Transmittal Nos. 18-01, 18-02, 18-03

Hawaiian Electric Companies For Approval to Modify the RBA Rate Adjustment in its Revenue Balancing Account Provision Tariff

HAWAIIAN ELECTRIC COMPANIES

AMENDED TARIFFS AND AMENDED TRANSMITTAL NO. 18-01

Filed May 29, 2018

FILED
2018 MAY 29 P 4: 04
PUBLIC UTILITIES COMMISSION

FILED

2018 MAY 29 P 4: 05

PUBLIC UTILITIES COMMISSION

May 29, 2018

The Honorable Chair and Members of
the Hawai'i Public Utilities Commission
Kekuanaoa Building, 1st Floor
465 South King Street
Honolulu, Hawai'i 96813

Dear Commissioners:

Subject: Transmittal No. 18-01 (Decoupling) Hawaiian Electric's RBA Rate Adjustment Tariff Filing
Transmittal No. 18-02 (Decoupling) Hawai'i Electric Light's RBA Rate Adjustment Tariff Filing
Transmittal No. 18-03 (Decoupling) Maui Electric's RBA Rate Adjustment Tariff Filing
Hawaiian Electric Companies' Amended Transmittal No. 18-01 and Amended Tariff Sheets

In accordance with Order No. 35488, enclosed for filing is Hawaiian Electric Company, Inc.'s ("Hawaiian Electric") amended Transmittal No. 18-01, which includes two sets of complementary supporting exhibits. The first set excludes recovery of the Schofield Generation Station Project ("SGS") and the second set includes recovery of the SGS. Both sets include corrections and revisions that the Company acknowledged in its responses to informal information requests and in the Hawaiian Electric Companies'[1] *Response to the Division of Consumer Advocacy's Statement of Position* ("RSOP"), filed on May 21, 2018 on Transmittal Nos. 18-01, 18-02 and 18-03. Also enclosed for filing are the Hawaiian Electric Companies' amended tariff sheets which include citations that identify the sources of the amounts used to derive each Company's annual effective Target Revenue.

In addition, the Company has incorporated in the amended Transmittal No. 18-01 decoupling calculation workbooks (Attachments 1 and 1A) certain revisions, as summarized below:

- In its RSOP, Attachment 1, page 3 (footnote 3), Hawaiian Electric acknowledged certain inadvertent errors in the calculation of its 2018 Labor Cost Escalation Rate percentage and 2018 Compounded Labor Cost percentage. As a result, the 2018 Labor Cost Escalation Rate percentage was revised to 2.67% from 3.00% and the 2018 Compounded Labor Cost percentage was revised to 1.91% from 2.24%. In total, the

[1] 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").

Hawaiian Electric 2018 O&M RAM decreased from $4,358,860 (in the original Transmittal No. 18-01 filing dated March 29, 2018) to $4,174,181 on Schedule C and A1.

- In its response to Informal IR-35, Hawaiian Electric stated that it miscalculated the amount excluded from rate base for accumulated deferred income taxes ("ADIT") related to the East Oahu Transmission Project ("EOTP"), Customer Information System ("CIS"), and Campbell Industrial Park Combustion Turbine 1 ("CIP CT-1") additional interest, resulting in an understatement of the regulatory liability related to excess ADIT and the related gross up of taxes. Consequently, this regulatory liability was reinstated in the amount of $70,943 as shown on revised Schedule D5, with an offsetting tax effect in ADIT in the amount of $18,269, which is included in the adjustment for excess ADIT in revised Schedule D4. In addition, revised Schedule D5 adjusts the amortization by $14,189 ($70,943 ÷ 5 years) for the increase in the regulatory liability related to ADIT on EOTP, CIS, and CIP.

After taking into account all revisions, Hawaiian Electric still remains subject to the 2018 RAM Cap. Therefore, no changes are required to the proposed Hawaiian Electric 2018 RBA Rate Adjustment, filed on March 29, 2018. Below is a summary of the impacts to Hawaiian Electric's 2018 RAM Revenue Adjustment.

Hawaiian Electric	Transmittal No. 18-01		
	Filed on March 29, 2018	Excluding SGS Recovery (Attachment 1)	Including SGS Recovery (Attachment 1A)
RAM Revenue Adjustment Under Existing Tariffs and Procedures	$24,971,625	$17,492,366	$24,766,541
RAM Cap	$13,827,909	$13,827,909	$13,827,909

This filing includes the following attachments:

1. Transmittal No. 18-01- Hawaiian Electric's 2018 decoupling calculation workbook (revised pages are noted and changes highlighted) revised to exclude SGS recovery in Attachment 1;
2. Transmittal No. 18-01- Hawaiian Electric's 2018 decoupling calculation workbook (revised pages are noted and changes highlighted) including SGS recovery in Attachment 1A;
3. Revised tariff sheet (in clean and blacklined versions) with Hawaiian Electric's proposed RBA Rate Adjustment in Attachment 2;
4. Revised tariff sheet (in clean and blacklined versions) with Hawai'i Electric Light's proposed RBA Rate Adjustment in Attachment 3; and
5. Revised tariff sheet (in clean and blacklined versions) with Maui Electric's proposed RBA Rate Adjustment in Attachment 4.

If you have any questions, please call Dean Matsuura at 543-4622.

Very truly yours,

Joseph P. Viola
Vice President
Regulatory Affairs

Attachments

cc: Division of Consumer Advocacy

ATTACHMENT 1

Transmittal No. 18-01 (Excluding Schofield Generation Station Recovery) – List of Schedules and Workpapers

Schedule A	HECO-WP-A-001
Schedule A1 (REVISED)	HECO-WP-B-001
Schedule B	HECO-WP-B-002
Schedule B1	HECO-WP-B-003
Schedule B2	HECO-WP-B-004
Schedule C (REVISED)	HECO-WP-B-005
Schedule C1	HECO-WP-C-001 (REVISED)
Schedule C2	HECO-WP-C-002
Schedule D (REVISED)	HECO-WP-C-003
Schedule D1 (REVISED)	HECO-WP-D2-001
Schedule D2	HECO-WP-D2-002
Schedule D3 (REVISED)	HECO-WP-D3-001 (REVISED)
Schedule D4 (REVISED)	HECO-WP-D4-001 (REVISED)
Schedule D5 (REVISED)	HECO-WP-D4-002
Schedule E (REVISED)	HECO-WP-D5-001
Schedule F (REVISED)	HECO-WP-E-001
Schedule F1 (REVISED)	HECO-WP-F-001
Schedule F2 (REVISED)	HECO-WP-F1-001
Schedule G	HECO-WP-F1-002
Schedule G1	HECO-WP-F1-003 (REVISED)
Schedule G2	HECO-WP-G2-001
Schedule G3	HECO-WP-H-001 (REVISED)
Schedule H (REVISED)	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)
	RECONCILIATION OF RBA BALANCE:			
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
	RATE ADJUSTMENT MECHANISM "RAM" AMOUNT:			
4	*Total RAM Revenue Adjustment Allowed (Note 2)*	*Schedule A1*		$ 13,827,909
5	EARNINGS SHARING REVENUE CREDITS - 2018 ROE:	Schedule H		$ -
6	PUC-ORDERED MAJOR OR BASELINE CAPITAL PROJECTS CREDITS:	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)		**1.0350**
10	MONTHLY BILL IMPACT @ 600 KWH			**$ 6.21**
	MONTHLY BILL IMPACT @ 500 KWH			**$ 5.18**

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	$ 4,174,181
2	Rate Base RAM - Return on Investment	Schedule D	$ 5,102,255
3	Depreciation & Amortization RAM Expense	Schedule E	$ 8,215,930
4	Total RAM Revenue Adjustment		$ 17,492,366
5	Total Adjusted RAM Revenue Adjustment		$ 17,492,366
	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 (a)	Beginning Balance (b)	Target Revenues (c)	Recorded Adjusted Revenue (d)	Variance to RBA (e)	Adjustment for Prior Year RBA recovery (f)	Adjustment (g)	Tax-effected Balances Subject to Interest (h)	Interest at 1.75%/year (i)	Ending Balance (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	$ (3,964,587)	$ -	$ 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	$ -	$ 49,061,587	$ -	$ -	$ -	$ -	$ -	$ -	$ -
		May	$ -	$ 50,396,658	$ -	$ -	$ -	$ -	$ -	$ -	$ -
		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)+(i)

