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BEFORE THE PUBLIC UTILITIES COMMISSION

PUBLIC UTILITIES
COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Application of)	
)	
HAWAIIAN ELECTRIC COMPANY, INC.)	Transmittal No. 18-01 (Decoupling)
)	
For approval to modify the RBA Rate Adjustment)	Effective
in its Revenue Balancing Account Provision Tariff)	Date: June 1, 2018
_____)	

I

In accordance with the Final Decision and Order in Docket No. 2008-0274, Hawaiian Electric Company, Inc. ("Hawaiian Electric" or "Company") files its annual transmittal to revise paragraph E (Tariff Sheet No. 92C) of its Revenue Balancing Account ("RBA") Provision tariff ("RBA Tariff") to revise the RBA Rate Adjustment by \$0.003234 from the current rate of \$0.007116¹ per kilowatt-hour ("kWh") to the new rate of \$0.010350 per kWh, effective June 1, 2018 through May 31, 2019. The RBA Rate Adjustment is based on the Company's RBA balance at the end of 2017 and the Company's Rate Adjustment Mechanism ("RAM") Revenue Adjustment for calendar year 2018. The RAM Revenue Adjustment reflects the effects of the Tax Cuts and Jobs Act that was signed into law on December 22, 2017. The Company also proposes to revise its Rate Adjustment Mechanism Provision tariff to conform certain language

¹ See Exhibit 5 of Hawaiian Electric's Revised Schedules Resulting from Interim Decision and Order No. 35100 as modified by Order No. 35229, and Order No. 35220 in Docket No. 2016-0328, filed on January 19, 2018, which was approved by the Commission in Order No. 35280 on February 9, 2018, and went into effect on February 16, 2018.

on the RAM Revenue Adjustment Cap to be consistent with other aspects of the RAM mechanism, as explained herein.

II

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

III

Correspondence and communications in regard to this Transmittal No. 18-01 are to be addressed to:

Dean K. Matsuura
Manager, Regulatory Rate Proceedings
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P. O. Box 2750
Honolulu, Hawai‘i 96840

IV

Hawaiian Electric seeks Commission authorization of this tariff transmittal pursuant to Sections 6-61-111, 6-61-74, 6-61-75, and 6-61-86 of the *Rules of Practice and Procedure before the Public Utilities Commission, Hawai‘i Administrative Rules (“HAR”), Title 6, Chapter 61*. The proposed tariff revisions are in accordance with the Final Decision and Order in Docket No. 2008-0274, Order No. 32735 in Docket No. 2013-0141 and other orders as explained herein.

V

Pursuant to HAR §6-61-76, Hawaiian Electric incorporates by reference its latest available balance sheet and income statement for the twelve months ending February 28, 2018 filed with the Commission on March 29, 2018.

VI

On August 31, 2010, the Commission issued its *Final Decision and Order* in Docket No. 2008-0274, approving the decoupling mechanism for the Hawaiian Electric Companies.² On December 29, 2010, the Commission issued its *Final Decision and Order* in Hawaiian Electric's 2009 test year rate case proceeding, Docket No. 2008-0083, allowing the Company to implement the decoupling mechanism and begin tracking target revenue and recorded adjusted revenue which serve as the baseline for future decoupling calculations. Beginning in 2011, Hawaiian Electric filed tariff transmittals to annually establish an RBA Rate Adjustment, which the Commission subsequently approved.³

On February 7, 2014, the Commission issued Decision and Order No. 31908 on the Schedule A issues in Docket No. 2013-0141, which directed the modification of certain provisions of the decoupling mechanisms. These modifications included the following: 1) effective March 1, 2014, the Companies shall use the short term debt rate, as established in

² The "Hawaiian Electric Companies" or "Companies" are Hawaiian Electric, Hawai'i Electric Light Company, Inc., ("Hawai'i Electric Light") and Maui Electric Company, Limited ("Maui Electric").

³ Refer to Transmittal Nos. 11-02, 12-02, 13-03, 14-03, 15-03, 16-01 and 17-02 filed March 31, 2011, March 30, 2012, March 28, 2013, March 31, 2014, March 31, 2015, March 31, 2016 and March 31, 2017 respectively, and approved in *Order Approving HECO's Tariff Filed on May 10, 2011, as Revised on May 26, 2011, Order No. 30418 Approving HECO's Tariff Transmittal Filed on March 30, 2012, as Revised on May 23, 2012, Order No. 31287 Consolidating Proceedings and Approving Multiple Tariff Transmittals, Order No. 32112 Consolidating Proceedings and Approving Tariff Transmittals, Order No. 32883 Consolidating Proceedings and Approving Amended Tariff Transmittals, as revised on June 3, 2015, Order No. 33724 Consolidating Proceedings, Providing Clarifications, and Approving Tariff Transmittals As Amended and Order No. 34581 Providing Clarifications and Approving Tariff Transmittals as Amended*, respectively. For information on past years' filings as well as additional background information on decoupling, refer to the transmittals cited here.

deriving the consolidated cost of capital in each of the Companies' last full rate case, to compute interest on the outstanding RBA balances, and 2) the rate base RAM return on investment adjustment ("Rate Base RAM Adjustment") shall be equal to the prior RAM period's rate base RAM return on investment calculation plus 90 percent of the amount that the current RAM period's rate base RAM return on investment calculation exceeds the prior RAM period's rate base RAM return on investment calculation.⁴

In Decision and Order No. 31908 in Docket No. 2013-0141, the Commission also ordered the Companies to investigate the possibility that they may be able to defer payment of income taxes on the accrued amounts of decoupling revenue and make recommendations as to deferred tax treatment. On May 6, 2014, the Companies notified the Commission that they received approval from the Internal Revenue Service ("IRS") effective January 1, 2014 to change their accounting method from a book method of RBA revenue recognition to a recognition method based on when rates are adjusted for the RBA, and on May 19, 2014, provided information on how they will implement the change to reduce the amount of interest to be accrued.

On March 31, 2015, the Commission issued Order No. 32735 in Docket No. 2013-0141, which directed the Companies to make certain modifications to their decoupling mechanisms to be applied beginning with the Companies' 2015 decoupling filings. Among other things, the Commission ordered the following:

- 1) The RBA shall be retained;
- 2) The RAM mechanism shall be modified to include a cap that shall be applied to the total annual RAM Revenue Adjustment. The cap shall limit the automatic component

⁴ If the prior RAM period is a rate case test year, then the Rate Base RAM Adjustment shall be equal to 90 percent of the current RAM period's rate base RAM return on investment calculation.

of RAM adjustment increases to an amount equal to or lower than the Gross Domestic Product Price Index (“GDPPI”);

- 3) The 90% adjustment shall be removed in favor of the GDPPI cap;
- 4) The Commission will allow the Companies to apply for approval by the Commission, on a case by case basis, to recover revenues outside of and in addition to the capped RAM revenues.⁵ The Companies and the Consumer Advocate shall develop criteria for the Commission's review for recovery of these costs (which may include consolidated or “programmatic” baseline expenditures) through the RAM or the Renewable Energy Infrastructure Program (“REIP”) surcharge;⁶ and
- 5) The changes in items 1 through 4 above shall be made effective on an interim basis pending commission resolution of the proceedings concerning the Companies’ Power Supply Improvement Plans in Docket No. 2014-0183.⁷

Among the modifications to the RAM, the Commission amended the RAM Revenue Adjustment to be the lesser of (a) the RAM Revenue Adjustment determined according to tariffs and procedures “existing” at the time of issuance of Order No. 32735 (“Original RAM Methodology”) or (b) a RAM Revenue Adjustment Cap (“RAM Cap”). The RAM Cap shall be based on the target revenues⁸ determined in accordance with the RBA and RAM tariffs times the cumulative annually compounded increase(s) in GDPPI for intervening years, adjusted to include

⁵ The Commission remained “mindful of cautions expressed by the parties regarding the possible consequence of implementing caps or limits on RAM revenue recovery” and recognized the Companies’ “need to finance necessary capital investments[.]” while sharing concerns expressed by the Companies that increasing the revenue requirement by inflation alone is unlikely to provide the Companies with sufficient revenue to invest as needed to meet Hawai‘i’s goals while also providing the Companies a fair opportunity to earn their cost of capital. Order No. 32735 at 85-87.

⁶ On June 15, 2015, in Docket No. 2013-0141: 1) the Companies filed their proposed *Hawaiian Electric Companies Standards and Guidelines for Eligibility of Projects for Cost Recovery through the RAM above the RAM Cap*; and 2) the Companies and the Consumer Advocate filed their *Joint Proposed Modified REIP Framework/Standards and Guidelines*.

⁷ Order No. 32735 at 5-7.

⁸ Order No. 32735 at 95-96.

applicable revenue taxes.⁹ The RAM Cap will apply to the entire RAM Revenue Adjustment including the Operations and Maintenance (“O&M”) RAM, Rate Base RAM (including major capital and baseline projects), and the Depreciation and Amortization RAM.¹⁰

VII

By this Transmittal, Hawaiian Electric proposes to revise its decoupling RBA Rate Adjustment from the current rate of \$0.007116 per kWh to the new rate of \$0.010350 per kWh, effective June 1, 2018 through May 31, 2019.

The Company calculated its RBA Rate Adjustment according to its RBA and RAM tariff provisions¹¹ and the provisions of Order Nos. 32735 and 32866.¹² The 2018 RBA Rate Adjustment includes the recovery of the RBA balance at year end 2017 and the calculated RAM revenue adjustment for calendar year 2018. Approximately 80% percent of the RBA Rate Adjustment includes the recovery of the RBA balance at year end 2017, while approximately 20% of the RBA Rate Adjustment corresponds to the 2018 RAM amount. There are no adjustments to the RBA Rate Adjustment for earnings sharing revenue credits triggered for 2017 or for Commission-ordered major capital projects credits or baseline capital projects credits. (Refer to Schedule A of Attachment 2 described in Section VIII of this tariff transmittal.) Based on the revised rate, a monthly bill for a residential Hawaiian Electric customer using 500 kWh of electricity would increase by \$1.62.¹³

⁹ Order No. 32735 at 94.

¹⁰ Order No. 32735 at 96.

¹¹ Refer to the Hawaiian Electric Tariff Revised Sheet Nos. 92, 92A – 92C, Sheet No. 92D and Revised Sheet Nos. 93 and 93A – 93H.

¹² See Order No. 32866 in Transmittal Nos. 15-03, 15-04, and 15-05 (consolidated).

¹³ The monthly bill impact for a household using 500 kWh with the revised rate would be \$5.18 as compared to \$3.56, based on the current rate as shown in Exhibit 7 of Hawaiian Electric’s Revised Schedules Resulting from Interim Decision and Order No. 35100 as modified by Order No. 35229, and Order No. 35220, which was approved by the Commission in Order No. 35280 on February 9, 2018 and went into effect on February 16, 2018.

The 2018 RBA Rate Adjustment will replace the 2017 RBA Rate Adjustment in the Company's Revenue Balancing Account Provision tariff and, as more fully discussed below, reflects the RBA balance as of the end of 2017, and the RAM Revenue Adjustment subject to the RAM Cap. The following sections explain the amounts that make up the 2018 RBA Revenue Adjustment.

1. RBA Balance

The RBA revenue balance results from the sales decoupling component of the Commission-approved decoupling mechanism, which breaks the linkage between the Company's sales and total electric revenue. The approved RBA tariff allows Hawaiian Electric to record certain revenues only at target revenue levels (i.e., those authorized in the 2017 test year rate case plus the effective RAM Revenue Adjustments, less any applicable earnings sharing and/or major or baseline capital project credits), independent of the level of sales experienced. The approved RBA tariff also requires interest to be recorded monthly to the RBA at the interest rate specified in accordance with Order No. 32001, dated March 28, 2014, in Docket No. 2013-0141. As a result, effective March 1, 2014, the annual rate used to calculate interest on the RBA balance changed from 6% to 1.75%, which is the short term debt rate as established in computing the consolidated cost of capital in the Company's last full rate case. Additionally, based on Decision and Order No. 31908 in Docket No. 2013-0141 and pursuant to IRS approval to change the tax treatment of its RBA revenues, effective January 1, 2014, the Company changed its basis for computing interest from a gross to a net-of-deferred income tax RBA balance.

The cumulative balance of the RBA at the end of 2017 was \$49.2 million, and consisted of revenues recorded in the RBA as a result of decoupling, net of the amounts previously recovered through the RBA Rate Adjustment. This is an increase of \$6.0 million from the RBA

balance at the end of 2016 of \$43.2 million, and was the result of Hawaiian Electric recovering \$43.9 million of the RBA balance through the RBA Rate Adjustment and recording \$49.9 million in revenues,¹⁴ adjustments, and interest for 2017. Therefore, the 2017 year-end balance of \$49.2 million represents the unrecovered cumulative RBA balance and additional amounts due to a shortfall in revenues¹⁵ resulting from lower sales in 2017. Because the revenues associated with the RBA balance have already been recorded, they have already been reflected in the Company's net income in those years and will not contribute to the Company's earnings in 2018. The 2017 year-end RBA balance of \$49.2 million is grossed-up to \$54.0 million to include revenue taxes.

Hawaiian Electric's 2017 recorded sales totaled 6,548.7 gigawatt-hours ("GWh"), which was 111.5 GWh, or 1.7% lower than the 6,660.2 GWh 2017 test year amount (based on the July 2016 forecast) adopted in the Hawaiian Electric 2017 test year rate case.

The commercial sector experienced lower sales in 2017 compared to 2017 test year levels, with a shortfall of 209.5 GWh or 4.0% in the commercial sector, partially offset by higher than test year 2017 sales in the residential sector where customers increased their average monthly usage by 6.8%, (see Table 1 below).

¹⁴ This represents the difference between target revenues and recorded adjusted revenues, plus any adjustments for 2017.

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

	TY2017	2017 Actuals	Diff Btw 2017 and TY2017	% Diff
<u>Residential Sector</u>				
Sales (GWh)	1,480.8	1,578.8	98.0	6.6%
Customers	271,471	270,871	(600)	-0.2%
Average Monthly Use (kWh/Customer)	455	486	31	6.8%
Renewable Generation GWh Impacts ¹	484.4	460.7	(23.7)	-4.9%
Energy Efficiency Impacts (GWh) ²	501.5	495.5	(6.0)	-1.2%
Electricity Price (Nominal) ¢/kWh	28.19	28.22	0.03	0.1%
<u>Commercial Sector</u>				
Sales (GWh)	5,179.4	4,969.9	(209.5)	-4.0%
Customers	33,896	33,823	(73)	-0.2%
Renewable Generation GWh Impacts ¹	240.4	222.7	(17.7)	-7.4%
Energy Efficiency Impacts (GWh) ²	602.0	626.2	24.2	4.0%
Electricity Price (Nominal) ¢/kWh	22.92	23.07	0.15	0.7%
Total Sales (GWh)	6,660.2	6,548.7	(111.5)	-1.7%
% Difference		-1.7%		
<u>Weather</u>				
Cooling Degree Days ³	4,837	4,911	74	1.5%
Average Wet Bulb Temperature (degrees)	69.6	69.1	(0.5)	-0.7%

¹ Cumulative impacts are from systems installed under the NEM, SIA, CGS, CSS and FIT tariffs. TY2017 did not include impacts under FIT. Data subject to change.

² TY2017 estimates are based on short-term projections received in 2016 from Hawaii Energy and EnerNOC Utility Solution's 2013 potential study.

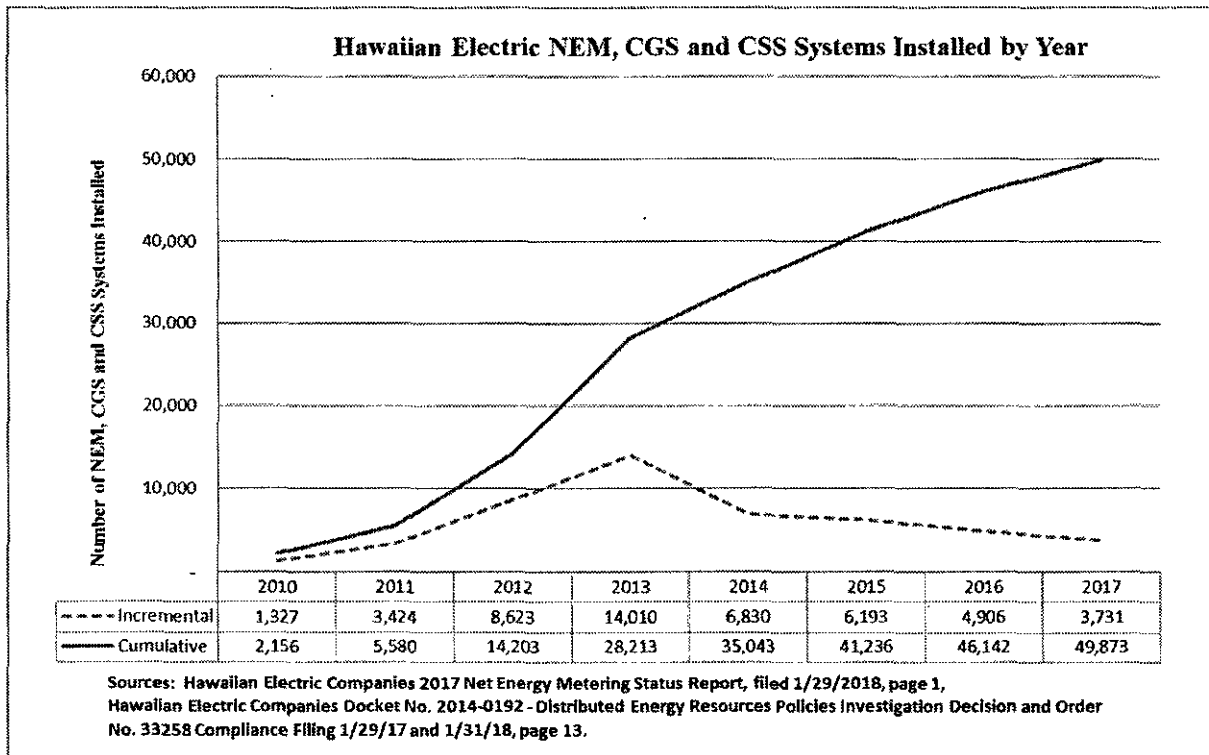
Actuals include impacts provided by Hawaii Energy and are subject to change.

³ A cooling degree day is a measurement designed to reflect the demand for energy to cool a home or business. It is calculated by subtracting 65 from the day's average temperature.

Several factors contributed to the lower than forecasted sales in 2017. The estimated impact to sales from the installation of energy efficient technologies, particularly in the commercial sector, was greater than the 2017 test year rate case forecast. Impacts consistent with Hawai'i Energy's short-term projections for Public Benefit Fund Administrator's energy efficiency programs and codes and standards impacts from EnerNOC Utility Solutions' State of Hawaii Energy Efficiency Potential Study, were used to develop the 2017 rate case forecast. The

decline in sales in 2017 was also due to higher electricity prices over the 2017 test year, driven by higher year-over-year oil prices.

The decline in sales was partially offset by the effects of warmer than test year weather compounded by load from new construction projects. In addition, there was lower penetration in 2017 as compared to the 2017 test year of customer-sited renewable generation systems installed under the Company tariffs such as Net Energy Metering (“NEM”), Standard Interconnection Agreements (“SIA”), Customer Grid-Supply (“CGS”) and Customer Self-Supply (“CSS”). The lower number of installed systems was due to slower than expected adoption of the Company’s newer Distributed Energy Resources programs, such as CGS and CSS. The cumulative 2017 impacts of systems installed under NEM, SIA, CGS and CSS were lower than the 2017 test year assumed impacts by 4.9% for the residential sector and 7.4% for the commercial sector. Refer to the graph below for the number of NEM, CGS and CSS systems installed by year.



In summary, declining sales in 2017 created a shortfall in electric sales revenue and the recovery of the Company's fixed costs for the provision of electric service to its customers. Overall, the RBA balance increased to \$49.2 million at the end of 2017.

2. RAM Revenue Adjustment

Order No. 32735 states that the RAM Revenue Adjustment will be the lesser of (a) the RAM Revenue Adjustment calculated according to the existing tariffs and procedures at the time of the issuance of Order No. 32735 ("Original RAM Methodology") or (b) a RAM Cap. For the 2018 decoupling annual filing, the Company calculated the RAM Revenue Adjustment to be higher using the Original RAM Methodology, thereby triggering the use of the RAM Cap for the 2018 RAM Revenue Adjustment. See Schedule A1 and the summary table below.

	<u>RAM Cap¹⁶</u>	<u>Original RAM Methodology¹⁷</u>
2018 RAM Revenue Adjustment ¹⁸	\$13.8 million	\$25.0 million

The sections below further explain the calculations of both RAM Revenue Adjustment methodologies.

2.1. RAM Revenue Adjustment Cap

Order No. 32735 at 96, explains that following the issuance of a final decision and order in a rate case, the basis for the calculation of the RAM Cap shall be the target revenues

¹⁶ 2018 RAM Cap is calculated as \$13,827,909. See Schedule A1.

¹⁷ 2018 RAM Under Existing Tariffs \$24,971,625 calculated as: O&M RAM (\$4,358,860) + Rate Base RAM-Return on Investment (\$12,381,263) + Depreciation and Amortization Expense (\$8,231,502). See Schedule A1.

¹⁸ In Hawaiian Electric's 2017 test year rate case (Docket No. 2016-0328), the Company included the remaining balance for Campbell Industrial Park Combustion Turbine Unit 1 ("CIP CT-1") as a regulatory asset and Customer Information System ("CIS") deferred project costs as Unamortized System Development Costs. Therefore, CIP CT-1 and CIS costs as Exceptional & Other Matters are not applicable for the Company's 2018 decoupling filing as these costs are reflected in interim rates for the 2017 test year rate case. In addition, the Company is proposing to remove a provision in the RAM tariff on sheet 93I, as shown in Attachment 1, which explains how CIP CT-1 and CIS costs are recovered through the Rate Base RAM calculation. This tariff change would not impact any of the previous years' decoupling filings.

determined in accordance with the RBA tariff based on the results of the Company's most recent final rate case decision. However, in the Hawai'i Electric Light 2016 test year rate case (Docket No. 2015-0170), the Consumer Advocate stated in its Statement of Position¹⁹, at page 11:

The Consumer Advocate understands Order No. 32735 to require the RAM Cap be reset whenever base rates are changed within "the next general rate case" of the HECO Companies. It is therefore necessary to reset the RAM Cap upon completion of a base rate case because a new target revenue requirement is established when interim base rates are effective and the new target revenues are intended to replace the cumulative RAM amounts being recovered to supplement previously authorized base rates.

The Hawaiian Electric Companies, in their Reply Statement of Position²⁰ at page 9, agree with the Consumer Advocate that upon the issuance of an **interim** or final decision and order in the Hawai'i Electric Light 2016 rate case, all future applications of the RAM Cap to Hawai'i Electric Light should start with the 2016 approved test year amounts, and that the RAM Cap reset should occur at the annual decoupling filing after the issuance of an interim or final decision and order in a rate case²¹. The Companies further state that the trigger for a RAM Cap reset at the next decoupling filing should be an interim or final decision and order because RAM base O&M and rate base amounts and the return on investment are reset according to the last issued "decision and order" in the Company's most recent test year general rate case. The last issued "decision and order" in a rate case could be either an interim or final decision and order. Further, the Final Decision and Order in Docket No. 2008-0274 stated the following: "As noted previously, the RBA target revenue will be the most recent Authorized Base Revenue approved

¹⁹ Division of Consumer Advocacy's Statement of Position Pursuant to Order No. 34581, filed on June 23, 2017, in Docket No. 2015-0170.

²⁰ Hawaiian Electric Companies Reply Statement of Position on the Transition of the RAM Revenue Adjustment upon Implementation of a Rate Increase in the Hawai'i Electric Light 2016 Test Year Rate Case, filed on July 7, 2017, in Docket No. 2015-0170.

²¹ Rate Adjustment Mechanism Provision tariff, Revised Sheet Nos. 89A (effective June 1, 2013), 89B, 89E, 89F (effective June 8, 2015).

by the commission in an interim or final decision and order in a rate case..." and "In addition, the Amended Joint Proposal requires the HECO Companies to revise their RBA Rate Adjustment when necessary during the year to reset target revenues based on the commission's issuance of subsequent interim or final decision and orders in pending rate cases."²²

Since target revenues, the RBA Rate Adjustment and elements of the RAM will be reset upon the issuance of an interim or final decision and order in a rate case, the RAM-Cap, which is calculated based on target revenues, should also be reset at the same time.

Therefore, for the 2018 decoupling annual filing, the Company requests that the 2018 RAM Cap be based on 2017 target revenues established as a result of Interim Decision and Order No. 35100²³, Order No. 35335²⁴, and the Company's March 2018 Settlement Tariff Sheets²⁵ in Hawaiian Electric's 2017 test year rate case. As a result, the Company is proposing to revise Sheets Nos. 93G and 93H, in its Rate Adjustment Mechanism Provision tariff, as shown in Attachment 1, to formally allow the determination of RAM Cap target revenues to be based on the results of the Company's most recent interim or final rate case decision. In addition, the Company is proposing to delete a provision in the RAM tariff that describes an exception to the calculation of the RAM Cap. This provision describes how the 2015 RAM Cap and each subsequent year's RAM Cap would be calculated until the issuance of a decision and order in the next rate case. Because the Company is proposing to use the results of Interim D&O 35100, Order No. 35335, and Company's March 2018 Settlement Tariff Sheets as the basis for the 2018

²² Final Decision and Order, issued August 31, 2010, Docket No. 2008-0274, pages 32, 35.

²³ Interim Decision and Order No. 35100, filed December 15, 2017 ("Interim D&O 35100") in Docket No. 2016-0328.

²⁴ On March 9, 2018, the Commission approved the Parties Stipulated Settlement on Remaining Issues filed by the Company and the Consumer Advocate on March 5, 2018.

²⁵ On March 16, 2018 the Company filed tariff sheets consistent with the March 5, 2018 Stipulated Settlement Agreement, requesting Commission approval by April 6, 2018 with an effective date of April 13, 2018. For the purposes of this transmittal, the Company calculated its 2018 RAM Revenue Adjustment amount under the scenario that its March 16, 2018 tariffs will be approved by April 13, 2018

RAM Cap calculation, this RAM Cap calculation exception provision is no longer relevant and can be deleted on Tariff Sheet Nos. 93G and 93H, as shown in Attachment 1. These tariff changes would not impact any of the previous years' decoupling filings.

In calculating the 2018 RAM Cap, the basis, as shown in Schedule J in Attachment 2, is Interim D&O 35100, Order No. 35335, and the Company's March 2018 Settlement Tariff Sheets Target Annual Revenues of \$600.0 million (See Schedule B1 in Attachment 2). This amount is then multiplied by the revenue tax factor of 1.0975 to calculate Target Annual Revenues plus Revenue Taxes ("Adjusted Target Annual Revenues") of \$658.5 million. To determine the 2018 RAM Cap, the Adjusted Target Annual Revenues amount of \$658.5 is then multiplied by the 2018 GDPPI of 2.10% to calculate a 2018 RAM Cap (excluding Exceptional & Other Matters) of \$13.8 million.

2.2. RAM Revenue Adjustment- Original RAM Methodology

The RAM Revenue Adjustment determined under the Original RAM Methodology totaled \$25.0 million. Hawaiian Electric's Interim D&O 35100, Order No. 35335, and the Company's March 2018 Settlement Tariff Sheets are the basis for its 2018 Original RAM Methodology calculation. Below is a description of the three components: 1) O&M RAM, 2) Rate Base RAM, and 3) Depreciation and Amortization RAM Expense. Because the total of the three components is higher than the 2018 RAM Cap shown above, the RAM Cap is applied for the 2018 RAM Revenue Adjustment.

2.2.1. O&M RAM Adjustment

The O&M RAM calculations reflect such increases in utility bargaining unit labor and non-labor costs. The 2018 O&M RAM adjustment of \$4.4 million includes the 2018 bargaining unit wage increases as provided for in the current Collective Bargaining Agreement²⁶ with labor productivity offsets, plus applicable payroll taxes, and the GDPPI to escalate certain non-labor base expenses. (Refer to Attachment 2, Schedule C of this tariff transmittal.) Non-bargaining unit labor is not subject to escalation in the O&M RAM adjustment. Further, the non-labor cost escalation rate does not apply to any fuel, purchased power, Integrated Resource Planning (“IRP”)/DSM, pension, Other Post-Employment Benefits (“OPEB”), Clean Energy/Renewable Energy Infrastructure or any costs that are subject to recovery through separate rate tracking mechanisms.

2.2.2. Rate Base RAM and Depreciation and Amortization RAM

The rate base RAM return on investment adjustment (“Rate Base RAM Adjustment”) totals \$12.4 million, and the depreciation and amortization RAM expense is \$8.2 million, as calculated under the Original RAM Methodology. The rate base RAM adjustment calculation of approximately \$12.4 million is the result of the Company’s investments in plant to support reliability of the Company’s electrical infrastructure and preventively replace aging plant.²⁷ Based on the approved 2017 test year rate base for December 31, 2017, the Company updated the components of plant in service, accumulated deferred income taxes (“ADIT”), accumulated depreciation, and contributions in aid of construction (“CIAC”) for 2017 test year balances. The

²⁶ The current Collective Bargaining Agreement was ratified by the IBEW, Local 1260, on November 1, 2012 and reflects a 3.00% increase effective January 1, 2014, January 1, 2015, January 1, 2017, and January 1, 2018 and a 3.25% increase effective January 1, 2016, based on January 1, 2013 wage rates.

²⁷ For more details, please see the *Exemption From and Modification of General Order No. 7, Paragraph 2.3(g), Relating to Capital Improvements, Capital Projects Completed in 2017* (“2017 G.O. 7 Report”) in Docket No. 03-0257, dated March 27, 2018.

2018 rate base RAM incorporates \$252.9 million of 2018 baseline plant additions (based on an historical five-year average) and \$141.6 million of major project plant additions.²⁸

The \$12.4 million Rate Base RAM Adjustment covers the return for the following investments:

- \$276.8 million in plant investments that went into service in 2017 and are currently serving customers:
- \$394.5 million in 2018 baseline (based on a five-year historical average) and major project additions included in the rate base RAM, on a simple average RAM year basis (i.e., one-half of the \$394.5 million, or \$197.3 million, is added to the actual 2017 plant balances in order to estimate the return on rate base).

The Depreciation and Amortization calculated RAM adjustment of approximately \$8.2 million reflects a corresponding increase to depreciation and amortization expense above amounts in current revenue due to the net plant additions in 2017.

3. Tax Impacts Arising from the Tax Reform Act

On December 22, 2017, President Trump signed into law H.R. 1, originally known as the Tax Cuts and Jobs Act, as passed by Congress (“Tax Act” or “Tax Reform Act”). This Tax Act is the first comprehensive change in the law since the 1986 Tax Reform Act and will impact all U.S. taxpayers. As discussed in greater detail in the Company’s January 31, 2018 filing in Docket No. 2016-0328 (Hawaiian Electric’s 2017 test year rate case), the Tax Reform Act makes several major changes relevant to the Company. First and foremost, it lowers the corporate

²⁸ The Company included recovery for the Schofield Generation Station as a Major Project in the 2018 decoupling filing. In Docket No. 2017-0213, the Company is currently seeking recovery of costs for the Schofield Generation Station through the Major Project Interim Recovery (“MPIR”) adjustment mechanism. Should the Commission approve recovery through the MPIR adjustment mechanism prior to June 1, 2018, the Company will remove the costs associated with this project from the 2018 decoupling filing.

income tax rate from 35% to 21%, for years beginning after December 31, 2017. The reduction in tax rate is of primary importance, as it will decrease the Company's income tax expense starting in 2018, and, accordingly, reduces the operating expenses included in revenue requirement. In addition to the lowering of the corporate income tax rate, other provisions from the Tax Act include, but are not limited to: (1) limiting bonus depreciation, (2) making CIAC received from any governmental entities taxable, and (3) repealing the domestic production activities deduction after 2017. The reduction in the corporate tax rate creates excess ADIT and necessitates a reclassification of this excess to a regulatory liability, which the Company will amortize to pass back to customers the excess ADIT through prospective rates.

In Hawaiian Electric's 2017 test year rate case, on March 5, 2018, the Company and the Consumer Advocate ("Parties") filed a stipulated settlement with respect to the Amended Statement of Issues as set forth in Order No. 35291 filed February 21, 2018 ("March 5th Settlement"). Among other things, the Parties agreed that the revenue requirements incorporating the Tax Act impacts will be the base for the annual decoupling filings and no further Exogenous Tax Change accounting for the Tax Act impacts will be required for Hawaiian Electric Company within its 2018 RBA rate change decoupling transmittal.²⁹

On March 16, 2018, in accordance with Order No. 35335 *Approving the Parties' Stipulated Settlement on Remaining Issues filed March 5, 2018* issued on March 9, 2018, Hawaiian Electric filed its tariff sheets consistent with the March 5, 2018 stipulated settlement. Included in the Company's March 16 filing were revised Schedules A and B1 from Transmittal No. 17-02 (Hawaiian Electric's 2017 annual decoupling filing) to reflect the termination of the 2017 RAM revenue adjustment upon implementation of the 2017 interim rate increase as well as

²⁹ See Parties' Stipulated Settlement on Remaining Issues, Exhibit 1, page 22.

the adjustment to electrical sales revenue for Tax Act benefits from January 1, 2018 thru April 12, 2018. The Original RAM Methodology and RAM Cap Methodology calculations that are shown in Attachment 2 of this transmittal incorporate these Tax Act provisions and benefits that were described in the March 5th Settlement and include the following:

- Schedule D – Income tax factor reflects the lower federal corporate income tax rate
- Schedule D1 – Includes the excess ADIT regulatory liability and the reduction during the RAM period due to the amortization of this regulatory liability
- Schedule D4 – Recorded ADIT reflects the loss of bonus depreciation effective September 27, 2017
- Schedule D5 – Regulatory liability for excess ADIT and amortization of excess ADIT regulatory liability incorporated into Schedule D1
- Schedule E – Inclusion of excess ADIT regulatory liability amortization
- Schedule F – Incorporates the new federal tax rates in calculating the change in ADIT for RAM year tax depreciation and the amortization of the regulatory liability related to excess ADIT
- Schedule F1 – Reflects the loss of bonus depreciation

4. RBA Revenue Adjustment

In total, Hawaiian Electric's 2018 RBA Revenue Adjustment is \$67.9 million, consisting of \$54.0 million for the RBA balance for year-end 2017 and \$13.8 in RAM revenue adjustment for 2018.

VIII

List of Attachments and Schedules

In Attachment 1 of this tariff transmittal, Hawaiian Electric submits its proposed revisions to its Revenue Balancing Account Provision tariff, including the proposed RBA Rate Adjustment rate in Section E of Revised Sheet No. 92C,³⁰ and its proposed revisions to the Rate Adjustment Mechanism Provision tariff, including the revision to Sheet No. 93D³¹ discussed on pages 17-18. Attachment 1A provides the tariff sheets for the RBA and RAM Provision tariffs in blackline version.

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

Schedule A – Determination of 2018 RBA Rate Adjustment (Summary)

Schedule A1 – Determination of Total RAM Revenue Adjustment Allowed

Schedule B – Summary of Accumulated Revenue Balancing Account

Schedule B1 – Determination of Target Revenues

Schedule B2 – Determination of Recorded Adjusted Revenues

Schedule C – Determination of O&M RAM Adjustment

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

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

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

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

Schedule D2 – Determination of Baseline Capital Projects Additions

Schedule D3 – Determination of Major Capital Project Additions

³⁰ The revision to Sheet No. 92D is described in footnote 3 herein.

³¹ The revision to Sheet No. 93I is described in footnote 3 herein.

