Woodlawn	Distribution	46.00	4.16	
10	Wheeler	Distribution	46.00	12.47	
11	Waipiolani	Distribution	46.00	12.47	
12	H3-Haiku Tunnel	Distribution	46.00	12.47	
13	Kalaheo	Distribution	46.00	12.47	
14	Kunia Makai	Distribution	46.00	12.47	
15	Fort Weaver	Distribution	46.00	12.74	
16	Kamokila	Distribution	46.00	12.74	
17	Hanua	Distribution	46.00	12.47	
18	Mokuone	Distribution	46.00	12.47	
19	Ocean Pointe	Distribution	46.00	12.47	
20	Ko Olina	Distribution	46.00	12.47	
21	Spare 8% Z (12.5 MVA)	Distribution	46.00	12.47	
22	Spare 10% Z (12.5 MVA)	Distribution	46.00	12.47	
23	Spare (4.7 MVA)	Distribution	46.00	4.16	
24	Kaneohe	Distribution	46.00	4.16	
25	Kapaa	Distribution	46.00	4.16	
26	Kapiolani	Distribution	46.00	12.47	
27					
28					
29					
30					
31					
32					
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35					
36					
37					
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39					
40					



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SUBSTATIONS (Continued)

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

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

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
23	2					1
13	2					2
20	3					3
12	1					4
20	2					5
10	1					6
24	2					7
5	1					8
11	4					9
10	1					10
20	2					11
10	1					12
10	1					13
20	2					14
24	2					15
36	3					16
6	1					17
10	1					18
24	2					19
25	2					20
	7					21
	1					22
	2					23
2	1					24
2	1					25
20	2					26
						27
						28
						29
						30
						31
						32
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						36
						37
						38
						39
						40

Name of Respondent Hawaiian Electric Company, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report End of 2015/Q4
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**TRANSACTIONS WITH ASSOCIATED (AFFILIATED) COMPANIES**

- Report below the information called for concerning all non-power goods or services received from or provided to associated (affiliated) companies.
- The reporting threshold for reporting purposes is \$250,000. The threshold applies to the annual amount billed to the respondent or billed to an associated/affiliated company for non-power goods and services. The good or service must be specific in nature. Respondents should not attempt to include or aggregate amounts in a nonspecific category such as "general".
- Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote.

Line No.	Description of the Non-Power Good or Service (a)	Name of Associated/Affiliated Company (b)	Account Charged or Credited (c)	Amount Charged or Credited (d)
1	<b>Non-power Goods or Services Provided by Affiliated</b>			
2	Services Received by HECO	Hawaiian Electric Industries	See Detail	4,971,158
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20	<b>Non-power Goods or Services Provided for Affiliate</b>			
21	Services Provided by HECO	Hawaii Electric Light Company, Ltd.	146	13,945,618
22	Services Provided by HECO	Maui Electric Company, Ltd.	146	12,939,328
23	Services Provided by HECO	Hawaiian Electric Industries, Inc.	146	2,114,634
24				
25				
26				
27				
28				
29				
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37				
38				
39				
40				
41				
42				

Name of Respondent Hawaiian Electric Company, Inc.	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2015	Year/Period of Report 2015/Q4
FOOTNOTE DATA			

**Schedule Page: 429 Line No.: 2 Column: d**

Affiliate Management Fee	Account 921	4,542,054
Affiliate Management Fee	Account 926	385,919
Affiliate Management Fee	Account 9302	43,184
<b>Total</b>		<b>4,971,158</b>

**Schedule Page: 429 Line No.: 21 Column: d**

Services Provided by HECO	Account 146	12,711,811
IT Services Provided by HECO	Account 146	1,233,808
<b>Total</b>		<b>13,945,618</b>

**Schedule Page: 429 Line No.: 22 Column: d**

Services Provided by HECO	Account 146	11,352,776
IT Services Provided by HECO	Account 146	1,586,552
<b>Total</b>		<b>12,939,328</b>

**Schedule Page: 429 Line No.: 23 Column: d**

Services Provided by HECO	Account 146	2,114,634
<b>Total</b>		<b>2,114,634</b>

VERIFICATION

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

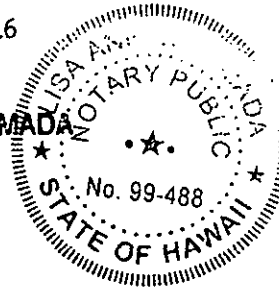
Honolulu, Hawaii  
City or Town  
May 16, 2016  
Date

Patsy H. Nanbu  
Signature of Officer  
Patsy H. Nanbu  
Controller  
Controller  
Title of Officer

Subscribed and sworn to before me  
this 16th day of May, ~~19~~ 2016

[Signature]  
Notary Public LISA ANN S. YAMADA

First Judicial Circuit  
State of Hawaii  
My Commission expires 10/10/2019



Doc. Date: 5/16/16 # Pages: 185  
Lisa Ann S. Yamada First Circuit

Doc. Description Verification for Hawaiian  
Electric Annual Report

[Signature]  
Notary Signature  
5/16/16  
Date

NOTARY CERTIFICATION