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 (a)	Reference (b)		Docket No. 2010-0080 Amounts (e)	Docket No. 2010-0080 Amounts (f)	Docket No. 2010-0080 Amounts (g)	Docket No. 2010-0080 Amounts (h)	Docket No. 2016-0328 Amounts (i)	Docket No. 2016-0328 Amounts (j)	Docket No. 2016-0328 Amounts (k)	Docket No. 2016-0328 Amounts (l)
1	Last Rate Case Annual Electric Revenue at Approved Rate Levels	Note (1), (6), (8), (8a)	$000s	$ 1,765,954	$ 1,765,954	$ 1,765,954	$ 1,765,954	$ 1,581,445	$ 1,529,709	$ 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)	$ (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)	$ (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)	$ (135,915)
5	Last Rate Order Target Annual Revenues	Sum Lines 1...4	$000s	$ 512,170	$ 512,170	$ 512,170	$ 512,170	$ 637,091	$ 599,974	$ 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: EARNINGS SHARING REVENUE CREDITS	Sch. A, Line 5	$000s	$ -	$ -	$ (16)	$ (16)	$ (16)	$ (16)	$ -	$ -
16	Less: Revenue Taxes on Line 15 at 8.885%		$000s	$ -	$ -	$ 1	$ 1	$ 1	$ 1	$ -	$ -
17	Net Earnings Sharing Revenue Credits	Lines 18 + 19	$000s	$ -	$ -	$ (14)	$ (14)	$ (14)	$ (14)	$ -	$ -
18	PUC-ORDERED MAJOR OR BASELINE CAPITAL CREDITS:	Sch. A. Line 6	$000s	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
19	Total Annual Target Revenues										
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	Distribution of Target Revenues by Month:	Note (4)	Note (5)	2016	2017	2017	Note (7) 2018	Note (7), (9) 2018	Note (9) 2018	2018	2019
26	January	8.10%	8.19%		$48,009,623		$48,948,443				$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	8.26%	8.28%	$48,957,962		$49,915,326				$50,721,099	
38	Total Distributed Target Revenues	100.00%	100.00%	$357,167,892	$235,543,510	$364,152,243	$72,451,465	$94,388,846	$79,122,753	$365,951,502	$246,622,153

Footnotes:

1 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.
2 Transmittal 16-01 filed March 31, 2016, establishing 2016 target revenue effective June 1, 2016.
3 Transmittal 17-02 filed March 31, 2017, establishing 2017 target revenue effective June 1, 2017.
4 RBA Tariff Revised July 26, 2011 to reflect 2011 test year.
5 RBA Tariff Effective February 16, 2018 to reflect 2017 test year.
6 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
7 For the month of the intial implementation (Feb 2018), adjust the monthly allocation by the number of effective days in the month over the total number of days: 0.46429
8 Test Year 2017 2nd Interim Increase provided for in Order No. 35335, issued March 9, 2018 in Docket No. 2016-0328: -$603 $000s
8a Reduction for Tax Act Implementation Lag (March 2018 Settlement Tariff Sheets, Attachment 3, filed March 16, 2018, in accordance with Order No. 35335): -$2,143 $000s
9 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)		
	BILLED REVENUES:														
1	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	141,388,862	136,001,586	127,650,383	1,609,380,698	
2	Remove PBF revenues	(1,663,679)	(1,507,352)	(1,524,996)	(1,600,980)	(1,624,110)	(1,689,133)	(1,567,132)	(1,356,186)	(1,400,985)	(1,358,680)	(1,301,568)	(1,197,645)	(17,772,446)	
3	Remove Solar Saver non-revenues	-	-	-	60,714	80,514	(10)	9	-	-	-	-	-	141,227	
4	City & County traffic signal revenue adjustment	-	-	(9,472)	-	-	(9,519)	-	-	(9,454)	-	-	(9,510)	(37,955)	
5	Other electric revenues adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	
6 = sum 1-5	**BILLED REVENUES**	**124,112,396**	**120,186,471**	**125,469,184**	**131,589,358**	**131,359,295**	**133,015,053**	**139,458,438**	**141,599,153**	**143,748,748**	**140,030,182**	**134,700,018**	**126,443,228**	**1,591,711,524**	
	UNBILLED REVENUES														
7	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	84,690,390	80,678,883	82,128,621	76,454,549	77,212,019	893,681,200	
8	Reverse prior month's unbilled revenues (Unbilled Sales and Revenue Est)	(65,855,044)	(63,790,799)	(61,226,108)	(70,431,772)	(70,257,498)	(73,278,172)	(74,670,985)	(78,863,404)	(84,690,390)	(80,678,883)	(82,128,621)	(76,454,549)	(882,324,225)	
9 = 7+8	Unbilled revenues per Unbilled Sales and Revenue Estimat	(2,064,245)	(2,564,691)	9,205,664	(174,274)	3,020,674	1,392,813	4,192,419	5,826,986	(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 8-1-16	(3,937,809)	(3,594,550)	(4,116,238)	(4,036,294)	(4,234,109)	-	-	-	-	-	-	-	(19,919,000)	HECO-WP-B-001 page 1 of 2
11	Recovery of 12-31-16 RBA balance through RBA Rate Adjustment beginning 8-1-17	-	-	-	-	-	(3,951,922)	(4,214,357)	(4,351,190)	(4,180,899)	(4,200,512)	(3,778,375)	(3,624,054)	(28,299,309)	HECO-WP-B-001, page 2 of 2
12	ESM refund accrual	-	-	-	-	-	(15,526)	-	-	-	-	-	-	(15,526)	
13	Reversal of ESM refund previously recognized in prior yea	-	-	-	-	-	1,315	1,362	1,404	1,348	1,363	1,282	1,282	9,356	
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)	1,769,000	316,600	2,700,900	1,275,500	1,021,500	(825,600)	668,100	1,242,500	1,836,100	2,642,100	2,809,600	14,418,600	
16	Reversal of ECAC accrua	159,232	(1,606,800)	(1,606,800)	(1,606,800)	(349,367)	(349,367)	(349,366)	(1,665,966)	(1,665,966)	(1,665,968)	(361,800)	(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)	(15,413,632)	
19	Reclass excess DSM revenues	-	-	-	-	-	(113,018)	(461,796)	(28,995)	37,639	(76,297)	(4,582)	46,338	(600,711)	
20	Adjust prior period RBA balance	1,182	-	(9,468)	8295	7,049	-	-	-	(125)	-	-	-	8,913	
21	Adjust prior period RBA related revenue taxes	113	-	(923)	809	887	-	-	-	(13)	-	-	-	673	
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	3,751,603	4,714,471	4,484,498	3,678,268	4,862,005	4,750,031	5,280,774	6,184,728	49,469,586	
23	RBA gross up for revenue taxes	465,319	254,088	216,479	211,192	365,834	459,727	437,301	358,683	474,114	463,195	514,949	603,098	4,823,979	
24 = sum 10-23	Miscellaneous unbilled accruals	(2,086,820)	(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	8,984,359	(11,052,456)	
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**	**4,262,190**	**(3,252,104)**	**1,975,550**	**(262,557)**	**7,741,829**	**304,519**	
26 = 6+25	**TOTAL REVENUES PER G/L (PUC Monthly Financial Report pg. 3)**	**119,961,532**	**113,322,259**	**128,027,153**	**126,246,099**	**131,128,183**	**134,918,311**	**141,426,267**	**145,861,343**	**140,496,643**	**142,005,733**	**134,437,461**	**134,185,057**	**1,592,016,042**	
	Billed Adjustments to Determine Adjusted Revenues for RBA:														
27	Add back C&C unmetered revenue	-	-	9,472	-	-	9,519	-	-	9,454	-	-	9,510	37,955	
28	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	
29	Remove TY 2011 refund	(12)	-	-	-	-	(5)	-	-	3	-	-	-	(14)	
30	Remove TY 2009/2007 refund / increase & other rate adjustments	172	-	-	-	-	139	-	-	-	-	-	-	311	
31	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	13,187,683	12,151,027	9,821,624	139,248,121	
32	Remove PPAC revenues	(12,296,620)	(11,545,895)	(14,161,259)	(14,939,457)	(15,181,690)	(15,760,226)	(16,482,113)	(16,297,102)	(16,412,037)	(15,958,115)	(15,137,235)	(13,760,762)	(177,932,511)	
33	Remove REIP revenues	2	-	(1)	-	-	-	1	(1)	1	9	(9)	-	2	
34	Remove DSM revenues	(410,747)	(375,661)	(381,048)	(384,418)	(368,455)	(377,701)	(394,522)	(401,160)	(412,752)	(401,904)	(384,490)	(353,088)	(4,645,926)	
35	Remove IRP revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	
36	Remove revenue taxes of PBF revenues	(113,469)	(102,806)	(104,010)	(109,192)	(110,770)	(113,840)	(106,884)	(92,496)	(95,552)	(92,866)	(88,771)	(81,683)	(1,212,139)	
37	Remove Solar Saver revenues	1	1	-	3,921	5,199	(1)	1	5	-	1	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)	(11,960,796)	(12,169,425)	(12,455,366)	(12,151,822)	(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)	(51,030,656)	(52,510,341)	(51,300,801)	(49,174,087)	(45,183,841)	(575,687,712)	
40	Remove power purchase energy (adjusted for revenue taxes)	(20,095,053)	(18,360,230)	(18,591,620)	(19,526,128)	(19,802,930)	(20,236,398)	(21,130,061)	(21,529,386)	(22,153,653)	(21,643,358)	(20,746,116)	(19,062,696)	(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	4,854	4,967	5,135	5,267	5,452	5,243	7,260	58,362	
43	Other operating revenues - SMNP revenues net of revenue taxes	-	-	-	1,913	4,142	5,497	7,052	7,533	8,558	9,278	9,860	10,050	64,883	
	Unbilled Adjustments to Determine Adjusted Revenues for RBA:														
44	Remove ESM refund accrual & reversal	-	-	-	-	-	14,211	(1,362)	(1,404)	(1,348)	(1,363)	(1,282)	(1,282)	8,170	
45	Remove RAM revenue recognized	4,049,086	3,629,180	4,049,087	3,919,116	4,219,048	-	-	-	-	-	-	-	19,865,517	
46	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)	(994,685)	(1,595,826)	(5,470,508)	
47	Remove ECAC accrual	878,268	(162,200)	1,290,200	(1,094,100)	(926,133)	(672,133)	1,175,166	997,866	423,466	(170,132)	(2,280,500)	(2,448,000)	(2,988,232)	
48	Remove PPAC revenues	2,509,559	(1,813,767)	(1,052,167)	7,045	(698,712)	(175,362)	(426,976)	(380,879)	381,841	(93,615)	935,509	139,745	(667,780)	
49	Remove PPAC accrual	(1,540,134)	97,734	(381,766)	693,732	(150,066)	1,256,734	1,296,432	225,100	11,200	560,100	(1,112,967)	(1,324,967)	(348,868)	
50	Remove DSM revenues	17,993	17,542	(29,030)	20,712	(13,244)	(3,287)	(12,151)	(18,780)	9,391	(3,155)	20,299	3,589	9,899	
51	Remove excess DSM revenues	-	-	-	-	-	113,018	461,796	28,995	(37,639)	76,297	4,582	(46,338)	600,711	
52	Remove prior period RBA adjustment(s)	(1,275)	-	10,391	(9,104)	(7,736)	-	-	-	138	-	-	-	(7,586)	
53	Remove RBA accruals	(4,771,815)	(2,605,657)	(2,219,975)	(2,165,761)	(3,751,603)	(4,714,471)	(4,484,498)	(3,678,268)	(4,862,005)	(4,750,031)	(5,280,774)	(6,184,728)	(49,469,586)	
54	Remove RBA gross up for revenue taxes	(465,319)	(254,088)	(216,479)	(211,192)	(365,834)	(459,727)	(437,301)	(358,683)	(474,114)	(463,195)	(514,949)	(603,098)	(4,823,979)	
55	Remove revenue taxes on unbilled revenues	740,772	801,073	(385,598)	402,895	(57,045)	270,225	86,784	(197,647)	686,534	264,945	842,949	383,750	3,819,637	
56	Remove base fuel (adjusted for revenue taxes)	2,098,845	2,088,414	(3,323,184)	199,060	(1,797,573)	(316,454)	(1,587,466)	(2,338,716)	1,092,258	(464,084)	2,534,578	466,065	(1,348,176)	
57	Remove power purchase energy (adjusted for revenue taxes)	885,526	881,084	(1,402,022)	83,981	(758,380)	(133,509)	(669,747)	(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)	(88,448,423)	(92,913,500)	(94,910,732)	(92,905,255)	(93,898,069)	(89,802,909)	(90,454,459)	(1,041,788,875)	
59 = 26+58	**RECORDED ADJUSTED REVENUES FOR RBA DETERMINATION (PUC Monthly Financial Report pg. 9A.1)**	**43,237,808**	**40,425,191**	**45,789,648**	**44,302,812**	**46,273,239**	**46,469,888**	**48,512,767**	**50,950,611**	**47,591,388**	**48,307,684**	**44,634,552**	**43,730,598**	**550,226,167**	Sch B