Schedule D4 – Determination of Adjusted Recorded Deferred Income Taxes

Schedule D5 – Determination of Adjusted Recorded Excess ADIT Regulatory

Liability

Schedule E – Determination of Depreciation and Amortization RAM Adjustment

Schedule F – Determination of Change in Deferred Income Taxes

Schedule F1 – Determination of Tax Depreciation

Schedule F2 – Tax Depreciation on Major Capital Projects Additions

Schedule G – CIAC Summary

Schedule G1 – Baseline Capital Project CIAC Additions

Schedule G2 – Major Capital Project CIAC Additions

Schedule G3 – CIAC Amortization

Schedule H – Earnings Sharing Calculations³²

Schedule I – PUC-Ordered Adjustments

Schedule J – Determination of RAM Cap

Schedule K – Exceptional & Other Matters

The Hawaiian Electric Companies and the Consumer Advocate jointly developed the format of the schedules in Attachment 2, which the Companies have used for their annual RBA Rate Adjustment submissions since 2012.

WHEREFORE, Hawaiian Electric, consistent with the advance notice required by law, hereby respectfully requests that its proposed revisions to the Revenue Balancing Account

³² The Company has provided its calculated ratemaking return on equity for year 2017 in Schedule H as required by the Commission in its *Final Decision and Order* in the decoupling proceeding (Docket No. 2008-0274) on August 31, 2010.

Provision and Rate Adjustment Mechanism Provision tariffs be allowed to become effective on June 1, 2018.

DATED: Honolulu, Hawai'i, March 29, 2018.



Brian Y. Hiyane
Attorney for
HAWAIIAN ELECTRIC COMPANY, INC.

ATTACHMENT 1

Superseding Revised Sheet No. 50D
Effective February 16, 2018

REVISED SHEET NO. 50D
Effective June 1, 2018

RATE SCHEDULES (continued)

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
87	TOU-R	September 1, 2012	Residential Time-Of-Use Service
88	TOU-R	September 21, 2016	Residential Time-Of-Use Service
89	Residential TOU EV	September 21, 2016	Residential Time-Of-Use Service with Electric Vehicle Pilot
89A	Residential TOU EV	October 1, 2015	Residential Time-Of-Use Service with Electric Vehicle Pilot
89B	Residential TOU EV	September 21, 2016	Residential Time-Of-Use Service with Electric Vehicle Pilot
92	"RBA"	January 1, 2018	Revenue Balancing Account Provision
92A	"RBA"	January 1, 2018	Revenue Balancing Account Provision
92B	"RBA"	February 16, 2018	Revenue Balancing Account Provision
92C	"RBA"	January 1, 2018	Revenue Balancing Account Provision
92D	"RBA"	June 1, 2018	Revenue Balancing Account Provision
93	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
93A	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
93B	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
93C	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
93D	"RAM"	June 1, 2017	Rate Adjustment Mechanism Provision
93E	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
93F	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
93G	"RAM"	June 1, 2018	Rate Adjustment Mechanism Provision

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated May 29, 2018.

Superseding Sheet No. 50E
Effective April 1, 2018

REVISED SHEET NO. 50E
Effective June 1, 2018

RATE SCHEDULES (continued)			
<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
93H	"RAM"	June 1, 2018	Rate Adjustment Mechanism Provision
93I	"RAM"	June 1, 2018	Rate Adjustment Mechanism Provision
94	"PPAC"	April 1, 2018	Purchased Power Adjustment Clause
94A	"PPAC"	April 1, 2018	Purchased Power Adjustment Clause
94B	"PPAC"	April 1, 2018	Purchased Power Adjustment Clause
95	EV-F	December 12, 2017	Commercial Public Electric Vehicle Charging Facility Service Pilot
95A	EV-F	December 12, 2017	Commercial Public Electric Vehicle Charging Facility Service Pilot
95B	EV-F	December 12, 2017	Commercial Public Electric Vehicle Charging Facility Service Pilot
96	EV-U	December 12, 2017	Commercial Public Electric Vehicle Charging Service Pilot
96A	EV-U	December 12, 2017	Commercial Public Electric Vehicle Charging Service Pilot
97	TOU-RI	November 21, 2016	Residential Interim Time- of-Use Service
97A	TOU-RI	November 21, 2016	Residential Interim Time- of-Use Service
97B	TOU-RI	November 21, 2016	Residential Interim Time- of-Use Service
97C	TOU-RI	November 21, 2016	Residential Interim Time- of-Use Service
98	"PIM"	January 1, 2018	Performance Incentive Mechanism Provision
98A	"PIM"	January 1, 2018	Performance Incentive Mechanism Provision
98B	"PIM"	January 1, 2018	Performance Incentive Mechanism Provision
98C	"PIM"	January 1, 2018	Performance Incentive Mechanism Provision
98D	"PIM"	January 1, 2018	Performance Incentive Mechanism Provision

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated March 29, 2018.

REVENUE BALANCING ACCOUNT ("RBA") PROVISION

Supplement To:

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

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

A: PURPOSE:

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

HAWAIIAN ELECTRIC COMPANY, INC.

Decision and Order No. 35165; Approving, With Modifications, Proposed Revisions To RBA Tariffs, Filed December 29, 2017.
Transmittal Letter dated January 11, 2018.

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (continued)

B: TARGET REVENUE:

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

Plus: Any effective RAM Revenue Adjustment calculated under the RAM provision for years subsequent to the most recent rate case test year for which the Commission has issued a Decision & Order; and any Performance Incentive Adjustment provided for in accordance with the Performance Incentive Mechanism Provision; and

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

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

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

HAWAIIAN ELECTRIC COMPANY, INC.

Decision and Order No. 35165; Approving, With Modifications, Proposed Revisions To RBA Tariffs, Filed December 29, 2017.
Transmittal Letter dated January 11, 2018.

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (continued)

Monthly Allocation Factors for the Target Revenue are as follows:

January	8.19%
February	7.59%
March	8.10%
April	7.98%
May	8.40%
June	8.07%
July	8.70%
August	8.94%
September	8.65%
October	8.84%
November	8.26%
December	8.28%
Total	100.00%

These factors are based on the mWh sales forecast that is approved by the Commission in Hawaiian Electric's 2017 test year rate case and shall be updated in any subsequent test year rate case.

C: BALANCING ACCOUNT ENTRIES:

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

Interest will be recorded monthly to the RBA by multiplying the simple average of the beginning and ending month balance in the RBA times the Interest Rate divided by 12. The Interest Rate shall be the short term debt rate as established in deriving the consolidated cost of capital in the Company's last full rate case. The Interest Rate prior to March 1, 2014 shall be 6 percent.

D: RECOVERY OF BALANCING ACCOUNT AMOUNTS:

In its annual RBA Review Transmittal, the Company will file with the Commission a statement of the previous calendar year-end balance in the RBA and the RAM Revenue Adjustment for the current calendar year, along with supporting calculations.

HAWAIIAN ELECTRIC COMPANY, INC.

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (continued)

Both an amortization of the previous calendar year-end balance in the RBA, adjusted for any Earnings Sharing Revenue Credits or Major Capital Projects Credits, Baseline Capital Projects Credits or corrections, any Performance Incentive Adjustment provided in accordance with the Performance Incentive Mechanism Provision and the RAM Revenue Adjustment will be recovered through a per-kWh RBA rate adjustment, over the 12 months from June 1 of the current calendar year to May 31 of the succeeding calendar year. The recovery through the RBA Rate Adjustment of a RAM Revenue Adjustment calculated for a calendar year that is also a rate case test year shall terminate on the effective date of tariff rates that implement a Commission approved base revenue level authorized in the Company's test year rate case.

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

On or before March 31 of each year, the Company shall file with the Commission, the Consumer Advocate, and each party to the Company's most recent rate case proceeding, an RBA Review Transmittal supporting the implementation of the RBA Provision, including RBA reconciliation, implementation of applicable components of the RAM Provision and Performance Incentive Mechanism Provision, determination and adjustments of target revenues, determination of the RBA Rate Adjustment; and documenting any errors, corrections and adjustments to Target Revenues in the preceding calendar year and prior to the transmittal date.

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

HAWAIIAN ELECTRIC COMPANY, INC.

Decision and Order No. 35165; Approving, With Modifications, Proposed Revisions To RBA Tariffs, Filed December 29, 2017.
Transmittal Letter dated January 11, 2018.

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (continued)

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

E: REVENUE BALANCING ACCOUNT RATE ADJUSTMENT:

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

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

RBA Rate Adjustment

All Rate Schedules 1.0350 ¢/kWh

F. NOTICE

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

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

G: COMMISSION'S AUTHORITY

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

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter Dated March 29, 2018.

RATE ADJUSTMENT MECHANISM PROVISION

Rate Adjustment Mechanism ("RAM") Provision

Purpose

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

Definitions

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

HAWAIIAN ELECTRIC COMPANY, INC.

RATE ADJUSTMENT MECHANISM PROVISION

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

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

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

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

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

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

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated May 1, 2013.

RATE ADJUSTMENT MECHANISM PROVISION (continued)

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

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

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

n) The RAM Revenue Adjustment to be applied to determine effective Target Revenues will be the lesser of a) the RAM Revenue Adjustment Calculation or b) the RAM Revenue Adjustment Cap.

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

p) The RAM Revenue Adjustment Cap shall be based on the Target Revenues determined in accordance with the RBA and RAM tariffs as provided below.

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

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

s) Major Capital Projects Credits shall be the amounts to be returned to customers through the Revenue Balancing Account Provision, to reduce a preceding year's RAM Revenue Adjustment (including interest at the rate described in the RBA Provision) for specific major capital projects that were not placed into service within the first nine months of the preceding RAM Period

HAWAIIAN ELECTRIC COMPANY, INC.

RATE ADJUSTMENT MECHANISM PROVISION (continued)

as expected. Because the Commission's review of the Major Capital Projects' actual costs incurred may not occur until the rate case after the RAM Revenue Adjustment for these Major Capital Projects is collected, Major Capital Projects Credits (including interest) will be returned to customers for the amount of Major Capital Projects costs that the Commission disallows for cost recovery. The Major Capital Projects Credits are to be refunded through the RBA Provision, commencing on June 1 of the calendar year containing the Annual Evaluation Date and over the subsequent 12 months after June 1.

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

Rate Adjustment Mechanism

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

Evaluation Period Earnings Sharing:

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

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated June 3, 2015.

RATE ADJUSTMENT MECHANISM PROVISION (continued)

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

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

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

HAWAIIAN ELECTRIC COMPANY, INC.

RATE ADJUSTMENT MECHANISM PROVISION (continued)
RAM Period RAM Revenue Adjustment Calculation:

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

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated June 3, 2015.

RATE ADJUSTMENT MECHANISM PROVISION (continued)

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

HAWAIIAN ELECTRIC COMPANY, INC.

Superseding SHEET NO. 93G
Effective June 8, 2015

REVISED SHEET NO. 93G
Effective June 1, 2018

RATE ADJUSTMENT MECHANISM PROVISION (continued)

g) See also Settlement Agreement section below.

RAM REVENUE ADJUSTMENT CAP

The RAM Basis for the calculation of the RAM Revenue Adjustment Cap shall be the target revenues determined in accordance with the RBA tariff based on the results of the Company's most recent interim or final rate case decision. The RAM Basis shall be adjusted to exclude or otherwise appropriately account for adjustments for the recovery of revenues for previously explicitly stipulated and approved exceptional matters or other matters specifically ordered by the Commission, which shall, in any event, be recovered fully without respect to any limitations resulting from application of the RAM Revenue Adjustment Cap.

The RAM Revenue Adjustment Cap shall be calculated as the RAM Basis, multiplied by the cumulative annually compounded increase(s) in the GDPPI for the years between the rate case calendar test year that established the RAM Basis and the RAM Period, adjusted to include applicable revenue taxes.

The RAM Revenue Adjustment Cap will apply to the entire RAM Revenue Adjustment, which includes the O&M RAM Adjustment, Depreciation and Amortization RAM Adjustment, and Rate Base RAM - Return on Investment Adjustment.

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated March 29, 2018.

RATE ADJUSTMENT MECHANISM PROVISION (continued)

Evaluation Procedures

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

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

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

Notice

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

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated March 29, 2018.

Superseding SHEET NO. 93I
Effective June 1, 2017

REVISED SHEET NO. 93I
Effective June 1, 2018

RATE ADJUSTMENT MECHANISM PROVISION (continued)

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

COMMISSION'S AUTHORITY

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

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated March 29, 2018.

ATTACHMENT 1A

Superseding Revised Sheet No. 50D

REVISED SHEET NO. 50D

Effective February 16, 2018

Effective June 1, 2018

RATE SCHEDULES (continued)

Deleted: January 1, 2018

Deleted: February 16, 2018

Sheet	Schedule	Date Effective	Character of Service
87	TOU-R	September 1, 2012	Residential Time-Of-Use Service
88	TOU-R	September 21, 2016	Residential Time-Of-Use Service
89	Residential TOU EV	September 21, 2016	Residential Time-Of-Use Service with Electric Vehicle Pilot
89A	Residential TOU EV	October 1, 2015	Residential Time-Of-Use Service with Electric Vehicle Pilot
89B	Residential TOU EV	September 21, 2016	Residential Time-Of-Use Service with Electric Vehicle Pilot
92	"RBA"	January 1, 2018	Revenue Balancing Account Provision
92A	"RBA"	January 1, 2018	Revenue Balancing Account Provision
92B	"RBA"	February 16, 2018	Revenue Balancing Account Provision
92C	"RBA"	January 1, 2018	Revenue Balancing Account Provision
92D	"RBA"	June 1, 2018	Revenue Balancing Account Provision
93	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
93A	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
93B	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
93C	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
93D	"RAM"	June 1, 2017	Rate Adjustment Mechanism Provision
93E	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
93F	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
93G	"RAM"	June 1, 2018	Rate Adjustment Mechanism Provision

Deleted: February 16, 2018

Deleted: June 8, 2015

Deleted: February 12, 2018

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated May 29, 2018.

Superseding Sheet No. 50E

Effective April 1, 2018

REVISED SHEET NO. 50E

Effective June 1, 2018

Deleted: March 1, 2018

Deleted: April 1, 2018

RATE SCHEDULES (continued)			
Sheet	Schedule	Date Effective	Character of Service
93H	"RAM"	<u>June 1, 2018</u>	Rate Adjustment Mechanism Provision
93I	"RAM"	<u>June 1, 2018</u>	Rate Adjustment Mechanism Provision
94	"PPAC"	April 1, 2018	Purchased Power Adjustment Clause
94A	"PPAC"	April 1, 2018	Purchased Power Adjustment Clause
94B	"PPAC"	April 1, 2018	Purchased Power Adjustment Clause
95	EV-F	December 12, 2017	Commercial Public Electric Vehicle Charging Facility Service Pilot
95A	EV-F	December 12, 2017	Commercial Public Electric Vehicle Charging Facility Service Pilot
95B	EV-F	December 12, 2017	Commercial Public Electric Vehicle Charging Facility Service Pilot
96	EV-U	December 12, 2017	Commercial Public Electric Vehicle Charging Service Pilot
96A	EV-U	December 12, 2017	Commercial Public Electric Vehicle Charging Service Pilot
97	TOU-RI	November 21, 2016	Residential Interim Time- of-Use Service
97A	TOU-RI	November 21, 2016	Residential Interim Time- of-Use Service
97B	TOU-RI	November 21, 2016	Residential Interim Time- of-Use Service
97C	TOU-RI	November 21, 2016	Residential Interim Time- of-Use Service
98	"PIM"	January 1, 2018	Performance Incentive Mechanism Provision
98A	"PIM"	January 1, 2018	Performance Incentive Mechanism Provision
98B	"PIM"	January 1, 2018	Performance Incentive Mechanism Provision
98C	"PIM"	January 1, 2018	Performance Incentive Mechanism Provision
98D	"PIM"	January 1, 2018	Performance Incentive Mechanism Provision

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2017

HAWAIIAN ELECTRIC COMPANY, INC.

Deleted: March 23, 2018

Transmittal Letter dated March 29, 2018

Superseding REVISED SHEET NO. 92
Effective June 1, 2017

REVISED SHEET NO. 92
Effective January 1, 2018

REVENUE BALANCING ACCOUNT ("RBA") PROVISION

Supplement To:

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

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

A: PURPOSE:

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

HAWAIIAN ELECTRIC COMPANY, INC.

Decision and Order No. 35165; Approving, With Modifications, Proposed Revisions To RBA Tariffs, Filed December 29, 2017.
Transmittal Letter dated January 11, 2018.

Superseding REVISED SHEET NO. 92A
Effective January 1, 2014

REVISED SHEET NO. 92A
Effective January 1, 2018

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (continued)

B: TARGET REVENUE:

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

Plus: Any effective RAM Revenue Adjustment calculated under the RAM provision for years subsequent to the most recent rate case test year for which the Commission has issued a Decision & Order; and any Performance Incentive Adjustment provided for in accordance with the Performance Incentive Mechanism Provision; and

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

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

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

HAWAIIAN ELECTRIC COMPANY, INC.

Decision and Order No. 35165; Approving, With Modifications, Proposed Revisions To RBA Tariffs, Filed December 29, 2017.
Transmittal Letter dated January 11, 2018.

Superseding REVISED SHEET NO. 92B
Effective June 1, 2017

REVISED SHEET NO. 92B
Effective February 16, 2018

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (continued)

Monthly Allocation Factors for the Target Revenue are as follows:

January	8.19%
February	7.59%
March	8.10%
April	7.98%
May	8.40%
June	8.07%
July	8.70%
August	8.94%
September	8.65%
October	8.84%
November	8.26%
December	8.28%
Total	100.00%

These factors are based on the mWh sales forecast that is approved by the Commission in Hawaiian Electric's 2017 test year rate case and shall be updated in any subsequent test year rate case.

C: BALANCING ACCOUNT ENTRIES:

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

Interest will be recorded monthly to the RBA by multiplying the simple average of the beginning and ending month balance in the RBA times the Interest Rate divided by 12. The Interest Rate shall be the short term debt rate as established in deriving the consolidated cost of capital in the Company's last full rate case. The Interest Rate prior to March 1, 2014 shall be 6 percent.

D: RECOVERY OF BALANCING ACCOUNT AMOUNTS:

In its annual RBA Review Transmittal, the Company will file with the Commission a statement of the previous calendar year-end balance in the RBA and the RAM Revenue Adjustment for the current calendar year, along with supporting calculations.

HAWAIIAN ELECTRIC COMPANY, INC.

Docket No. 2016-0328; Order No. 35280, issued February 9, 2018.
Transmittal Letter Dated February 12, 2018.

Superseding REVISED SHEET NO. 92C
Effective June 1, 2017

REVISED SHEET NO. 92C
Effective January 1, 2018

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (continued)

Both an amortization of the previous calendar year-end balance in the RBA, adjusted for any Earnings Sharing Revenue Credits or Major Capital Projects Credits, Baseline Capital Projects Credits or corrections, any Performance Incentive Adjustment provided in accordance with the Performance Incentive Mechanism Provision and the RAM Revenue Adjustment will be recovered through a per-kWh RBA rate adjustment, over the 12 months from June 1 of the current calendar year to May 31 of the succeeding calendar year. The recovery through the RBA Rate Adjustment of a RAM Revenue Adjustment calculated for a calendar year that is also a rate case test year shall terminate on the effective date of tariff rates that implement a Commission approved base revenue level authorized in the Company's test year rate case.

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

On or before March 31 of each year, the Company shall file with the Commission, the Consumer Advocate, and each party to the Company's most recent rate case proceeding, an RBA Review Transmittal supporting the implementation of the RBA Provision, including RBA reconciliation, implementation of applicable components of the RAM Provision and Performance Incentive Mechanism Provision, determination and adjustments of target revenues, determination of the RBA Rate Adjustment; and documenting any errors, corrections and adjustments to Target Revenues in the preceding calendar year and prior to the transmittal date.

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

HAWAIIAN ELECTRIC COMPANY, INC.

Decision and Order No. 35165; Approving, With Modifications, Proposed Revisions To RBA Tariffs, Filed December 29, 2017.
Transmittal Letter dated January 11, 2018.

Superseding SHEET NO. 92D
Effective February 16, 2018

REVISED SHEET NO. 92D
Effective June 1, 2018

Deleted: January 1, 2018

Deleted: February 16, 2018

REVENUE BALANCING ACCOUNT ("RBA") PROVISION (continued)

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

E: REVENUE BALANCING ACCOUNT RATE ADJUSTMENT:

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

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

RBA Rate Adjustment

All Rate Schedules 1.0350 ¢/kWh

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F. NOTICE

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

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

G: COMMISSION'S AUTHORITY

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

Deleted: Docket No. 2016-0328; Order No. 35280, issued February 9, 2018.

Deleted: February 12, 2018

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter Dated March 29, 2018.

Superseding Sheet No. 93
Effective March 1, 2011

REVISED SHEET NO. 93
Effective June 1, 2013

RATE ADJUSTMENT MECHANISM PROVISION

Rate Adjustment Mechanism ("RAM") Provision

Purpose

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

Definitions

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

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated May 1, 2013.

Superseding Sheet No. 93A
Effective March 28, 2012

REVISED SHEET NO. 93A
Effective June 1, 2013

RATE ADJUSTMENT MECHANISM PROVISION

- e) The Non-labor Cost Escalation Rate shall be the consensus estimated annual change in the Gross Domestic Product Price Indicator ("GDPPI") to escalate non-labor Base Expenses to determine the RAM Revenue Adjustment for each RAM Period. The GDPPI escalation rate shall be the consensus projection published by the Blue Chip Economic Indicators (Aspen Publishing) each February for the current RAM Period. In the event that the Blue Chip Economic Indicators forecast of the GDPPI is not available, the Consumer Advocate, Company, and other parties to the most recent rate case, with approval of the Commission, shall jointly select an alternative data source, or national economic index similar to GDPPI, as appropriate.
- f) The annual Labor Productivity Offset shall be fixed at 0.76 percent (76/100 of one percent) and will be subtracted from the Labor Cost Escalation Rates applicable to Base Expenses to determine the authorized RAM Revenue Adjustment for each RAM Period.
- g) The Base Expenses shall be the labor and non-labor operations and maintenance expense amounts approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case. Base Expenses shall not include any fuel, purchased power, IRP/DSM, pension, Other Post-Employment Benefits ("OPEB"), or Clean Energy/Renewable Energy Infrastructure or any costs that are subject to recovery through separate rate tracking mechanisms.
- h) The Major Capital Projects shall be those capital investment projects that require an application before and approval by the Commission under the Commission's General Order No. 7, but excluding those projects included in the Clean Energy Infrastructure Surcharge.
- i) The Baseline Capital Projects shall be the total amounts of capital investment completed and closed to Plant in Service, excluding amounts related to Major Capital Projects.
- j) The Return on Investment shall be the overall weighted percentage rate of return on debt and equity capital approved by the Commission in the last issued Decision & Order in the Company's most recent test year general rate case.

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated May 1, 2013.

Superseding SHEET NO. 93B
Effective March 30, 2014

REVISED SHEET NO. 93B
Effective June 8, 2015

RATE ADJUSTMENT MECHANISM PROVISION (continued)

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

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

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

n) The RAM Revenue Adjustment to be applied to determine effective Target Revenues will be the lesser of a) the RAM Revenue Adjustment Calculation or b) the RAM Revenue Adjustment Cap.

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

p) The RAM Revenue Adjustment Cap shall be based on the Target Revenues determined in accordance with the RBA and RAM tariffs as provided below.

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

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

s) Major Capital Projects Credits shall be the amounts to be returned to customers through the Revenue Balancing Account Provision, to reduce a preceding year's RAM Revenue Adjustment (including interest at the rate described in the RBA Provision) for specific major capital projects that were not placed into service within the first nine months of the preceding RAM Period

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated June 3, 2015.

Superseding SHEET NO. 93C
Effective March 30, 2014

REVISED SHEET NO. 93C
Effective June 8, 2015

RATE ADJUSTMENT MECHANISM PROVISION (continued)

as expected. Because the Commission's review of the Major Capital Projects' actual costs incurred may not occur until the rate case after the RAM Revenue Adjustment for these Major Capital Projects is collected, Major Capital Projects Credits (including interest) will be returned to customers for the amount of Major Capital Projects costs that the Commission disallows for cost recovery. The Major Capital Projects Credits are to be refunded through the RBA Provision, commencing on June 1 of the calendar year containing the Annual Evaluation Date and over the subsequent 12 months after June 1.

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

Rate Adjustment Mechanism

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

Evaluation Period Earnings Sharing:

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

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated June 3, 2015.

RATE ADJUSTMENT MECHANISM PROVISION (continued)

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

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

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

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated March 31, 2017.

Superseding SHEET NO. 93E
Effective March 30, 2014

REVISED SHEET NO. 93E
Effective June 8, 2015

RATE ADJUSTMENT MECHANISM PROVISION (continued)
RAM Period RAM Revenue Adjustment Calculation:

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

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated June 3, 2015.

Superseding SHEET NO. 93F
Effective March 28, 2012

REVISED SHEET NO. 93F
Effective June 1, 2013

RATE ADJUSTMENT MECHANISM PROVISION (continued)

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

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated May 1, 2013.

Superseding SHEET NO. 93G
Effective June 8, 2015

REVISED SHEET NO. 93G
Effective June 1, 2018

Deleted: June 1, 2013

Deleted: June 8, 2015

RATE ADJUSTMENT MECHANISM PROVISION (continued)

g) See also Settlement Agreement section below.

RAM REVENUE ADJUSTMENT CAP

The RAM Basis for the calculation of the RAM Revenue Adjustment Cap shall be the target revenues determined in accordance with the RBA tariff based on the results of the Company's most recent interim or final rate case decision. The RAM Basis shall be adjusted to exclude or otherwise appropriately account for adjustments for the recovery of revenues for previously explicitly stipulated and approved exceptional matters or other matters specifically ordered by the Commission, which shall, in any event, be recovered fully without respect to any limitations resulting from application of the RAM Revenue Adjustment Cap.

Deleted: 1) as described below in the determination of the 2014 Rate Base RAM - Return on Investment Adjustment and the 2014 Depreciation and Amortization RAM Adjustment, and 2)

The RAM Revenue Adjustment Cap shall be calculated as the RAM Basis, multiplied by the cumulative annually compounded increase(s) in the GDPPI for the years between the rate case calendar test year that established the RAM Basis and the RAM Period, adjusted to include applicable revenue taxes.

The RAM Revenue Adjustment Cap will apply to the entire RAM Revenue Adjustment, which includes the O&M RAM Adjustment, Depreciation and Amortization RAM Adjustment, and Rate Base RAM - Return on Investment Adjustment.

Deleted: Exception to the calculation of the RAM Revenue Adjustment Cap: 1

For the calculation of the RAM Revenue Adjustment Cap for the 2015 RAM Revenue Adjustment and for each subsequent year's calculation of RAM Revenue Adjustment until the issuance of a final decision and order in the next rate case, the Target Revenues that will serve as the RAM Basis will be the 2014 annualized target revenues adjusted as described below. The 2014 RAM Revenue Adjustment used to determine the adjusted 2014 target revenues will be adjusted to use recorded 2014 end-of-year actuals for plant in service, accumulated depreciation and amortization, CIAC and accumulated deferred income taxes in the determination of the 2014 Rate Base RAM - Return on Investment Adjustment. For the determination of the 2014 Depreciation and Amortization RAM Adjustment, the Company applies the Commission-approved accrual rates and methods to the 2014 end of year balances calculated above. There is no impact to the O&M RAM Adjustment. The RAM Basis shall be adjusted to exclude or otherwise appropriately account for adjustments for the recovery of revenues for previously explicitly stipulated and approved exceptional matters or other matters specifically order by the Commission, as described above. 1

Deleted: June 3, 2015

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated March 29, 2018.

Superseding SHEET NO. 93H
Effective June 8, 2015

REVISED SHEET NO. 93H
Effective June 1, 2018

RATE ADJUSTMENT MECHANISM PROVISION (continued)

Evaluation Procedures

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

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

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

Notice

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

Deleted: June 1, 2013

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Deleted: The RAM Revenue Adjustment Cap for year 2015 and for each subsequent year until the issuance of a final decision and order in the next rate case shall be calculated as the RAM Basis, multiplied by the cumulative annually compounded increase(s) in the GDPPI for the years between 2014 and the RAM Period, adjusted to include applicable revenue taxes.1

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated March 29, 2018.

Deleted: June 3, 2015

Superseding SHEET NO. 93I

Effective June 1, 2017

REVISED SHEET NO. 93I

Effective June 1, 2018

RATE ADJUSTMENT MECHANISM PROVISION (continued)

Deleted: June 6, 2015

Deleted: 2017

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

COMMISSION'S AUTHORITY

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

Deleted: SETTLEMENT AGREEMENTS

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

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

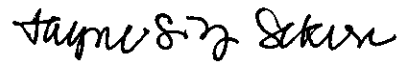
HAWAIIAN ELECTRIC COMPANY, INC.

Deleted: March 31, 2017

| Transmittal Letter dated March 29, 2018.

ATTESTATION

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

A handwritten signature in black ink, reading "Tayne S. Y. Sekimura", written over a horizontal line.

Tayne S. Y. Sekimura

Attachment 2 – List of Schedules and Workpapers

Schedule A	HECO-WP-A-001
Schedule A1	HECO-WP-B-001
Schedule B	HECO-WP-B-002
Schedule B1	HECO-WP-B-003
Schedule B2	HECO-WP-B-004
Schedule C	HECO-WP-B-005
Schedule C1	HECO-WP-C-001
Schedule C2	HECO-WP-C-002
Schedule D	HECO-WP-C-003
Schedule D1	HECO-WP-D2-001
Schedule D2	HECO-WP-D2-002
Schedule D3	HECO-WP-D3-001
Schedule D4	HECO-WP-D4-001
Schedule D5	HECO-WP-D4-002
Schedule E	HECO-WP-D5-001
Schedule F	HECO-WP-E-001
Schedule F1	HECO-WP-F-001
Schedule F2	HECO-WP-F1-001
Schedule G	HECO-WP-F1-002
Schedule G1	HECO-WP-F1-003
Schedule G2	HECO-WP-G2-001
Schedule G3	HECO-WP-H-001
Schedule H	HECO-WP-H-002
Schedule I	HECO-WP-H-003
Schedule J	HECO-WP-H-004
Schedule K	HECO-WP-H-005
	HECO-WP-H-006
	HECO-WP-H-007

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF 2018 REVENUE BALANCING ACCOUNT RATE ADJUSTMENT

Line No.	Description (a)	Reference (b)	Amount (c)	Rate Amount (d)
<u>RECONCILIATION OF RBA BALANCE:</u>				
1	RBA Prior calendar year-end balance	Schedule B	\$ 49,231,536	
2	Revenue Tax Factor	Schedule C	1.0975	
3	Revenue for RBA Balance			\$ 54,031,611
<u>RATE ADJUSTMENT MECHANISM "RAM" AMOUNT:</u>				
4	Total RAM Revenue Adjustment Allowed (Note 2)	Schedule A1		\$ 13,827,909
5	<u>EARNINGS SHARING REVENUE CREDITS - 2018 ROE:</u>	Schedule H		\$ -
6	<u>PUC-ORDERED MAJOR OR BASELINE CAPITAL PROJECTS CREDITS:</u>	Schedule I		\$ -
7	TOTAL RBA REVENUE ADJUSTMENT	Sum Col. (d)		\$ 67,859,520
8	GWH SALES VOLUME ESTIMATE JUNE 2018 - MAY 2019	HECO-WP-A-001		6,556,200
9	RBA RATE ADJUSTMENT - cents per kWh	Note (1)		<u>1.0350</u>
10	MONTHLY BILL IMPACT @ 600 KWH			<u>\$ 6.21</u>
	MONTHLY BILL IMPACT @ 500 KWH			<u>\$ 5.18</u>

Note (1): 2018 RBA Rate Adjustment Breakdown

	Col. (d)	Rate Adjustment cents per kWh	Percentage Share
RBA Balance	\$ 54,031,611	0.82412999	79.6227%
RAM Amount	\$ 13,827,909	0.21091347	20.3773%
Earnings Sharing Revenue Credits	\$ -	0.00000000	0.0000%
Major or Baseline Capital Projects Credits	\$ -	0.00000000	0.0000%
	\$ 67,859,520	1.03504346	100.0000%

Note (2): Total RAM Revenue Adjustment Allowed is the sum of the RAM Cap + Exceptional and Other Projects. See Order No. 32735, filed March 31, 2015, paragraph 107, page 94, which states that the Total RAM Revenue Adjustment is to be comprised of the RAM Cap plus recovery of Exceptional And Other Matters.

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF TOTAL RAM REVENUE ADJUSTMENT ALLOWED

Line No.	Description (a)	Reference (b)	Amount (c)
RAM REVENUE ADJUSTMENT DETERMINED ACCORDING TO EXISTING TARIFFS AND PROCEDURES			
1	O&M RAM	Schedule C	\$ 4,358,860
2	Rate Base RAM - Return on Investment	Schedule D	\$ 12,381,263
3	Depreciation & Amortization RAM Expense	Schedule E	\$ 8,231,502
4	Total RAM Revenue Adjustment		\$ 24,971,625
5	Total Adjusted RAM Revenue Adjustment		\$ 24,971,625
RAM REVENUE ADJUSTMENT CAP			
6	RAM Cap for 2018 RAM Revenue Adjustment	Schedule J	\$ 13,827,909
7	Plus: Exceptional and Other Matters	Schedule K	\$ -
8	2018 Cap - Total RAM Revenue Adjustment (Note 2)		\$ 13,827,909
9	Total RAM Revenue Adjustment Allowed (Note 1)	Lesser of Line 6 or Line 9	\$ 13,827,909 To Sch A

Note 1 RAM Revenue Adjustment Allowed:
See Order No. 32735, filed March 31, 2015, paragraph 106, page 94:
"The RAM Revenue Adjustment to be applied to determine effective Target Revenues will be the **lesser of** (a) the RAM Revenue Adjustment determined according to existing tariffs and procedures or (b) a RAM Revenue Adjustment Cap ("RAM Cap) to be calculated as specified."

Note 2 Total RAM Cap:
See Order No. 32735, filed March 31, 2015, paragraph 110, page 96:
"The RAM Cap will apply to the entire RAM Revenue Adjustment including the O&M RAM, Rate Base RAM (including Major Capital Projects and Baseline Projects), and the Depreciation and Amortization RAM."