NOTE. Totals may not add exactly due to rounding

SCHEDULE B2
PAGE 1 OF 1

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

Line No.	Decription (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	1.91%	$ 899
2	Base Non-Labor Expense	Schedule C2	$ 134,734		$ 134,734	2.10%	$ 2,829
3	Payroll Taxes	Footnote 1	$ 3,943		$ 3,943	1.91%	$ 75
4	Subtotal Expense Increase - RAM Adjustment before revenue taxes						$ 3,803
5	Revenue Tax Factor (Footnote 3)						1.0975
6	O&M RAM (SubTotal Expenses x Rev Tax Factor)						$ 4,174
							To Sch A1

Footnotes:

1: Payroll Taxes per Stipulated Settlement Letter, filed March 5, 2018, in Docket No. 2016-0328, Exhibit 2C, page 6 — $ 9,342

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	2.67%	(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	1.91%	

Calculation of 2018 Compounded Labor Cost Escalation

2018 Labor Cost Escalation	1.0191	A (2018 labor escalation plus 1)
2018 Compounded Labor Cost Escalation	1.0191	B = A
2018 Compounded Labor Cost %	0.0191	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)

	Footnote 1		Footnote 2		
	(a)	(b)	(c)=(a)+(b)	(d)	(e)
DESCRIPTION	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	12,086	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 X
	To Sch C			To Sch C2	
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	ADJUSTMENT	STIPULATED 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 X

2a See Order No. 35280, For Approval of General Rate Case and Revised Schedules/Rules, filed on February 9, 2018, in which the Commmission 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 Commmission accepted the Parties' Stipulated Settlment 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 Commmission accepted the Parties' Stipulated Settlment 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)