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

Line No.	Month	Beginning Balance	Target Revenues	Recorded Adjusted Revenue	Variance to RBA	Adjustment for Prior Year RBA recovery	Adjustment	Tax-effected Balances Subject to Interest	Interest at 1.75%/year	Ending Balance
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Monthly RBA Balance and Activity (Monthly PUC Rpt., Pg. 9A)										
1	2016 December	\$ 42,607,398	\$ 48,957,962	\$ 44,527,809	\$ 4,430,153	\$ (3,844,438)	\$ (4,878)	\$ 26,204,786	\$ 38,215	\$ 43,226,450
2	January 2017 Adjustment - Note (1)									\$ 1,162
3	REVISED 2016 December									\$ 43,227,612
4										
5	2017 January	\$ 43,226,450	\$ 48,009,623	\$ 43,237,808	\$ 4,771,815	\$ (3,587,935)	\$ 1,162	\$ 26,769,364	\$ 39,039	\$ 44,450,531
6	February	\$ 44,450,531	\$ 43,030,848	\$ 40,425,191	\$ 2,605,657	\$ (3,275,174)	\$ -	\$ 26,950,325	\$ 39,303	\$ 43,820,317
7	March	\$ 43,820,317	\$ 48,009,623	\$ 45,789,648	\$ 2,219,975	\$ (3,750,510)	\$ (9,468)	\$ 26,296,546	\$ 38,349	\$ 42,318,663
8	April	\$ 42,318,663	\$ 46,468,574	\$ 44,302,813	\$ 2,165,761	\$ (3,677,669)	\$ 8,295	\$ 25,395,726	\$ 37,035	\$ 40,852,085
9	May	\$ 40,852,085	\$ 50,024,842	\$ 46,273,239	\$ 3,751,603	\$ (3,857,908)	\$ 7,049	\$ 24,928,374	\$ 36,354	\$ 40,789,183
10	June	\$ 40,789,183	\$ 51,184,359	\$ 46,469,888	\$ 4,714,471	\$ (3,600,794)	\$ -	\$ 25,258,284	\$ 36,835	\$ 41,939,695
11	July	\$ 41,939,695	\$ 52,997,265	\$ 48,512,767	\$ 4,484,498	\$ (3,839,911)	\$ -	\$ 25,817,849	\$ 37,651	\$ 42,621,933
12	August	\$ 42,621,933	\$ 54,628,879	\$ 50,950,611	\$ 3,678,268	\$ (3,864,587)	\$ -	\$ 25,950,283	\$ 37,844	\$ 42,373,458
13	September	\$ 42,373,458	\$ 52,453,393	\$ 47,591,388	\$ 4,862,005	\$ (3,809,426)	\$ (125)	\$ 26,207,379	\$ 38,219	\$ 43,464,131
14	October	\$ 43,464,131	\$ 53,057,695	\$ 48,307,664	\$ 4,750,031	\$ (3,827,297)	\$ -	\$ 26,834,087	\$ 39,133	\$ 44,425,998
15	November	\$ 44,425,998	\$ 49,915,326	\$ 44,634,552	\$ 5,280,774	\$ (3,440,844)	\$ -	\$ 27,701,849	\$ 40,399	\$ 46,306,327
16	December	\$ 46,306,327	\$ 49,915,326	\$ 43,730,598	\$ 6,184,728	\$ (3,302,057)	\$ -	\$ 29,169,047	\$ 42,538	\$ 49,231,536
17			\$ 599,695,753	\$ 550,226,167	\$ 49,469,586	\$ (43,934,112)	\$ 6,913		\$ 462,699	To Sch A
18										
19	2018 January	\$ -	\$ 48,948,443	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	February	\$ -	\$ 45,953,154	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	March	\$ -	\$ 51,603,222	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	April	\$ -	\$ 49,081,587	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	May	\$ -	\$ 50,396,658	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	June	\$ -	\$ 49,434,694	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	July	\$ -	\$ 53,293,908	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	August	\$ -	\$ 54,764,085	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	September	\$ -	\$ 52,987,621	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	October	\$ -	\$ 54,151,511	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	November	\$ -	\$ 50,598,584	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	December	\$ -	\$ 50,721,099	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			\$ 611,914,566							

Sources of Data: Sch B1 Sch B2 Cols (c)-(d) Note (2) Note (1) Cols (b)+(g)+((e)+(f)/2)/(l) Cols (b)+(e)+(f)+(g)+(l)

Composite Federal & State Income Tax Rate 38.91% (k)
Income Tax Factor (1 / 1-tax rate) 1.636929 (l)

Note (1): Adjustment Summary:

Year	Month	Workpaper Reference	RBA True-up Adjustment Sch B2, Line 19	RBA Interest Adjustments	Total Adjustment	Adjustment Description
2017	January	HECO-WP-B-002	\$ 1,162	\$ -	\$ 1,162	Prior period adjustments
2017	March	HECO-WP-B-003	\$ (9,468)	\$ -	\$ (9,468)	Prior period adjustments
2017	April	HECO-WP-B-004	\$ 8,295	\$ -	\$ 8,295	Prior period adjustments
2017	May	HECO-WP-B-005	\$ 7,049	\$ -	\$ 7,049	Prior period adjustments
2017	September	-	\$ (125)	\$ -	\$ (125)	Correction to August 2017 RBA calculation

Pursuant to D&O No. 34581 issued on May 31, 2017, beginning June 2017, entries to the RBA to correct individual billing errors of \$5,000 or greater have been eliminated.

Note (2):
Amounts represent recovery of prior years' RBA balance through the RBA rate adjustment effective June 1, 2016 for the period June 2016 through May 2017 and June 1, 2017 for the period June 2017 through May 2018. See HECO-WP-B-001.

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

Line No	Description	Reference	Docket No. 2010-0080 Amounts	Docket No. 2010-0080 Amounts	Docket No. 2010-0080 Amounts	Docket No. 2010-0080 Amounts	Docket No. 2016-0328 Amounts	Docket No. 2016-0328 Amounts	Docket No. 2016-0328 Amounts	Docket No. 2016-0328 Amounts
	(a)	(b)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	<u>Last Rate Case Annual Electric Revenue at Approved Rate Levels</u>	Note (1), (5), (8), (8a)	\$000s	\$ 1,765,954	\$ 1,765,954	\$ 1,765,954	\$ 1,765,954	\$ 1,581,445	\$ 1,529,709	\$ 1,529,709
1a	Less: Holdback of Interim Revenues	Note (6)	\$000s	\$ -	\$ -	\$ -	\$ -	\$ (5,000)	\$ -	\$ -
1b	Less: Customer Benefit Adjustment	Note (6)	\$000s	\$ -	\$ -	\$ -	\$ -	\$ (6,000)	\$ -	\$ -
2	Less: Fuel Expense	Note (1), (6), (8), (8a)	\$000s	\$ (658,172)	\$ (658,172)	\$ (658,172)	\$ (658,172)	\$ (327,609)	\$ (327,609)	\$ (327,609)
3	Purchased Power Expense	Note (1), (6), (8), (8a)	\$000s	\$ (438,707)	\$ (438,707)	\$ (438,707)	\$ (438,707)	\$ (466,211)	\$ (466,211)	\$ (466,211)
4	Revenue Taxes on Line 1 to 1b (8.885% statutory rates)		\$000s	\$ (156,905)	\$ (156,905)	\$ (156,905)	\$ (156,905)	\$ (139,534)	\$ (135,915)	\$ (135,915)
5	<u>Last Rate Order Target Annual Revenues</u>	Sum Lines 1 - 4	\$000s	\$ 512,170	\$ 512,170	\$ 512,170	\$ 512,170	\$ 637,091	\$ 599,974	\$ 599,974
6	Add: Authorized RAM Revenues	Note (2)	\$000s	\$ 88,395	\$ 88,395	\$ -	\$ -	\$ -	\$ -	\$ -
7	Less: Revenue Taxes on Line 9 at 8.885%		\$000s	\$ (7,854)	\$ (7,854)	\$ -	\$ -	\$ -	\$ -	\$ -
8	Net RAM Adjustment - Test Year +5	Lines 9+10	\$000s	\$ 80,541	\$ 80,541	\$ -	\$ -	\$ -	\$ -	\$ -
9	Authorized RAM Revenues	Note (3)	\$000s	\$ -	\$ -	\$ 101,131	\$ 101,131	\$ -	\$ -	\$ -
10	Less: Revenue Taxes on Line 12 at 8.885%		\$000s	\$ -	\$ -	\$ (8,986)	\$ (8,986)	\$ -	\$ -	\$ -
11	Net RAM Adjustment - Test Year +6	Lines 12 + 13	\$000s	\$ -	\$ -	\$ 92,146	\$ 92,146	\$ -	\$ -	\$ -
12	Authorized RAM Revenues	Sch. A, Line 4	\$000s	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,828	\$ 13,828
13	Less: Revenue Taxes on Line 12 at 8.885%		\$000s	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,229)	\$ (1,229)
14	Net RAM Adjustment - Test Year +1	Lines 15 + 16	\$000s	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,599	\$ 12,599
15	Less: <u>EARNINGS SHARING REVENUE CREDITS</u>	Sch. A, Line 5	\$000s	\$ -	\$ -	\$ (16)	\$ (16)	\$ (16)	\$ -	\$ -
16	Less: Revenue Taxes on Line 15 at 8.885%		\$000s	\$ -	\$ -	\$ 1	\$ 1	\$ 1	\$ -	\$ -
17	Net Earnings Sharing Revenue Credits	Lines 18 + 19	\$000s	\$ -	\$ -	\$ (14)	\$ (14)	\$ (14)	\$ -	\$ -
18	<u>PUC-ORDERED MAJOR OR BASELINE CAPITAL CREDITS</u>	Sch. A, Line 6	\$000s	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	<u>Total Annual Target Revenues</u>									
20	June 1, 2016 Annualized Revenues w/RAM Increase	Col (e), lines (5+8+17+18)	\$000s	\$ 592,711	\$ 592,711					
21	June 1, 2017 Annualized Revenues w/RAM Increase	Col (g), lines (5+11+17+18)	\$000s			\$ 604,302	\$ 604,302			
22	February 16, 2018 Annualized Revenues w/Interim Increase	Col (i), lines (5+11+17+18)	\$000s					\$ 637,077		
23	April 13, 2018 Annualized Revenues w/2nd Interim	Col (j), lines (5+11+17+18)	\$000s					\$ 599,960		
24	June 1, 2018 Annualized Revenues w/RAM Increase	Col (k), lines (5+14+17+18)	\$000s						\$ 612,574	\$ 612,574
25	<u>Distribution of Target Revenues by Month:</u>	Note (4)	Note (5)	2016	2017	2017	Note (7)	Note (7), (9)	Note (9)	2019
26	January	8.10%	8.19%		\$46,009,623		\$46,948,443	2018	2018	\$50,169,782
27	February	7.26%	7.59%		\$43,030,848		\$23,503,022	\$22,450,132		\$46,494,340
28	March	8.10%	8.10%		\$48,009,623			\$51,603,222		\$49,618,466
29	April	7.84%	7.98%		\$46,468,574			\$20,335,492	\$28,726,095	\$48,883,378
30	May	8.44%	8.40%		\$50,024,842				\$50,396,658	\$51,456,187
31	June	8.47%	8.07%	\$50,202,656		\$51,184,359				\$49,434,694
32	July	8.77%	8.70%	\$51,980,790		\$52,997,265				\$53,293,908
33	August	9.04%	8.94%	\$53,581,111		\$54,628,879				\$54,764,085
34	September	8.68%	8.65%	\$51,447,350		\$52,453,393				\$52,987,621
35	October	8.78%	8.84%	\$52,040,061		\$53,057,695				\$54,151,511
36	November	8.26%	8.26%	\$48,957,962		\$49,915,326				\$50,598,584
37	December	8.28%	8.28%	\$48,957,962		\$49,915,326				\$50,721,099
38	<u>Total Distributed Target Revenues</u>	100.00%	100.00%	\$357,167,892	\$235,543,510	\$384,152,243	\$72,451,465	\$94,388,846	\$79,122,753	\$365,951,502
										\$246,622,153

Footnotes:

- Docket No. 2010-0080 amounts derived from Order No. 30576, filed August 9, 2012, effective September 1, 2012, which implemented Decision and Order No. 30505, Exhibit A, page 1, filed June 29, 2012.
- Transmittal 16-01 filed March 31, 2016, establishing 2016 target revenue effective June 1, 2016.
- Transmittal 17-02 filed March 31, 2017, establishing 2017 target revenue effective June 1, 2017.
- RBA Tariff Revised July 26, 2011 to reflect 2011 test year.
- RBA Tariff Effective February 16, 2018 to reflect 2017 test year.
- Test Year 2017 Interim Increase provided for in Interim Decision and Order 35100, issued December 15, 2017 in Docket No. 2016-0328: \$35,971 \$000s
- For the month of the initial implementation (Feb 2018), adjust the monthly allocation by the number of effective days in the month over the total number of days. 0.46429
- Test Year 2017 2nd Interim Increase provided for in Order No. 35335, issued March 9, 2018 in Docket No. 2016-0328: -\$603 \$000s
- Reduction for Tax Act Implementation Lag (March 2018 Settlement Tariff Sheets, Attachment 3, filed March 15, 2018, in accordance with Order No. 35335). -\$2,143 \$000s
- For the month of the initial implementation (April 2018), adjust the monthly allocation by the number of effective days in the month over the total number of days: 0.60000

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

Line No	Description	January 2017	February 2017	March 2017	April 2017	May 2017	June 2017	July 2017	August 2017	September 2017	October 2017	November 2017	December 2017	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	
1	BILLED REVENUES:													
2	Current month's billed revenues (SAP014w)	125,776,075	121,693,823	127,003,652	133,129,624	132,902,891	134,693,715	141,025,561	142,955,339	145,159,187	141,388,962	136,001,586	127,850,383	1,609,380,698
3	Remove PBF revenues	(1,663,679)	(1,507,352)	(1,524,996)	(1,600,980)	(1,624,110)	(1,669,133)	(1,567,132)	(1,356,186)	(1,400,985)	(1,358,660)	(1,301,568)	(1,197,645)	(17,772,448)
4	Remove Solar Saver non-revenues	-	-	-	60,714	80,514	(10)	9	-	-	-	-	-	141,227
5	City & County traffic signal revenue adjustment	-	-	(9,472)	-	-	(9,519)	-	-	-	(9,454)	-	(9,510)	(37,955)
6 =	Other electric revenues adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-
sum 1-5	BILLED REVENUES	124,112,396	120,186,471	125,469,164	131,589,358	131,359,295	133,015,053	139,458,438	141,599,153	143,749,748	140,030,182	134,700,018	126,443,228	1,591,711,524
7	UNBILLED REVENUES													
8	Current month's unbilled revenues (Unbilled Sales and Revenue Est)	63,790,799	61,226,108	70,431,772	70,257,498	73,278,172	74,670,985	78,863,404	84,590,390	80,878,883	82,126,621	76,454,549	77,212,019	893,681,200
9	Reverse prior month's unbilled revenues (Unbilled Sales and Revenue Est)	(65,855,044)	(83,790,799)	(61,226,108)	(70,431,772)	(70,257,498)	(73,278,172)	(74,670,985)	(78,863,404)	(84,590,390)	(80,878,883)	(82,126,621)	(76,454,549)	(882,324,225)
9 = 7+8	Unbilled revenues per Unbilled Sales and Revenue Est	(2,064,245)	(2,564,691)	9,205,664	(174,274)	3,020,674	1,392,813	4,192,419	5,826,686	(4,011,507)	1,447,738	(5,672,072)	757,470	11,356,975
10	Recovery of 12-31-15 RBA balance through RBA Rate Adjustment beginning 6-1-16	(3,937,808)	(3,594,550)	(4,115,238)	(4,038,294)	(4,234,108)	-	(3,951,922)	(4,214,357)	(4,351,190)	(4,180,899)	(4,200,512)	(3,776,375)	(19,919,000)
11	Recovery of 12-31-16 RBA balance through RBA Rate Adjustment beginning 6-1-17	-	-	-	-	-	-	(15,526)	(4,214,357)	(4,351,190)	(4,180,899)	(4,200,512)	(3,776,375)	(28,259,309)
12	ESM refund accrual	-	-	-	-	-	-	1,315	-	-	-	-	-	(15,526)
13	Reversal of ESM refund previously recognized in prior yrs	-	-	-	-	-	-	1,362	1,404	1,348	1,363	1,282	1,282	9,355
14	RAM revenue recognized	(4,049,086)	(3,629,180)	(4,049,087)	(3,919,116)	(4,219,048)	-	-	-	-	-	-	-	(19,865,517)
15	Accrual of ECAC adjustment	(1,037,500)	1,789,000	318,800	2,700,930	1,275,500	1,021,500	(625,800)	668,100	1,242,500	1,836,100	2,642,100	2,809,600	14,418,600
16	Reversal of ECAC accrual	159,232	(1,608,800)	(1,606,800)	(1,606,800)	(349,387)	(349,387)	(349,386)	(1,665,966)	(1,665,966)	(1,665,968)	(361,600)	(361,600)	(11,430,368)
17	Accrual of PPAC adjustment	2,063,200	1,420,600	1,900,100	824,600	1,944,700	537,900	498,200	877,300	1,091,200	522,300	1,935,200	2,147,200	15,762,500
18	Reversal of PPAC accrual	(523,066)	(1,518,334)	(1,518,334)	(1,518,332)	(1,794,634)	(1,794,634)	(1,794,632)	(1,102,400)	(1,102,400)	(1,102,400)	(822,233)	(822,233)	(15,413,832)
19	Redress excess DSM revenue	-	-	-	-	-	(113,018)	(461,796)	(28,995)	37,639	(76,297)	(4,582)	46,338	(600,711)
20	Adjust prior period RBA balance	1,162	-	(9,468)	8295	7,049	-	-	-	(125)	-	-	-	6,813
21	Adjust prior period RBA related revenue taxes	113	-	(963)	809	687	-	-	-	(13)	-	-	-	6,573
22	Accrual of current month's RBA (PUC Monthly Financial Report pg. 9A)	4,771,815	2,605,657	2,219,975	2,165,761	3,751,803	4,714,471	4,484,498	3,678,288	4,862,005	4,750,031	5,280,774	6,184,728	49,469,586
23	RBA gross up for revenue taxes	465,319	254,068	216,479	211,182	365,834	459,727	437,301	359,683	474,114	463,195	514,643	6,083,998	4,823,979
24 =														
sum 10-23	Miscellaneous unbilled accruals	(2,086,620)	(4,299,519)	(6,647,696)	(5,168,985)	(3,251,785)	510,446	(2,224,590)	(1,564,796)	759,403	527,812	5,409,515	6,984,359	(11,052,458)
25 = 9+24	UNBILLED REVENUES	(4,150,865)	(6,864,210)	2,557,968	(5,343,260)	(231,111)	1,903,259	1,967,829	4,282,190	(3,252,104)	1,975,550	(262,657)	7,741,829	304,519
26 = 6+25	TOTAL REVENUES PER GL (PUC Monthly Financial Report pg. 3)	119,961,532	113,322,261	128,027,153	126,246,098	131,128,183	134,918,311	141,426,267	145,881,343	140,498,643	142,005,733	134,437,461	134,185,057	1,592,016,042
27	Billed Adjustments to Determine Adjusted Revenues for RBA													
28	Add back C&C unmetered revenue	-	-	9,472	-	-	9,519	-	-	9,454	-	-	9,510	37,955
29	Add back diplomatic tax exemption (excl. exempted rev taxes on PBF surcharge)	303	312	304	325	327	351	361	358	370	391	340	311	4,053
30	Remove TY 2011 refund	(12)	-	-	-	-	(5)	-	-	3	-	-	-	(14)
31	Remove TY 2009/2007 refund / increase & other rate adjustments	172	-	-	-	-	139	-	-	-	-	-	-	311
32	Remove ECAC revenues	15,550,418	9,870,387	9,043,069	8,896,075	10,476,306	12,603,805	12,142,563	12,157,197	13,345,967	13,187,983	12,151,027	9,821,624	139,246,121
33	Remove PPAC revenues	(12,296,620)	(11,545,895)	(14,161,259)	(14,839,457)	(15,161,890)	(15,780,226)	(16,482,113)	(16,297,102)	(16,412,037)	(15,958,115)	(15,137,235)	(13,760,622)	(177,932,511)
34	Remove REIP revenues	2	-	(1)	-	-	-	1	(1)	1	9	(9)	-	2
35	Remove DSM revenues	(410,747)	(375,061)	(381,048)	(384,418)	(368,455)	(377,701)	(394,522)	(401,160)	(412,152)	(401,904)	(384,490)	(353,068)	(4,645,926)
36	Remove revenue taxes of PBF revenues	(113,489)	(102,808)	(104,010)	(109,192)	(110,779)	(113,840)	(106,884)	(92,496)	(95,552)	(92,665)	(88,771)	(81,683)	(1,212,139)
37	Remove Solar Saver revenues	1	-	-	3,921	5,199	(1)	1	5	-	-	5	-	9,132
38	Remove revenue taxes on billed revenues	(11,269,951)	(10,487,215)	(10,650,957)	(11,111,280)	(11,211,112)	(11,495,155)	(11,960,786)	(12,169,425)	(12,455,366)	(12,151,622)	(11,660,753)	(10,846,733)	(137,470,365)
39	Remove base fuel (adjusted for revenue taxes)	(47,630,885)	(43,518,870)	(44,067,330)	(46,282,374)	(46,938,472)	(47,965,913)	(50,084,142)	(51,039,856)	(52,510,341)	(51,300,801)	(49,174,087)	(45,183,841)	(575,887,122)
40	Remove power purchase energy (adjusted for revenue taxes)	(20,095,053)	(18,360,230)	(18,581,620)	(19,526,128)	(19,802,930)	(20,236,398)	(21,130,061)	(21,529,386)	(22,153,653)	(21,643,358)	(20,746,116)	(19,062,666)	(242,877,599)
41	Other adjustments	1,259	(9,468)	8,295	7,049	-	-	-	-	-	-	-	-	7,135
42	Other operating revenues - EV-U revenues net of revenue taxes	2,087	4,147	4,239	4,391	5,310	4,864	4,967	5,135	5,287	5,452	5,243	7,260	58,362
43	Other operating revenues - SMNP revenues net of revenue taxes	-	-	-	1,913	4,142	6,497	7,052	7,533	8,559	9,278	9,860	10,050	64,883
44	Unbilled Adjustments to Determine Adjusted Revenues for RBA													
45	Remove ESM refund accrual & reversal	-	-	-	-	-	14,211	(1,362)	(1,404)	(1,348)	(1,363)	(1,282)	(1,282)	8,170
46	Remove RAM revenue recognized	4,049,086	3,629,180	4,049,087	3,919,116	4,219,048	-	-	-	-	-	-	-	19,865,517
47	Remove ECAC revenues	(4,862,834)	(1,060,554)	331,648	(351,741)	2,567,428	(303,625)	(290,585)	1,148,366	74,290	(132,390)	(994,865)	(1,595,626)	(5,470,508)
48	Remove ECAC accrual	678,268	(162,200)	1,290,200	(1,094,100)	(928,133)	(672,133)	1,175,166	997,866	423,468	(170,132)	(2,280,500)	(2,448,000)	(2,988,232)
49	Remove PPAC revenues	2,509,555	(1,813,767)	(1,052,167)	7,045	(698,712)	(175,362)	(426,976)	(380,879)	381,841	(93,616)	935,509	139,745	(667,786)
50	Remove PPAC accrual	(1,540,134)	87,734	(381,769)	693,732	(150,066)	1,298,734	1,296,432	225,100	11,200	580,100	(1,112,967)	(1,324,967)	(348,868)
51	Remove DSM revenues	17,993	17,542	(29,030)	20,712	(13,244)	(3,267)	(12,151)	(10,780)	9,391	(3,155)	20,299	3,589	9,689
52	Remove excess DSM revenues	-	-	-	-	-	113,016	461,796	28,995	(37,639)	76,297	4,582	(48,338)	800,711
53	Remove prior period RBA adjustment(s)	(1,275)	-	10,361	(9,104)	(7,736)	-	-	-	138	-	-	-	(7,586)
54	Remove RBA accruals	(4,771,815)	(2,605,657)	(2,219,975)	(2,165,761)	(3,751,803)	(4,714,471)	(4,484,498)	(3,678,288)	(4,862,005)	(4,750,031)	(5,280,774)	(6,184,728)	(49,469,586)
55	Remove RBA gross up for revenue taxes	(465,319)	(254,068)	(216,479)	(211,182)	(365,834)	(459,727)	(437,301)	(359,683)	(474,114)	(463,195)	(514,949)	(603,098)	(4,823,979)
56	Remove revenue taxes on unbilled revenues	740,772	801,073	(385,598)	402,695	(57,045)	270,225	66,784	(197,847)	686,534	264,945	842,949	3,819,637	3,819,637
57	Remove base fuel (adjusted for revenue taxes)	2,098,945	2,088,414	(3,323,184)	199,060	(1,797,573)	(3,164,554)	(1,587,486)	(2,338,716)	1,092,258	(464,084)	2,534,579	466,065	(1,348,176)
58	Remove power purchase energy (adjusted for revenue taxes)	885,526	881,084	(1,402,022)	83,981	(758,380)	(133,509)	(969,747)	(986,684)	460,815	(195,793)	1,069,316	196,629	(568,784)
58 =														
sum 27-57	Total billed and unbilled adjustments to determine adjusted revenues for RBA	(76,723,724)	(72,897,068)	(82,237,505)	(81,943,287)	(84,854,944)	(68,448,423)	(62,913,500)	(64,910,732)	(92,905,255)	(93,698,069)	(89,802,909)	(90,454,458)	(1,041,789,875)
59 = 26+58	RECORDED ADJUSTED REVENUES FOR RBA DETERMINATION (PUC Monthly Financial Report pg. 9A.1)	43,237,808	40,425,191	46,789,648	44,302,812	46,273,239	46,469,888	48,512,757	50,950,611	47,593,388	48,307,664	44,634,552	43,730,598	550,226,167

NOTE: Totals may not add exactly due to rounding.

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF O&M RAM ADJUSTMENT
(\$ in Thousands)

Line No.	Description (a)	Reference (b)	Docket No. 2016-0328 Approved (c)	Footnote 4 Previously Approved RAM (d)	O&M Subject to Escalation Col (c) + (d) (e)	Net Inflation Indices Footnote 2 (f)	2018 O&M RAM Adjustment Col (e) * (f) (g)
1	Base BU Labor Expenses	Schedule C1	\$ 47,048		\$ 47,048	2.24%	\$ 1,054
2	Base Non-Labor Expense	Schedule C2	\$ 134,734		\$ 134,734	2.10%	\$ 2,829
3	Payroll Taxes	Footnote 1	\$ 3,943		\$ 3,943	2.24%	\$ 88
4	Subtotal Expense Increase - RAM Adjustment before revenue taxes						\$ 3,972
5	Revenue Tax Factor (Footnote 3)						1.0975
6	O&M RAM (SubTotal Expenses x Rev Tax Factor)						<u>\$ 4,359</u> To Sch A1

Footnotes:

1: Payroll Taxes per Stipulated Settlement Letter, filed March 5, 2018,
in Docket No. 2016-0328, Exhibit 2C, page 6
Less: Portion of payroll taxes related to non-BU labor^A (57.79% * 9,342) \$ (5,399)
Payroll Taxes related to Bargaining Unit labor \$ 3,943

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

2: Escalation Rates

Labor: 2018
Bargaining Unit Wage Increase 3.00% (See HECO-WP-C-001)

Less: Labor Productivity Offset 0.76% Approved in Final D&O in Docket No. 2008- 0274, page 51, filed on August 31, 2010

Labor Cost Escalation Rate 2.24%

Calculation of 2018 Compounded Labor Cost Escalation

2018 Labor Cost Escalation 1.0224 A (2018 labor escalation plus 1)
2018 Compounded Labor Cost Escalation 1.0224 B = A
2018 Compounded Labor Cost % 0.0224 C = B - 1

Non-Labor: 2018
GDP Price Index 2.10% (See HECO-WP-C-002)

Calculation of 2018 Compounded Non-Labor Cost Escalation

2018 Non-Labor Cost Escalation 1.0210 A (2018 non-labor escalation plus 1)
2018 Compounded Non-Labor Cost Escalation 1.0210 B = A
2018 Compounded Non-Labor Cost % 0.0210 C = B - 1

3: Computation of Revenue Tax Factor

Public Service Tax Rate 0.05885
PUC Fees Rate 0.00500
Franchise Tax Rate 0.02500
Total Revenue Tax Rate 0.08885

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

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

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKSHEET
RATE ADJUSTMENT MECHANISM
SUMMARY OF
OPERATIONS AND MAINTENANCE LABOR AND NON-LABOR EXPENSE
BY BLOCK OF ACCOUNTS
Interim D&O - Docket No. 2016-0328
(\$ in Thousands)

DESCRIPTION	Footnote 1		Footnote 2		
	(a)	(b)	(c)=(a)+(b)	(d)	(e)
	BU LABOR	NON-BU LABOR	TOTAL LABOR	NON-LABOR	TOTAL
Production	21,744	13,212	34,956	44,350	79,306
Transmission	2,420	2,933	5,353	10,454	15,807
Distribution	12,085	7,321	19,407	27,418	46,825
Customer Accounts	8,258	3,618	11,876	8,478	20,354
Allowance for Uncoll Accounts	-	-	-	732	732
Customer Service	134	5,582	5,716	9,936	15,652
Administrative & General	2,406	31,769	34,175	85,583	119,758
Customer Benefit Adjustment (Footnote 3)	-	-	-	(10,023)	(10,023)
Operation and Maintenance	47,048	64,435	111,483	176,928	288,411
	To Sch C			To Sch C2	X
Percentage of Total O&M Labor	42.20%	57.79%	100%		

* amounts may not add due to rounding

Footnotes:

1 SOURCE: 2017 test year breakdown of BU and non-BU labor obtained from UI Planner Budget files.

2 O&M breakdown below includes fuel and purchase power expenses consistent with the presentation in the Results of Operations.

	Footnote 2a			Footnote 2b	
	LABOR	NON-LABOR	TOTAL	STIPULATED ADJUSTMENT	SETTLEMENT
FUEL	-	327,609	327,609		327,609
PURCHASE POWER	-	466,211	466,211		466,211
PRODUCTION	34,956	44,350	79,306		79,306
TRANSMISSION	5,354	10,454	15,808		15,808
DISTRIBUTION	19,407	27,418	46,825		46,825
CUSTOMER ACCOUNTS	11,876	8,478	20,354		20,354
UNCOLLECTIBLE ACCOUNTS	-	732	732		732
CUSTOMER SERVICE	5,715	9,936	15,651		15,651
ADMIN & GENERAL	34,265	85,945	120,210	(452)	119,758
CUSTOMER BENEFIT ADJUSTMENTS	-	-	-	(10,023)	(10,023)
TOTAL	111,573	981,133	1,092,706	(10,475)	1,082,231
TOTAL O&M EXPENSE (Excl Fuel & Purch Power)	111,573	187,313	298,886	(10,475)	288,411

2a See Order No. 35280, For Approval of General Rate Case and Revised Schedules/Rules, filed on February 9, 2018, in which the Commission approved the revised schedules or operations and tariff sheets filed January 19, 2018, Exhibit A, Page 1 of 4. See Docket No. 2016-0328 - Hawaiian Electric 2017 Test Year Rate Case Revised Schedules Resulting from Interim Decision and Order No. 35100 as modified by Order No. 35229 and Order No. 35220, filed January 19, 2018, Exhibit 2, Attachment 1, Page 1 for Labor/Non-Labor breakdown.

2b See Order No. 35335, For Approval of General Rate Case and Revised Schedules/Rules, filed on March 9, 2018, in which the Commission accepted the Parties' Stipulated Settlement on Remaining Issues filed March 5, 2018, Exhibit 2C, Page 1 of 13.

3 Customer Benefit Adjustments identified in the Results of Operations have been included as a reduction to O&M non-labor subject to escalation. See Order No. 35335, For Approval of General Rate Case and Revised Schedules/Rules, filed on March 9, 2018, in which the Commission accepted the Parties' Stipulated Settlement on Remaining Issues filed March 5, 2018, Exhibit 2C, Page 1.

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK

Non-Labor Exclusion
Adjustment for O&M RAM
(\$ thousands)

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)	<u>Reference</u> (c)
1	Pension Expense	73,940	Note 1
2			
3			
4	OPEB Expense	(470)	Note 1
5			
6			
7	Total before amounts transferred	73,470	
8			
9	O&M %	57.43%	See Parties' Stipulated Settlement Letter, filed November 15, 2017, in Docket No. 2016-0328, HECO T-16 Attachment 4, page 1
10	(1- transfer rate of 42.57%)		
11			
12			
13	Adjustment to Non-Labor O&M Expense		
14	for O&M RAM base	42,194	
15			
16			
17	Non-Labor O&M Expense per Interim D&O	176,928	Schedule C1
18			
19			
20	Non-Labor O&M Expense Base for		
21	O&M RAM base	<u>134,734</u>	Schedule C

Note 1 See Parties' Stipulated Settlement Letter, filed November 15, 2017 in Docket No. 2016-0328, Exhibit 1, page 63 for the summary of the pension and OPEB cost the Parties agreed to. In Parties' Stipulated Settlement Letter on Remaining Issues, filed March 5, 2018 in Docket No. 2016-0328, Exhibit 1, page 4, amortization of the excess pension contribution from the test year was reduced to zero.

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

Line No.	Description (a)	AMOUNTS IN THOUSANDS (b)	PERCENT OF TOTAL (c)	COST RATE (d)	POST TAX WEIGHTED EARNINGS REQMTS (e)	INCOME TAX FACTOR (Note 1) (f)	PRETAX WEIGHTED EARNINGS REQMTS (g)
1	<u>PUC APPROVED CAPITAL STRUCTURE & COSTS (Note 2):</u>						
2	Short-Term Debt	\$ 27,770	1.18%	1.75%	0.02%	1.000000	0.02%
3	Long-Term Debt	928,748	39.59%	5.03%	1.99%	1.000000	1.99%
4	Hybrid Securities	28,651	1.22%	7.19%	0.09%	1.000000	0.09%
5	Preferred Stock	21,137	0.90%	5.37%	0.05%	1.346835	0.07%
6	Common Equity	1,339,335	57.10%	9.50%	5.42%	1.346835	7.31%
7	Total Capitalization	<u>\$ 2,345,641</u>	<u>100.00%</u>		<u>7.57%</u>		<u>9.47%</u>
8	RAM CHANGE IN RATE BASE \$000 (From Schedule D1)						<u>\$ 119,127</u>
9	PRETAX RATE OF RETURN (Line 7, Col g)						<u>9.47%</u>
10	PRETAX RETURN REQUIREMENT						<u>\$ 11,281.3</u>
11	REVENUE TAX FACTOR (1/(1-8.885%))						<u>1.0975</u>
12	RATE BASE RAM - RETURN ON INVESTMENT \$000						<u><u>\$ 12,381.3</u></u>
							To Sch A1

Footnotes:

1 Composite Federal & State Income Tax Rate 25.75% See HECO-WP-F-001
Income Tax Factor (1 / 1-tax rate) 1.346835

2 See Order No. 35335, For Approval of General Rate Case and Revised Schedules/Rules, filed on March 9, 2018, in which the Commission accepted the Parties' Stipulated Settlement on Remaining Issues filed March 5, 2018, Exhibit 2C, Page 2 of 13.

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

Line No.	Description	HECO 2017 Test Year Rate Base (Note 2)		HECO 2018 RAM Rate Base		
		Reg. Balance 12/31/2017 (b)	Budgeted Balance 12/31/2017 (c)	Adjusted Recorded at 12/31/2017 (d) (Note 1)	RAM Projected Amounts (e) See Detail Below	Estimated at 12/31/2018 (f)
1	Net Cost of Plant in Service	\$ 2,595,452	\$ 2,770,695	\$ 2,749,624	\$ 246,621	\$ 2,996,245
2	Property Held for Future Use	-	-	-	-	-
3	Fuel Inventory	46,200	46,200	These Elements of Rate Base are Not Updated for RAM Purposes		
4	Materials & Supplies Inventories	28,427	28,427			
5	Unamort Net ASC 740 Reg Asset	70,144	74,867			
6	Unamort EOTP Reg Asset	444	89			
7	CIP CT-1 Reg Asset	2,306	1,352			
8						
9						
10						
11	Unamort Sys Dev Costs	15,932	13,496	These Elements of Rate Base are Not Updated for RAM Purposes		
12	RO Pipeline Reg Asset	4,958	4,842			
13	Pension Tracking	97,620	113,828			
14	Contrib in Excess of NPPC	6,470	6,470			
15	Total Additions	\$ 2,867,953	\$ 3,060,286	\$ 3,030,670	\$ 246,621	\$ 3,277,291
16	Unamortized CIAC	\$ (347,826)	\$ (395,134)	\$ (399,366)	\$ (29,773)	\$ (429,139)
17	Customer Advances	(3,561)	(3,925)	Not Updated		
18	Customer Deposits	(12,101)	(12,005)			
19	Accumulated Def Income Taxes	(520,643)	(333,360)	(283,139)	(5,346)	(288,485)
20	ADIT Excess Reg Liability	-	(203,950)	(274,687)	7,121	(267,566)
21	Unamortized State ITC (Gross)	(56,323)	(54,903)	Not Updated		
22	Unamortized Gain on Sale	(248)	(162)			
23	Pension Reg Liability	-	-			
24	OPEB Reg Liability	(2,817)	(2,331)			
25	Total Deductions	\$ (943,539)	\$ (1,005,790)	\$ (1,031,400)	\$ (27,997)	\$ (1,059,397)
26	Working Cash	3,904	3,904	3,904	Not Updated	3,904
27	Rate Base at Proposed Rates	\$ 1,928,318	\$ 2,058,400	\$ 2,003,174		\$ 2,221,798
28	Average Rate Base		\$ 1,993,359			\$ 2,112,486
29	Change in Rate Base					\$ 119,127

To Schedule D

30	Column (e) Projected Changes to Rate Base:	Reference	Amount \$000
31	Plant - Baseline Capital Project Additions	Schedule D2	252,931
32	Major Project Additions	Schedule D3	141,570
33	Accumulated Depreciation/Amortization Change	Schedule E	(147,890)
34	Net Plant	Sum: Lines 31-33	246,621
35	Accum. Def Income Taxes - Baseline and Major Capital Projects	Schedule F	(5,346)
36	Excess ADIT Reg Liability Amortization	Schedule D5	7,121
37	Projected CIAC Additions - Baseline	Schedule G	(38,472)
38	Projected CIAC Additions - Major Projects	Schedule G2	(119)
39	Less: Amortization of CIAC	Schedule G	8,819
40	Total Change in CIAC in Rate Base	Sum: Lines 37-39	(29,773)

Footnotes:

1		Amounts are recorded, except for the following adjustments:					ADIT Excess
		Plant in Service	Acc. Depr.	CIAC Net	ADIT	Reg Liab	
				Schedule G	Schedule D4	Schedule D5	
[A]	Unadjusted Balance	\$ 4,536,540	\$ (1,494,205)	\$ (399,366)	\$ (283,155)	\$ (274,687)	
	Add:						
[A]	Retirement Work in Progress		42,592				
[A]	Asset Retirement Obligation		(2,539)				
[A]	Reg Liab-Cost of Removal (net salvage)		(327,225)				
	Tenant Improvement Allowance (Sch E)	(14,058)	8,652				
	Major Project Adjustments:	HECO-WP-D2-001	HECO-WP-E-001		HECO-WP-D4-002		
	ERP EAM Hardware	(14)	-	-	2	-	
	Koolau-Wailupe #1 Str 30 P9 Replace	(129)	-	-	14	-	
	Total Adjustments	\$ (143)	\$ -	\$ -	\$ 16	\$ -	
	Adjusted Balance	\$ 4,522,339	\$ (1,772,715)	\$ (399,366)	\$ (283,139)	\$ (274,687)	

- 2 See Order No. 35335, For Approval of General Rate Case and Revised Schedules/Rules, filed on March 9, 2018, in which the Commission accepted the Parties' Stipulated Settlement on Remaining issues filed March 5, 2018, Exhibit 2C, Page 3 of 13. Revised for presentation purposes only to properly reflect the Unamortized Net ASC 740 Reg Asset, ADIT, and ADIT Excess Reg Liability balances. No change to Total Average Rate Base.
- 3 As of December 2017, the Company reclassified cash CIAC received from Developers, subject to refund, from CIAC to Customer Advances. Leaving this amount unchanged from the balance at 12/31/17 would result in an overstatement of rate base. See further discussion at Schedule G1.
- 4 As a result of the 2017 Tax Reform Act, Regulatory Liability accounts were created and recorded as of December 31, 2017 to isolate the 2017 excess accumulated deferred taxes resulting from the lower federal tax rate. The bifurcated Regulatory Liabilities are included as a reduction to Rate Base. See further discussion at Schedule F.
- 5 HECO 2017 Test Year Rate Base includes CIS deferred costs in Unamortized System Development Costs See detail in November 15, 2017, Stipulated Settlement Letter, HECO T-17, Attachment 1, Page 2
- [A] SOURCE: Hawaiian Electric Company, Inc. Monthly Financial Report - December 2017, pages 8 and 10, filed March 1, 2018.

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

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

Line No.	Description (a)			3/28/2014	3/27/2015	3/29/2016	3/30/2017	NOTE (1)
				2013 (b)	2014 (c)	2015 (d)	2016 (e)	2017 (f)
1	Total Plant Additions			272,820,344	269,326,250	266,537,660	241,294,569	276,754,129
2	Less: Non-Utility Plant Additions		NOTE (2)			(63)	(3,954)	-
3	Adjusted Total Plant Additions			272,820,344	269,326,250	266,537,597	241,290,615	276,754,129
4								
5	<u>Less Major Projects: (+\$2.5 Million)</u>	<u>Dkt No.</u>	<u>Item No.</u>					
6								
7	<u>2008 In-Service:</u>							
8	CIP Generating Unit	05-0145	Y49000	(1,809,875)				
9								
10	<u>2010 In-Service:</u>							
11	K3 Biofuel Co-Firing	2009-0155	P0001577	(4,608)				
12								
13	<u>2011 In-Service:</u>							
14	W8 Boiler Controls Upgrade	2007-0365	P7650000	(45,384)	18,503	(70)		
15	EOTP Ph. 2 (Subs/Switch Stations)	2010-0062	Y48500	(184,448)	(7,357)	(55,681)	(682)	
16	W7 Controls Upgrade	2009-0195	P7590000	(308,336)	(8,237)	(35)		
17	W8 Main Transformer Replace		P0001399	47,320				
18								
19	<u>2012 In-Service:</u>							
20	K1 Condenser Tube Replace	2010-0126	P0000681	(1,850)				
21	BPT Tank 132 Improvements	2010-0286	P0000899	(547)				
22	Mobile Radio Replacement	2010-0162	P0001595	(61,573)				
23	Kapolei Substation	2011-0026	Y00127	(780,700)	(6,459)			
24								
25	<u>2013 In-Service:</u>							
26	Pukele 80MVA Tsf #3	2011-0156	P0001494	(4,299,560)	(28,327)	15,611		
27	Kakaako Makai-Iwilei 25kV DL	2009-0042	Y00038	(6,661,331)	(485,650)	(496,818)		400,000
28	Kalo Substation - Land	2008-0070	Y00119	(2,276,439)				
29	North South Road 46kV Line	2008-0070	Y00119	(2,099,046)		(3,488)		
30								
31	<u>2014 In-Service:</u>							
32	Kalo Substation	2008-0070	Y00119		(6,548,755)	(925)		
33	Kalo Sub 46kV & 12kV Distr	2008-0070	Y00119		(1,218,895)			
34	Kalo Telecom	2008-0070	Y00119		(171,237)			
35	Kalo Sub 12kV Work	2008-0070	Y00119		(25,906)			
36	Kakaako Makai-Kewalo 25kV DL	2009-0042	Y00038		(4,958,840)	(464,900)	(111)	400,000
37	Kakaako Makai DOT Queen-Cook	2009-0042	Y00038		(1,961,600)	(418,816)	(2,890,742)	476,166
38	BPT Tank 133 Improvements	2010-0318	P0000900		(6,095,787)	(1,092,308)		
39	Pukele 80MVA Tsf #2	2011-0156	P0001492		(3,449,859)	(40,084)		
40	DOT Airport DSG	2008-0329	P0001370		(4,965,396)	(97,130)	(172,652)	(94,001)
41								
42	<u>2016 In-Service:</u>							
43	Pukele 80MVA Tsf #1	2011-0156	P0002264				(3,839,121)	(7,612)
44								
45	<u>2017 In-Service:</u>							
46	ERP EAM Hardware	2014-0170	Y00168					(2,604,146)
47	Koolau-Wailupe #1 Str 30 P9 Replace		P0003465					(2,684,387)
48								
49	Total Net Plant Additions (excluding major projects)			254,333,967	239,412,448	263,882,953	234,387,307	272,640,149
50								
51	Last Five-Year Average							\$ 252,931,365

To Sch D1

NOTE (1): Amounts per HECO-WP-D2-002 and the Hawaiian Electric Companies' Exemption From and Modification of General Order No. 7 Paragraph No. 2.3(g), Relating to Capital Improvements Capital Projects Completed in 2017, in Docket No. 03-0257, filed on March 27, 2018.

NOTE (2): Source: UI Planner Budget files: Actuals Scenario. Adjustment to remove non-utility plant additions from utility plant. Chapin UG Duct Line is a non-utility asset. It is a contributed asset that was given to the Company. It is not being used and there are currently no plans to use it.

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

<u>Line No.</u>	<u>Description</u> (a)	<u>PUC Docket Reference</u> (b)	<u>Estimated In Service Date</u> (c)	<u>Amount</u> (d)
1	Schofield Generation Station	Docket No. 2014-0113 (D&O dated 09/29/2015)	Apr-18	141,570,000
2		UI Planner Budget files		
3	Total Major Capital Projects Qualifying for 2018 RAM (See HECO-WP-D3-001)			<u>\$ 141,570,000</u> To Sch D1

See Schedule G2 for related CIAC (if applicable)

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

Line No.	NARUC Account (a)	Reference (b)	DR/(CR) Federal ADIT (c)	DR/(CR) State ADIT (d)	DR/(CR) Total ADIT (e)	
1	Recorded Deferred Income Tax Balances December 31, 2017 Recorded Balances					
2	Depreciation Related Account 282	HECO-WP-D4-001	(197,658,805)	(31,558,691)	(229,217,496)	
3	Other Deferred Income Taxes	HECO-WP-D4-001	(44,852,044)	(9,085,106)	(53,937,150)	
4	Total Recorded Deferred Income Taxes		<u>(242,510,849)</u>	<u>(40,643,797)</u>	<u>(283,154,646)</u>	To Sch D1
5	<u>Adjustments to Recorded Balances:</u>					
6	ADIT on Major Project excess depreciation	HECO-WP-D4-002	15,713	461	16,174	
7	Total Adjustments to Recorded ADIT Balances		<u>15,713</u>	<u>461</u>	<u>16,174</u>	To Sch D1
8	Adjusted Recorded ADIT Balances -12/31/17		<u>(242,495,136)</u>	<u>(40,643,336)</u>	<u>\$ (283,138,472)</u>	To Sch D1
		To HECO-WP-F1-003				

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF ADJUSTED RECORDED EXCESS ADIT REGULATORY LIABILITY

Line No.	NARUC Account	Reference	DR/(CR)	DR/(CR)	DR/(CR)	Life	Amortization	Est Bal
			ADIT	Reg Liab	Adjusted/Recorded			at 12/31/18
			(c)	(d)	at 12/31/17			(h)
			(a)	(b)	(e)			(g)
					= (c) + (d)		= (e) / (f)	= (e) + (g)
1	Recorded Excess ADIT Regulatory Liability Balances December 31, 2017 Recorded Balances							
2	Plant 282 - protected		(160,155,102)	(55,547,395)	(215,702,497)	0		(215,702,497)
3	Plant 283 - unprotected		(26,035,756)	(9,030,111)	(35,065,867)	15	2,337,724	(32,728,143)
4	Nonplant 283 - unprotected		(17,759,008)	(6,159,446)	(23,918,454)	5	4,783,691	(19,134,763)
8	Total Excess ADIT Regulatory Liability		<u>(203,949,866)</u>	<u>(70,736,952)</u>	<u>(274,686,818)</u>		<u>7,121,415</u>	<u>(267,565,403)</u>
					to Sch D1		to Sch D1	to Sch D1

SOURCE: HECO-WP-D5-001

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

Line No.	NARUC Account	Recorded Depreciable/Amort. Balance (Footnote 3)	Adjustments (Footnote 1)	Adjusted Depreciable/Amort. Balance	PUC Approved Accrual Rate	Annual Accrual
	(a)	(b)	(c)	(d)	(e)	(f)
1	Depreciable Plant					
2	311	102,187,021		102,187,021	0.01600	1,634,992
3	312	398,395,485	(2,365,000)	396,030,485	0.02030	8,039,419
4	314	191,175,201		191,175,201	0.01540	2,944,098
5	315	83,857,175		83,857,175	0.02430	2,037,729
6	Tot - Steam	775,614,882	(2,365,000)	773,249,882	0.01890	14,656,239
7						
8	341	38,240,688		38,240,688	0.00770	294,453
9	342	16,784,964		16,784,964	0.02580	433,052
10	343	67,717,111		67,717,111	0.03260	2,207,578
11	344	32,288,863		32,288,863	0.01010	326,118
12	345	34,193,476		34,193,476	0.02510	858,256
13	Tot - Gas Turb	189,225,102	-	189,225,102	0.02177	4,119,457
14						
15	Tot - Prod	964,839,984	(2,365,000)	962,474,984		18,775,696
16						
17	3501	3,038,076		3,038,076	-	-
18	352	44,911,154		44,911,154	0.01600	718,578
19	353	315,351,901		315,351,901	0.01860	5,865,545
20	354	17,866,512		17,866,512	0.01480	264,424
21	355	360,038,169		360,038,169	0.03240	11,665,237
22	356	182,718,315	(128,768)	182,589,547	0.03270	5,970,678
23	357	69,763,833		69,763,833	0.01590	1,109,245
24	358	81,788,955		81,788,955	0.01730	1,414,949
25	359	3,235,054		3,235,054	0.01490	48,202
26	Tot - Transm	1,078,711,969	(128,768)	1,078,583,201	0.02508	27,056,859
27						
28	3601	1,806,373		1,806,373	0.02340	42,269
29	361	25,327,581		25,327,581	0.01080	273,538
30	362	278,625,692		278,625,692	0.02020	5,628,239
31	363	2,443,089		2,443,089	0.03740	91,372
32	364	227,560,422		227,560,422	0.03390	7,714,298
33	365	125,631,343		125,631,343	0.04190	5,263,953
34	366	323,959,988		323,959,988	0.02190	7,094,724
35	367	457,123,668		457,123,668	0.04980	22,764,759
36	368	245,092,496		245,092,496	0.05200	12,744,810
37	369.1	66,273,006		66,273,006	0.05250	3,479,333
38	369.2	224,785,950		224,785,950	0.04070	9,148,788
39	370	38,906,840		38,906,840	0.02660	1,034,922
40	Tot - Distr	2,017,536,448	-	2,017,536,448	0.03731	75,281,004
41						
42	Tot - T & D	3,096,248,417	(128,768)	3,096,119,649		102,337,863
43						
44	390	69,016,874		69,016,874	0.02450	1,690,913
45	Tot - General	69,016,874	-	69,016,874	0.02450	1,690,913
46						
47	Sub-Total	4,130,105,275	(2,493,768)	4,127,611,507		122,804,472
48						
49	3902 (King)	7,840,028		7,840,028	0.02348	184,098
50	3902 (CPP)	2,139,703		2,139,703	0.01648	35,256
51	3902 (Waterhouse)	1,517,450		1,517,450	-	-
52	3902 (Hon CI)	525,251		525,251	0.07792	40,929
53	3902 (ASB)	1,463,127		1,463,127	0.08178	119,650
54	3902 (Shinco)	939,475		939,475	-	-
55	3902 (PPP)	372,940		372,940	0.11111	41,438
56	3902 (Tenant Allowance)	14,057,907	(14,057,907)	-	-	-
57	Tot- LH Impr	28,855,881	(14,057,907)	14,797,974		421,371
58						
59	392	61,571,155		61,571,155	0.06130	3,774,312
60						
61	Utility Total Depreciation	4,220,532,311	(16,551,675)	4,203,980,636	0.03009	127,000,155

Line No.	NARUC Account	Recorded Depreciable/Amort. Balance (Footnote 3)	Adjustments (Footnote 1)	Adjusted Depreciable/Amort. Balance	PUC Approved Accrual Rate	Annual Accrual
	(a)	(b)	(c)	(d)	(e)	(f)
61	Amortizable Plant					
62	316	25,605,362		25,605,362	0.05000	1,280,268
63	Tot - Steam	25,605,362	-	25,605,362	0.05000	1,280,268
64						
65	346	18,920,509		18,920,509	0.05000	946,025
66	Tot - Gas Turb	18,920,509	-	18,920,509	0.05000	946,025
67						
68	Tot - Prod	44,525,871	-	44,525,871	0.05000	2,226,294
69						
70	3911	32,372,727	(14,146)	32,358,581	0.20000	6,471,716
71	3912	4,164,969		4,164,969	0.10000	418,497
72	3913	16,654,121		16,654,121	0.06670	1,110,830
73	393	1,499,931		1,499,931	0.04000	59,997
74	394	34,936,481		34,936,481	0.04000	1,397,459
75	395	768,148		768,148	0.06670	51,235
76	396	14,998		14,998	0.05560	834
77	397	128,044,936		128,044,936	0.06670	8,540,597
78	398	9,033,469		9,033,469	0.06670	602,532
79	Tot - General	227,509,780	(14,146)	227,495,634	0.08199	18,653,698
80						
81						
82						
83	Utility Total Amortization	272,035,651	(14,146)	272,021,505	0.07675	\$ 20,879,992
84						
85	TOTAL RAM DEPRECIATION / AMORTIZATION				Line 61 + Line 83	\$ 147,880,147
86	LESS: Vehicle Depreciation (A/C 392 above)				Line 59	\$ (3,774,312)
87	ADD: ADIT Excess Amortization				Schedule D5	(7,121,415)
88	LESS: Depreciation & Amortization in Current Revenues				Footnote 2	\$ (128,974,585)
89						
90	RAM Adjustment for Depreciation & Amortization					\$ 8,009,835
91	RAM Adjustment for CIAC Amortization				Schedule G Line 17	\$ (509,605)
92	Total RAM Adjustment for Depreciation & Amortization					\$ 7,500,230
93	Times: Factor for Revenue Taxes				Schedule C Line 5	1.09750
94						
95	RAM DEPRECIATION & AMORTIZATION					\$ 8,231,502
						To Sch A1

Footnotes:

1	Amounts are recorded (in \$000s), except for the following adjustments (see HECO-WP-D2-001):	Plant in Service From D1	
	ERP EAM Hardware	HECO-WP-D2-001	\$ (14)
	Koolau-Wailupe #1 Str 30 P9 Replace	HECO-WP-D2-001	\$ (129)
	Tenant Improvement Allowance (see Footnote 4)		(14,058)
	ARO Assets included in Depreciable Plant	GL# 10100001	(2,365)
	Total		\$ (16,566)
2	Depreciation & Amortization in Current Revenues*:	Depr/Amort Expense	
	Total Depreciation	\$	139,686,000
	LESS: Vehicle Depreciation (A/C 392)		(3,590,000)
	LESS: Amortization of Excess ADIT		(7,121,415)
	Total Depreciation & Amortization in Current Revenues		128,974,585
			To Line 88

*See Order No. 35335, For Approval of General Rate Case and Revised Schedules/Rules, filed on March 9, 2018, in which the Commission accepted the Parties' Stipulated Settlement on Remaining Issues filed March 5, 2018, HECO T-25, Attachment 1, Page 1 and the Revised Attachment to the Parties Stipulated Settlement on Remaining Issues, filed March 8, 2018, HECO T-26, Attachment 2A, Page 1.

3 Per Accounting records, does not include land amounting to \$43,971,885 as of December 31, 2017.

4 Amount represents tenant improvement allowances paid by the lessors and excluded from the RAM calculation.

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

<u>Line No.</u>	<u>NARUC Account</u> (a)	<u>Reference</u> (b)	<u>Projected ADIT Change</u> (c)
1	State Tax Depreciation	Schedule F1	16,643,633
2	Amortization of Excess Deferreds	Schedule D5	7,121,415
3	Subtotal		23,765,048
4	Effective Federal Tax Rate	HECO-WP-F-001	19.7368%
5	Federal Deferred Tax on State Tax Depreciation		4,690,470
6	Add back State Tax Depreciation	Line 1	(16,643,633)
7	Federal Tax Depreciation	Schedule F1	16,643,633
8	Federal/State Difference		-
9	Tax Rate on Federal Only Adjustment	HECO-WP-F-001	21%
10	Federal Deferred Tax Adjustment		-
11	Total Federal Deferred Taxes Before Proration		4,690,470
12	Proration Adjustment	HECO-WP-F1-003	(774,439)
13	Total Federal Deferred Taxes After Proration		3,916,031
STATE DEFERRED TAXES			
14	State Tax Depreciation	Line 1	16,643,633
15	Amortization of Excess Deferreds	Line 2	7,121,415
16	Subtotal		23,765,048
17	Effective State Tax Rate	HECO-WP-F-001	6.0150%
18	Total State Deferred Taxes		1,429,477
19	TOTAL FED AND STATE DEFERRED TAXES		5,345,508
			To Sch D1

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

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

Line No.	HECO-WP-F1-002				PROJECTS PROGRAMS TOTAL		
	LIFE	PROJECTS	PROGRAMS	TOTAL	(e)	(f)	(g)
	(a)	(b)	(c)	(d)			
1 Computers/PV	5	874	5,880	6,754	0.35%	2.32%	2.67%
2 Communication	20	1,711	2,816	4,527	0.68%	1.11%	1.79%
3 Off/Furn/Tools	7	2,293	3,322	5,615	0.91%	1.31%	2.22%
4 Distribution	20	21,822	108,034	129,856	8.63%	42.71%	51.34%
5 Land	-	1,314	158	1,472	0.52%	0.06%	0.58%
6 Non-Steam Production	15	2,582	-	2,582	1.01%	0.00%	1.01%
7 Steam Production	20	22,730	3,023	25,753	8.99%	1.20%	10.18%
8 Structural	39	3,876	513	4,389	1.53%	0.20%	1.74%
9 Transmission	20	14,861	10,066	24,927	5.88%	3.96%	9.86%
10 Transmission	15	35,424	4,882	40,306	14.01%	1.93%	15.94%
11 Vehicles	-	-	6,769	6,769	0.00%	2.68%	2.68%
12 TOTAL		107,467	145,463	252,930	42.49%	57.51%	100.00%

5 yr	0.35%	2.32%	2.67%
7 yr	0.91%	1.31%	2.22%
15 yr	15.02%	1.93%	16.95%
20 yr	24.17%	49.00%	73.17%
39 yr	1.53%	0.20%	1.74%
Land	0.52%	0.06%	0.58%
Vehicles	0.00%	2.68%	2.68%
Total	42.49%	57.51%	100.00%

BASIS	FED YR 1 DEPR RATE	FED YR 1 TAX DEPR	STATE YR 1 DEPR RATE	STATE YR 1 TAX DEPR
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NOTE (1)	Vintage 2018 - 40% Bonus Depreciation			
	Basis subject to 40% bonus depreciation	0.00%	0.00%	
	5 yr	0.00%	0.00%	0.00%
	7 yr	0.00%	0.00%	0.00%
	15 yr	0.00%	0.00%	0.00%
	20 yr	0.00%	0.00%	0.00%
	39 yr			
	Land			
	Vehicles			
	Total	0.00%	0.00%	0.00%

	Vintage 2018 - Regular Depreciation			
	Basis subject to regular depreciation	(Total less amounts subject to 40% bonus)		
	5 yr	0.35%	2.32%	2.67%
	7 yr	0.91%	1.31%	2.22%
	15 yr	15.02%	1.93%	16.95%
	20 yr	24.17%	49.00%	73.17%
	39 yr	1.53%	0.20%	1.74%
		41.97%	54.77%	96.74%
TOTAL ASSETS		41.97%	54.77%	96.74%

Net Depreciable Baseline Plant Adds	207,340,839	9,565,133	9,565,133
Major Capital Projects from Schedule F2	141,570,000	7,078,500	7,078,500
Total Depreciable Plant Adds	348,910,839	16,643,633	16,643,633
Reconciliation from Baseline Plant Adds to Net Depreciable Plant Adds :			
Baseline Capital Projects Plant Adds (rounded)	252,930,000	Schedule D2	
Less: Repairs deduction HECO-WP-F1-001 pg 1	38,008,235	<<supported by Special Study each year.	
Net plant add basis	214,921,765		
Less: Land and Vehicles (3.26% x 214,921,765)	6,983,126		
	207,938,639		

*Fed Tax Depreciation
to Schedule F*

*St. Tax Depreciation
to Schedule F*

NOTE (1) The Tax Cut and Jobs Act removed bonus depreciation for public utility property.

NOTE (2) The numbers in columns b, c, d are rounded to the nearest thousand.

NOTE (3) Totals may not add exactly due to rounding.

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

Line No.	Description	PUC Docket	Estimated In Service Date	Amount	
	(a)	(b)	(c)	(d)	(e)
1	Assumed Value of 2018 Major Capital Projects Plant Items			\$ 141,570,000	Schedule D3
2	Assumed Value of 2018 Major Capital Projects - CIAC nontaxable				Schedule G2 *
3	Assumed Value of 2018 Major Capital Projects - Total			<u>\$ 141,570,000</u>	
4	Tax Classification of Major Capital Project Additions	Tax Basis Distribution	FED YR 1 DEPR RATE	FED YR 1 TAX DEPR	STATE YR 1 DEPR RATE TAX DEPR
5	5 yr		20.00%	-	20.00%
6	7 yr		14.29%	-	14.29%
7	15 yr	141,570,000	5.00%	7,078,500	5.00%
8	20 yr		3.75%	-	3.75%
9	39 yr				
10	Land				
11	Vehicles				
	Total	<u>\$ 141,570,000</u>		<u>\$ 7,078,500</u>	<u>\$ 7,078,500</u>
		To Sch F1		To Sch F1	To Sch F1

* Adjustment only for non-taxable CIAC.

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
CIAC SUMMARY

Line No.	Description (a)	Reference (b)	Unamortized CIAC (c)	CIAC Amortization (d)
1	12/31/17 Beginning Balance	Schedule G1	\$ (365,481,916)	
2	ADD: Developer Advances - 12/31/17 Beginning Balance	Schedule G1	(33,883,949)	
3	12/31/17 Beginning Balance - Adjusted		(399,365,865)	
4				
5	<u>2018 CIAC Additions:</u>			
6	Baseline 5-Yr Average	Schedule G1	(38,472,321)	
7	Major Projects	Schedule G2	(119,285)	
8	Net Additions		(38,591,606)	
9				
10	<u>2018 CIAC Amortization:</u>			
11	Estimated Amortization	Schedule G3	8,818,605	\$ (8,818,605)
12				
13	12/31/18 Ending Balance		(429,138,866)	(8,818,605)
14				
15	LESS: CIAC Amortization in Current Revenues - NOTE (1)			(8,309,000)
16				
17	RAM Adjustment for CIAC Amortization			\$ (509,605)
18				To Sch E Line 91
19	12/31/18 Ending Balance-CIAC & Developer Advances	NOTE (2)	\$ (429,138,866)	
			To Sch D1 Line 16	

NOTE (1):

See Letter dated March 5, 2018, Subject: Docket No. 2016-0328, Hawaiian Electric 2017 Test Year Rate Case Parties' Stipulated Settlement on Remaining Issues, Exhibit 2E, Page 4 of 6, Line 168.

NOTE (2):

See Note (4) at Schedule G1.

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

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

Line No.	Description (a)		2/21/2014	2/26/2015	2/23/2016	2/24/2017	3/1/2018
			2013 (b)	2014 (c)	2015 (d)	2016 (e)	2017 (f)
1	CIAC Balance, January 1 (Dec Rpt. pg. 10)		(238,510,104)	(258,084,169)	(283,739,660)	(319,727,698)	(348,444,542)
2	Less: Non-Utility CIAC	NOTE (3)				618,464	618,464
3	Adjusted CIAC Balance, January 1		(238,510,104)	(258,084,169)	(283,739,660)	(319,109,234)	(347,826,078)
4	Less: CIAC Amortization (Dec Rpt. pg. 2)		5,652,912	6,147,559	6,771,148	7,597,437	8,309,481
5	CIAC Balance, December 31 (Dec Rpt. pg. 10)		258,084,169	283,739,660	319,727,698	348,444,542	366,100,380
6	Less: Non-Utility CIAC	NOTE (3)			(618,464)	(618,464)	(618,464)
7	Less: Adjusted CIAC Balance, December 31		258,084,169	283,739,660	319,109,234	347,826,078	365,481,916
8	Total Adjusted CIAC Additions	(Sum Line 3, 4 & 7)	25,226,977	31,803,050	42,140,722	36,314,281	25,965,319
9	Add Developer Advances:	NOTE (4)	-	-	-	-	33,883,949
19	Total Adjusted CIAC & Developer Advance Additions		25,226,977	31,803,050	42,140,722	36,314,281	59,849,268
20	<u>Less Major Projects:</u>	<u>Dkt No.</u> <u>Item No.</u>					
21							
22	<u>2008 In-service:</u>						
23	CIP Generating Unit	05-0145 Y49000					
24							
25	<u>2010 In-service:</u>						
26	K3 Biofuel Co-Firing	2008-0155 P0001577					
27							
28	<u>2011 In-Service:</u>						
29	W8 Boiler Controls Upgrade	2007-0365 P7650000					
30	EOTF Ph. 2 (Subs/Switch Stations)	2010-0052 Y48500	(87,994)	(43,725)	(15,232)	(718)	
31	W7 Controls Upgrade	2009-0195 P7590000					
32	W8 Main Transformer Replace	P0001399					
33							
34	<u>2012 In-Service:</u>						
35	K1 Condenser Tube Replace	2010-0126 P0000681					
36	BPT Tank 132 Improvements	2010-0288 P0000889					
37	Mobile Radio Replacement	2010-0162 P0001595					
38	Kapolei Substation	2011-0026 Y000127					
39							
40	<u>2013 In-Service:</u>						
41	Pukele 80MVA Tsf #3	2011-0156 P0001494					
42	Kakaako Makai-Iwilei 25kV DL	2009-0042 Y00038					
43	Kaloi Substation - Land - NOTE (2)	2008-0070 Y000119					
44	North South Road 46kV Line	2008-0070 Y000119					
45							
46	<u>2014 In-Service:</u>						
47	Kaloi Substation	2008-0070 Y000119					
48	Kaloi Sub 46kV & 12kV Distr	2008-0070 Y000119					
49	Kaloi Telecomm	2008-0070 Y000119					
50	Kaloi Sub 12kV Work	2008-0070 Y000119					
51	Kakaako Makai-Kewalo 25kV DL	2009-0042 Y00038					
52	Kakaako Makai DOT Queen-Cook	2009-0042 Y00038				(2,825,023)	
53	BPT Tank 133 Improvements	2010-0318 P0000900					
54	Pukele 80MVA Tsf #2	2011-0156 P0001492					
55	DOT Airport DSG	2008-0329 P0001370					
56							
57	<u>2016 In-Service:</u>						
58	Pukele 80MVA Tsf #1	2011-0156 P0002264					
59							
60	<u>2017 In-Service:</u>						
61	ERP EAM Hardware	2014-0170 Y000168					
62							
63	Total Net CIAC & Developer Advance Additions		25,138,983	31,759,325	42,125,490	33,488,540	59,849,268
64							
65	Last Five-Year Average						38,472,321

To Sch G

NOTE (1): The CIAC amounts of the major projects are reflected in the year that they were received. In previous Decoupling filings these amounts were from the respective year's GO7 plant addition annual reports which reports the CIAC in the year the project closed to plant. In the past, the total CIAC additions, which reflect actual contributions received in the year, may not have included the total major project CIAC from the GO7 report to the extent that the CIAC was received in advance, or in multiple payments over a span of more than one year. Source: UI Planner files: Actuals Scenario.

NOTE (2): CIAC received for this project was not reflected in the 2012 and 2013 Decoupling filings as previous filings reported the CIAC amounts of the major projects from the respective years' GO7 plant addition annual report which reports the CIAC in the year the project closed to plant. See GENERAL NOTE.

NOTE (3): Adjustment to remove non-utility project related CIAC from the general ledger balance. Chapin UG Duct Line is a non-utility asset. It is a contributed asset that was given to the Company. It is not being used and there are currently no plans to use it. See Schedule G3, Line 96. Adjusted CIAC Additions for 2016 was corrected to exclude the non-utility plant balance from the beginning balance.

NOTE (4): In 2017, the Company reclassified the portion of CIAC for projects where the cash balance received was in excess of total incurred costs since the project agreements include provisions which allow for instances that unapplied funds received in advance would be subject to refunds. The true-up provision allows for any excess funds not expended to be refunded back to the developer. Furthermore, between the timing of the cash receipt to the project completion date, the project could be terminated, which would then result in refund of the unapplied funds. See below for a reconciliation of the Customer Advance balance at December 31, 2017:

Customer Advance (#25200000)	4,239,163
Developer Advances (#25203000)	33,883,949
Customer Advances	38,123,112

SOURCE: HECO Monthly Financial Report - December 2017, page 10, filed March 1, 2018.

The unapplied developer funds received in advance (Developer Advances) are excluded from the CIAC balance subject to amortization until they are reclassified to CIAC as costs are incurred. Developer Advances are included in the calculation of the Last Five-Year Average because they represent funds received in advance and are expected to be reclassified to CIAC as costs are incurred in the current year. Developer advances were also included in the Unamortized CIAC balance (See "Average Rate Base" from HECO Decision and Order No 35280, filed 2/9/2018 of Docket No. 2015-0328).