Line No.	Decription (a)	Amount (b)	Reference (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,
10	(1- transfer rate of 42.57%)		filed November 15, 2017, in Docket No.
11			2016-0328, HECO T-16 Attachment 4,
12			page 1
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	134,734	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	PUC APPROVED CAPITAL STRUCTURE & COSTS (Note 2):						
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	$ 2,345,641	100.00%		7.57%		**9.47%**
8	RAM CHANGE IN RATE BASE $000 (From Schedule D1)						$ 49,092
9	PRETAX RATE OF RETURN (Line 7, Col g)						9.47%
10	PRETAX RETURN REQUIREMENT						$ 4,649.0
11	REVENUE TAX FACTOR (1/(1-8.885%))						1.0975
12	RATE BASE RAM - RETURN ON INVESTMENT $000						$ 5,102.3 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 Commmission accepted the Parties' Stipulated Settlment 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) Beg. Balance 12/31/2017	Budgeted Balance 12/31/2017	HECO 2018 RAM Rate Base Adjusted Recorded at 12/31/2017	RAM Projected Amounts	Estimated at 12/31/2018	
	(a)	(b)	(c)	(d)	(e)	(f)	
				(Note 1)	See Detail Below		
1	Net Cost of Plant in Service	$ 2,595,452	$ 2,770,695	$ 2,749,624	$ 105,051	$ 2,854,675	
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	74,887				
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			(Note 5)
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	$ 105,051	$ 3,135,721	
16	Unamortized CIAC	$ (347,826)	$ (395,134)	$ (399,366)	$ (29,773)	$ (429,139)	(Note 3)
17	Customer Advances	(3,581)	(3,925)	Not Updated			(Note 3)
18	Customer Deposits	(12,101)	(12,005)				
19	Accumulated Def Income Taxes	(520,643)	(333,360)	(283,120)	(3,757)	(286,877)	(Note 4)
20	ADIT Excess Reg Liability	-	(203,950)	(274,756)	7,136	(267,622)	(Note 4)
21	Unamortized State ITC (Gross)	(56,323)	(54,903)	Not Updated			
22	Unamortized Gain on Sale	(248)	(182)				
23	Pension Reg Liability	-	-				
24	OPEB Reg Liability	(2,817)	(2,331)				
25	Total Deductions	$ (943,539)	$ (1,005,790)	$ (1,031,452)	$ (26,394)	$ (1,057,846)	
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	$ 2,003,122		$ 2,081,779	
28	Average Rate Base		$ 1,993,359			$ 2,042,451	
29	**Change in Rate Base**					**$ 49,092**	To Schedule D

	Column (e) Projected Changes to Rate Base:	Reference	Amount $000
30			
31	Plant - Baseline Capital Project Additions	Schedule D2	252,931
32	Major Project Additions	Schedule D3	
33	Accumulated Depreciation/Amortization Change	Schedule E	(147,880)
34	Net Plant	Sum: Lines 31-33	105,051
35	Accum Def Income Taxes - Baseline and Major Capital Projects	Schedule F	(3,757)
36	Excess ADIT Reg Liability Amortization	Schedule D5	7,136
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:

		Plant in Service	Acc. Depr.	CIAC Net	ADIT	ADIT Excess Reg Liab
				Schedule G	Schedule D4	Schedule D5
[A]	Unadjusted Balance	$ 4,536,540	$ (1,494,205)	$ (399,366)	$ (283,136)	$ (274,756)
	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)	8,662			
	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	$ -
					Schedule D4	Schedule D5
	Adjusted Balance	$ 4,522,339	$ (1,772,715)	$ (399,366)	$ (283,120)	$ (274,756)

2 See Order No. 35335, For Approval of General Rate Case and Revised Schedules/Rules, filed on March 9, 2018, in which the Commmission accepted the Parties' Stipulated Settlment 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 recevied 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			3/28/2014	3/27/2015	3/29/2016	3/30/2017	NOTE (1)
				2013	2014	2015	2016	2017
	(a)			(b)	(c)	(d)	(e)	(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	Less Major Projects: (+$2.5 Million)	Dkt No.	Item No.					
6								
7	2008 In-service:							
8	CIP Generating Unit	05-0145	Y49000	(1,809,875)				
9								
10	2010 In-Service:							
11	K3 Biofuel Co-Firing	2009-0155	P0001577	(4,608)				
12								
13	2011 In-Service:							
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	2012 In-Service:							
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	2013 In-Service:							
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	Kaloi Substation - Land	2008-0070	Y00119	(2,276,439)				
29	North South Road 46kV Line	2008-0070	Y00119	(2,099,046)		(3,488)		
30								
31	2014 In-Service:							
32	Kaloi Substation	2008-0070	Y00119		(6,548,755)	(925)		
33	Kaloi Sub 46kV & 12kV Distr	2008-0070	Y00119		(1,218,895)			
34	Kaloi Telecomm	2008-0070	Y00119		(171,237)			
35	Kaloi 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	2016 In-Service:							
43	Pukele 80MVA Tsf #1	2011-0156	P0002264				(3,839,121)	(7,612)
44								
45	2017 In-Service:							
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

Line No.	Description (a)	PUC Docket Reference (b)	Estimated In Service Date (c)	Amount (d)
1				
2				
3	**Total Major Capital Projects Qualifying for 2018 RAM** (See HECO-WP-D3-001)			$ 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	(44,838,042)	(9,080,838)	(53,918,880)	
4	Total Recorded Deferred Income Taxes		(242,496,847)	(40,639,529)	(283,136,376)	To Sch D1
5	Adjustments to Recorded Balances:					
6	ADIT on Major Project excess depreciation	HECO-WP-D4-002	15,713	461	16,174	
7	Total Adjustments to Recorded ADIT Balances		15,713	461	16,174	To Sch D1
8	Adjusted Recorded ADIT Balances -12/31/17		(242,481,134)	(40,639,068)	$ (283,120,202)	To Sch D1
9	282 ADIT adhysted for ADIT on Major Project excess depreciation	Line 2 + Line 6	(197,643,092) 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) ADIT	DR/(CR) Reg Liab	DR/(CR) Adjusted/Recorded at 12/31/17	Life	Amortization	Est Bal at 12/31/18
	(a)	(b)	(c)	(d)	(e) = (c) + (d)	(f)	(g) = (e) / (f)	(h) = (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)
	Adjustment		(52,674)	(18,269)	(70,943)	5	14,189	(56,754)
8	Total Excess ADIT Regulatory Liability		(204,002,540)	(70,755,221)	(274,757,761)		7,135,604	(267,622,157)
					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 RAM 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 Cl)	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	4,184,969		4,184,969	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	(7,135,604)
88	LESS: Depreciation & Amortization in Current Revenues				Footnote 2	$ (128,974,585)
89						
90	RAM Adjustment for Depreciation & Amortization					$ 7,995,646
91	RAM Adjustment for CIAC Amortization				Schedule G Line 17	$ (509,605)
92	Total RAM Adjustment for Depreciation & Amortization					$ 7,486,041
93	Times: Factor for Revenue Taxes				Schedule C Line 5	1.09750
94						
95	RAM DEPRECIATION & AMORTIZATION					$ 8,215,930
						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)	Linked from D1
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

Line No.	NARUC Account (a)	Reference (b)	Projected ADIT Change (c)
1	State Tax Depreciation	Schedule F1	9,565,133
2	Amortization of Excess Deferreds	Schedule D5	7,135,604
3	Subtotal		16,700,737
4	Effective Federal Tax Rate	HECO-WP-F-001	19.7368%
5	Federal Deferred Tax on State Tax Depreciation		3,296,198
6	Add back State Tax Depreciation	Line 1	(9,565,133)
7	Federal Tax Depreciation	Schedule F1	9,565,133
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		3,296,198
12	Proration Adjustment	HECO-WP-F1-003	(544,232)
13	Total Federal Deferred Taxes After Proration		2,751,966
	STATE DEFERRED TAXES		
14	State Tax Depreciation	Line 1	9,565,133
15	Amortization of Excess Deferreds	Line 2	7,135,604
16	Subtotal		16,700,737
17	Effective State Tax Rate	HECO-WP-F-001	6.0150%
18	Total State Deferred Taxes		1,004,556
19	TOTAL FED AND STATE DEFERRED TAXES		3,756,522
			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.		LIFE	HECO-WP-F1-002 PROJECTS	PROGRAMS	TOTAL	PROJECTS	PROGRAMS	TOTAL
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
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	2,562	-	2,562	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%	3.98%	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%