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

Line No.	Description (a)	PUC Docket Reference (b)	Estimated In Service Date (c)	Amount (d)
1	<u>2018 Major Project CIAC Additions by Project:</u>			
2	Kakaako Makai DOT Queen-Cook	Docket No. 2009-0042 (D&O dated 8/7/2009)	Apr-14	22,683
3	Amount Qualifying for 2018 RAM	UI Planner Budget files		
3	DOT Airport DSG	Docket No. 2008-0329 (D&O dated 6/25/2009)	Aug-14	96,602
4	Amount Qualifying for 2018 RAM	UI Planner Budget files		
5	Total Major Project CIAC Additions for 2018 RAM (See HECO-WP-G2-001)			\$ 119,285
				To Sch G & D1

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
CIAC AMORTIZATION

Line No.	Description	2016	2017		2018
		Balance	Amortization	Balance	Amortization
	(a)	(b)	(c)	(d)	(e)
1	CIAC by Vintage:				
2	1981	\$ 28,455	\$ 1,778	\$ 26,677	\$ 1,778
3	1982	90,973	5,351	85,622	5,351
4	1983	190,788	10,599	180,189	10,599
5	1984	196,871	10,362	186,509	10,362
6	1985	260,971	13,049	247,922	13,049
7	1986	387,930	18,473	369,457	18,473
8	1987	779,421	35,428	743,993	35,428
9	1988	1,148,335	49,928	1,098,407	49,928
10	1989	988,131	41,089	947,042	41,089
11	1990	5,563,315	222,533	5,340,782	222,533
12	1990 - Land	1,303,408	-	1,303,408	-
13	1991	2,751,141	105,813	2,645,328	105,813
14	1992	2,546,132	94,301	2,451,831	94,301
15	1993	5,517,820	200,637	5,317,183	200,637
16	1994	4,162,229	143,525	4,018,704	143,525
17	1995	3,234,852	107,828	3,127,024	107,828
18	1996	2,546,489	82,145	2,464,344	82,145
19	1997	1,945,082	60,784	1,884,298	60,784
20	1998	2,870,243	86,977	2,783,266	86,977
21	1999	3,240,772	95,317	3,145,455	95,317
22	2000	2,185,856	62,453	2,123,403	62,453
23	2001	2,766,823	78,856	2,687,967	78,856
24	2002	3,929,841	106,212	3,823,629	106,212
25	2003	4,273,673	112,485	4,161,188	112,485
26	2004	2,978,655	76,376	2,902,279	76,376
27	2005	9,937,459	248,436	9,689,023	248,436
28	2006	8,564,572	208,892	8,355,680	208,892
29	2007	9,115,073	217,026	8,898,047	217,026
30	2008	8,406,563	195,502	8,211,061	195,502
31	2009	6,799,031	154,523	6,644,508	154,523
32	2010	12,736,190	283,026	12,453,164	283,026
33	2011	15,395,712	356,429	15,039,283	356,429
34	2012	32,272,512	686,649	31,585,863	686,649
35	2013	21,257,546	442,866	20,814,680	442,866
36	2014	29,559,784	603,261	28,956,523	603,261
37	2015	39,094,900	781,898	38,313,002	781,898
38	2016	16,679,551	327,050	16,352,501	327,050
39	2017			15,148,435	297,028
40					
41					
42	CIAC GET Adjustment:				
43	-adj 92-96 GET	(121,650)	(3,924)	(117,726)	(3,924)
44	-adj 97 GET	(44,882)	(1,403)	(43,479)	(1,403)
45	-adj 98 GET	(56,010)	(1,697)	(54,313)	(1,697)
46	-adj 99 GET	(73,753)	(2,169)	(71,584)	(2,169)
47	-adj 00 GET	(71,003)	(2,029)	(68,974)	(2,029)
48	-adj 01 GET	(105,850)	(2,940)	(102,910)	(2,940)
49	-adj 02 GET	(115,095)	(3,111)	(111,984)	(3,111)
50	-adj 03 GET	(156,655)	(4,122)	(152,533)	(4,122)
51	-adj 04 GET	(109,612)	(2,811)	(106,801)	(2,811)
52	-adj 05 GET	(225,439)	(5,636)	(219,803)	(5,636)
53	-adj 06 GET	(494,451)	(12,060)	(482,391)	(12,060)
54	-adj 07 GET	(398,817)	(9,496)	(389,321)	(9,496)
55	-adj 08 GET	(326,629)	(7,596)	(319,033)	(7,596)
56	-adj 09 GET	(304,145)	(6,912)	(297,233)	(6,912)
57	-adj 10 GET	(458,801)	(10,196)	(448,605)	(10,196)
58	-adj 11 GET	(395,931)	(8,607)	(387,324)	(8,607)
59	-adj 12 GET	(498,140)	(10,599)	(487,541)	(10,599)
60	-adj 13 GET	(658,224)	(13,713)	(644,511)	(13,713)
61	-adj 14 GET	(673,829)	(13,752)	(660,077)	(13,752)
62	-adj 15 GET	(934,177)	(18,584)	(915,493)	(18,584)
63	-adj 16 GET	(862,287)	(16,908)	(845,379)	(16,908)
64	-adj 17 GET			(1,104,365)	(21,654)
65					
66					
67	In - Kind CIAC:				
68	1988	317,549	13,806	303,743	13,806
69	1989	360,041	15,002	345,039	15,002
70	1990	188,102	7,524	180,578	7,524
71	1991	404,676	15,565	389,111	15,565
72	1992	1,144,268	42,380	1,101,888	42,380
73	1993	983,850	35,138	948,712	35,138
74	1994	1,654,957	57,068	1,597,889	57,068
75	1995	3,336,158	111,205	3,224,953	111,205
76	1996	1,740,814	56,155	1,684,659	56,155
77	1997	911,043	28,470	882,573	28,470
78	1998	1,765,877	53,511	1,712,366	53,511
79	1999	1,399,062	41,149	1,357,913	41,149
80	2000	2,892,247	82,636	2,809,611	82,636
81	2001	1,205,455	33,485	1,171,970	33,485
82	2002	2,645,440	71,498	2,573,942	71,498
83	2003	4,018,794	105,758	3,913,036	105,758
84	2004	2,472,693	63,402	2,409,291	63,402
85	2005	4,229,425	105,736	4,123,689	105,736
86	2006	3,798,854	92,655	3,706,199	92,655
87	2007	7,523,554	179,132	7,344,422	179,132
88	2008	1,125,754	26,180	1,099,574	26,180
89	2009	2,076,398	47,191	2,029,207	47,191
90	2010	4,652,644	103,392	4,549,252	103,392
91	2011	4,986,329	108,398	4,877,931	108,398
92	2012	3,808,013	81,022	3,726,991	81,022
93	2013	3,143,714	65,494	3,078,220	65,494
94	2014	1,669,908	34,080	1,635,828	34,080
95	2015	3,153,710	63,074	3,090,635	63,074
96	2015 - Chapin UG Conduit (non-utility)	618,464	-	618,464	-
97	2016	20,497,017	401,902	20,095,115	401,902
98	2017			11,921,250	233,750
99					
100	Total CIAC Amortization for 2018 RAM	\$ 348,444,542	\$ 8,309,481	\$ 366,100,380	\$ 8,818,605

To Sch D1 Line 39

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

Line No.	Description (a)	Reference (b)	Ratemaking Basis Return on Equity		
			Operating Income (c)	Rate Base (d)	Rate of Return (e)
1	Reported Operating Income before ratemaking adjustment	Dec 2017 Mo. PUC rpt, pg 2A filed 3/1/18 & HECO-WP-H-001	\$ 116,798	\$ 1,976,842	
2	<u>Ratemaking Adjustments to Line 1:</u>				
2a	Incentive Compensation Expenses (net of tax)	HECO-WP-H-002	2,982		
2b	Discretionary and Other Expenses Not Recoverable (net of tax)	HECO-WP-H-002	842		
2c	Amortization of investment income differential	HECO-WP-H-003	185		
2d	Income tax on items to be replaced by synchronized interest	HECO-WP-H-003	(17,165)		
2e	Remove Accrued Earnings Sharing Refund (net of tax)	HECO-WP-H-005	9		
2f	Special Medical Needs Program Discount (net of tax)	HECO-WP-H-006	40		
3	Ratemaking Basis Amounts - Post Tax	Sum Lines 1 & 2	\$ 103,691	\$ 1,976,842	
4	<u>Ratemaking Capitalization</u>		Balances	Ratios	Cost Rate
5	Short-Term Debt (12 mo. Avg)	\$ 23,224	1.04%	0.98%	0.01%
6	Long-Term Debt (Simple Avg)	\$ 881,917	39.64%	5.13%	2.03%
7	Hybrid Securities (Simple Avg)	\$ 28,651	1.29%	7.19%	0.09%
8	Preferred Stock (Simple Avg)	\$ 21,137	0.95%	5.37%	0.05%
9	Common Equity (Simple Avg)	\$ 1,269,813	57.08%	9.50%	5.42%
10	Total Capitalization	HECO-WP-H-004	\$ 2,224,742	100.00%	7.60%
11	Line 3 Rate Base Amount			\$ 1,976,842	
12	Weighted Cost of Debt (Sum Lines 5-7)			2.13%	
13	Synchronized Interest Expense			\$ 42,107	
	Income Tax Factor (Note 1)			1.636929121	
13a	Synchronized Interest Expense, net of tax			\$ 25,723	
14	Post Tax Income Available for Preferred & Common (Line 3 - Line 13a)				\$ 77,968
17	Less: Preferred Income Requirement (Line 8 Weighted Cost times Rate Base)				988
18	Income Available for Common Stock				\$ 76,980
19	Ratemaking Equity Investment (Line 9 Ratio times Rate Base)				1,128,319
20	Return on Equity for Decoupling Earnings Sharing (Line 18/Line 19)				6.82%
21	<u>Earnings Sharing Revenue Credits:</u>	Basis Points			
22	Achieved ROE (basis points)	682			
23	Authorized Return (basis points)	950			
24	ROE for sharing (basis points)	-			
25	Sharing Grid per RAM Provision	First 100 bp	Next 200 bp	All over 300 bp	Ratepayer Total
26	Distribution of Excess ROE (basis points)	0	0	0	
27	Ratepayer Share of Excess Earnings	25%	50%	90%	
28	Ratepayer Earnings Share - Basis Points	-	-	-	
29	Revenue Credit per Basis Point (Note 2)				\$ 203
30	Earnings Sharing Revenue Credits (thousands)				0

To Sch A Line 5

Footnotes:

1	Composite Federal & State Income Tax Rate	38.91%
	Income Tax Factor (1 / 1-tax rate)	1.636929121
2	Ratemaking Equity Investment (line 19)	\$ 1,128,319
	Basis Point = 1/100 of a percent	0.01%
	Earnings Required per Basis Point (thousands)	\$ 112.83
	Times: Income Tax Conversion Factor	1.636929121
	Pretax Income Required per Basis Point (thousands)	\$ 185
	Times: Revenue Tax Conversion Factor	1.0975
	Revenue Requirement per Basis Point (thousands)	\$ 203

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

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

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

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF RAM CAP

Line No.	Description (a)	Reference (b)	Amount \$000 (c)
1	Last Rate Order Target Annual Revenues	Schedule B1	599,974
2	Revenue Tax Factor (1/(1-8.885%))		1.0975
3	Last Rate Order Target Annual Revenues plus Revenue Taxes	Line 1 x 2	658,472
4	2018 GDP Price Index	HECO-WP-C-002	2.10%
5	2018 RAM Cap Increase excluding Exceptional & Other Matters	Line 3 x 4	13,828
6	RAM Cap for 2018 RAM Revenue Adjustment, Adjusted	Line 5	13,828
			To Sch A1

Note 1 Target Revenues:

See Decision and Order No. 32735, filed March 31, 2015, paragraph 107, page 94:

"The RAM Cap shall be based on the Target Revenues determined in accordance with the RBA and RAM tariffs as provided below ("Basis"), times the cumulative annually compounded increase(s) in GDPPI for intervening years, adjusted to include applicable revenue taxes."

Continued in Decision and Order No. 32735, filed March 31, 2015, paragraph 109, page 96:

"Following the issuance of a final decision and order in a rate case, the Basis for the calculation of the RAM Cap shall be the target revenues determined in accordance with the RBA tariff based on the results of the Company's most recent final rate case decision." The Company requests that the 2018 RAM Cap be based on 2017 target revenues established as a result of Interim Decision and Order No. 35100 in Hawaiian Electric's 2017 test year rate case and requests to propose a change to replace "most recent final rate case decision" to "most recent interim or final rate case decision".

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
EXCEPTIONAL & OTHER MATTERS

Line No.	Description	Reference	Amount \$000
	(a)	(b)	(c)
1	None		-
2	2018 Revenue Adjustment for Exceptional & Other Matters		\$ -
			To Sch A1

Note 1 Exceptional and Other Matters:

See Order No. 32735, filed March 31, 2015, paragraph 107, page 94 - 95:

"The Basis used in determining the RAM Cap shall be adjusted to exclude or otherwise appropriately account for adjustments for the recovery of revenues for previously explicitly stipulated and approved exceptional matters or other matters specifically ordered by the commission, which shall, in any event, be recovered fully without respect to any limitations resulting from application of the RAM Cap."

Footnote 149 stipulates that such applicable matters include adjustments accounting for CT-1 costs (for Hawaiian Electric) and CIS costs (for all of the Hawaiian Electric Companies) as provided in a stipulated agreement approved by the Commission as amended in Order No. 31126 in Docket No. 2008-0083.

See Order No. 35335, For Approval of General Rate Case and Revised Schedules/Rules, filed on March 9, 2018, in which the Commission accepted the Parties' Stipulated Settlement on Remaining Issues filed March 5, 2018, Exhibit 2C, Page 6 of 13.

The HECO 2017 Test Year Rate Base included CIP CT-1 as a regulatory asset and CIS deferred costs in Unamortized System Development Costs. Accordingly, inclusion of CIP CT-1 and CIS costs as Exceptional & Other Matters is not applicable for the 2018 Annual Decoupling filing.

Hawaiian Electric Company, Inc.
Sales Forecast for June 2018 to May 2019
in GWh

	2018							2019					
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Total
R	118.9	130.5	138.0	132.5	132.3	122.9	127.0	128.4	109.7	113.6	110.8	115.4	1,480.0
G	23.6	25.0	25.6	24.6	25.4	23.5	24.2	21.9	21.3	22.6	22.4	23.8	283.9
J	151.7	163.3	165.2	162.3	164.1	153.5	153.9	145.5	141.8	145.5	147.7	158.2	1,852.7
P	235.3	254.8	259.8	250.5	256.8	237.6	238.7	235.3	222.0	236.2	234.6	247.0	2,908.6
F	2.3	2.6	2.5	2.6	2.7	2.5	2.7	2.7	2.3	2.8	2.5	2.8	31.0
Total	531.8	576.2	591.1	572.5	581.3	540.0	546.5	533.8	497.1	520.7	518.0	547.2	6,556.2

Source: Hawaiian Electric Company, Inc. Sales Forecast completed in June 2017.

Hawaiian Electric Company, Inc.
Adjustment For Prior Year RBA Accrual
Recovery of 12/31/15 RBA Balance

		2017					
		January	February	March	April	May	Total
Billed RBA Revenues	Note 1	11,426,369	10,461,694	10,613,070	11,208,862	11,337,585	55,047,580
Net Unbilled Revenues	Note 1	(499,050)	(486,909)	809,386	(8,250)	411,960	227,137
<i>Total Billed + Unbilled</i>		10,927,319	9,974,785	11,422,456	11,200,612	11,749,545	55,274,717
x % Share for RBA	Note 2	36.0364%	36.0364%	36.0364%	36.0364%	36.0364%	
RBA Revenues (Recovery of 12/31/15 RBA balance)		3,937,809	3,594,550	4,116,238	4,036,294	4,234,109	19,919,000
		← Schedule B2 →					
Less: Revenue Taxes	0.08885	(349,874)	(319,376)	(365,728)	(358,625)	(376,201)	(1,769,804)
RBA Revenues (Recovery of 12/31/15 RBA balance) net of Revenue Taxes		3,587,935	3,275,174	3,750,510	3,677,669	3,857,908	18,149,196
		← Schedule B →					

* Differences are due to rounding

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

Note 2: RBA Rate Adjustment Allocation for June 1, 2016 - May 31, 2017 is per Transmittal No. 16-01 (Decoupling) - RBA Rate Adjustment (Filed March 31, 2016), Schedule A, Note (1).

Hawaiian Electric Company, Inc.
Adjustment For Prior Year RBA Accrual
Recovery of 12/31/16 RBA Balance

		2017							
		June	July	August	September	October	November	December	Total
Billed RBA Revenues	Note 1	11,913,981	12,802,233	13,029,886	13,387,768	13,049,724	12,483,857	11,464,619	88,132,068
Net Unbilled Revenues	Note 1	460,851	394,374	595,191	(295,930)	103,529	(658,723)	(116,455)	482,837
Total Billed + Unbilled		12,374,832	13,196,607	13,625,077	13,091,838	13,153,253	11,825,134	11,348,164	88,614,905
x % Share for RBA	Note 2	31.9352%	31.9352%	31.9352%	31.9352%	31.9352%	31.9352%	31.9352%	
RBA Revenues (Recovery of 12/31/16 RBA balance)		3,951,922	4,214,357	4,351,190	4,180,899	4,200,512	3,776,375	3,624,054	28,299,309
		Schedule B2							
Less: Revenue Taxes	0.08885	(351,128)	(374,446)	(386,603)	(371,473)	(373,215)	(335,531)	(321,997)	(2,514,393)
RBA Revenues (Recovery of 12/31/16 RBA balance) net of Revenue Taxes		3,600,794	3,839,911	3,964,587	3,809,426	3,827,297	3,440,844	3,302,057	25,784,916
		Schedule B							

* Differences are due to rounding

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

Note 2: RBA Rate Adjustment Allocation for June 1, 2017 - May 31, 2018 is per Transmittal No. 17-02 (Decoupling) - RBA Rate Adjustment (Filed March 31, 2017), Schedule A , Note (1).

HECO-WP-B-002
HAWAIIAN ELECTRIC COMPANY, INC.
JAN 2017 ADJUSTMENT - MISCELLANEOUS R RATE BILLING ADJUSTMENT

REVENUE BALANCING ACCOUNT - REVENUE TRACKER

AS PREVIOUSLY STATED

		Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sept-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12
L1	Monthly Target Revenue	36,452,740	35,681,973	37,812,917	39,046,559	41,350,321	45,898,046	44,070,248	44,577,970	41,937,817	41,937,817	41,125,462	36,860,599
L2	Recorded Adjusted Revenue	37,206,214	35,823,429	37,102,931	36,409,589	38,728,938	38,485,482	38,385,130	38,799,920	36,574,222	39,961,425	39,527,599	37,356,062
L3	L1 - L2	(753,474)	(141,456)	709,986	2,636,970	2,621,383	7,412,564	5,685,118	5,778,050	5,363,595	1,976,392	1,597,863	(495,469)
L4	Reversal of Previous Year Accrual	-	-	-	-	-	-	-	-	-	-	-	-
L5	L4 + L3	(753,474)	(141,456)	709,986	2,636,970	2,621,383	7,412,564	5,685,118	5,778,050	5,363,595	1,976,392	1,597,863	(495,469)
L6	Beginning RBA Balance	-	(837,054)	(983,048)	(276,202)	2,365,980	5,005,746	12,446,972	18,207,533	24,035,403	18,705,434	20,780,294	22,486,053
L7	L5 + L6	(753,474)	(978,510)	(273,062)	2,360,768	4,987,363	12,418,310	18,131,090	23,985,583	29,398,998	20,681,826	22,378,157	21,980,584
L8	(L6 + L7) + 2 or (L6 + L7) + 2 + [1]	(376,737)	(907,782)	(628,055)	1,042,283	3,676,672	8,712,028	15,288,531	21,096,558	26,717,201	19,693,630	21,579,226	22,238,319
L9	L8 x 1.75% + 12	(1,884)	(4,539)	(3,140)	5,212	18,384	43,561	76,443	105,483	133,587	98,469	107,897	111,192
L10	L7 + L9	(755,358)	(983,048)	(276,202)	2,365,980	5,005,746	12,461,870	18,207,533	24,091,066	29,532,584	20,780,294	22,486,053	22,101,776
	Target vs Actual Difference:												
	Recorded Adjusted Revenues - Unadjusted	37,206,214	35,823,429	37,102,931	36,409,589	38,728,938	38,485,482	38,385,130	38,799,920	36,574,222	39,961,425	39,527,599	37,356,068
	Billing Adjustments	(9)	(9)	(15)	(13)	(21)	(11)	(12)	(11)	(6)	(6)	(7)	(6)
	Revised Revenues	37,206,205	35,823,420	37,102,916	36,409,576	38,728,917	38,485,471	38,385,118	38,799,909	36,574,216	39,961,419	39,527,592	37,356,062
	Target	36,452,740	35,681,973	37,812,917	39,046,559	41,350,321	45,898,046	44,070,248	44,577,970	41,937,817	41,937,817	41,125,462	36,860,599
		(753,465)	(141,447)	710,001	2,636,983	2,621,404	7,412,575	5,685,130	5,778,061	5,363,601	1,976,398	1,597,870	(495,463)

AS REVISED

		Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sept-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12
L1	Monthly Target Revenue	36,452,740	35,681,973	37,812,917	39,046,559	41,350,321	45,898,046	44,070,248	44,577,970	41,937,817	41,937,817	41,125,462	36,860,599
L2	Recorded Adjusted Revenue	37,206,205	35,823,420	37,102,916	36,409,576	38,728,917	38,485,471	38,385,118	38,799,909	36,574,216	39,961,419	39,527,592	37,356,062
L3	L1 - L2	(753,465)	(141,447)	710,001	2,636,983	2,621,404	7,412,575	5,685,130	5,778,061	5,363,601	1,976,398	1,597,870	(495,463)
L4	Reversal of Previous Year Accrual	-	-	-	-	-	-	-	-	-	-	-	-
L5	L4 + L3	(753,465)	(141,447)	710,001	2,636,983	2,621,404	7,412,575	5,685,130	5,778,061	5,363,601	1,976,398	1,597,870	(495,463)
L6	Beginning RBA Balance	-	(837,045)	(983,030)	(276,169)	2,366,026	5,005,814	12,446,052	18,207,625	24,035,506	18,705,544	20,780,411	22,486,178
L7	L5 + L6	(753,465)	(978,492)	(273,029)	2,360,814	4,987,430	12,418,389	18,131,182	23,985,666	29,399,107	20,681,942	22,378,281	21,980,715
L8	(L6 + L7) + 2 or (L6 + L7) + 2 + [1]	(376,733)	(907,768)	(628,029)	1,042,323	3,676,728	8,712,102	15,288,617	21,096,656	26,717,307	19,693,743	21,579,346	22,238,447
L9	L8 x 1.75% + 12	(1,884)	(4,539)	(3,140)	5,212	18,384	43,561	76,443	105,483	133,587	98,469	107,897	111,192
L10	L7 + L9	(755,349)	(983,030)	(276,169)	2,366,026	5,005,814	12,461,950	18,207,625	24,091,189	29,532,694	20,780,411	22,486,178	22,101,907
	Revised Adjustment to Revenue	(753,465)	(141,447)	710,001	2,636,983	2,621,404	7,412,575	5,685,130	5,778,061	5,363,601	1,976,398	1,597,870	(495,463)
	RBA Adjustment Recorded to Revenue	(753,474)	(141,456)	709,986	2,636,970	2,621,383	7,412,564	5,685,118	5,778,050	5,363,595	1,976,392	1,597,863	(495,469)
	Adjustment to Revenue	9	9	15	13	21	11	12	11	6	6	7	6

Note [1]

In connection with Decision and Order No. 31908 on Schedule A of the Decoupling Investigation, issued on February 7, 2014, the Company received approval on April 28, 2014 from the Internal Revenue Service to change its tax treatment of RBA revenues from the book accrual method of revenue balancing account ("RBA") revenue recognition to a recognition method based on when rates are adjusted and revenues are collected, effective January 1, 2014. Accordingly, starting with May 2014, interest is calculated based on a net-of-income tax RBA balance, and the following income tax factor is used in the calculation.

Income Tax Factor (1 / 1-tax rate) 1.636929121

Note [2]

Totals may not add exactly due to rounding.

Note [3]

The Company recorded an adjustment to the RBA related to miscellaneous R rate billing adjustment processed in January 2017. The Company recalculated the RBA based on the billing adjustment in the prior months incurred. No interest impact was calculated as the adjustment did not meet the interest recalculation threshold of \$50,000 per the Revenue Balancing Account provision tariff.

HECO-WP-B-002
HAWAIIAN ELECTRIC COMPANY, INC.
JAN 2017 ADJUSTMENT - MISCELLANEOUS RATE BILLING ADJUSTMENT

REVENUE BALANCING ACCOUNT - REVENUE TRACKER

AS PREVIOUSLY STATED

		Mar-12	Apr-12	May-12	June-12	July-12	Aug-12	Sept-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13
L1	Monthly Target Revenue	41,125,462	40,152,722	43,255,064	43,980,356	45,538,102	46,940,073	45,011,146	45,529,707	42,833,187	42,830,375	42,000,731	37,645,099
L2	Recorded Adjusted Revenue	38,621,842	38,384,038	41,640,204	37,944,203	40,909,646	41,328,298	39,445,423	41,324,162	38,638,624	40,479,114	38,528,431	35,028,258
L3 L1 - L2	Target vs. Actual Revenue	2,503,620	1,768,684	1,614,860	6,036,153	4,628,456	5,611,775	5,565,723	4,205,545	4,194,563	2,351,261	3,472,300	2,616,841
L4	Reversal of Previous Year Accrual	-	-	-	(1,546,140)	(1,611,187)	(1,679,771)	(1,569,477)	(1,659,897)	(1,540,056)	(1,591,381)	(1,499,941)	(1,322,999)
L5 L4 + L3	Net RBA Change	2,503,620	1,768,684	1,614,860	4,490,013	3,017,269	3,932,004	3,996,246	2,545,648	2,654,507	759,880	1,972,359	1,293,842
L6	Beginning RBA Balance	21,734,834	24,353,387	26,243,191	27,993,304	32,634,509	35,822,493	39,620,231	43,824,568	46,595,703	49,478,876	50,488,050	52,735,438
L7 L6 + L5	End Balance Before Interest	24,238,454	26,122,071	27,858,051	32,483,317	35,651,778	39,754,497	43,616,477	46,370,216	49,250,210	50,238,756	52,460,408	54,029,280
L8 (L6 + L7) + 2 or (L6 + L7) + 2 * [1]	Balance Subject to Interest	22,986,644	25,237,729	27,050,521	30,238,311	34,143,143	37,788,495	41,618,354	45,097,392	47,922,957	49,858,816	51,474,227	53,382,359
L9 L8 x 1.75% + 12	Interest	114,933	126,189	135,253	151,192	170,716	188,942	208,092	225,487	239,615	249,294	257,371	266,912
L10 L7 + L9	Ending RBA Balance	24,353,387	26,248,260	27,993,304	32,634,509	35,822,493	39,943,440	43,824,568	46,595,703	49,489,825	50,488,050	52,717,779	54,296,192
Target vs Actual Difference:													
	Recorded Adjusted Revenues - Unadjusted	38,621,842	38,384,038	41,640,204	37,944,203	40,909,646	41,328,298	39,445,423	41,324,162	38,638,624	40,479,114	38,528,431	35,028,258
	Billing Adjustments	(5)	(5)	(5)	(7)	(7)	(11)	(15)	(15)	(11)	(10)	(12)	(10)
	Revised Revenues	38,621,837	38,384,033	41,640,199	37,944,196	40,909,639	41,328,287	39,445,408	41,324,147	38,638,613	40,479,104	38,528,419	35,028,248
	Target	41,125,462	40,152,722	43,255,064	43,980,356	45,538,102	46,940,073	45,011,146	45,529,707	42,833,187	42,830,375	42,000,731	37,645,099
		2,503,625	1,768,689	1,614,865	6,036,160	4,628,463	5,611,786	5,565,738	4,205,560	4,194,574	2,351,271	3,472,312	2,616,851

AS REVISED

		Mar-12	Apr-12	May-12	June-12	July-12	Aug-12	Sept-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13
L1	Monthly Target Revenue	41,125,462	40,152,722	43,255,064	43,980,356	45,538,102	46,940,073	45,011,146	45,529,707	42,833,187	42,830,375	42,000,731	37,645,099
L2	Recorded Adjusted Revenue	38,621,837	38,384,033	41,640,199	37,944,196	40,909,639	41,328,287	39,445,408	41,324,147	38,638,613	40,479,104	38,528,419	35,028,248
L3 L1 - L2	Target vs. Actual Revenue	2,503,625	1,768,689	1,614,865	6,036,160	4,628,463	5,611,786	5,565,738	4,205,560	4,194,574	2,351,271	3,472,312	2,616,851
L4	Reversal of Previous Year Accrual	-	-	-	(1,546,140)	(1,611,187)	(1,679,771)	(1,569,477)	(1,659,897)	(1,540,056)	(1,591,381)	(1,499,941)	(1,322,999)
L5 L4 + L3	Net RBA Change	2,503,625	1,768,689	1,614,865	4,490,020	3,017,276	3,932,015	3,996,261	2,545,663	2,654,518	759,890	1,972,371	1,293,852
L6	Beginning RBA Balance	21,734,965	24,353,524	26,243,333	27,993,452	32,634,664	35,822,656	39,620,405	43,824,759	46,595,910	49,479,095	50,488,280	52,735,681
L7 L6 + L5	End Balance Before Interest	24,238,590	26,122,213	27,858,198	32,483,472	35,651,940	39,754,671	43,618,666	46,370,422	49,250,428	50,238,985	52,460,650	54,029,533
L8 (L6 + L7) + 2 or (L6 + L7) + 2 * [1]	Balance Subject to Interest	22,986,778	25,237,869	27,050,766	30,238,462	34,143,302	37,788,664	41,618,535	45,097,591	47,923,169	49,859,040	51,474,463	53,382,607
L9 L8 x 6% + 12	Interest	114,934	126,189	135,254	151,192	170,717	188,943	208,093	225,488	239,616	249,295	257,372	266,913
L10 L7 + L9	Ending RBA Balance	24,353,524	26,248,402	27,993,452	32,634,664	35,822,656	39,943,615	43,824,759	46,595,910	49,490,044	50,488,280	52,718,022	54,296,446
	Revised Adjustment to Revenue	2,503,625	1,768,689	1,614,865	6,036,160	4,628,463	5,611,786	5,565,738	4,205,560	4,194,574	2,351,271	3,472,312	2,616,851
	RBA Adjustment Recorded to Revenue	2,503,620	1,768,684	1,614,860	6,036,153	4,628,456	5,611,775	5,565,723	4,205,545	4,194,563	2,351,261	3,472,300	2,616,841
	Adjustment to Revenue	5	5	5	7	7	11	15	15	11	10	12	10

HECO-WP-B-002
HAWAIIAN ELECTRIC COMPANY, INC.
JAN 2017 ADJUSTMENT - MISCELLANEOUS R RATE BILLING ADJUSTMENT

REVENUE BALANCING ACCOUNT - REVENUE TRACKER

AS PREVIOUSLY STATED

		Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
L1	Monthly Target Revenue	42,000,731	40,652,559	43,763,724	46,145,218	47,779,642	49,250,622	47,289,315	47,834,122	45,001,122	45,001,122	44,129,429	39,553,044
L2	Recorded Adjusted Revenue	39,226,528	38,772,031	40,347,419	40,290,987	42,838,763	43,680,012	41,909,165	42,572,492	40,870,690	41,178,802	40,155,441	37,871,094
L3	L1 - L2	2,774,203	1,880,528	3,416,305	5,854,231	4,940,879	5,570,610	5,380,150	5,261,630	4,130,432	3,822,320	3,973,988	1,681,950
L4	Reversal of Previous Year Accrual	(1,486,048)	(1,493,978)	(1,588,384)	(4,107,427)	(4,426,857)	(4,465,163)	(4,277,405)	(4,415,078)	(4,102,803)	(4,255,258)	(3,925,516)	(3,761,214)
L5	L4 + L3	1,288,155	386,550	1,827,921	1,746,804	514,022	1,105,447	1,102,745	846,552	27,629	(432,938)	48,472	(2,079,264)
L6	Beginning RBA Balance	54,300,097	56,053,424	56,721,208	58,835,649	60,613,594	61,546,805	63,126,164	64,552,840	65,724,351	66,230,945	66,185,006	66,564,524
L7	L6 + L5	55,588,252	56,439,974	58,549,129	60,582,453	61,427,616	62,652,252	64,228,909	65,399,392	65,751,980	65,798,007	66,233,478	64,485,260
L8	(L6 + L7) + 2 or (L6 + L7) + 2 + [1]	54,944,175	56,248,699	57,635,169	59,709,051	61,170,605	62,099,528	63,677,537	64,976,116	65,738,165	66,014,476	66,209,242	65,524,892
L9	L8 x 6% + I2	274,721	281,233	288,176	298,545	305,855	310,498	318,368	324,881	328,693	330,072	331,046	327,624
L10	L7 + L9	55,862,973	56,721,208	58,837,305	60,880,999	61,733,470	62,962,750	64,547,297	65,724,273	66,080,671	66,128,079	66,564,524	64,812,884
	Target vs Actual Difference:												
	Recorded Adjusted Revenues - Unadjusted	39,226,528	38,772,031	40,347,419	40,290,987	42,838,763	43,680,012	41,909,165	42,572,492	40,870,690	41,178,802	40,155,441	37,871,094
	Billing Adjustments	(9)	(11)	(12)	(30)	(29)	(35)	(37)	(25)	(18)	(14)	(11)	(11)
	Revised Revenues	39,226,519	38,772,020	40,347,407	40,290,957	42,838,734	43,679,977	41,909,128	42,572,467	40,870,672	41,178,788	40,155,430	37,871,083
	Target	42,000,731	40,652,559	43,763,724	46,145,218	47,779,642	49,250,622	47,289,315	47,834,122	45,001,122	45,001,122	44,129,429	39,553,044
		2,774,212	1,880,539	3,416,317	5,854,261	4,940,908	5,570,645	5,380,187	5,261,655	4,130,450	3,822,334	3,973,999	1,681,961

AS REVISED

		Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
L1	Monthly Target Revenue	42,000,731	40,652,559	43,763,724	46,145,218	47,779,642	49,250,622	47,289,315	47,834,122	45,001,122	45,001,122	44,129,429	39,553,044
L2	Recorded Adjusted Revenue	39,226,519	38,772,020	40,347,407	40,290,957	42,838,734	43,679,977	41,909,128	42,572,467	40,870,672	41,178,788	40,155,430	37,871,083
L3	L1 - L2	2,774,212	1,880,539	3,416,317	5,854,261	4,940,908	5,570,645	5,380,187	5,261,655	4,130,450	3,822,334	3,973,999	1,681,961
L4	Reversal of Previous Year Accrual	(1,486,048)	(1,493,978)	(1,588,384)	(4,107,427)	(4,426,857)	(4,465,163)	(4,277,405)	(4,415,078)	(4,102,803)	(4,255,258)	(3,925,516)	(3,761,214)
L5	L4 + L3	1,288,164	386,561	1,827,933	1,746,834	514,051	1,105,482	1,102,782	846,577	27,647	(432,924)	48,483	(2,079,253)
L6	Beginning RBA Balance	54,300,351	56,053,688	56,721,485	58,835,939	60,613,916	61,547,158	63,126,553	64,553,268	65,724,806	66,231,420	66,185,498	66,565,030
L7	L6 + L5	55,588,515	56,440,249	58,549,418	60,582,773	61,427,967	62,652,640	64,229,335	65,399,845	65,752,453	65,798,496	66,233,981	64,485,777
L8	(L6 + L7) + 2 or (L6 + L7) + 2 + [1]	54,944,433	56,248,969	57,635,452	59,709,356	61,170,941	62,099,899	63,677,944	64,976,556	65,738,829	66,014,958	66,209,739	65,525,403
L9	L8 x 6% + I2	274,722	281,235	288,177	298,547	305,855	310,499	318,390	324,883	328,693	330,075	331,049	327,627
L10	L7 + L9	55,863,237	56,721,485	58,837,595	60,881,321	61,733,823	62,963,139	64,547,725	65,724,728	66,081,148	66,128,571	66,565,030	64,813,404
	Revised Adjustment to Revenue	2,774,212	1,880,539	3,416,317	5,854,261	4,940,908	5,570,645	5,380,187	5,261,655	4,130,450	3,822,334	3,973,999	1,681,961
	RBA Adjustment Recorded to Revenue	2,774,203	1,880,528	3,416,305	5,854,231	4,940,879	5,570,610	5,380,150	5,261,630	4,130,432	3,822,320	3,973,988	1,681,950
	Adjustment to Revenue	9	11	12	30	29	35	37	25	18	14	11	11

HECO-WP-B-002
HAWAIIAN ELECTRIC COMPANY, INC.
JAN 2017 ADJUSTMENT - MISCELLANEOUS R RATE BILLING ADJUSTMENT

REVENUE BALANCING ACCOUNT - REVENUE TRACKER

AS PREVIOUSLY STATED

	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15
L1 Monthly Target Revenue	44,129,429	42,712,929	45,981,776	48,725,408	50,451,219	52,004,449	49,933,476	50,508,746	47,517,340	47,517,340	46,598,907	41,764,635
L2 Recorded Adjusted Revenue	40,445,741	39,888,701	41,326,526	43,277,375	45,900,584	46,563,655	45,456,699	46,193,856	43,033,461	42,808,961	41,131,344	38,968,462
L3 L1 - L2 Target vs. Actual Revenue	3,683,688	2,824,228	4,655,250	5,448,033	4,550,635	5,440,794	4,476,777	4,314,890	4,483,879	4,708,379	5,465,563	2,796,173
L4 Reversal of Previous Year Accrual	(3,910,640)	(3,873,501)	(4,160,513)	(5,518,592)	(5,956,735)	(6,117,873)	(6,024,188)	(6,133,236)	(5,614,770)	(5,430,235)	(5,141,776)	(4,873,416)
L5 L4 + L3 Net RBA Change	(226,952)	(1,049,273)	494,737	(70,559)	(1,406,100)	(677,079)	(1,547,411)	(1,818,346)	(1,030,891)	(721,856)	323,797	(2,077,243)
L6 Beginning RBA Balance	64,830,562	64,700,876	63,660,874	64,212,547	64,199,163	62,860,842	62,267,427	60,848,258	59,205,801	58,455,031	57,791,569	58,179,894
L7 L6 + L5 End Balance Before Interest	64,603,610	63,651,603	64,155,611	64,141,988	62,793,063	62,183,763	60,720,016	59,029,912	58,174,910	57,733,175	58,115,356	56,102,651
L8 (L6 + L7) + 2 or (L6 + L7) + 2 + [1] Balance Subject to Interest	64,717,086	64,176,239	39,041,545	39,205,892	38,789,775	38,194,875	37,568,514	36,616,787	35,653,938	35,489,687	35,403,770	34,907,603
L9 L8 x 1.75% + 12 Interest	94,379	93,590	56,936	57,175	56,568	55,701	54,785	53,399	52,287	51,756	51,630	50,907
L10 L7 + L9 Ending RBA Balance	64,697,989	63,745,193	64,212,547	64,199,163	62,849,631	62,239,464	60,774,801	59,083,311	58,227,197	57,784,931	58,166,986	56,153,558
Target vs Actual Difference:												
Recorded Adjusted Revenues - Unadjusted	40,445,741	39,888,701	41,326,526	43,277,375	45,900,584	46,563,655	45,456,699	46,193,856	43,033,461	42,808,961	41,131,344	38,968,462
Billing Adjustments	(11)	(10)	(10)	(14)	(32)	(41)	(40)	(38)	(14)	(10)	(10)	(8)
Revised Revenues	40,445,730	39,888,691	41,326,516	43,277,361	45,900,552	46,563,614	45,456,659	46,193,818	43,033,447	42,808,951	41,131,334	38,968,454
Target	44,129,429	42,712,929	45,981,776	48,725,408	50,451,219	52,004,449	49,933,476	50,508,746	47,517,340	47,517,340	46,598,907	41,764,635
	3,683,699	2,824,238	4,655,260	5,448,047	4,550,667	5,440,835	4,476,817	4,314,928	4,483,893	4,708,389	5,465,573	2,796,181

AS REVISED

	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15
L1 Monthly Target Revenue	44,129,429	42,712,929	45,981,776	48,725,408	50,451,219	52,004,449	49,933,476	50,508,746	47,517,340	47,517,340	46,598,907	41,764,635
L2 Recorded Adjusted Revenue	40,445,730	39,888,691	41,326,516	43,277,361	45,900,552	46,563,614	45,456,659	46,193,818	43,033,447	42,808,951	41,131,334	38,968,454
L3 L1 - L2 Target vs. Actual Revenue	3,683,699	2,824,238	4,655,260	5,448,047	4,550,667	5,440,835	4,476,817	4,314,928	4,483,893	4,708,389	5,465,573	2,796,181
L4 Reversal of Previous Year Accrual	(3,910,640)	(3,873,501)	(4,160,513)	(5,518,592)	(5,956,735)	(6,117,873)	(6,024,188)	(6,133,236)	(5,614,770)	(5,430,235)	(5,141,776)	(4,873,416)
L5 L4 + L3 Net RBA Change	(226,941)	(1,049,263)	494,747	(70,545)	(1,406,068)	(677,038)	(1,547,371)	(1,818,308)	(1,030,877)	(721,845)	323,797	(2,077,235)
L6 Beginning RBA Balance	64,831,082	64,701,408	63,661,417	64,213,100	64,199,731	62,861,443	62,268,069	60,848,940	59,206,522	58,455,767	57,792,315	58,180,651
L7 L6 + L5 End Balance Before Interest	64,604,141	63,652,145	64,156,164	64,142,555	62,793,663	62,184,405	60,720,698	59,030,632	58,175,645	57,733,921	58,116,112	56,103,416
L8 (L6 + L7) + 2 or (L6 + L7) + 2 + [1] Balance Subject to Interest	64,717,611	64,176,776	39,041,880	39,206,235	38,790,122	38,195,254	37,568,919	36,617,215	35,654,383	35,490,140	35,404,229	34,908,068
L9 L8 x 1.75% + 12 Interest	94,380	93,591	56,936	57,176	56,569	55,701	54,785	53,400	52,288	51,756	51,631	50,908
L10 L7 + L9 Ending RBA Balance	64,698,521	63,745,736	64,213,100	64,199,731	62,850,232	62,240,106	60,775,483	59,084,032	58,227,933	57,785,677	58,167,743	56,154,324
Revised Adjustment to Revenue												
RBA Adjustment Recorded to Revenue	3,683,699	2,824,238	4,655,260	5,448,047	4,550,667	5,440,835	4,476,817	4,314,928	4,483,893	4,708,389	5,465,573	2,796,181
Adjustment to Revenue	3,683,688	2,824,228	4,655,250	5,448,033	4,550,635	5,440,794	4,476,777	4,314,890	4,483,879	4,708,379	5,465,563	2,796,173
	11	10	10	14	32	41	40	38	14	10	10	8

HECO-WP-B-016
HAWAIIAN ELECTRIC COMPANY, INC.
JAN 2017 ADJUSTMENT - MISCELLANEOUS R RATE BILLING ADJUSTMENT

REVENUE BALANCING ACCOUNT - REVENUE TRACKER

AS PREVIOUSLY STATED

	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16
L1 Monthly Target Revenue	46,596,907	45,101,204	48,552,827	48,047,584	51,226,633	52,792,780	50,702,234	51,284,900	48,247,991	48,247,991	47,308,677	42,407,239
L2 Recorded Adjusted Revenue	42,716,788	42,125,471	43,533,632	41,994,944	47,281,491	49,462,250	47,377,603	45,860,541	46,028,249	45,122,645	43,233,334	41,404,808
L3 L1 - L2 Target vs. Actual Revenue	3,880,119	2,975,733	5,019,195	6,052,640	3,945,142	3,330,530	3,324,631	5,424,359	2,219,742	3,125,346	4,075,343	1,002,431
L4 Reversal of Previous Year Accrual	(5,192,949)	(5,327,198)	(5,401,784)	(3,665,158)	(5,301,934)	(5,577,653)	(5,375,270)	(5,110,063)	(5,072,650)	(4,877,639)	(4,634,357)	(4,381,515)
L5 L4 + L3 Net RBA Change	(1,312,830)	(2,351,465)	(382,589)	2,387,484	(1,356,792)	(2,247,123)	(2,050,639)	314,296	(2,852,908)	(1,752,293)	(558,014)	(3,379,084)
L6 Beginning RBA Balance	56,170,976	54,910,779	52,627,239	52,304,205	54,740,597	53,446,936	51,234,324	49,251,829	49,610,143	46,800,320	45,088,941	44,879,617
L7 L6 + L5 End Balance Before Interest	54,858,146	52,559,314	52,244,650	54,691,689	53,383,805	51,199,813	49,183,685	49,566,125	46,757,235	45,048,027	44,529,927	41,500,533
L8 (L6 + L7) + 2 + (1) Balance Subject to Interest	33,913,845	32,826,740	32,033,118	32,681,896	33,026,599	31,964,349	30,672,661	30,183,944	29,435,416	28,055,078	27,374,083	26,384,817
L9 L8 x 1.75% + 12 Interest	49,458	47,872	46,715	47,661	48,164	46,615	44,731	44,018	42,927	40,914	39,921	38,478
L10 L7 + L9 Ending RBA Balance	54,907,604	52,607,186	52,291,365	54,739,350	53,431,969	51,246,428	49,228,416	49,610,143	46,800,162	45,088,941	44,569,848	41,539,011
Target vs Actual Difference:												
Recorded Adjusted Revenues - Unadjusted	42,716,788	42,125,471	43,533,632	41,994,944	47,281,491	49,462,250	47,377,603	45,860,541	46,028,249	45,122,645	43,233,334	41,404,808
Billing Adjustments	(8)	(8)	(8)	(11)	(21)	(41)	(47)	(28)	(17)	(11)	(11)	(15)
Revised Revenues	42,716,780	42,125,463	43,533,624	41,994,933	47,281,470	49,462,209	47,377,556	45,860,513	46,028,232	45,122,634	43,233,323	41,404,793
Target	46,596,907	45,101,204	48,552,827	48,047,584	51,226,633	52,792,780	50,702,234	51,284,900	48,247,991	48,247,991	47,308,677	42,407,239
	3,880,127	2,975,741	5,019,203	6,052,651	3,945,163	3,330,571	3,324,678	5,424,387	2,219,759	3,125,357	4,075,354	1,002,446

AS REVISED

	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16
L1 Monthly Target Revenue	46,596,907	45,101,204	48,552,827	48,047,584	51,226,633	52,792,780	50,702,234	51,284,900	48,247,991	48,247,991	47,308,677	42,407,239
L2 Recorded Adjusted Revenue	42,716,780	42,125,463	43,533,624	41,994,933	47,281,470	49,462,209	47,377,556	45,860,513	46,028,232	45,122,634	43,233,323	41,404,793
L3 L1 - L2 Target vs. Actual Revenue	3,880,127	2,975,741	5,019,203	6,052,651	3,945,163	3,330,571	3,324,678	5,424,387	2,219,759	3,125,357	4,075,354	1,002,446
L4 Reversal of Previous Year Accrual	(5,192,949)	(5,327,198)	(5,401,784)	(3,665,158)	(5,301,934)	(5,577,653)	(5,375,270)	(5,110,063)	(5,072,650)	(4,877,639)	(4,634,357)	(4,381,515)
L5 L4 + L3 Net RBA Change	(1,312,822)	(2,351,457)	(382,581)	2,387,495	(1,356,771)	(2,247,082)	(2,050,592)	314,324	(2,852,891)	(1,752,282)	(558,003)	(3,379,069)
L6 Beginning RBA Balance	56,171,742	54,911,553	52,628,022	52,304,997	54,741,401	53,447,762	51,235,191	49,252,744	49,611,087	46,801,281	45,089,914	44,879,914
L7 L6 + L5 End Balance Before Interest	54,858,920	52,560,096	52,245,441	54,692,492	53,384,630	51,200,680	49,184,599	49,567,068	46,758,196	45,048,999	44,530,911	41,517,995
L8 (L6 + L7) + 2 + (1) Balance Subject to Interest	33,914,316	32,827,215	32,033,599	32,682,383	33,027,096	31,964,867	30,673,225	30,184,511	29,435,997	28,055,668	27,374,681	26,384,817
L9 L8 x 1.75% + 12 Interest	49,458	47,873	46,716	47,662	48,165	46,615	44,732	44,019	42,927	40,915	39,921	38,478
L10 L7 + L9 Ending RBA Balance	54,908,378	52,607,969	52,292,157	54,740,154	53,432,795	51,247,295	49,229,331	49,611,087	46,801,123	45,089,914	44,570,832	41,539,011
Revised Adjustment to Revenue	3,880,127	2,975,741	5,019,203	6,052,651	3,945,163	3,330,571	3,324,678	5,424,387	2,219,759	3,125,357	4,075,354	1,002,446
RBA Adjustment Recorded to Revenue	3,880,119	2,975,733	5,019,195	6,052,640	3,945,142	3,330,530	3,324,631	5,424,359	2,219,742	3,125,346	4,075,343	1,002,431
Adjustment to Revenue	8	8	8	11	21	41	47	28	17	11	11	15

HECO-WP-B-002
HAWAIIAN ELECTRIC COMPANY, INC.
JAN 2017 ADJUSTMENT - MISCELLANEOUS R RATE BILLING ADJUSTMENT

REVENUE BALANCING ACCOUNT - REVENUE TRACKER

AS PREVIOUSLY STATED

		Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	
L1	Monthly Target Revenue	47,308,677	45,793,747	49,296,788	50,202,656	51,980,790	53,581,111	51,447,350	52,040,061	48,957,962	48,957,962	
L2	Recorded Adjusted Revenue	43,945,263	42,792,611	46,044,763	44,354,039	47,632,161	49,694,341	46,441,855	47,122,581	43,941,301	44,527,809	
L3	L1 - L2	3,363,414	3,001,136	3,252,025	5,848,617	4,348,629	3,886,770	5,005,495	4,917,480	5,016,661	4,430,153	
L4	Reversal of Previous Year Accrual	(4,548,813)	(4,608,612)	(4,848,387)	(3,792,632)	(4,131,705)	(4,323,881)	(4,085,864)	(4,075,714)	(3,736,832)	(3,844,438)	
L5	L4 + L3	(1,185,399)	(1,607,476)	(1,596,362)	2,055,985	216,924	(437,111)	919,631	841,766	1,279,829	585,715	
L6	Beginning RBA Balance	41,688,775	40,634,204	39,077,241	37,537,831	39,670,209	39,922,572	39,375,965	40,341,434	41,290,214	42,602,520	
L7	L6 + L5	40,484,376	39,026,728	37,480,879	39,593,616	39,887,133	39,485,461	40,295,596	41,183,200	42,570,043	43,188,235	
L8	(L6 + L7) + 2 + [1]	25,093,985	24,332,432	23,384,678	23,559,661	24,300,790	24,255,184	24,335,678	24,901,699	25,615,115	26,204,786	
L9	L8 x 1.75% + 12	35,595	35,485	34,103	34,358	35,439	35,372	35,490	36,315	37,355	38,215	
L10	L7 + L9	40,520,971	39,062,213	37,514,982	39,628,174	39,922,572	39,520,833	40,331,086	41,219,515	42,607,398	43,226,450	
	Target vs Actual Difference:											
	Recorded Adjusted Revenues - Unadjusted	43,945,263	42,792,611	46,044,763	44,354,039	47,632,161	49,694,341	46,441,855	47,122,581	43,941,301	44,527,809	Total Billing Adjustment
	Billing Adjustments	(11)	(11)	(16)	(31)	(34)	(34)	(33)	(34)	(13)	-	(1,162)
	Revised Revenues	43,945,252	42,792,600	46,044,747	44,354,008	47,632,127	49,694,307	46,441,822	47,122,547	43,941,288	44,527,809	(1,162)
	Target	47,308,677	45,793,747	49,296,788	50,202,656	51,980,790	53,581,111	51,447,350	52,040,061	48,957,962	48,957,962	
		3,363,425	3,001,147	3,252,041	5,848,648	4,348,663	3,886,804	5,005,528	4,917,514	5,016,674	4,430,153	

AS REVISED

		Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	
L1	Monthly Target Revenue	47,308,677	45,793,747	49,296,788	50,202,656	51,980,790	53,581,111	51,447,350	52,040,061	48,957,962	48,957,962	
L2	Recorded Adjusted Revenue	43,945,252	42,792,600	46,044,747	44,354,008	47,632,127	49,694,307	46,441,822	47,122,547	43,941,288	44,527,809	
L3	L1 - L2	3,363,425	3,001,147	3,252,041	5,848,648	4,348,663	3,886,804	5,005,528	4,917,514	5,016,674	4,430,153	
L4	Reversal of Previous Year Accrual	(4,548,813)	(4,608,612)	(4,848,387)	(3,792,632)	(4,131,705)	(4,323,881)	(4,085,864)	(4,075,714)	(3,736,832)	(3,844,438)	
L5	L4 + L3	(1,185,388)	(1,607,465)	(1,596,346)	2,056,016	216,958	(437,077)	919,664	841,800	1,279,842	585,715	
L6	Beginning RBA Balance	48,353,186	47,323,581	45,772,588	44,239,159	46,377,538	46,635,910	46,095,318	47,066,806	48,021,612	49,339,928	
L7	L6 + L5	47,167,798	45,716,116	44,176,242	46,295,175	46,594,496	46,198,833	47,014,982	47,908,606	48,301,454	49,925,643	
L8	(L6 + L7) + 2 + [1]	29,176,884	28,419,975	27,474,870	27,653,712	28,398,308	28,356,372	28,440,541	29,010,240	29,727,330	30,320,669	
L9	L8 x 1.75% + 12	42,550	41,444	40,068	40,328	41,414	41,353	41,476	42,307	43,352	44,218	
L10	L7 + L9	47,210,348	45,757,560	44,216,310	46,335,503	46,635,910	46,240,186	47,056,458	47,950,913	48,344,806	49,969,861	
	Revised Adjustment to Revenue	3,363,425	3,001,147	3,252,041	5,848,648	4,348,663	3,886,804	5,005,528	4,917,514	5,016,674	4,430,153	Total RBA Adjustment
	RBA Adjustment Recorded to Revenue	3,363,414	3,001,136	3,252,025	5,848,617	4,348,629	3,886,770	5,005,495	4,917,480	5,016,661	4,430,153	1,162
	Adjustment to Revenue	11	11	16	31	34	34	33	34	13	-	Sch B1, Note 1

HECO-WP-B-003
HAWAIIAN ELECTRIC COMPANY, INC.
MAR 2017 ADJUSTMENT - MISCELLANEOUS R RATE BILLING ADJUSTMENT

REVENUE BALANCING ACCOUNT - REVENUE TRACKER

AS PREVIOUSLY STATED

		May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	
L1	Monthly Target Revenue	49,296,788	50,202,656	51,980,790	53,581,111	51,447,350	52,040,061	48,957,962	48,957,962	48,009,623	
L2	Recorded Adjusted Revenue	46,044,763	44,354,039	47,632,161	49,694,341	46,441,855	47,122,581	43,941,301	44,527,809	43,237,808	
L3 L1 - L2	Target vs. Actual Revenue	3,252,025	5,848,617	4,348,629	3,886,770	5,005,495	4,917,480	5,016,661	4,430,153	4,771,815	
L4	Reversal of Previous Year Accrual	(4,848,387)	(3,792,632)	(4,131,705)	(4,323,881)	(4,085,864)	(4,075,714)	(3,736,832)	(3,844,438)	(3,587,935)	
L5 L4 + L3	Net RBA Change	(1,596,362)	2,055,985	216,924	(437,111)	919,631	841,766	1,279,829	585,715	1,183,880	
L6	Beginning RBA Balance	39,077,241	37,537,831	39,870,209	39,922,572	39,375,965	40,341,434	41,290,214	42,602,520	43,227,612	
L7 L6 + L5	End Balance Before Interest	37,480,879	39,593,816	39,887,133	39,485,461	40,295,596	41,183,200	42,570,043	43,188,235	44,411,492	
L8 (L6 + L7) + 2 or (L6 + L7) + 2 + [1]	Balance Subject to Interest	23,384,678	23,559,861	24,300,790	24,255,184	24,335,678	24,901,699	25,615,115	26,204,786	26,769,364	
L9 L8 x 1.75% + 12	Interest	34,103	34,358	35,439	35,372	35,490	36,315	37,355	38,215	39,039	
L10 L7 + L9	Ending RBA Balance	37,514,982	39,628,174	39,922,572	39,520,833	40,331,086	41,219,515	42,607,398	43,226,450	44,450,531	
Target vs Actual Difference:											
	Recorded Adjusted Revenues - Unadjusted	46,044,763	44,354,039	47,632,161	49,694,341	46,441,855	47,122,581	43,941,301	44,527,809	43,237,808	Total Billing Adjustment
	Billing Adjustments	924	1,018	1,018	1,002	1,018	1,002	1,018	1,002	1,467	9,468
	Revised Revenues	46,045,687	44,355,057	47,633,179	49,695,343	46,442,873	47,123,583	43,942,319	44,528,811	43,239,275	
	Target	49,296,788	50,202,656	51,980,790	53,581,111	51,447,350	52,040,061	48,957,962	48,957,962	48,009,623	
		3,251,101	5,847,599	4,347,611	3,885,768	5,004,477	4,916,478	5,015,643	4,429,151	4,770,348	

AS REVISED

		May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	
L1	Monthly Target Revenue	49,296,788	50,202,656	51,980,790	53,581,111	51,447,350	52,040,061	48,957,962	48,957,962	48,009,623	
L2	Recorded Adjusted Revenue	46,045,687	44,355,057	47,633,179	49,695,343	46,442,873	47,123,583	43,942,319	44,528,811	43,239,275	
L3 L1 - L2	Target vs. Actual Revenue	3,251,101	5,847,599	4,347,611	3,885,768	5,004,477	4,916,478	5,015,643	4,429,151	4,770,348	
L4	Reversal of Previous Year Accrual	(4,848,387)	(3,792,632)	(4,131,705)	(4,323,881)	(4,085,864)	(4,075,714)	(3,736,832)	(3,844,438)	(3,587,935)	
L5 L4 + L3	Net RBA Change	(1,597,286)	2,054,967	215,906	(438,113)	918,613	840,764	1,278,811	584,713	1,182,413	
L6	Beginning RBA Balance	39,077,241	37,536,906	39,668,265	39,919,608	39,371,996	40,336,443	41,284,216	41,208,639	42,601,539	
L7 L6 + L5	End Balance Before Interest	37,479,955	39,591,873	39,884,172	39,481,495	40,290,609	41,177,207	42,563,027	41,793,353	43,783,952	
L8 (L6 + L7) + 2 or (L6 + L7) + 2 + [1]	Balance Subject to Interest	23,384,396	23,558,986	24,299,292	24,253,067	24,332,943	24,896,345	25,611,141	25,352,958	26,386,448	
L9 L8 x 1.75% + 12	Interest	34,102	34,357	35,436	35,359	35,486	36,310	37,350	38,214	39,038	
L10 L7 + L9	Ending RBA Balance	37,514,057	39,626,230	39,919,608	39,516,864	40,326,095	41,213,517	42,600,377	41,830,326	43,822,432	
Revised Adjustment to Revenue											
	RBA Adjustment Recorded to Revenue	3,251,101	5,847,599	4,347,611	3,885,768	5,004,477	4,916,478	5,015,643	4,429,151	4,770,348	Total RBA Adjustment
	Adjustment to Revenue	(924)	(1,018)	(1,018)	(1,002)	(1,018)	(1,002)	(1,018)	(1,002)	(1,467)	(9,468)

Sch B, Note 1

Note [1]

In connection with Decision and Order No. 31908 on Schedule A of the Decoupling Investigation, issued on February 7, 2014, the Company received approval on April 28, 2014 from the Internal Revenue Service to change its tax treatment of RBA revenues from the book accrual method of revenue balancing account ("RBA") revenue recognition to a recognition method based on when rates are adjusted and revenues are collected, effective January 1, 2014. Accordingly, starting with May 2014, interest is calculated based on a net-of-income tax RBA balance, and the following income tax factor is used in the calculation

Income Tax Factor (1 / 1-tax rate) 1.636929121

Note [2]

Totals may not add exactly due to rounding.

Note [3]

The Company recorded an adjustment to the RBA related to a Schedule J billing adjustment processed in March 2017. The Company recalculated the RBA based on the billing adjustment in the prior months incurred. No interest impact was calculated as the adjustment did not meet the interest recalculation threshold of \$50,000 per the Revenue Balancing Account provision tariff.

HECO-WP-B-004
HAWAIIAN ELECTRIC COMPANY, INC.
APR 2017 ADJUSTMENT - MISCELLANEOUS R RATE BILLING ADJUSTMENT

REVENUE BALANCING ACCOUNT - REVENUE TRACKER

AS PREVIOUSLY STATED

Mar-17

L1	Monthly Target Revenue	48,009,623
L2	Recorded Adjusted Revenue	45,789,648
L3 L1 - L2	Target vs. Actual Revenue	2,219,975
L4	Reversal of Previous Year Accrual	(3,750,510)
L5 L4 + L3	Net RBA Change	(1,530,535)
L6	Beginning RBA Balance	43,810,849
L7 L6 + L5	End Balance Before Interest	42,280,314
L8 (L6 + L7) ÷ 2 or (L6 + L7) ÷ 2 + [1]	Balance Subject to Interest	26,296,546
L9 L8 x 1.75% ÷ 12	Interest	38,349
L10 L7 + L9	Ending RBA Balance	42,318,663

Target vs Actual Difference:		<u>Total Billing</u>
Recorded Adjusted Revenues - Unadjusted	45,789,648	<u>Adjustment</u>
Billing Adjustments	(8,295)	(8,295)
Revised Revenues	45,781,353	(8,295)
Target	48,009,623	
	2,228,270	

AS REVISED

Mar-17

L1	Monthly Target Revenue	48,009,623
L2	Recorded Adjusted Revenue	45,781,353
L3 L1 - L2	Target vs. Actual Revenue	2,228,270
L4	Reversal of Previous Year Accrual	(3,750,510)
L5 L4 + L3	Net RBA Change	(1,522,240)
L6	Beginning RBA Balance	42,597,930
L7 L6 + L5	End Balance Before Interest	41,075,690
L8 (L6 + L7) ÷ 2 or (L6 + L7) ÷ 2 + [1]	Balance Subject to Interest	25,558,107
L9 L8 x 1.75% ÷ 12	Interest	37,272
L10 L7 + L9	Ending RBA Balance	41,112,962

Revised Adjustment to Revenue	2,228,270	<u>Total RBA</u>
RBA Adjustment Recorded to Revenue	2,219,975	<u>Adjustment</u>
Adjustment to Revenue	8,295	8,295

Sch B, Note 1

Note [1]

In connection with Decision and Order No. 31908 on Schedule A of the Decoupling Investigation, issued on February 7, 2014, the Company received approval on April 28, 2014 from the Internal Revenue Service to change its tax treatment of RBA revenues from the book accrual method of revenue balancing account ("RBA") revenue recognition to a recognition method based on when rates are adjusted and revenues are collected, effective January 1, 2014. Accordingly, starting with May 2014, interest is calculated based on a net-of-income tax RBA balance, and the following income tax factor is used in the calculation.

Income Tax Factor (1 / 1-tax rate) 1.636929121

Note [2]

Totals may not add exactly due to rounding.

Note [3]

The Company recorded an adjustment to the RBA related to Schedule J Rider T billing adjustment processed in April 2017. The Company recalculated the RBA based on the billing adjustment in the prior months incurred. No interest impact was calculated as the adjustment did not meet the interest recalculation threshold of \$50,000 per the Revenue Balancing Account provision tariff.

HECO-WP-B-005
HAWAIIAN ELECTRIC COMPANY, INC.
MAY 2017 ADJUSTMENT - MISCELLANEOUS R RATE BILLING ADJUSTMENT

REVENUE BALANCING ACCOUNT - REVENUE TRACKER

AS PREVIOUSLY STATED

	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	
L1 Monthly Target Revenue	47,308,677	45,793,747	49,296,788	50,202,656	51,980,790	53,581,111	51,447,350	52,040,061	48,957,962	48,957,962	48,009,623	43,030,848	48,009,623	46,468,574	
L2 Recorded Adjusted Revenue	43,945,263	42,792,611	46,044,763	44,354,039	47,632,161	49,694,341	46,441,855	47,122,581	43,941,301	44,527,809	43,237,808	40,425,191	45,789,648	44,302,813	
L3 L1 - L2 Target vs. Actual Revenue	3,363,414	3,001,136	3,252,025	5,848,617	4,348,629	3,887,770	5,005,495	4,917,480	5,016,661	4,430,153	4,771,815	2,605,657	2,219,975	2,165,761	
L4 Reversal of Previous Year Accrual	(4,548,813)	(4,608,612)	(4,848,387)	(3,792,832)	(4,131,705)	(4,323,881)	(4,085,864)	(4,075,714)	(3,736,832)	(3,844,438)	(3,587,935)	(3,275,174)	(3,750,510)	(3,677,669)	
L5 L4 + L3 Net RBA Change	(1,185,399)	(1,607,476)	(1,596,362)	2,055,985	216,924	(437,111)	919,631	841,766	1,279,829	585,715	1,183,880	(689,517)	(1,530,535)	(1,511,908)	
L6 Beginning RBA Balance	41,669,775	40,634,204	39,077,241	37,537,831	36,670,206	39,922,572	39,375,965	40,341,434	41,290,214	42,602,520	43,227,612	44,450,531	43,810,849	42,326,958	
L7 L6 + L5 End Balance Before Interest	40,484,376	39,026,728	37,480,879	39,593,816	39,887,133	39,485,461	40,295,596	41,183,200	42,570,043	43,188,235	44,411,492	43,781,014	42,280,314	40,815,050	
L8 (L6 + L7) + 2 or (L6 + L7) + 2 + [1] Balance Subject to Interest	25,093,985	24,332,432	23,384,678	23,559,561	24,300,790	24,255,184	24,335,678	24,901,699	25,615,115	26,204,786	26,769,364	26,950,325	26,296,546	25,395,726	
L9 L8 x 1.75% - 12 Interest	36,595	35,485	34,103	34,358	35,439	35,372	35,490	36,315	37,355	38,215	39,039	39,303	38,349	37,035	
L10 L7 + L9 Ending RBA Balance	40,520,971	39,062,213	37,514,982	39,628,174	39,922,572	39,520,833	40,331,086	41,219,515	42,607,398	43,226,450	44,450,531	43,820,317	42,318,663	40,852,085	
Target vs Actual Difference:															
Recorded Adjusted Revenues - Unadjusted	43,945,263	42,792,611	46,044,763	44,354,039	47,632,161	49,694,341	46,441,855	47,122,581	43,941,301	44,527,809	43,237,808	40,425,191	45,789,648	44,302,813	Total Billing Adjustment
Billing Adjustment 1	(624)	(860)	(815)	(627)	(557)	(456)	(1,130)	(921)							(5,980)
Billing Adjustment 2									(377)	(432)	(503)	(338)	603	(13)	(1,058)
Revised Revenues	43,944,639	42,791,751	46,043,948	44,353,412	47,631,604	49,693,885	46,440,725	47,121,660	43,940,924	44,527,377	43,237,305	40,424,853	45,790,251	44,302,800	(7,049)
Target	47,308,677	45,793,747	49,296,788	50,202,656	51,980,790	53,581,111	51,447,350	52,040,061	48,957,962	48,957,962	48,009,623	43,030,848	48,009,623	46,468,574	
	3,364,038	3,001,996	3,252,840	5,849,244	4,349,186	3,887,226	5,006,625	4,918,401	5,017,038	4,430,585	4,772,318	2,605,995	2,219,372	2,165,774	

AS REVISED

	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	
L1 Monthly Target Revenue	47,308,677	45,793,747	49,296,788	50,202,656	51,980,790	53,581,111	51,447,350	52,040,061	48,957,962	48,957,962	48,009,623	43,030,848	48,009,623	46,468,574	
L2 Recorded Adjusted Revenue	43,944,639	42,791,751	46,043,948	44,353,412	47,631,604	49,693,885	46,440,725	47,121,660	43,940,924	44,527,377	43,237,305	40,424,853	45,790,251	44,302,800	
L3 L1 - L2 Target vs. Actual Revenue	3,364,038	3,001,996	3,252,840	5,849,244	4,349,186	3,887,226	5,006,625	4,918,401	5,017,038	4,430,585	4,772,318	2,605,995	2,219,372	2,165,774	
L4 Reversal of Previous Year Accrual	(4,548,813)	(4,608,612)	(4,848,387)	(3,792,832)	(4,131,705)	(4,323,881)	(4,085,864)	(4,075,714)	(3,736,832)	(3,844,438)	(3,587,935)	(3,275,174)	(3,750,510)	(3,677,669)	
L5 L4 + L3 Net RBA Change	(1,184,775)	(1,606,616)	(1,595,547)	2,056,612	217,481	(436,655)	920,761	842,687	1,280,206	586,147	1,184,383	(689,179)	(1,531,136)	(1,511,895)	
L6 Beginning RBA Balance	41,669,775	40,634,829	39,078,727	37,540,133	39,673,140	39,926,063	39,379,915	40,346,518	41,296,224	41,220,847	40,337,332	41,225,525	41,216,057	42,622,086	
L7 L6 + L5 End Balance Before Interest	40,485,000	39,028,213	37,483,180	39,596,745	39,890,621	39,489,408	40,300,676	41,189,205	42,576,430	41,806,794	41,521,715	40,556,348	39,684,919	41,110,192	
L8 (L6 + L7) + 2 or (L6 + L7) + 2 + [1] Balance Subject to Interest	25,094,176	24,333,076	23,385,834	23,561,459	24,302,751	24,257,456	24,338,437	24,905,087	25,618,902	25,360,732	25,003,846	24,980,273	24,711,203	25,576,024	
L9 L8 x 1.75% - 12 Interest	36,596	35,486	34,104	34,360	35,442	35,375	35,494	36,320	37,361	36,984	36,464	36,430	36,037	37,298	
L10 L7 + L9 Ending RBA Balance	40,521,586	39,063,699	37,517,284	39,631,105	39,926,063	39,524,783	40,336,170	41,225,525	42,613,791	41,843,778	41,558,179	40,592,776	39,720,956	41,147,490	
Revised Adjustment to Revenue	3,364,038	3,001,996	3,252,840	5,849,244	4,349,186	3,887,226	5,006,625	4,918,401	5,017,038	4,430,585	4,772,318	2,605,995	2,219,372	2,165,774	Total RBA Adjustment
RBA Adjustment Recorded to Revenue	3,363,414	3,001,136	3,252,025	5,848,617	4,348,629	3,886,770	5,005,495	4,917,480	5,016,661	4,430,153	4,771,815	2,605,657	2,219,975	2,165,761	7,049
Adjustment to Revenue	624	860	815	627	557	456	1,130	921	377	432	503	338	(603)	13	

Sch B, Note 1

Note [1]

In connection with Decision and Order No. 31908 on Schedule A of the Decoupling Investigation, issued on February 7, 2014, the Company received approval on April 28, 2014 from the Internal Revenue Service to change its tax treatment of RBA revenues from the book accrual method of revenue balancing account ("RBA") revenue recognition to a recognition method based on when rates are adjusted and revenues are collected, effective January 1, 2014. Accordingly, starting with May 2014, interest is calculated based on a net-of-income tax RBA balance, and the following income tax factor is used in the calculation.

Income Tax Factor (1 / 1-tax rate) 1.636929121

Note [2]

Totals may not add exactly due to rounding

Note [3]

The Company recorded an adjustment to the RBA related to Schedule G rate billing adjustment processed in May 2017. The Company recalculated the RBA based on the billing adjustment in the prior months incurred. No interest impact was calculated as the adjustment did not meet the interest recalculation threshold of \$50,000 per the Revenue Balancing Account provision tariff

Hawaiian Electric Company, Inc.
Bargaining Unit Wage Increase per Collective Bargaining Agreements

Wage Increases:	1/1/2014	3.00%	(Note 1)
(non-compounded)	1/1/2015	3.00%	(Note 1)
	1/1/2016	3.25%	(Note 1)
	1/1/2017	3.00%	(Note 1)
	1/1/2018	3.00%	(Note 1)

<u>Increase effective</u>			<u>Increase Amount</u>	<u>Wage Rate With Increase</u>	<u>Labor Cost Escalation Rate</u>	
			(a)	(b) or prev (b) + (a)	(c)	(b) / prev (b) -1
1.00	3.00%	1/1/2018	0.0300	1.0300	n/a	n/a

(1) Agreement ratified by the IBEW, Local 1260 on November 1, 2012, reflects a 3.00% increase effective 1/1/2014, 1/1/2015, 1/1/2017 and 1/1/2018 and a 3.25% increase effective 1/1/2016, based on 1/1/2013 rates. See HECO's Form 10-Q dated November 8, 2012 filed with Securities and Exchange Commission at www.hei.com, under SEC filings. See also HECO-WP-C-003.