Vintage 2018 - 40% Bonus Depreciation

NOTE (1) Basis subject to 40% bonus depreciation 0.00% 0.00%

						BASIS	FED YR 1 DEPR RATE	FED YR 1 TAX DEPR	STATE YR 1 DEPR RATE	STATE YR 1 TAX DEPR
5 yr	0.00%	0.00%	0.00%	5 yr		-	52.000%	-	20.00%	-
7 yr	0.00%	0.00%	0.00%	7 yr		-	48.574%	-	14.29%	-
15 yr	0.00%	0.00%	0.00%	15 yr		-	43.000%	-	5.00%	-
20 yr	0.00%	0.00%	0.00%	20 yr		-	42.250%	-	3.75%	-
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%	5 yr	5,723,096	20.00%	1,144,619	20.00%	1,144,619
7 yr	0.91%	1.31%	2.22%	7 yr	4,757,949	14.29%	679,911	14.29%	679,911
15 yr	15.02%	1.93%	16.95%	15 yr	36,324,798	5.00%	1,816,240	5.00%	1,816,240
20 yr	24.17%	49.00%	73.17%	20 yr	156,815,716	3.75%	5,880,589	3.75%	5,880,589
39 yr	1.53%	0.20%	1.74%	39 yr	3,719,080	1.177%	43,774	1.177%	43,774
	41.97%	54.77%	96.74%						
TOTAL ASSETS	41.97%	54.77%	96.74%						
Net Depreciable Baseline Plant Adds					207,340,639		9,565,133		9,565,133
Major Capital Projects from Schedule F2									
Total Depreciable Plant Adds					207,340,639		9,565,133		9,565,133
							Fed Tax Depreciation to Schedule F		*St. Tax Depreciation to Schedule F*

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	38,606,235	<<supported by Special Study each year.
Net plant add basis		214,323,765	
Less: Land and Vehicles (3.26% x 214,323,765)		6,983,126	
		207,340,639	

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				$	Schedule D3
2	Assumed Value of 2018 Major Capital Projects - CIAC nontaxable					Schedule G2 *
3	Assumed Value of 2018 Major Capital Projects - Total				$	

			FED YR 1	FED YR 1	STATE YR 1	STATE YR 1
4	Tax Classification of Major Capital Project Additions	Tax Basis Distribution	DEPR RATE	TAX DEPR	DEPR RATE	TAX DEPR
5	5 yr		20.00%	-	20.00%	-
6	7 yr	-	14.29%	-	14.29%	-
7	15 yr	-	5.00%	-	5.00%	-
8	20 yr	-	3.75%	-	3.75%	-
9	39 yr					
10	Land					
11	Vehicles					
	Total	$ -		$ -		$ -
		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	Reference	Unamortized CIAC	CIAC Amortization
	(a)	(b)	(c)	(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	2018 CIAC Additions:			
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	2018 CIAC Amortization:			
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 2013 (b)	2/26/2015 2014 (c)	2/23/2016 2015 (d)	2/24/2017 2016 (e)	3/1/2018 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 To Sch G
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	Less Major Projects.	Dkt No.	Item No.					
21								
22	2008 In-service:							
23	CIP Generating Unit	05-0145	Y49000					
24								
25	2010 In-service:							
26	K3 Biofuel Co-Firing	2009-0155	P0001577					
27								
28	2011 In-Service:							
29	W8 Boiler Controls Upgrade	2007-0365	P7650000					
30	EOTP Ph. 2 (Subs/Switch Stations)	2010-0062	Y48500	(87,994)	(43,725)	(15,232)	(718)	
31	W7 Controls Upgrade	2009-0195	P7590000					
32	W8 Main Transformer Replace		P0001399					
33								
34	2012 In-Service:							
35	K1 Condenser Tube Replace	2010-0126	P0000661					
36	BPT Tank 132 Improvements	2010-0286	P0000899					
37	Mobile Radio Replacement	2010-0162	P0001595					
38	Kapolei Substation	2011-0026	Y00127					
39								
40	2013 In-Service:							
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	Y00119					
44	North South Road 46kV Line	2008-0070	Y00119					
45								
46	2014 In-Service:							
47	Kaloi Substation	2008-0070	Y00119					
48	Kaloi Sub 46kV & 12kV Distr	2008-0070	Y00119					
49	Kaloi Telecomm	2008-0070	Y00119					
50	Kaloi Sub 12kV Work	2008-0070	Y00119					
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	2016 In-Service:							
58	Pukele 80MVA Tsf #1	2011-0156	P0002264					
59								
60	2017 In-Service:							
61	ERP EAM Hardware	2014-0170	Y00168					
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 year's 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 reclassed 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. 2016-0328)

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	2018 Major Project CIAC Additions by Project:			
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 Balance	2017 Amortization	2017 Balance	2018 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	986,131	41,089	945,042	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	5,617,820	200,637	5,417,183	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	76,856	2,689,967	76,856
24	2002	3,929,841	106,212	3,823,629	106,212
25	2003	4,273,673	112,465	4,161,208	112,465
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	16,395,712	356,429	16,039,283	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	29,559,794	603,261	28,956,533	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)	(18,684)	(915,493)	(18,684)
63	-adj 16 GET	(862,287)	(16,908)	(845,379)	(16,908)
64	-adj 17 GET			(1,104,366)	(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	Reference	Ratemaking Basis Return on Equity: Operating Income	Rate Base	Rate of Return
	(a)	(b)	(c)	(d)	(e)
1	Reported Operating Income before ratemaking adjustmen	Dec 2017 Mo. PUC rpt, pg 2A filed 3/1/18 & HECO-WP-H-001	$ 116,798	$ 1,976,816	
2	Ratemaking Adjustments to Line 1:				
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	$ 1,976,816	

Line No.	Description	Reference	Balances	Ratios	Cost Rate	Weighted Cost
4	Ratemaking Capitalization					
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				$ 1,976,816	
12	Weighted Cost of Debt (Sum Lines 5-7)				2.13%	
13	Synchronized Interest Expense				$ 42,106	
	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					1,128,305
20	Return on Equity for Decoupling Earnings Sharing (Line 18/Line 19					6.82%

Line No.	Description	Basis Points	First 100 bp	Next 200 bp	All over 300 bp	Ratepayer Total
21	Earnings Sharing Revenue Credits:					
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	$ 1,128,305
	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	Reference	Amount $000
	(a)	(b)	(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 (a)	Reference (b)	Amount $000 (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
Total Billed + Unbilled		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	37,356,068
L3	L1 - L2	Target vs. Actual 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)
L4		Reversal of Previous Year Accrual	-	-	-	-	-	-	-	-	-	-	-	-
L5	L4 + L3	Net RBA Change	(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	12,445,972	18,207,533	24,035,403	18,705,434	20,780,294	22,486,053
L7	L6 + L5	End Balance Before Interest	(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	21,990,584
L8	(L6 + L7) ÷ 2 or (L6 + L7) ÷ 2 ÷ [1]	Balance Subject to Interest	(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	Interest	(1,884)	(4,539)	(3,140)	5,211	18,383	43,560	76,443	105,483	133,586	98,468	107,896	111,192
L10	L7 + L9	Ending RBA Balance	(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	Target vs. Actual 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)
L4		Reversal of Previous Year Accrual	-	-	-	-	-	-	-	-	-	-	-	-
L5	L4 + L3	Net RBA Change	(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	L6 + L5	End Balance Before Interest	(753,465)	(978,492)	(273,029)	2,360,814	4,987,430	12,418,389	18,131,182	23,985,686	29,399,107	20,681,942	22,378,281	21,990,715
L8	(L6 + L7) ÷ 2 or (L6 + L7) ÷ 2 ÷ [1]	Balance Subject to Interest	(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	Interest	(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	Ending RBA Balance	(755,349)	(983,030)	(276,169)	2,366,026	5,005,814	12,461,950	18,207,625	24,091,169	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 R 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	27,050,621	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	43,616,666	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	Target vs. Actual 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
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	Net RBA Change	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	60,913,594	61,546,805	63,126,164	64,552,840	65,724,351	66,230,945	66,185,006	66,564,524
L7	L6 + L5	End Balance Before Interest	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]	Balance Subject to Interest	54,944,175	56,246,699	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% ÷ 12	Interest	274,721	281,233	288,176	298,545	305,853	310,498	318,388	324,881	328,691	330,072	331,046	327,624
L10	L7 + L9	Ending RBA Balance	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	Target vs. Actual 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
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	Net RBA Change	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	60,913,916	61,547,158	63,126,553	64,553,268	65,724,806	66,231,420	66,185,498	66,565,030
L7	L6 + L5	End Balance Before Interest	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]	Balance Subject to Interest	54,944,433	56,246,969	57,635,452	59,709,356	61,170,941	62,099,899	63,677,944	64,976,556	65,738,629	66,014,958	66,209,739	65,525,403
L9	L8 x 6% ÷ 12	Interest	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	Ending RBA Balance	55,863,237	56,721,485	58,837,595	60,881,321	61,733,823	62,963,139	64,547,725	65,724,728	66,081,146	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	46,596,907	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)	(5,514,770)	(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)	323,787	(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	39,206,893	38,789,775	38,194,875	37,566,514	36,616,787	35,853,938	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	46,596,907	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	46,596,907	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)	(5,514,770)	(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)	(721,846)	323,797	(2,077,235)
L6		Beginning RBA Balance	64,831,062	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	38,790,132	38,195,254	37,566,919	36,617,215	35,854,383	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	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
		RBA Adjustment Recorded 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
		Adjustment to Revenue	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)	(3,665,156)	(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)	(559,014)	(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	30,672,681	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)	(3,665,156)	(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)	(559,003)	(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	51,557,064
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	48,177,995
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	30,464,074
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	44,427
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	48,222,422
		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	Target vs. Actual 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	
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	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	
L6		Beginning RBA Balance	41,669,775	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	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	
L8	(L6 + L7) ÷ 2 ÷ [1]	Balance Subject to Interest	25,093,985	24,332,432	23,384,676	23,559,861	24,300,790	24,255,184	24,335,678	24,901,699	25,615,115	26,204,786	
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	
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	
		Target vs Actual Difference:											Total Billing
		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	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	Target vs. Actual 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	
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	Net RBA Change	(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	End Balance Before Interest	47,167,798	45,716,116	44,176,242	46,295,175	46,594,496	46,198,833	47,014,982	47,908,606	49,301,454	49,925,643	
L8	(L6 + L7) ÷ 2 ÷ [1]	Balance Subject to Interest	29,176,884	28,418,975	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	Interest	42,550	41,444	40,068	40,328	41,414	41,353	41,476	42,307	43,352	44,218	
L10	L7 + L9	Ending RBA Balance	47,210,348	45,757,560	44,216,310	46,335,503	46,635,910	46,240,186	47,056,458	47,950,913	49,344,806	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
		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	Adjustment
		Adjustment to Revenue	11	11	16	31	34	34	33	34	13	-	1,162
													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	39,670,209	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:										Total Billing
		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	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	9,468
		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	24,898,345	25,611,141	25,352,958	26,386,448	
L9	L8 x 1.75% ÷ 12	Interest	34,102	34,357	35,436	35,369	35,486	36,310	37,350	36,973	38,480	
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	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
		RBA Adjustment Recorded to 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	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:		Total Billing Adjustment
Recorded Adjusted Revenues - Unadjusted	45,789,648	
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

		Total RBA Adjustment
Revised Adjustment to Revenue	2,228,270	
RBA Adjustment Recorded to Revenue	2,219,975	
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	3,886,770	5,005,495	4,917,480	5,016,661	4,430,153	4,771,815	2,605,657	2,219,975	2,165,761	
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)	(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	(669,517)	(1,530,535)	(1,511,908)	
L6		Beginning RBA Balance	41,669,775	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	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	23,559,861	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:															Total Billing Adjustment
		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	
		Billing Adjustment 1	(624)	(860)	(815)	(627)	(557)	(456)	(1,130)	(921)	-	-	-	-	-	-	(5,990)
		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)	(3,792,632)	(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	(669,179)	(1,531,138)	(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	41,220,647	40,337,332	41,225,525	41,216,057	42,622,055	
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	40,556,346	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	40,521,596	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	
		Adjustment to Revenue	624	860	815	627	557	456	1,130	921	377	432	503	338	(603)	13	7,049
																	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)

	Increase effective	Increase Amount (a)	Wage Rate With Increase (b) or prev (b) + (a)	Labor Cost Escalation Rate (c) (b) / prev (b) -1	
1.00	3.00% 1/1/2014	0.0300	1.0300		
	3.00% 1/1/2015	0.0300	1.0600	0.0291	2.91%
	3.25% 1/1/2016	0.0325	1.0925	0.0307	3.07%
	3.00% 1/1/2017	0.0300	1.1225	0.0275	2.75%
	3.00% 1/1/2018	0.0300	1.1525	0.0267	2.67%

(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

Wolters Kluwer

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 Real GDP (Chained) (2009$)	2 GDP Price Index	3 Nominal GDP (Cur.$)	4 Consumer Price Index	5 Indust. Prod. (Total)	6 Dis. Pers. Income (2009$)	7 Personal Cons. Exp. (2009$)	8 Non-Res. Fix Inv. (2009$)	9 Corp. Profits (Cur.$)	10 Treas. Bills 3-mo.	11 Treas Notes 10-Year	12 Unempl. Rate (Civ.)	13 Housing Starts (Mil.)	14 Auto&Light Truck Sales (Mil.)	15 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 Gobal*	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
AIG	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
Nomura 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 Thorton/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 MorganChase	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	6.9	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	-1.1	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	-2.1	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	na	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	6	4	10	14	7	38
Same	28	19	9	14	8	7	10	9	11	16	19	33	19	28	7
Up	19	23	37	33	30	12	39	29	15	22	26	7	16	6	5
February Median	2.8	2.0	4.9	2.3	3.4	2.5	2.8	5.7	6.1	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 %	52 %	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

JOB CODE	JOB TITLE	1/1/2013	7/1/2013	3.00% 1/1/2014	7/1/2014	3.00% 1/1/2015	7/1/2015	3.25% 1/1/2016	7/1/2016	3.00% 1/1/2017	7/1/2017	3.00% 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				
					[1]	[2] 2017 Plant Additions				[3]							
	Grand parent	Project #	Project	Plant Addition Date	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		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
					(A)	(B)	(C)	(D) = (B) + (C)	(E) = (A) + (D)	(F)		(E) - (F)	(G)	(H) = (E) - (G)	(I) = (F) - (G)	(J) = (G) - (I)	
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-Wailupe #1 Str 30 P9 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

[1] 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. 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. See HECO-WP-D2-002.

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

[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, Attachement 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, Attachement 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, Attachement 2, page 4 of 7)
2017 CIAC Estimate	-	(900,000)	(900,000)	(See CA-IR-304, Attachement 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]	CIAC Received/ Estimated CIAC	Gross PUC Approved	Gross Plant Adds thru 12/31/17 [2]	2018 Gross Plant Additions [3]	Estimated Gross Plant Adds thru 12/31/18	Over/ (Under) PUC Approved	2018 Plant Addition Qualifying for RB RAM (Note A)	Future Years [3]
				A	*B*	*C = A - B*	*D*	*E*	*F = D + E*	*G = F - C*		

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."

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

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

HAWAIIAN ELECTRIC CO., INC.		REVISED FOR RB ADJ OF EOTP, CIS, CIP			
DEFERRED INCOME TAXES					
FEDERAL		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	
28311	Unearned Lease	-	-	-	
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 Removal)	65,471,201.45	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&LTIP)	34,973.68	10,659.71	45,633.39	
28327	Software (no APPRISE & e business)	172,604.75	101,232.22	273,836.97	
28328	G/L 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	
28338	Nondeductible Vac	-	-	-	
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	
28348	Nonutil Bad Debt	-	-	-	
28350	Outage Loss Adj Exp	-	(24,509.00)	(24,509.00)	
28401	Genl/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)	
28407	FAS 109 Flow Through	-	-	-	
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	Genl/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)	
28430	FMB X Premium	-	-	-	
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	
28437	HACOA	-	-	-	
28438	BONY Rev	-	-	-	
28439	GAQS Tel	-	-	-	
28440	Kalaeloa	-	-	-	
28441	Sun Power	6,327.28	1,928.31	8,255.59	
28442	Overhaul (Waiau 3 Turbine)	-	-	-	
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	64,996.20	19,808.00	84,804.20	
28526	Emissions Fees	318,335.16	97,016.55	415,351.71	
28528	Substation land - Kuliouou	-	-	-	
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)	
28540	Kalaeloa PPA	-	-	-	
28542	QUIPS 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	
28556	Substation Land - Waianae	-	-	-	
28558	Substation Land - Aiea	-	(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	