Blue Chip Economic Indicators®

Top Analysts' Forecasts of the U.S. Economic Outlook for the Year Ahead
Vol. 43, No. 2, February 10, 2018

2018 Real GDP Forecast Rises To 2.8%

FEBRUARY 2018 Forecast For 2018 SOURCE:	Percent Change 2018 From 2017 (Full Year-Over-Prior Year)										Average For 2018 ---			Total Units-2018 ---		--2018--
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
	Real GDP (Chained) (2009\$)	GDP Price Index	Nominal GDP (Cur.\$)	Consumer Price Index	Indust. Prod. (Total)	Dis. Pers. Income (2009\$)	Personal Cons. Exp. (2009\$)	Non-Res. Fix. Inv. (2009\$)	Corp Profits (Cur.\$)	Treas Bills 3-mo.	Treas. Notes 10-Year	Unempl. Rate (Civ.)	Housing Starts (Mil.)	Auto&Light Truck Sales (Mil.)	Net Exports (2009\$)	
Amherst Pierpont Securities	3.3 H	2.3	5.6	2.9 H	3.6	2.4	2.9	6.3	8.0	1.8	3.1	3.9	1.29	17.0	-661.0	
Action Economics	3.1	2.1	5.2	2.4	3.7	2.7	3.3	5.8	11.4	1.9	2.8	3.9	1.31	17.6	-622.7	
BNP Paribas North America	3.1	na	na	2.3	3.6	na	3.6 H	7.0	na	na	2.8	3.8	na	na	-710.0	
Georgia State University*	3.1	1.9	5.0	2.4	3.7	4.1 H	3.1	6.6	8.5	1.6	3.2	3.7 L	1.25	17.1	-693.0	
NatWest Markets	3.1	2.0	5.2	2.2	3.8	2.5	2.6	8.1 H	10.0	1.9	2.6	4.0	1.35	16.5	-654.0	
SOM Economics, Inc.	3.1	1.9	5.1	2.2	3.2	2.8	2.7	6.2	6.5	1.9	3.0	3.9	1.27	17.0	-641.0	
ACT Research	3.0	2.0	5.0	2.3	3.5	3.2	2.8	6.0	na	1.8	2.9	3.9	1.25	16.7	-692.0	
Comerica*	3.0	2.0	5.0	2.1	0.6 L	2.0	2.2	6.5	na	1.8	3.0	4.0	1.28	16.7	-622.0	
FedEx Corporation	3.0	2.0	5.0	2.4	3.6	3.0	2.9	6.5	5.5	1.8	3.0	3.9	1.31	17.3	-700.7	
Naroff Economic Advisors*	3.0	2.3	5.3	2.8	3.8	1.7	3.1	5.9	7.8	1.8	3.1	3.9	1.34	17.3	-657.0	
National Assn. of Realtors	3.0	2.4	5.4	2.8	2.4	3.0	2.9	5.5	6.5	1.9	2.9	3.9	1.34	18.0	H -645.0	
Turning Points (Micrometrics)	3.0	2.1	5.1	2.3	3.0	2.3	2.9	3.9	8.5	1.7	2.8	4.0	1.27	17.5	-651.1	
Conference Board*	2.9	2.0	4.9	2.2	na	3.2	3.0	5.8	6.4	1.8	3.0	3.9	1.27	na	-678.0	
Goldman Sachs & Co. **	2.9	2.0	4.9	2.4	3.5	2.2	2.9	4.8	na	1.9	2.9	3.8	1.26	na	-673.8	
Moody's Analytics	2.9	2.1	5.1	2.5	2.9	1.8	2.7	5.6	4.0	1.7	3.1	3.8	1.45 H	16.9	-727.9	
Moody's Capital Markets*	2.9	2.0	4.9	2.4	3.2	1.6 L	2.8	4.7	4.8	1.6	2.7	4.0	1.27	17.1	-626.8	
RBC Capital Markets	2.9	2.1	5.0	2.2	na	na	2.8	5.5	na	na	3.1	3.8	1.24	17.5	-672.0	
UCLA Business Forecasting Proj.*	2.9	2.5	5.5	2.3	2.8	2.8	3.1	5.3	13.0 H	1.7	3.3 H	3.9	1.30	17.3	-640.9	
Wells Fargo	2.9	2.3	5.2	2.5	3.9	2.2	2.9	6.0	3.2	1.9	2.9	4.0	1.31	16.8	-684.2	
Oxford Economics	2.8	2.1	5.0	2.3	3.8	2.7	2.9	6.4	8.8	1.7	2.9	4.0	1.28	17.1	-682.3	
Econoclast	2.8	2.1	4.9	2.5	3.1	2.7	2.8	7.2	6.8	1.8	2.9	4.0	1.29	16.7	-670.0	
High Frequency Economics	2.8	2.1	5.0	2.3	4.3 H	2.3	3.0	5.0	2.5	1.9	2.8	3.7 L	1.24	16.9	-679.0	
Inforum - Univ. of Maryland	2.8	2.0	4.9	2.3	3.2	2.6	2.6	5.4	6.2	1.8	2.8	4.0	1.28	17.1	-655.3	
MUFG Union Bank	2.8	2.0	4.8	2.6	3.5	na	2.9	7.0	6.0	1.9	2.8	3.9	1.35	17.4	-660.0	
Northern Trust Company*	2.8	2.3	5.2	2.3	2.8	na	2.8	5.8	na	1.9	3.0	4.0	1.25	16.7	-682.7	
Regions Financial Corporation	2.8	1.9	4.8	2.7	3.6	2.4	2.5	5.8	5.4	1.8	2.9	4.0	1.30	16.8	-649.9	
S&P Global*	2.8	1.8	4.6	2.2	3.5	2.8	2.7	6.3	6.6	1.5 L	2.6	3.9	1.26	16.9	-634.6	
AJG	2.7	1.7 L	4.4 L	1.7	3.7	3.7	2.7	5.7	1.5 L	1.7	2.7	3.9	1.25	16.9	-639.0	
Bank of America Merrill Lynch	2.7	1.9	4.7	2.3	3.1	na	3.0	5.9	na	1.7	2.7	3.9	1.27	16.7	-698.0	
Barclays*	2.7	2.0	4.8	2.3	na	na	2.8	5.9	na	na	2.6	3.8	1.24	na	-669.2	
Credit Suisse	2.7	1.9	4.6	1.9	3.2	na	2.5	5.9	na	na	na	4.0	na	na	-644.6	
Daiwa Capital Markets America	2.7	2.2	4.9	2.4	4.0	1.9	2.6	5.5	8.0	1.9	3.0	3.9	1.25	16.8	-645.3	
Grant Thornton/Diane Swonk	2.7	1.9	4.7	2.4	3.6	3.2	2.8	5.4	5.0	1.9	3.0	3.9	1.29	16.6	-694.4	
Eaton Corporation	2.7	1.7 L	4.5	1.8	2.9	3.8	2.7	5.8	na	1.8	3.0	3.8	1.27	16.9	-665.3	
Fannie Mae	2.7	1.8	4.6	2.3	3.3	3.2	2.9	5.8	4.7	2.0 H	2.8	3.9	1.27	17.0	-705.1	
General Motors	2.7	1.7 L	4.4 L	1.7	3.8	3.7	2.7	5.6	2.6	1.8	3.0	3.9	1.25	na	-666.1	
Macroeconomic Advisers by IHS Markit*	2.7	1.9	4.7	2.3	3.6	3.2	2.9	5.4	5.0	1.8	3.0	4.0	1.29	16.9	-701.4	
MacroFin Analytics	2.7	2.0	4.7	2.1	3.5	2.4	2.7	4.5	5.2	1.8	3.0	4.0	1.27	17.0	-656.3	
Morgan Stanley*	2.7	2.0	4.7	2.3	2.6	2.2	3.1	4.7	na	1.8	2.1 L	3.8	1.22 L	16.4	L -679.9	
National Assn. of Home Builders	2.7	1.9	4.5	2.1	3.3	3.1	2.9	5.0	na	1.8	3.0	4.0	1.25	16.9	-693.6	
Nomura Securities	2.7	3.3 H	6.0 H	2.4	3.9	2.0	2.6	5.0	na	na	2.9	3.9	1.24	16.9	-668.4	
PNC Financial Services Group	2.7	2.1	4.8	2.4	2.2	2.5	2.3	5.0	na	1.6	2.5	3.9	1.29	17.0	-633.1	
RDQ Economics	2.7	2.1	4.9	2.3	3.6	2.3	2.8	7.5	6.1	1.9	2.8	3.9	1.25	17.5	-736.4 L	
U.S. Chamber of Commerce	2.7	2.0	4.7	1.9	2.3	2.1	2.9	4.2	5.0	1.8	3.0	4.0	1.30	na	-675.4	
UBS	2.7	2.0	4.8	2.3	2.9	3.4	3.0	6.6	na	1.8	2.5	3.8	1.30	na	-695.4	
Wells Capital Management	2.7	2.2	5.0	2.5	3.7	2.1	2.8	5.0	5.8	2.0 H	3.1	4.0	1.22 L	17.1	-664.0	
BMO Capital Markets*	2.6	2.0	4.7	2.4	3.3	2.8	3.0	4.0	6.1	1.8	2.9	3.9	1.27	16.7	-679.0	
Point72 Asset Management*	2.6	2.2	4.8	2.7	3.9	1.9	2.6	5.5	8.6	1.8	2.9	3.8	1.30	16.7	-702.2	
ACIMA Private Wealth	2.5	1.9	4.4 L	1.5 L	2.8	2.1	2.1 L	3.7 L	na	2.0 H	2.3	4.0	1.26	17.1	-590.0 H	
Economist Intelligence Unit	2.5	2.2	4.7	2.2	3.2	2.9	2.6	4.9	na	1.9	2.9	3.8	1.27	16.9	-643.0	
Ford Motor Company*	2.5	1.9	4.5	2.1	3.1	2.1	2.6	5.5	na	na	2.8	4.1 H	1.22 L	na	-691.6	
J P Morgan Chase	2.5	2.1	4.7	2.5	2.2	2.4	2.8	6.7	4.1	na	2.6	3.9	1.29	17.1	-671.3	
Swiss Re	2.5	2.0	4.6	2.3	2.8	2.0	2.8	4.8	5.6	1.8	2.7	4.0	1.29	16.5	-726.0	
Societe Generale	2.4 L	2.0	4.5	2.0	na	3.6	2.7	4.6	5.4	1.7	2.7	3.8	1.28	16.8	-686.0	
2018 Consensus: February Avg.	2.8	2.1	4.9	2.3	3.3	2.6	2.8	5.6	6.3	1.8	2.9	3.9	1.28	17.0	-670.1	
Top 10 Avg.	3.1	2.4	5.4	2.7	3.9	3.5	3.1	7.0	9.3	1.9	3.1	4.0	1.34	17.5	-629.3	
Bottom 10 Avg	2.6	1.8	4.5	1.9	2.4	1.9	2.5	4.4	3.7	1.7	2.5	3.8	1.24	16.6	-710.3	
January Avg.	2.7	2.0	4.7	2.1	2.9	2.7	2.6	5.3	6.1	1.8	2.7	3.9	1.27	17.0	-644.4	
Historical data	2014	2.6	1.8	4.4	1.6	3.1	3.6	2.9	5.3	0.0	2.5	6.2	1.00	16.4	-427.7	
	2015	2.9	1.1	4.0	0.1	-0.7	4.2	3.6	2.3	0.1	2.2	5.3	1.11	17.4	-545.3	
	2016	1.5	1.3	2.8	1.3	-1.2	1.4	2.7	-0.6	0.3	1.8	4.9	1.17	17.5	-586.3	
	2017	2.3	1.8	4.1	2.1	1.8	1.2	2.7	4.7	0.9	2.4	4.4	1.20	17.2	-621.5	
Number Of Forecasts Changed From A Month Ago:																
	Down	3	8	4	3	8	25	1	12	6	4	10	14	7	38	
	Same	28	19	9	14	8	7	10	9	11	16	19	19	28	7	
	Up	19	23	37	33	30	12	39	29	15	22	26	16	6	5	
	February Median	2.8	2.0	4.9	2.3	3.4	2.5	2.8	5.7	1.8	2.9	3.9	1.27	16.9	-670.7	
	February Diffusion Index	66 %	65 %	83 %	80 %	74 %	35 %	88 %	67 %	64 %	68 %	72 %	47 %	49 %	17 %	

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

HAWAIIAN ELECTRIC COMPANY, INC.

EXHIBIT A

		3.00%		3.00%		3.25%		3.00%		3.00%			
JOB CODE	JOB TITLE	1/1/2013	7/1/2013	1/1/2014	7/1/2014	1/1/2015	7/1/2015	1/1/2016	7/1/2016	1/1/2017	7/1/2017	1/1/2018	7/1/2018
TL285	FACILITY OPERATIONS MECHANIC												
	1st 3 mos.	20.83		21.45		22.07		22.75		23.37		23.99	
	Next 3 mos.	21.84		22.50		23.16		23.87		24.53		25.19	
	Next 6 mos.	22.91		23.60		24.29		25.03		25.72		26.41	
	Next 6 mos.	24.06		24.78		25.50		26.28		27.00		27.72	
	Thereafter	25.26		26.02		26.78		27.60		28.36		29.12	
CL829	CASHIER												
	1st 3 mos.	20.39		21.00		21.61		22.27		22.88		23.49	
	Next 3 mos.	21.32		21.96		22.60		23.29		23.93		24.57	
	Next 3 mos.	22.42		23.09		23.76		24.49		25.16		25.83	
	Next 6 mos.	23.50		24.21		24.92		25.68		26.39		27.10	
	Next 6 mos.	24.65		25.39		26.13		26.93		27.67		28.41	
	Thereafter	25.86		26.64		27.42		28.26		29.04		29.82	
CLC05	SR INFORMATION STORAGE EQUIPMENT OPERATOR												
CL18	SYSTEM OPERATION CLERK												
CL20	TEST AND SUBSTATION CLERK												
CL22	DESKTOP PUBLISHING OPERATOR												
CL104	POWER PLANT CLERK												
CL257	MOTOR FLEET CLERK												
CL328	METER CLERK												
CL21	PRINT PRODUCTION OPERATOR												
CL684	COMPUTER SYSTEMS OPERATOR TRAINEE												
	1st 3 mos.	20.83		21.45		22.07		22.75		23.37		23.99	
	Next 3 mos.	21.84		22.50		23.16		23.87		24.53		25.19	
	Next 3 mos.	22.91		23.60		24.29		25.03		25.72		26.41	
	Next 6 mos.	24.06		24.78		25.50		26.28		27.00		27.72	
	Next 6 mos.	25.26		26.02		26.78		27.60		28.36		29.12	
	Thereafter	26.47		27.26		28.05		28.91		29.70		30.49	
TL180	CONDENSER CLEANER												
	1st 6 mos.	22.91		23.60		24.29		25.03		25.72		26.41	
	Next 6 mos.	24.06		24.78		25.50		26.28		27.00		27.72	
	Next 6 mos.	25.26		26.02		26.78		27.60		28.36		29.12	
	Thereafter	26.47		27.26		28.05		28.91		29.70		30.49	
CLA49	PROJECT CLERK												
CLA81	STANDARDS CLERK												
CL12	JOINT POLE AIDE												
CL13	PROJECT CLERK												
CL15	FIELD SERVICE CLERK												
	1st 3 mos.	21.32		21.96		22.60		23.29		23.93		24.57	
	Next 3 mos.	22.42		23.09		23.76		24.49		25.16		25.83	
	Next 3 mos.	23.50		24.21		24.92		25.68		26.39		27.10	
	Next 6 mos.	24.65		25.39		26.13		26.93		27.67		28.41	
	Next 6 mos.	25.86		26.64		27.42		28.26		29.04		29.82	
	Thereafter	27.17		27.99		28.81		29.69		30.51		31.33	
T335	TRUCK DRIVER A	27.21		28.03		28.85		29.73		30.55		31.37	
CL406	METER READER												
	1st 3 mos.	20.83 x 1.030 =	21.45 x 1.0291 =	22.07 x 1.0307 =	22.75 x 1.0275 =	23.37 x 1.0267 =	23.99						
	Next 3 mos.	21.84	22.50	23.16	23.87	24.53	25.19						
	Next 6 mos.	24.06	24.78	25.50	26.28	27.00	27.72						
	Next 6 mos.	25.26	26.02	26.78	27.60	28.36	29.12						
	Next 6 mos.	26.47	27.26	28.05	28.91	29.70	30.49						
	Thereafter	27.81	28.64	29.47	30.37	31.20	32.03						
CL23	CUSTOMER TECHNOLOGY CLERK												
CL1013	INVOICE PAYMENT CLERK												
CL17	FUELS RECORDS CLERK												
	1st 3 mos.	22.42 x 1.030 =	23.09 x 1.0291 =	23.76 x 1.0307 =	24.49 x 1.0275 =	25.16 x 1.0267 =	25.83						
	Next 3 mos.	23.50	24.21	24.92	25.68	26.39	27.10						
	Next 3 mos.	24.65	25.39	26.13	26.93	27.67	28.41						
	Next 6 mos.	25.86	26.64	27.42	28.26	29.04	29.82						
	Next 6 mos.	27.17	27.99	28.81	29.69	30.51	31.33						
	Thereafter	28.51	29.37	30.23	31.16	32.02	32.88						
CL1011	PURCHASING CLERK												
	1st 3 mos.	23.50		24.21		24.92		25.68		26.39		27.10	
	Next 3 mos.	24.65		25.39		26.13		26.93		27.67		28.41	
	Next 6 mos.	25.86		26.64		27.42		28.26		29.04		29.82	
	Next 6 mos.	27.17		27.99		28.81		29.69		30.51		31.33	
	Thereafter	28.51		29.37		30.23		31.16		32.02		32.88	

Hawaiian Electric Company, Inc.
Revenue Decoupling - Rate Base RAM
2017 Major Projects and Other Plant Additions

NET CALCULATION											GROSS CALCULATION					
Grand parent	Project #	Project	Plant Addition Date	[1]	[2]	[3]			Over/(Under) NET PUC Approved	Project to Date Recorded CIAC 12/31/17	Gross Plant Adds 12/31/17	Gross PUC Approved	Over/(Under) GROSS PUC Approved	Functional Plant Category		
				Net Plant Adds Thru 12/31/16	Total Project Cost	CIAC & Adjustments	Net Project Cost	Net Plant Adds Thru 12/31/17							Net PUC Approved	
				(A)				(B)								(C)
2017 Major Projects																
1	-	P0001370 DOT Airport DSG	2017 straggling	3,242,178	94,001	-	94,001	3,336,179	3,400,139	[3a]	(63,960)	(1,993,000)	5,329,179	5,393,139	(63,960)	Production Other
2	-	P0002264 Pukele 80MVA Tsf #1	2017 straggling	3,839,121	7,612	-	7,612	3,846,733	3,846,733	[3b]	-	-	3,846,733	3,846,733	-	Transmission
3	Y00038	P0000783 Kakaako Makai-Iwilei 25kV DL	2017 straggling	7,643,799	(400,000)	-	(400,000)	7,243,799								
		P0000672 Kakaako Makai-Kewalo 25kV DL	2017 straggling	5,423,851	(400,000)	-	(400,000)	5,023,851								
		P0001579 Kakaako Makai DOT Queen-Cook	2017 straggling	2,446,135	(476,166)	-	(476,166)	1,969,969								
				15,513,785				14,237,619	14,537,623	[3c]	(300,004)	(2,825,023)	17,062,642	17,362,646	(300,004)	Distribution
4	Y00168	P0003205 ERP EAM Hardware	201706	-	2,604,146	-	2,604,146	2,604,146	2,590,000	[3d]	14,146	-	2,604,146	2,590,000	14,146	Computers
Other																
5	-	P0003465 Koolau-Waiupe #1 Str 30 PB Replace	201707	-	2,684,387	-	2,684,387	2,684,387	2,555,619	[3e]	128,768	-	2,684,387	2,555,619	128,768	Transmission

[3] Transmittal No. 17-02 (Decoupling) - Hawaiian Electric Company RBA Rate Adjustment, HECO-WP-D2-001, filed on March 31, 2017.

[2] Hawaiian Electric Companies' Exemption From and Modification of General Order No. 2.3(g), Relating to Capital Improvements Capital Projects Completed in 2017, in Docket No. 03-0257, filed on March 27, 2018. See HECO-WP-D2-002.

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

[3a] Net PUC Approved amount was derived from the Hawaiian Electric 2017 Test Year Rate Case, filed in Docket No. 2016-0328, in response to CA-IR-303 and CA-IR-304 which updated 2016 Plant Additions and CIAC for actuals through December 31, 2016 and revised forecast for 2017. See calculation below:

	Gross	CIAC	Net	
Gross/Net Plant Adds Thru 12/31/16	5,235,178	(1,993,000)	3,242,178	(See column [1])
2017 Plant Addition	157,961	-	157,961	(See CA-IR-303, Attachment 2, page 1 of 7)
2017 CIAC Estimate	-	-	-	
Derived PUC Approved	5,393,139	(1,993,000)	3,400,139	

[3b] Net PUC Approved amount was derived from the Hawaiian Electric 2017 Test Year Rate Case, filed in Docket No. 2016-0328, in response to CA-IR-303 and CA-IR-304 which updated 2016 Plant Additions and CIAC for actuals through December 31, 2016 and revised forecast for 2017. See calculation below:

	Gross	CIAC	Net	
Gross/Net Plant Adds Thru 12/31/16	3,839,121	-	3,839,121	(See column [1])
2017 Plant Addition	7,612	-	7,612	(See CA-IR-303, Attachment 2, page 1 of 7)
2017 CIAC Estimate	-	-	-	
Derived PUC Approved	3,846,733	-	3,846,733	

[3c] Net PUC Approved amount was derived from the Hawaiian Electric 2017 Test Year Rate Case, filed in Docket No. 2016-0328, in response to CA-IR-303 and CA-IR-304 which updated 2016 Plant Additions and CIAC for actuals through December 31, 2016 and revised forecast for 2017. See calculation below:

	Gross	CIAC	Net	
Gross/Net Plant Adds Thru 12/31/16	18,338,808	(2,825,023)	15,513,785	(See column [1])
2017 Plant Addition	(76,162)	-	(76,162)	(See CA-IR-303, Attachment 2, page 4 of 7)
2017 CIAC Estimate	-	(900,000)	(900,000)	(See CA-IR-304, Attachment 2, page 4 of 7)
Derived PUC Approved	18,262,646	(3,725,023)	14,537,623	

[3d] Per Decision and Order No. 33861, page 4, Docket No. 2014-0170, For Approval of an Enterprise Resource Planning and Enterprise Asset Management System Implementation Project and Related Accounting Treatment, filed August 11, 2016. The Company will write-off the portion exceeding the net PUC approved amount of \$14,146 in 2018.

[3e] In the 2017 Fourth Quarter Capital Projects Status Report filed on February 28, 2018, Hawaiian Electric identified that the project costs had unexpectedly exceeded \$2,500,000 and provided an explanation for the higher costs. Project cost is limited for rate base RAM recovery to the amount identified in Hawaiian Electric's response to CA-IR-303, Attachment 2, page 3 of 7, filed in Docket No. 2016-0328, Hawaiian Electric 2017 Test Year Rate Case.

2017 General Order No. 7 (GO7) Report Summary Plant Additions

Projects	2017 Plant Addition (1)
Less than \$2.5M	272,640,149
Greater than \$2.5M	4,113,980
Total Plant Additions	276,754,129
Less: Major Project additions in 2017	
DOT Airport DSG	(94,001)
Pukele 80MVA Tsf #1	(7,612)
Kakaako Makai-Iwilei 25kV DL	400,000
Kakaako Makai-Kewalo	400,000
Kakaako Makai DOT Queen-Cook	476,166
ERP EAM Hardware	(2,604,146)
Koolau-Wailupe #1 Str 30 P9 Replace	(2,684,387)
	(4,113,980)
Baseline Plant Additions	272,640,149

(1) Source: Hawaiian Electric Companies' Exemption From and Modification General Order No. 7 Paragraph No. 2.3(g), Relating to Capital Improvements Capital Projects Completed in 2017, in Docket No. 03-0257 filed on March 27, 2018.

**Hawaiian Electric Company
2018 Plant Additions - Major Projects Support**

Grand-parent	Project	Functional Category	Plant Addition Date	PUC Approved, Net [1] <i>A</i>	CIAC Received/ Estimated CIAC <i>B</i>	Gross PUC Approved <i>C = A - B</i>	Gross Plant Adds thru 12/31/17 <i>D</i>	2018 Gross Plant Additions <i>E</i>	Estimated Gross Plant Adds thru 12/31/18 <i>F = D + E</i>	Over/ (Under) PUC Approved <i>G = F - C</i>	2018 Plant Addition Qualifying for RB RAM (Note A)	Future Years <i>[3]</i>
	P0001576: Schofield Generation Station	Production-Other	2018/04	141,570,000 [1a]	-	141,570,000	-	148,012,455	148,012,455	6,442,455	141,570,000	
											<u>141,570,000</u>	

NOTE A: Amount qualifying for 2018 rate base RAM recovery is limited to the lower of the 2018 gross plant addition (column E) or the PUC approved amount (column C). In the case of straggling costs, the amount qualifying for 2018 rate base RAM recovery is limited to the lower of the 2018 gross plant addition (column E) or the remaining unused balance of the PUC approved amount.

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

[1a] Decision and Order No. 33178, p. 84-85, Docket No. 2014-0113, For Approval to Commit Funds in Excess of \$2,500,000 (excluding customer contributions) for the Purchase and Installation of Item P0001756, Schofield Generating Station Project, filed 09/29/2015. The Commission approved a cap on the amount of the total costs that may be recovered through any cost recovery mechanism other than base rates at 90% of the \$167 million cap. The \$167 million cap shall further be adjusted downward due to a reduction in the foreign exchange rate.

In the Letter to Commission Re: Docket No. 2014-0113, Schofield Generating Station; Notification of Euro Exchange Rate and Adjusted Project Cap, filed 01/27/2016, the Company locked in the foreign exchange rate at \$1.0928/euro which adjusted the project cap down from \$167 million to \$157.3 million. Revised cap on the amount of total costs allowed to be recovered through any cost recovery mechanism other than base rates is \$141.57 million (\$157.3 million x 90%).

[2] Source: HECO-WP-D2-001.

[3] Source: UIPlanner Budget files. Forecast as of February 20, 2018.

HAWAIIAN ELECTRIC CO., INC.				
DEFERRED INCOME TAXES				
		DR / (CR)	DR / (CR)	DR / (CR)
		HECO	HECO	HECO
		FEDERAL	STATE	TOTAL
DR / (CR)		LIABILITY	LIABILITY	LIABILITY
LIAB	DESCRIPTION	12/31/2017	12/31/2017	12/31/2017
28312	Accrued Vacation	(190,110.60)	(64,109.84)	(254,220.44)
28313	Uncollectible Acct	967,129.30	294,742.15	1,261,871.45
28314	Directors Def Comp	8,117.74	1,571.96	9,689.70
28317	Discounted Work Comp	261,657.52	79,996.01	341,653.53
28319	Cap to Construct (Cost of Remd	85,471,201.45	19,953,025.89	85,424,227.34
28321	Pension	(3,831,176.65)	(1,167,597.79)	(4,998,774.44)
28323	Excess Benefit Plan	544,859.60	161,524.74	706,384.34
28326	Def Exec Comp (Def EICP<)	34,973.68	10,659.71	45,633.39
28327	Software (no APPRISE & e bus	172,604.75	101,232.22	273,836.97
28328	GL ACRS Retirements	(11,862,169.46)	(3,947,127.06)	(15,809,296.52)
28330	EICP	(249,684.26)	(92,265.26)	(341,949.52)
28331	CIAC	18,843,382.62	9,546,995.83	28,390,378.45
28332	Customer Advances	965,259.88	293,510.65	1,258,770.53
28333	Capitalized Interest	8,748,490.86	3,618,355.43	12,366,846.29
28335	Connection Fees	(9,611.91)	(8,444.14)	(18,056.05)
28336	Nondeductible Interest	19,016.26	5,795.04	24,811.30
28337	Supplemt Benefits - SERP	292,633.76	78,899.14	371,532.90
28340	LTIP	439,352.69	133,897.79	573,250.48
28341	Waipahu Baseyard Int	67,116.93	20,452.91	87,569.84
28347	Waiau Water Well Pmts	92,656.51	28,254.04	120,910.55
28350	Outage Loss Adj Exp		(24,509.00)	(24,509.00)
28401	Gen/Auto (& Accidents)	335,974.66	102,391.89	438,366.55
28403	CWIP Debt Transition	(174,528.94)	(53,192.05)	(227,720.99)
28404	CWIP Equity Trans	(429,342.22)	(130,848.15)	(560,190.37)
28405	Iolani Ct Plaza Sale	26,151.07	(4,370.76)	21,780.31
28406	Kaonohi Sale	(22,651.01)	(6,942.61)	(29,593.62)
28408	Plant Transition	(4,287,127.36)	(1,306,588.10)	(5,593,715.46)
28409	CWIP Equity Net	(16,323,866.64)	(4,974,877.73)	(21,298,744.37)
28410	CWIP Equity Grossup	(10,396,391.24)	(3,168,413.57)	(13,564,804.80)
28411	CWIP Debt	(8,819,816.66)	(2,691,476.05)	(11,511,292.71)
28412	Gen/Auto Liability - Legal	26,368.57	5,607.20	31,975.77
28413	Post Retirement Ben	(253,925.50)	(57,421.58)	(311,347.08)
28414	Reg Liab Federal ITC	184,404.50	57,037.76	241,442.26
28418	IRP Costs	(25,223.69)	(8,107.96)	(33,331.65)
28419	Reg Liab Excess 283	124,158.49	38,478.93	162,637.42
28422	Miscellaneous	17,106.97	(16,969.99)	136.98
28427	Prepaid Expenses	(747,022.73)	(227,662.94)	(974,685.67)
28432	Coal Gasif Costs		(11,273.00)	(11,273.00)
28434	EEO Claims	5,575.61	1,699.25	7,274.86
28435	Rev Bond Differential	(143,449.37)	(43,717.44)	(187,166.81)
28436	TIP/Rewards Programs	217,564.55	66,565.45	284,130.00
28441	Sun Power	6,327.28	1,928.31	8,255.59
28512	Revenue Bond Cost Amort.	(838,883.95)	(255,658.97)	(1,094,542.92)
28514	Software (APPRISE only)		(22,551.00)	(22,551.00)
28516	Honolulu Harbor Reserve	899,357.70	274,090.67	1,173,448.37
28520	Deferred Comp - restricted stock	122,859.47	37,442.40	160,301.87
28522	Reserve - BP Pipeline rent	64,986.20	19,808.00	84,804.20
28526	Emissions Fees	318,335.16	97,016.55	415,351.71
28530	AES Hawaii PPA	31,995.18	9,751.11	41,746.29
28532	CIS Project	(275,445.75)	(83,338.40)	(358,784.15)
28538	Rate Case Costs	(225,626.62)	(68,762.77)	(294,389.39)
28542	OUIPS amortization	(156,065.44)	(47,563.14)	(203,628.58)
28544	OPEB Exec Life	2,554,629.58	778,622.03	3,333,251.61
28546	Percentage Repairs Allowance	(1,826,037.18)	(680,351.59)	(2,506,388.77)
28548	Cap Interest (D&T)	(2,246,659.44)	(983,869.88)	(3,230,529.32)
28550	E-Business hardware	(19,730.68)	(8,206.93)	(27,937.61)
28552	OMS project costs	244,025.57	75,669.78	319,695.35
28558	Substation Land - Alea		(2,073.65)	(2,073.65)
28560	Solar tax credit	630.40	192.12	822.52
28564	HR Suites project costs	(308,975.50)	(96,412.42)	(405,387.92)
28568	Solar Saver Program	67,937.15	20,704.40	88,641.55
28570	Pension Tracker	(22,802,175.65)	(6,049,221.27)	(28,851,396.92)
28572	OPEB Tracker	670,072.85	204,211.64	874,284.49
28580	Blue Earth reserve	(2,163.55)	(659.33)	(2,822.88)
28584	RO Water Pipeline	192,920.08	58,794.56	251,714.64
28590	Repairs Adjustment	(71,273,581.25)	(21,130,461.74)	(92,404,042.99)
28592	Stimulus Funds	1,278.16	389.55	1,667.71
28594	Budget System Replacement	(164,116.69)	(50,015.99)	(214,132.68)
28596	EOTF Interest / amort	(13,374.25)	(4,076.23)	(17,450.48)
28598	CIP Interest	(197,619.66)	(60,226.24)	(257,845.90)
28600	ERP project costs	438,174.02	133,538.77	571,712.79
28602	Reg Liab Federal PV/EV	199,368.08	60,760.42	260,128.49
28604	IVR project costs	(197,360.09)	(60,148.45)	(257,508.54)
28608	Franchise Tax	1,113,103.09	339,231.17	1,452,334.26

HAWAIIAN ELECTRIC CO., INC.					
DEFERRED INCOME TAXES					
		DR / (CR)	DR / (CR)	DR / (CR)	
		HECO	HECO	HECO	
		FEDERAL	STATE	TOTAL	
DR / (CR)		LIABILITY	LIABILITY	LIABILITY	
LIAB	DESCRIPTION	12/31/2017	12/31/2017	12/31/2017	
28614	RBA revenues	(9,716,750.92)	(2,961,295.41)	(12,678,046.33)	
28618	NOL - charitable	(6,347.36)		(6,347.36)	
28620	GL Lauula	12,343.45	773.02	13,116.47	
28626	Reg Asset - 2017 Excess-other	(3,919,451.08)	(5,808,094.36)	(9,727,545.44)	
28628	Reg Liab - 2017 Excess-other	8,899,734.59	7,325,888.80	16,225,623.40	
AOCINO	AOCI - NO Pension	693,861.92	211,456.31	905,318.23	
AOCIOPEB	AOCI - OPEB Exec Life	(321,528.59)	(97,991.19)	(419,519.78)	
48000	FIN 48 tax	1,195,743.00	668,113.00	1,863,856.00	
48002	FIN 48 interest	29,730.20	9,060.63	38,790.83	
50000	Rounding	(57.01)	432.88	375.87	
FED ACCOUNT 283, excluding state ITC		(56,654,867.82)	(12,448,323.87)	(69,103,191.69)	
28310	State ITC	11,398,011.89	3,456,270.09	14,854,281.98	
TOTAL ACCOUNT 283		(45,256,855.92)	(8,992,053.78)	(54,248,909.71)	
28210000	Accelerated Depreciation	(240,010,848.16)	(44,466,342.19)	(284,477,190.35)	
28210100	Accel. Depr. - Excess	42,533,463.30	12,962,525.93	55,495,989.23	
28210200	Accel. Depr. - Deficit	(181,419.65)	(54,875.11)	(236,294.77)	
TOTAL ACCOUNT 282		(197,658,804.51)	(31,558,691.37)	(229,217,495.89)	Sch D4
TOTAL DEF INCOME TAX - UTILITY		(242,915,660.44)	(40,550,745.16)	(283,466,405.60)	
28210300	Nonutility Depreciation	614,483.26	281,626.85	896,110.11	
28301001	Nonutility - Other	1,030,766.36	316,705.37	1,347,471.73	
28301002	RHI Tax Allocation				
28301003	UBC Tax Allocation				
50001	Rounding	(1.05)		(1.05)	
TOTAL DEF INCOME TAX - NONUTILITY		1,645,248.58	598,332.22	2,243,580.80	
TOTAL DEF INCOME TAX		(241,270,411.86)	(39,952,412.94)	(281,222,824.80)	
RATE BASE CALCULATION					
TOTAL ACCOUNT 283		(45,256,855.92)	(8,992,053.78)	(54,248,909.71)	
Less:					
28312	Accrued Vacation	(190,110.60)	(64,109.84)	(254,220.44)	
28313	Uncollectible Acct	967,129.30	294,742.15	1,261,871.45	
28314	Directors Def Comp	8,117.74	1,571.96	9,689.70	
28317	Discounted Work Comp	261,657.52	79,996.01	341,653.53	
28323	Excess Benefit Plan	544,859.60	161,524.74	706,384.34	
28326	Def Exec Comp (Def EICP<IP)	34,973.68	10,659.71	45,633.39	
28330	EICP	(249,684.26)	(92,265.26)	(341,949.52)	
28336	Nondeductible Interest	19,016.26	5,795.04	24,811.30	
28337	Supplmt Benefits - SERP	292,633.76	78,899.14	371,532.90	
28338	Nondeductible Vac				
28340	LTIP	438,352.69	133,897.79	572,250.48	
28341	Waipahu Baseyard Int	67,116.93	20,452.91	87,569.84	
28347	Waiau Water Well Pmts	92,656.51	28,254.04	120,910.55	
28348	Nonutil Bad Debt				
28350	Outage Loss Adj Exp		(24,509.00)	(24,509.00)	
28401	Gen/Auto (& Accidents)	335,974.66	102,391.89	438,366.55	
28412	Gen/Auto Liability - Legal	26,368.57	5,607.20	31,975.77	
28418	IRP Costs	(25,223.69)	(8,107.96)	(33,331.65)	
28422	Miscellaneous	17,106.97	(16,969.99)	136.98	
28434	EEO Claims	5,575.61	1,699.25	7,274.86	
28436	TIP/Rewards Programs	217,564.55	66,565.45	284,130.00	
28516	Honolulu Harbor Reserve	899,357.70	274,090.67	1,173,448.37	
28520	Deferred Comp - restricted stock	122,859.47	37,442.40	160,301.87	
28522	Reserve - BP Pipeline rent	64,996.20	19,808.00	84,804.20	
28538	Rate Case Costs	(225,626.62)	(68,762.77)	(294,389.39)	
28544	OPEB Exec Life	2,554,629.58	778,622.03	3,333,251.61	
28550	E-Business hardware	(19,730.68)	(8,206.93)	(27,937.61)	
28568	Solar Saver Program	67,937.15	20,704.40	88,641.55	
28580	Blue Earth reserve	(2,163.55)	(659.33)	(2,822.88)	
28588	Big Wind costs				
28600	ERP project costs	438,174.02	133,538.77	571,712.79	
28606	NOL				
28608	Franchise Tax	1,113,103.09	339,231.17	1,452,334.26	
28614	RBA revenues	(9,716,750.92)	(2,961,295.41)	(12,678,046.33)	
28616	RAM revenues				

HAWAIIAN ELECTRIC CO., INC.					
DEFERRED INCOME TAXES					
		DR / (CR)	DR / (CR)	DR / (CR)	
		HECO	HECO	HECO	
		FEDERAL	STATE	TOTAL	
DR / (CR)		LIABILITY	LIABILITY	LIABILITY	
LIAB	DESCRIPTION	12/31/2017	12/31/2017	12/31/2017	
28618	NOL - charitable	(6,347.36)	-	(6,347.36)	
28622	NOL - credits	-	-	-	
28624	AMT	-	-	-	
AOCIINQ	AOCI - NQ Pension	693,861.92	211,456.31	905,318.23	
AOCIOPEB	AOCI - OPEB Exec Life	(321,528.59)	(97,991.19)	(419,519.78)	
AOCIFX	AOCI - FX Unrealize	-	-	-	
48000	FIN 48 tax	1,195,743.00	668,113.00	1,863,856.00	
48002	FIN 48 interest	29,730.20	9,060.63	38,790.83	
	Adjustment for EOIP, CIS and t	(158,142.32)	(48,195.18)	(206,337.50)	
Total Exclusions		(404,811.93)	93,051.80	(311,760.13)	
Total 283 Deferred Taxes for Rate Base		(44,852,044.00)	(9,085,105.56)	(53,937,149.56)	Sch D4
Total 282 Deferred Taxes for Rate Base		(197,658,804.51)	(31,558,691.37)	(229,217,495.89)	
TOTAL DEF INCOME TAX - RATE BASE		(242,510,848.51)	(40,643,796.96)	(283,154,645.47)	WP-H-001

HAWAIIAN ELECTRIC CO., INC.
ADIT ON EXCESS DEPRECIATION
DECEMBER 31, 2017

	source	ERP/EAM HARDWARE	KOOLAU- WAILUPE #1	TOTAL
FEDERAL DEFERRED TAXES				
1 State Tax Depreciation		2,829	4,829	7,658
2 Book Depreciation	HECO-WP-E-001			-
3 Subtotal	Line 1 + Line 2	2,829	4,829	7,658
4 Effective Federal Tax Rate		19.7368%	19.7368%	19.7368%
5 Federal Deferred Tax on State Depreciation	Line 3 * Line 4	558	953	1,511
6 Addback State Tax Depreciation	Line 3	(2,829)	(4,829)	(7,658)
7 Federal Tax Depreciation		8,488	66,798	75,286
8 Book Depreciation	Line 2	-	-	-
9 Federal State Difference	Line 6 + 7 + 8	5,659	61,969	67,628
10 Tax Rate on Federal Only Adjustment		21%	21%	21%
11 Federal Deferred Tax Adjustment	Line 9 * Line 10	1,188	13,013	14,202
12 Total Federal Deferred Taxes	Line 5 + Line 11	1,746	13,966	15,713
				to Sch D4
STATE DEFERRED TAXES				
13 State Tax Depreciation	Line 1	2,829	4,829	7,658
14 Book Depreciation	Line 2	-	-	-
15 Subtotal	Line 1 + Line 2	2,829	4,829	7,658
16 Effective State Tax Rate		6.0150376%	6.0150376%	6.0150376%
17 Total State Deferred Taxes	Line 15 * Line 16	170	290	461
				to Sch D4
18 TOTAL DEFERRED TAXES	Line 12 + Line 17	1,916	14,256	16,174
		to Sch D1	to Sch D1	16,173
				to Sch D4

HAWAIIAN ELECTRIC CO., INC.
EXCESS TAX DEPRECIATION
ERP/EAM HARDWARE

Project No.	DIS	Description	Total Basis	Less PUC Approved Amt	Disallowed Costs	Plant Acct	Life	Bonus	2017
FEDERAL									
P0003205	v2017	ERP/EAM Hardware	2,604,146	2,590,000	14,146	Computer	5	50	8,488
		Total	<u>2,604,146</u>	<u>2,590,000</u>	<u>14,146</u>				<u>8,488</u>
		Cumulative							<u>8,488</u>
HAWAII									
P0003205	v2017	ERP/EAM Hardware	2,604,146	2,590,000	14,146	Computer	5	0	2,829
		Total	<u>2,604,146</u>	<u>2,590,000</u>	<u>14,146</u>				<u>2,829</u>
		Cumulative							<u>2,829</u>

HAWAIIAN ELECTRIC CO., INC.
EXCESS TAX DEPRECIATION
KOOLAU-WAILUPE #1

Project No.	DIS	Description	Total Basis	Less PUC Approved Amt	Disallowed Costs	Plant Acct	Life	Bonus	2017
FEDERAL									
P0003465	v2017	Koolau-Wailupe #1	2,684,387	2,555,619	128,768	Trans	20	50	66,798
		Total	<u>2,684,387</u>	<u>2,555,619</u>	<u>128,768</u>				<u>66,798</u>
		Cumulative							<u>66,798</u>
HAWAII									
P0003465	v2017	Koolau-Wailupe #1	2,684,387	2,555,619	128,768	Trans	20	0	4,829
		Total	<u>2,684,387</u>	<u>2,555,619</u>	<u>128,768</u>				<u>4,829</u>
		Cumulative							<u>4,829</u>

HAWAIIAN ELECTRIC CO., INC.
AMENDED ISSUES
AMORTIZATION OF 2017 EXCESS

HECO	ADIT	0.346835	Total	Life	Rev Settlement Amortization
		Reg Liab			
Plant 282 - protected	(160,155,102)	(55,547,395)	(215,702,497)		0
Plant 283	(26,035,756)	(9,030,111)	(35,065,867)	15	(2,337,724)
NonPlant283 before rate base adj	(12,028,661)	(4,171,961)	(16,200,622)		
Rate Base Adj 283	(5,730,347)	(1,987,485)	(7,717,832)		
Total Fed Util 283	(17,759,008)	(6,159,446)	(23,918,453)	5	(4,783,691)
Total Rate Base ADIT	(203,949,866)	(70,736,952)	(274,686,818)		
				Total Amort	(7,121,415)

SOURCE:

See Docket No. 2016-0328 - Hawaiian Electric 2017 Test Year Rate Case Revised Attachment to the Parties' Stipulated Settlement on Remaining Issues, filed March 8, 2018, HECO T-26, Attachment 2A, Page 1.

Hawaiian Electric Company, Inc.
2017 Major Projects Excess Cost

[1] Grandparent # or Project #	[1] Project	[2] Date In Service	[2] Gross Plant Adds Thru 12/31/16 (A)	[1] Gross Plant Adds Thru 12/31/17 (B)	Plant Acct	Docket No 2010-0053 Depr Rate (C)	2017 Depr (D) = (A) * (C)	2018 Depr (E) = (B) * (C)	[1] Gross PUC Approved (F)	[2] 2016 Cost in Excess of Docket (G)	[1] 2017 Cost in Excess of Docket (H) = (B) - (F)	[3] Prior Years Depr Related to Excess (I)	[2] 2017 Depr Related to Excess (J) = (G) / (A) * (D)	2018 Depr Related to Excess (K) = (H) / (B) * (E)	To Schedule D1 Cumulative Depr Related to Excess (L) = (I) + (J)
Y00168/ P0003205	ERP EAM Hardware	2017/06	-	2,604,145	391.1	0.20000	-	520,829	2,590,000	-	14,146	-	-	2,829	-
P0003465	Koolau-Wailupe #1 Str 30 P9 Replace	2017/07	-	2,684,387	356	0.03270	-	87,779	2,555,619	-	128,768	-	-	4,211	-

[1] Source: HECO-WP-D2-001

[2] Source: Transmittal No. 17-02 (Decoupling) - Hawaiian Electric Company RBA Rate Adjustment, HECO-WP-E-001, filed on March 31, 2017.

[3] Source: Transmittal No. 17-02 (Decoupling) - RBA Rate Adjustment (Filed March 31, 2017), HECO-WP-E-001, column (L), "Cumulative Depr Related to Excess".

Hawaiian Electric Company
Calculation of Composite Effective Income Tax Rates
Federal and State

Composite Federal and State Effective Income Tax Rate

	<u>Eff 1/1/2018</u>	<u>2017 & Prior</u>
Federal Effective Income Tax Rate	19.7368421%	32.8947368%
State Effective Income Tax Rate	6.0150376%	6.0150376%
	<u>25.7518797%</u>	<u>38.9097744%</u>

Calculation of Effective Rates

Assumptions:

ST = State Income Tax Expense
FT = Federal Income Tax Expense
Pre-Tax Income = \$1.00
State Statutory Income Tax Rate*
Federal Statutory Income Tax Rate**

	<u>Eff 1/1/2018</u>	<u>2017 & Prior</u>
State Statutory Income Tax Rate*	6.4%	6.4%
Federal Statutory Income Tax Rate**	21.0%	35.0%

Calculation of State Effective Income Tax Rate

State Income Tax Expense = Statutory Rate x (Pre-Tax Income - State Income Tax Expense)
 $ST = .064 \times (1 - ST)$
 $ST = .064 - .064(ST)$
 $1.064(ST) = .064$
 $ST = .060150376$ or 6.0150376% of Pre-Tax Income

Calculation of Federal Effective Income Tax Rate

Federal Income Tax Expense = Statutory Rate x (Pre-Tax Income - State Income Tax Expense)

<u>Effective 1/1/18</u>
$FT = .21 \times (1 - ST)$
$FT = .21 \times (1 - .060150376)$
$FT = .21 - .01263157896$
$FT = .197368421$ or 19.7368421% of Pre-Tax Income
<u>2017 & Prior</u>
$FT = .35 \times (1 - ST)$
$FT = .35 \times (1 - .060150376)$
$FT = .35 - .01263157896$
$FT = .328947368$ or 32.8947368% of Pre-Tax Income

* Hawaii Revised Statutes §235.71 was amended for tax years beginning after 1986.

** The Tax Cuts and Jobs Act changed the Federal tax rate for tax years ending after December 31, 2017.

HAWAIIAN ELECTRIC COMPANY, INC.
TAX REPAIRS ADJUSTMENT
2018

		A	B	C = A x B	D = A - C	
	HECO-WP- F1-002 5 YR LIFE AVERAGE	Plant Adds	HECO-WP- F1-001, pg 2 Repairs Allocation	Repairs Deduction	Depreciable Basis	
Computers/PV	5	6,754				
Communication	20	4,527				
Off/Furn/Tools	7	5,615				
Distribution	20	129,856	129,856,000	21.83%	28,351,595	101,504,405
Land	-	1,472				
Non-Steam Production	15	2,562	2,562,000	0.00%	0	2,562,000
Steam Production	20	25,753	25,753,000	29.93%	7,707,093	18,045,907
Structural	39	4,389				
Transmission	20	24,927	24,927,000	3.91%	973,475	23,953,525
Transmission	15	40,306	40,306,000	3.91%	1,574,072	38,731,928
Vehicles	-	6,769				
TOTAL	252,930	223,404,000		38,606,235	184,797,765	

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

NOTE 2> The numbers (excluding %s) are rounded to the nearest thousand.

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

		Distribution	Non Steam	Steam	Transmission
Repairs %:					
Total book basis repairs					
2013		26,024,478		12,206,812	3,034,166
2014		40,010,784		8,698,003	1,620,540
2015		28,855,969		8,823,262	3,152,508
2016		19,906,067		6,512,311	2,697,168
2017		31,491,700		4,536,904	2,793,176
		146,288,998	0	40,777,292	13,297,558
Total book basis adds					
2013	HECO-WP-F1-002	114,622,000	101,000	32,635,000	81,220,000
2014	HECO-WP-F1-002	139,366,000	12,311,000	30,119,000	57,957,000
2015	HECO-WP-F1-002	150,513,000	5,613,000	25,823,000	48,871,000
2016	HECO-WP-F1-002	117,566,000	268,000	24,812,000	79,269,000
2017	HECO-WP-F1-002	147,966,000	1,658,000	22,867,000	73,183,000
		670,033,000	19,951,000	136,256,000	340,500,000
AVERAGE %		21.833103%	0.000000%	29.926970%	3.905303%

NOTE 1> With the assistance of Price Waterhouse Coopers, the repairs deduction analysis was performed in 2010, 2012, 2015 and 2016 in connection with changing HECO's method of identifying deductible repairs for tax accounting purposes. The repairs percentage for each functional group represents the five year weighted average of the identified repairs costs.

NOTE 2> The numbers (excluding %s) are rounded to the nearest thousand.

HAWAIIAN ELECTRIC COMPANY, INC.
BASELINE PLANT ADDS

	LIFE	2013 ACTUAL			2014 ACTUAL			2015 ACTUAL		
		PROJECTS	PROGRAMS	TOTAL	PROJECTS	PROGRAMS	TOTAL	PROJECTS	PROGRAMS	TOTAL
Computers/PV	5	1,559	6,350	7,909		6,681	6,681	2,718	6,262	8,980
Communication	20	4,708	1,661	6,369	3,516	1,824	5,340	1,054	4,129	5,183
Off/Furn/Tools	7	1,751	5,599	7,350	4,590	3,652	8,242	3,406	909	4,315
Distribution	20	25,611	89,011	114,622	33,784	105,582	139,366	16,208	134,305	150,513
Land	-	6,320	82	6,402	1,274	455	1,729	1,202	31	1,233
Non-Steam Production	15	101	-	101	12,311	-	12,311	5,613		5,613
Steam Production	20	29,864	2,771	32,635	27,547	2,572	30,119	22,516	3,307	25,823
Structural	39	6,479	235	6,714	2,278	621	2,899	4,832	636	5,468
Transmission	20	12,962	11,484	24,446	1,491	11,804	13,295	10,539	10,922	21,461
Transmission > 69kv	15	43,386	13,388	56,774	36,204	8,458	44,662	26,004	1,406	27,410
		56,348	24,872	81,220	37,695	20,262	57,957	36,543	12,328	48,871
Vehicles	-	-	9,498	9,498		4,682	4,682		10,540	10,540
TOTAL		132,741	140,079	272,820	122,995	146,331	269,326	94,092	172,447	266,539

	LIFE	2016 ACTUAL			2017 ACTUAL			LESS MAJOR PROJECTS		
		PROJECTS	PROGRAMS	TOTAL	PROJECTS	PROGRAMS	TOTAL	PROJECTS	PROGRAMS	TOTAL
Computers/PV	5	46	5,173	5,219	2,651	4,936	7,587	(2,604)		(2,604)
Communication	20	2,954	2,916	5,870	3,800	3,549	7,349	(7,476)		(7,476)
Off/Furn/Tools	7	171	2,793	2,964	1,548	3,656	5,204			-
Distribution	20	17,667	99,899	117,566	36,591	111,375	147,966	(20,751)		(20,751)
Land	-		11	11	50	212	262	(2,276)		(2,276)
Non-Steam Production	15	268		268	1,658		1,658	(7,139)		(7,139)
Steam Production	20	21,860	2,952	24,812	19,356	3,511	22,867	(7,491)		(7,491)
Structural	39	886	761	1,647	4,907	310	5,217			-
Transmission	20	30,240	8,436	38,676	21,759	7,683	29,442	(2,684)		(2,684)
Transmission > 69kv	15	40,530	63	40,593	42,647	1,094	43,741	(11,649)		(11,649)
		70,770	8,499	79,269	64,406	8,777	73,183	(14,333)	-	(14,333)
Vehicles	-		3,665	3,665		5,460	5,460			-
TOTAL		114,622	126,669	241,291	134,967	141,786	276,753	(62,070)	-	(62,070)

	LIFE	TOTAL (2013 - 2017)			AVERAGE (2013 - 2017)			AVERAGE (2013 - 2017)		
		PROJECTS	PROGRAMS	TOTAL	PROJECTS	PROGRAMS	TOTAL	PROJECTS	PROGRAMS	TOTAL
Computers/PV	5	4,370	29,402	33,772	874	5,880	6,754	0.35%	2.32%	2.67%
Communication	20	8,556	14,079	22,635	1,711	2,816	4,527	0.68%	1.11%	1.79%
Off/Furn/Tools	7	11,466	16,609	28,075	2,293	3,322	5,615	0.91%	1.31%	2.22%
Distribution	20	109,110	540,172	649,282	21,822	108,034	129,856	8.63%	42.71%	51.34%
Land	-	6,570	791	7,361	1,314	158	1,472	0.52%	0.06%	0.58%
Non-Steam Production	15	12,812	-	12,812	2,562	-	2,562	1.01%	0.00%	1.01%
Steam Production	20	113,652	15,113	128,765	22,730	3,023	25,753	8.99%	1.20%	10.18%
Structural	39	19,382	2,563	21,945	3,876	513	4,389	1.53%	0.20%	1.74%
Transmission	20	74,307	50,329	124,636	14,861	10,066	24,927	5.88%	3.98%	9.86%
Transmission > 69kv	15	177,122	24,409	201,531	35,424	4,882	40,306	14.01%	1.93%	15.94%
		251,429	74,738	326,167	50,285	14,948	65,233	19.88%	5.91%	25.79%
Vehicles	-	-	33,845	33,845	-	6,769	6,769	0.00%	2.68%	2.68%
TOTAL		537,347	727,312	1,264,659	107,467	145,463	252,930	42.49%	57.51%	100.00%

HAWAIIAN ELECTRIC CO., INC.
PRORATION ADJUSTMENT FOR NORMALIZATION COMPLIANCE
FEDERAL ADIT DR/(CR)

ADIT account 282 --		Federal ADIT													
Federal accelerated depreciation		DR/(CR)	January	February	March	April	May	June	July	August	September	October	November	December	
Beginning balance	Sch D4	(242,495,136)													
Net ADIT accrued 2018	Sch F	(4,690,470)													
Monthly Accrued evenly over 12 months		(390,873)													
WITHOUT PRORATION		Beq of Yr	January	February	March	April	May	June	July	August	September	October	November	December	End of Yr
Federal 282 ADIT Balance		(242,495,136)													
Monthly Additions			(390,873)	(390,873)	(390,873)	(390,873)	(390,873)	(390,873)	(390,873)	(390,873)	(390,873)	(390,873)	(390,873)	(390,873)	(4,690,470)
Cumulative Balance		(242,495,136)	(242,886,009)	(243,276,881)	(243,667,754)	(244,058,626)	(244,449,499)	(244,840,371)	(245,231,244)	(245,622,116)	(246,012,989)	(246,403,861)	(246,794,734)	(247,185,606)	(247,185,606)
														Simple Year Average - Without Proration	(244,840,371)
WITH PRORATION															
Days new rates in effect		6/1/2018													
Prorated additions			(390,873)	(390,873)	(390,873)	(390,873)	(390,873)	(337,904)	(281,282)	(224,680)	(169,865)	(113,243)	(58,448)	(1,827)	(3,141,592)
Cumulative ADIT balance with proration		(242,495,136)	(242,886,009)	(243,276,881)	(243,667,754)	(244,058,626)	(244,449,499)	(244,787,402)	(245,068,684)	(245,293,345)	(245,463,210)	(245,576,453)	(245,634,902)	(245,636,728)	(245,636,728)
														Simple Year Average - With Proration	(244,065,932)
														Adjustment to rate base ADIT	774,439
														To Schedule F	
Days new rate in effect			335	307	276	246	215	185	154	123	93	62	32	1	
Days in the month			31	28	31	30	31	30	31	30	31	30	31	31	365

Note: Methodology based on IRS Private Letter Ruling 9313008

Hawaiian Electric Company, Inc.
2018 CIAC Additions - Major Projects Support

Grandparent	Project	Functional Category	Project > Plant Addition Date	Project to Date	2018 CIAC Additions	Future Years
				Recorded 12/31/17		
Y00038	P0001579: Kakaako Makai DOT Queen-Cook	Distribution	201404	(2,825,023)	(22,683) N1	- N1
-	P0001370: DOT Airport DSG	Production Other	201408	(1,993,000)	(96,602) N1	N1

See Schedule G2 - Major Capital Project CIAC Additions (119,285)
To Sch G2

N1. Source: UI Planner Budget Files - Forecast as of February 20, 2018.

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

RATE BASE	Month-End		REFERENCE
	Dec 2016	Dec 2017	
INVESTMENTS IN ASSETS SERVING CUSTOMERS			
NET COST OF PLANT IN SERVICE			
Total Utility Plant	3,082,238	3,330,923	Note 2
Adjustments:			
Construction Work in Progress	(180,194)	(245,995)	Note 2
Retirement Work in Progress	(12,590)	-	Note 3
Asset Retirement Obligation	(25,108)	(2,539)	Note 2
Regulatory Liability for Cost of Removal	(275,705)	(327,225)	Note 2
Plant - Tenant Allowance	(13,362)	(14,058)	GL#10100002
Acc Amort - Tenant Allowance	7,582	8,662	GL#111600
	2,582,861	2,749,768	Note 1
FUEL INVENTORY	47,238	64,972	Note 2
MATERIALS & SUPPLIES INVENTORIES (excluding Stores Expense)	28,330	26,517	Note 2
UNAMORT NET ASC 740 REG ASSET	70,146	78,576	Note 2
PENSION TRACKING REG ASSET	97,614	115,531	GL#18676040
OPEB TRACKING REG ASSET	1,204	3,112	GL#18677040
EOTP REG ASSET	444	89	GL#18670124/5/6
CIP CT-1 REG ASSET	2,306	1,352	Acctg Dept Amort Sch
DEFERRED SYSTEM DEVELOPMENT COSTS			
OMS	1,217	746	GL#186070
HR Suites-Phase 1	1,663	1,307	GL#186060
HR Suites-Phase 2	640	512	GL#186061
Budget System Replacement Project	1,030	885	GL#186077
IVR	1,116	1,000	GL#18670400
CIS	10,266	9,046	Acctg Dept Amort Sch
	15,932	13,496	
RO WATER PIPELINE REG ASSET	4,958	4,842	Note 2
CONTRIB IN EXCESS OF NPPC	19,411	2,240	GL#18676030
TOTAL INVESTMENTS IN ASSETS	2,870,444	3,060,495	
FUNDS FROM NON-INVESTORS			
UNAMORTIZED CIAC	347,827	365,482	Schedule G
CUSTOMER ADVANCES			
Customer Advances	3,581	4,239	GL#25200000
Developer Advances	-	33,884	GL#25203000, Note 4
	3,581	38,123	
CUSTOMER DEPOSITS	12,101	11,113	GL#23501000
ACCUMULATED DEF INCOME TAXES	525,719	283,155	Schedule D4
EXCESS ACCUMULATED DEF INCOME TAXES	-	278,511	GL#25400023/24, Note 5
UNAMORT STATE ITC (GROSS)	57,103	58,344	GL#255200, #255030
UNAMORTIZED GAIN ON SALE	248	182	GL#254001
PENSION TRACKING REG LIAB	(5)	-	GL#25400004
OPEB TRACKING REG LIAB	4,818	5,443	GL#25400002
TOTAL DEDUCTIONS	951,392	1,040,353	
WORKING CASH	7,421	7,068	HECO-WP-H-007
RATE BASE	1,926,473	2,027,210	
SIMPLE AVERAGE RATE BASE		1,976,842	To Schedule H

Footnotes:

- * Amounts may not add up due to rounding.
- 1 Includes Property Held for Future Use balance of \$0 for 2017 and 2016.
- 2 See Hawaiian Electric Company Inc. Monthly Financial Report - December 2017, pages 8, 9 & 10, filed March 1, 2018.
Note that Materials & Supplies Inventory include an adjustment of (\$1,429) and (\$1,116) representing payment lags in 2017 and 2016, respectively.
- 3 The Hawaiian Electric 2017 Test Year Rate Case revised rate base to include RWIP in the future. Therefore, an adjustment to Accumulated Depreciation for RWIP is not necessary for the 2017 rate base calculation.
- 4 As of December 2017, the Company reclassified cash CIAC received from Developers, subject to refund, from CIAC to Customer Advances. Amount has been isolated for greater transparency within the rate base calculation. See further discussion at Schedule G1.
- 5 As a result of the 2017 Tax Reform Act, Regulatory Liability accounts were created to isolate the impact of the 2017 excess accumulated deferred taxes effective in actuals as of December 2017. These Regulatory Liabilities have been included as a reduction to Rate Base.

HAWAIIAN ELECTRIC COMPANY, INC.
 Ratemaking Adjustments For Incentive Compensation And Other Non-Recoverable Expenses
 2017

Account/Activity No.	Description	YTD	Net of Tax	Rounded (000s)
HR002244	LTIP expense	801,011		
HR002243	EICP expense	1,102,419		
HR002246	Manager award plan	408,622		
Non-Executive Incentive Wksht	Non-executive incentive programs	1,055,200		
Other Incentive Awards Wksht	Other incentive awards	748,336		
Provided by HEI	HEI charges for incentive compensation	<u>766,411</u>		Incentive
			2,982,424	<u>2,982</u> To Sch H, Line 2A
P#R0001202	Executive life insurance(COLI) expense (credit, <i>not tax deduct</i>)	(604,105)		
93022 Schedule WO#AD000945/ P#R0005071	Company memberships <i>not tax deduct</i> (portion of EEI dues related to EEI's Government Affairs group, Communication, Marketing, Customer, and Employee Relations group)	49,407		
Provided by HEI	HEI charges for non-incentive comp (salaries/benefits) - executives (labor)	743,990		
Provided by HEI	HEI charges for outside services (plan admin, legal fees, audit fees) - executives (non-labor)	113,693		
HR002057	Service awards program	35,824		
P#R0001093	HEIRS - Administration	7,062		
P#R0029195	Administrator - Exec Pension (Excess Plan)	941		
P#R0001091	Directors	0		
P#R0001087	Excess	395,616		
P#R0001088	SERP	125,883		
P#R0010240	OPEB (Executive life portion only)	453,710		
408040	Payroll taxes related to incentive compensation	167,176		
R0024482	Community service adm - AUW (labor)	144,315		
R0024482	Community service adm - AUW (non-labor)	<u>98,767</u>		Other
			842,434	<u>842</u> To Sch H, Line 2B
	Total adjustment to operating income	6,614,298		
	Tax on adjustments	<u>(2,789,440)</u>		To HECO-WP-H-007, Pg 1
	Net adjustment to operating income	3,824,858		
	Labor	5,021,968		To HECO-WP-H-007, Pg 1
	Non-labor	<u>1,592,330</u>		To HECO-WP-H-007, Pg 1
	Total adjustment to operating income	6,614,298		

HAWAIIAN ELECTRIC COMPANY, INC.
Income Tax On Items To Be Replaced By Synchronized Interest
2017

	<u>Source</u>	<u>YTD</u>	<u>Rounded (000s)</u>
Total Interest Charges	PUC report	48,784,567	
Less: Int on Customer Deposits	Account 43105000	(666,354)	
AFUDC-Debt	NARUC 420030	(4,088,596)	
Amort of Inv Inc Differential	NARUC 403030	184,970	185 To Sch H, Line 2C
Equity in net income of trust	NARUC 421070	<u>(100,516)</u>	
		44,114,071	
	Tax rate	<u>38.9097744%</u>	
		17,164,686	(17,165) To Sch H, Line 2D

HAWAIIAN ELECTRIC COMPANY, INC.
Ratemaking Capitalization
2017

	Simple Average Balance*	Ratios	Cost Rate	Weighted Cost of Debt
Short-Term Debt	23,224	1.04%	0.98%	0.01%
Long-Term Debt	881,917	39.64%	5.13%	2.03%
Hybrid Securities	28,651	1.29%	7.19%	0.09%
Preferred Stock	21,137	0.95%	5.37%	0.05%
Common Equity	1,269,813	57.08%	9.50%	5.42%
	2,224,742	100.00%		7.60%

	NARUC/ GL Code	YTD Dec 2017	Rounded (000s)	Cost Rate
Short-Term Debt:				
Interest on Debt Assoc Co	430	2,166,306		
Less: Interest on QUIDS	43006000	(2,050,516)		
Int Exp-Commercial Paper	43100000	115,392		
Int Exp-SCF Loans	43108000	0		
Int Inc-Assoc Cos.	419300	(2,485)		
		228,697	229	0.98%
Long-Term Debt:				
Amort of Debt Disc & Exp	428	1,861,626		
Less: Hybrid Sec Amort of Iss Exp	428QUID1-3 (see below)	(109,414)		
Interest on Long-Term Debt	427	43,287,850		
Amort Inv Inc Differential	403030	184,971		
		45,225,033	45,225	5.13%
Hybrid Securities:				
Interest on QUIDS	43006000	2,050,516		
Amort Exp-QUID1 Iss Exp	428QUID1	40,416		
Amort Exp-QUID2 Iss Exp	428QUID2	37,899		
Amort Exp-QUID3 Iss Exp	428QUID3	31,099		
Equity in Net Inc of Trust	421070	(100,516)		
		2,059,414	2,059	7.19%
Preferred Stock:				
Amort of Pfd Stk Iss Exp	42501000	55,086		
Preferred Stock dividends	437	1,079,907		
		1,134,993	1,135	5.37%

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

HAWAIIAN ELECTRIC COMPANY, INC.
Earning Sharing Credits Recorded (net of tax)
2017
Amounts in (\$000s)

Earnings Sharing Credits Recorded	16
Revenue Taxes @ 8.885%	<u>(1)</u>
	15
Income Taxes @38.9097744%	<u>(6)</u>
Reduction to operating income	9 To Sch H, Line 2e

Source: Transmittal No. 17-02 (Decoupling) - Hawaiian Electric Company RBA Rate Adjustment, Schedule A, filed on March 31, 2017.

HAWAIIAN ELECTRIC COMPANY, INC.
Special Medical Needs Program Discount (net of tax)

2017

Amounts in (\$000s)

Special Medical Needs Program Discount	71
Revenue Taxes @ 8.885%	<u>(6)</u>
	65
Income Taxes @38.9097744%	<u>(25)</u>
Reduction to operating income	40 To Sch H, Line 2f

Source: CIS Special Medical Needs (SMN) report

HAWAIIAN ELECTRIC COMPANY, INC.
WORKING CASH
2017

Line	Working Cash Items A	2017 B	(Note 1) Net Collection Lag Days C	Amount D = B/365xC
1	Fuel	408,204	B1 19.1	21,361
2	Purchased Power	454,189	B2 -5.4	(6,720)
3	O&M Labor	129,118	B3 25.5	9,021
4	O&M Non-Labor	150,096	B4 8.6	3,537
5	Revenue Taxes	142,978	B5 -50.9	(19,939)
6	Income Taxes	27,006	B6 -2.6	(192)
7	Working Cash			<u>7,068</u> To HECO-WP-H-001
8	Fuel Oil	B1 <u>408,204</u>	Trial Balance: B20	
9	Purchased Power	B2 <u>454,189</u>	GL #555	
10	O&M Labor			
11	O&M Labor	136,116	Acct. Dept. O&M report	
12	Fuel O&M Labor	(1,976)	Acct. Dept. O&M report	
13	O&M Labor Excl Fuel Labor	134,140		
14	Disallowed O&M	(5,022)	HECO WP-H-002	
15	Total	B3 <u>129,118</u>		
16	O&M Non-Labor			
17	O&M Expense	278,685	Trial Balance: G30	
18	O&M Labor Excl Fuel Labor	(134,140)	(see O&M Labor Excl Fuel Labor above)	
19	Disallowed O&M Non-Labor	(1,592)	HECO WP-H-002	
20	Bad Debt Expense	(1,173)	GL #904	
21	Pension Reg Asset/Liab Amort	383	HECO WP-H-007 pg. 2	
22	OPEB Reg Asset/Liab Amort	1,328	↓	
23	System Develop Amort	(2,341)		
24	Other Deferred Projects Amort	(1,426)		
25	Payroll Taxes	9,706	GL #408050	
26	Interest on Customer Deposits	666	GL #43105000	
27	Total	B4 <u>150,096</u>		
28	Revenue Taxes			
29	Franchise	39,766	GL #408010	
30	PSC	95,130	GL #408020	
31	PUC Fee	8,082	GL #408030	
32	Total	B5 <u>142,978</u>		
33	Current Income Taxes			
34	Income Tax	30,375	Dec. 2017 PUC Monthly Report, Page 2	
35	Inc Tax on Disallowed Items	2,789	HECO WP-H-002	
36	Reversal of Tax Related to Interest Sync Replacement	17,165	Sch H, Line 2d	
37	Tax Eff of AFUDC Equity	(6,939)	GL #420100	
38	Tax Related to Int Synch	(16,384)	Sch H, Line 13 - 13a	
39	Total	B6 <u>27,006</u>		

Note 1: See Order No. 35335, For Approval of General Rate Case and Revised Schedules/Rules, filed on March 9, 2018 in Docket No. 2016-0328, in which the Commission accepted the Parties' Stipulated Settlement on Remaining Issues filed March 5, 2018, Exhibit 2C, Page 4 of 13.

HAWAIIAN ELECTRIC COMPANY, INC.
O&M Non-Labor Amortization
2017

Pension Regulatory Asset Amortization

Standard Journal Entry No.		(TY11) - Note 1		(TY17) - Note 2		Annual 2017	Rounded 000s
		O&M % Portion	(Jan-Nov 2017) 2017 Proration	O&M % Portion	(Dec 2017) 2017 Proration		
PAA202 2008-2011	Total	70.69%		57.43%			
(550,212)	(550,212)	(388,945)	(356,533)	(315,987)	(26,332)	(382,865)	(383) To Page 1

OPEB Regulatory Asset Amortization

Standard Journal Entry No.		(TY11) - Note 1		(TY17) - Note 2		Annual 2017	Rounded 000s
		O&M % Portion	(Jan-Nov 2017) 2017 Proration	O&M % Portion	(Dec 2017) 2017 Proration		
PAA203 2008-2011	Total	70.69%		57.43%			
(1,908,804)	(1,908,804)	(1,349,334)	(1,236,889)	(1,096,226)	(91,352)	(1,328,241)	(1,328) To Page 1

System Development Amortization

Standard Journal Entry No.						Annual 2017	Rounded 000s
PAA109 18607004	PAA133 18606004	PAA143 18606104	PAA163 18607704	PAA195 18670400	PAA177 18605005		
OIS	HR Suites	HR Suites	Budget Replace	IVR System	CIS		
471,037	356,462	127,940	145,469	116,500	1,123,929	2,341,338	2,341 To Page 1

Other Deferred Projects Amortization

Standard Journal Entry No.							Annual 2017	Rounded 000s
PAA166 18670124	PAA166 18670125	PAA166 18670126	PAA176 18670120	PAA176 18670121	PAA176 18670122	PAA132 18670152		
EOTP Depreciation	EOTP AFUDC Debt	EOTP AFUDC Equity	CIP CT-1 Depreciation	CIP CT-1 AFUDC Debt	CIP CT-1 AFUDC Equity	RO Pipeline		
93,695	78,902	182,267	251,324	211,759	491,287	116,436	1,425,670	1,426 To Page 1

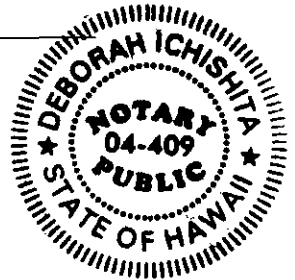
NOTES:

- 1 See Docket No. 2010-0080, Parties' Stipulated Settlement Letter, Exhibit 1, page 82, filed July 5, 2011.
- 2 See Parties' Stipulated Settlement Letter, filed November 15, 2017, in Docket No. 2016-0328, HECO T-16 Attachment 4, page 1.

STATE OF HAWAI'I)
)
) SS.
CITY AND COUNTY OF HONOLULU)


Brian Y. Hyatt

Hebrosch Ischieta

My Commission expires **July 18, 2020**

STATE OF HAWAI'I NOTARY CERTIFICATION

Doc. Date: 3/29/2018 # of pages 128

Notary Name: DEBORAH ICHISHITA First Circuit

Doc. Description: Hawaiian Electric

Transmittal No. 18-01 (Decoupling)

Deborah Ichishita 3/29/18

Notary Signature Date



CERTIFICATE OF SERVICE

I hereby certify that the foregoing Transmittal No. 18-01 was served on the date of filing
by hand delivery, as indicated below.

Dean Nishina
Executive Director
Division of Consumer Advocacy
Department of Commerce and Consumer Affairs
335 Merchant Street, Room 326
Honolulu, Hawai'i 96813

2 copies
via Hand Delivery

Dated: Honolulu, Hawai'i, March 29, 2018.

HAWAIIAN ELECTRIC COMPANY, INC.



Michael Chu