HAWAIIAN ELECTRIC CO., INC.		REVISED FOR RB ADJ OF EOTP, CIS, CIP			
DEFERRED INCOME TAXES					
FEDERAL		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	
28570	Pension Tracker	(22,802,175.65)	(6,949,221.27)	(29,751,396.92)	
28572	OPEB Tracker	670,072.85	204,211.64	874,284.49	
28574	Substation Land - Barber's Pt	-	-	-	
28576	Substation Land - Haiku	-	-	-	
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	
28586	Big Wind costs	-	-	-	
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	EOTP 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)	
28606	NOL	-	-	-	
28608	Franchise Tax	1,113,103.09	339,231.17	1,452,334.26	
28612	CIS interest	-	-	-	
28614	RBA revenues	(9,716,750.92)	(2,961,295.41)	(12,678,046.33)	
28616	RAM revenues	-	-	-	
28618	NOL - charitable	(6,347.36)	-	(6,347.36)	
28620	G/L Lauula	12,343.45	773.02	13,116.47	
28622	NOL - credits	-	-	-	
28624	AMT	-	-	-	
28626	Reg Asset - 2017 Excess-other	(3,919,451.08)	(5,808,094.36)	(9,727,545.44)	
28628	Reg Liab - 2017 Excess-other	8,913,736.41	7,330,156.01	16,243,892.41	
AOCINQ	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	
50000	Rounding	(57.01)	432.88	375.87	
FED ACCOUNT 283, excluding state ITC		(56,640,866.01)	(12,444,056.67)	(69,084,922.68)	
28310	State ITC	11,398,011.89	3,456,270.09	14,854,281.98	
	TOTAL ACCOUNT 283	(45,242,854.11)	(8,987,786.58)	(54,230,640.69)	
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		(242,901,658.62)	(40,546,477.96)	(283,448,136.58)	
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		(241,256,410.05)	(39,948,145.74)	(281,204,555.78)	
RATE BASE CALCULATION					
TOTAL ACCOUNT 283		(45,242,854.11)	(8,987,786.58)	(54,230,640.69)	
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&LTIP)	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	Supplemt Benefits - SERP	292,633.76	78,899.14	371,532.90	
28338	Nondeductible Vac	-	-	-	
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	

HAWAIIAN ELECTRIC CO., INC.		REVISED FOR RB ADJ OF EOTP, CIS, CIP			
DEFERRED INCOME TAXES					
FEDERAL		*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	
28348	Nonutil Bad Debt	-	-	-	
28350	Outage Loss Adj Exp	-	(24,509.00)	(24,509.00)	
28401	Genl/Auto (& Accidents)	335,974.66	102,391.89	438,366.55	
28412	Genl/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)	
28586	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	-	-	-	
28618	NOL - charitable	(6,347.36)	-	(6,347.36)	
28622	NOL - credits	-	-	-	
28624	AMT	-	-	-	
AOCINQ	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 EOTP, CIS and CIP	(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		(44,838,042.18)	(9,080,838.38)	(53,918,880.56)	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		(242,496,846.69)	(40,639,529.76)	(283,136,376.45)	WP-H-001
			per original filing	(283,154,645.47)	
			difference	18,269.02	

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	2,604,146	2,590,000	14,146				8,488
		Cumulative							8,488
HAWAII									
P0003205	v2017	ERP/EAM Hardware	2,604,146	2,590,000	14,146	Computer	5	0	2,829
		Total	2,604,146	2,590,000	14,146				2,829
		Cumulative							2,829

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	2,684,387	2,555,619	128,768				66,798
		Cumulative							66,798
HAWAII									
P0003465	v2017	Koolau-Wailupe #1	2,684,387	2,555,619	128,768	Trans	20	0	4,829
		Total	2,684,387	2,555,619	128,768				4,829
		Cumulative							4,829

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

HECO	ADIT	0.346835 Reg Liab	Total	Life	Rev Settlement Amortization
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	Date In Service	[2] Gross Plant Adds Thru 12/31/16	[1] Gross Plant Adds Thru 12/31/17	Plant Acct	Docket No 2010-0053 Depr Rate	2017 Depr	2018 Depr	[1] Gross PUC Approved	[2] 2016 Cost in Excess of Docket	[1] 2017 Cost in Excess of Docket	[3] Prior Years Depr Related to Excess	[2] 2017 Depr Related to Excess	2018 Depr Related to Excess	To Schedule D1 Cumulative Depr Related to Excess
			(A)	(B)		(C)	(D) = (A) * (C)	(E) = (B) * (C)	(F)	(G)	(H) = (B) - (F)	(I)	(J) = (G) / (A) * (D)	(K) = (H) / (B) * (E)	(L) = (I) + (J)
Y00168/ P0003205	ERP EAM Hardware	2017/06	-	2,604,146	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

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

Calculation of Effective Rates

Assumptions:
ST = State Income Tax Expense
FT = Federal Income Tax Expense
Pre-Tax Income = $1.00

	Eff 1/1/2018	*2017 & Prior*
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 x (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)

Effective 1/1/18
FT = .21 x (1 - ST)
FT = .21 x (1 - .060150376)
FT = .21 - .01263157896
FT = .197368421 or 19.7368421% of Pre-Tax Income

2017 & Prior
FT = .35 x (1 - ST)
FT = .35 x (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

	LIFE	*HECO-WP-F1-002* 5 YR AVERAGE	A Plant Adds	B *HECO-WP-F1-001, pg 2* Repairs Allocation	C = A x B Repairs Deduction	D = A - C 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

		2013 ACTUAL			2014 ACTUAL			2015 ACTUAL		
	LIFE	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

		2016 ACTUAL			2017 ACTUAL			LESS MAJOR PROJECTS		
	LIFE	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)

		TOTAL (2013 - 2017)			AVERAGE (2013 - 2017)			AVERAGE (2013 - 2017)		
	LIFE	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 accelerated depreciation		Federal ADIT DR/(CR)	January	February	March	April	May	June	July	August	September	October	November	December
Beginning balance	Sch D4	(197,643,092)	NOTE 1											
Net ADIT accrued 2018	Sch F	(3,296,198)												
Monthly Accrued evenly over 12 months		(274,683)												

WITHOUT PRORATION	Beg of Yr	January	February	March	April	May	June	July	August	September	October	November	December	End of Yr
Federal 282 ADIT Balance	(197,643,092)													
Monthly Additions		(274,683)	(274,683)	(274,683)	(274,683)	(274,683)	(274,683)	(274,683)	(274,683)	(274,683)	(274,683)	(274,683)	(274,683)	(3,296,198)
Cumulative Balance	(197,643,092)	(197,917,775)	(198,192,458)	(198,467,142)	(198,741,825)	(199,016,508)	(199,291,191)	(199,565,874)	(199,840,557)	(200,115,241)	(200,389,924)	(200,664,607)	(200,939,290)	(200,939,290)

Simple Year Average - Without Proration (199,291,191)

WITH PRORATION															
Days new rates in effect	6/1/2018	214													
Prorated additions			(274,683)	(274,683)	(274,683)	(274,683)	(274,683)	(237,460)	(197,669)	(157,879)	(119,372)	(79,581)	(41,074)	(1,284)	(2,207,734)
Cumulative ADIT balance with proration		(197,643,092)	(197,917,775)	(198,192,458)	(198,467,142)	(198,741,825)	(199,016,508)	(199,253,968)	(199,451,637)	(199,609,515)	(199,728,887)	(199,808,468)	(199,849,542)	(199,850,826)	(199,850,826)

Simple Year Average - With Proration (198,746,859)

Adjustment to rate base ADIT 544,232
To Schedule F

	January	February	March	April	May	June	July	August	September	October	November	December	
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	31	30	31	30	31	365

Note: Methodology based on IRS Private Letter Ruling 9313008

NOTE 1> Amount represents the regulatory balance for federal 282 subject to tax normalization. Original inadvertently started with the total ADIT balance. However, this change does not result in a change in the proration computation or the adjustment amount.

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

Grandparent	Project	Functional Category	Project > Plant Addition Date	Project to Date Recorded 12/31/17	2018 CIAC Additions		Future Years	
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 Dec 2016	Month-End Dec 2017	REFERENCE
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	283,136	Schedule D4
EXCESS ACCUMULATED DEF INCOME TAXES	-	278,582	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**	**1,040,405**	
WORKING CASH	7,421	7,068	HECO-WP-H-007
RATE BASE	**1,926,473**	**2,027,158**	
SIMPLE AVERAGE RATE BASE		**1,976,816**	**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. Deferred tax asset related to excess accumulated deferred taxes is included in Unamortized Net ASC 740 Reg Asset.

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	766,411		Incentive	
			2,982,424	**2,982**	**To Sch H, Line 2A**
P#R0001202	Executive life insurance(COLI) expense (credit) ***not tax deduct***	(604,105)			
93022 Schedule WO#AD000945/ P#R0005071	Company memberships ***not tax deduct*** (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	7,082			
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)	98,767		Other	
			842,434	**842**	**To Sch H, Line 2B**

Total adjustment to operating income	6,614,298	
Tax on adjustments	(2,789,440)	**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	1,592,330	**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

	Source	YTD	Rounded (000s)
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	(100,516)	
		44,114,071	
	Tax rate	38.9097744%	
		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%	(1)	
	15	
Income Taxes @38.9097744%	(6)	
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%	(6)	
	65	
Income Taxes @38.9097744%	(25)	
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	2017		(Note 1) Net Collection Lag Days	Amount	
	A	B		C	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				**7,068**	**To HECO-WP-H-001**

8	***Fuel Oil***	B1	**408,204**	Trial Balance: B20
9	***Purchased Power***	B2	**454,189**	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	**129,118**	
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	**150,096**	
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	**142,978**	
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	**27,006**	

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 Commmission accepted the Parties' Stipulated Settlment 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			
PAA202 2008-2011	Total	O&M % Portion 70.69%	(Jan-Nov 2017) 2017 Proration	O&M % Portion 57.43%	(Dec 2017) 2017 Proration	Annual 2017	**Rounded 000s**
(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			
PAA203 2008-2011	Total	O&M % Portion 70.69%	(Jan-Nov 2017) 2017 Proration	O&M % Portion 57.43%	(Dec 2017) 2017 Proration	Annual 2017	**Rounded 000s**
(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.							
PAA109 *18607004* OMS	*PAA133* *18606004* HR Suites Phase 1	*PAA143* *18606104* HR Suites Phase 2	*PAA163* *18607704* Budget Replace	*PAA195* *18670400* IVR System Replace	*PAA177* *18605005* CIS	Annual 2017	**Rounded 000s**
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.								
PAA166 *18670124* EOTP Depreciation	*PAA166* *18670125* EOTP AFUDC Debt	*PAA166* *18670126* EOTP AFUDC Equity	*PAA176* *18670120* CIP CT-1 Depreciation	*PAA176* *18670121* CIP CT-1 AFUDC Debt	*PAA176* *18670122* CIP CT-1 AFUDC Equity	*PAA132* *18670152* RO Pipeline	Annual 2017	**Rounded 000s**
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.

ATTACHMENT 1A

Transmittal No. 18-01 (Including Schofield Generation Station Recovery) – List of Schedules and Workpapers

Schedule A	HECO-WP-A-001
Schedule A1 (REVISED)	HECO-WP-B-001
Schedule B	HECO-WP-B-002
Schedule B1	HECO-WP-B-003
Schedule B2	HECO-WP-B-004
Schedule C (REVISED)	HECO-WP-B-005
Schedule C1	HECO-WP-C-001 (REVISED)
Schedule C2	HECO-WP-C-002
Schedule D (REVISED)	HECO-WP-C-003
Schedule D1 (REVISED)	HECO-WP-D2-001
Schedule D2	HECO-WP-D2-002
Schedule D3	HECO-WP-D3-001
Schedule D4(REVISED)	HECO-WP-D4-001 (REVISED)
Schedule D5 (REVISED)	HECO-WP-D4-002
Schedule E (REVISED)	HECO-WP-D5-001
Schedule F (REVISED)	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 (REVISED)
Schedule G2	HECO-WP-G2-001
Schedule G3	HECO-WP-H-001 (REVISED)
Schedule H (REVISED)	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)
	RECONCILIATION OF RBA BALANCE:			
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
	RATE ADJUSTMENT MECHANISM "RAM" AMOUNT:			
4	Total RAM Revenue Adjustment Allowed (Note 2)	Schedule A1		$ 13,827,909
5	EARNINGS SHARING REVENUE CREDITS - 2018 ROE:	Schedule H		$ -
6	PUC-ORDERED MAJOR OR BASELINE CAPITAL PROJECTS CREDITS:	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)		**1.0350**
10	MONTHLY BILL IMPACT @ 600 KWH			**$ 6.21**
	MONTHLY BILL IMPACT @ 500 KWH			**$ 5.18**

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	$ 4,174,181
2	Rate Base RAM - Return on Investment	Schedule D	$ 12,376,430
3	Depreciation & Amortization RAM Expense	Schedule E	$ 8,215,930
4	Total RAM Revenue Adjustment		$ 24,766,541
5	Total Adjusted RAM Revenue Adjustment		$ 24,766,541
	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	$ (3,964,587)	$ -	$ 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	$ -	$ 49,061,587	$ -	$ -	$ -	$ -	$ -	$ -	$ -
23		May	$ -	$ 50,396,658	$ -	$ -	$ -	$ -	$ -	$ -	$ -
[illegible]		June	$ -	$ 49,434,694	$ -	$ -	$ -	$ -	$ -	$ -	$ -
[illegible]		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)+(i)

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	Last Rate Case Annual Electric Revenue at Approved Rate Levels	Note (1), (6), (8), (8a)	$000s	$ 1,765,954	$ 1,765,954	$ 1,765,954	$ 1,765,954	$ 1,581,445	$ 1,529,709	$ 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)	$ (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)	$ (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)	$ (135,915)
5	Last Rate Order Target Annual Revenues	Sum Lines 1...4	$000s	$ 512,170	$ 512,170	$ 512,170	$ 512,170	$ 637,091	$ 599,974	$ 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: EARNINGS SHARING REVENUE CREDITS	Sch. A, Line 5	$000s	$ -	$ -	$ (16)	$ (16)	$ (16)	$ (16)	$ -	$ -
16	Less. Revenue Taxes on Line 15 at 8.885%		$000s	$ -	$ -	$ 1	$ 1	$ 1	$ 1	$ -	$ -
17	Net Earnings Sharing Revenue Credits	Lines 18 + 19	$000s	$ -	$ -	$ (14)	$ (14)	$ (14)	$ (14)	$ -	$ -
18	PUC-ORDERED MAJOR OR BASELINE CAPITAL CREDITS:	Sch. A. Line 6	$000s	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
19	Total Annual Target Revenues										
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	Distribution of Target Revenues by Month:	Note (4)	Note (5)	2016	2017	2017	Note (7) 2018	Note (7), (9) 2018	Note (9) 2018	2018	2019
26	January	8.10%	8.19%		$48,009,623		$48,948,443				$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	8.26%	8.28%	$48,957,962		$49,915,326				$50,721,099	
38	Total Distributed Target Revenues	100.00%	100.00%	$357,167,892	$235,543,510	$364,152,243	$72,451,465	$94,388,846	$79,122,753	$365,951,502	$246,622,153

Footnotes:

1 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.
2 Transmittal 16-01 filed March 31, 2016, establishing 2016 target revenue effective June 1, 2016.
3 Transmittal 17-02 filed March 31, 2017, establishing 2017 target revenue effective June 1, 2017.
4 RBA Tariff Revised July 26, 2011 to reflect 2011 test year
5 RBA Tariff Effective February 16, 2018 to reflect 2017 test year.
6 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
7 For the month of the intial implementation (Feb 2018), adjust the monthly allocation by the number of effective days in the month over the total number of days: 0.46429
8 Test Year 2017 2nd Interim Increase provided for in Order No. 35335, issued March 9, 2018 in Docket No. 2016-0328: -$603 $000s
8a *Reduction for Tax Act Implementation Lag (March 2018 Settlement Tariff Sheets, Attachment 3, filed March 16, 2018, in accordance with Order No. 35335):* -$2,143 $000s
9 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)		
	BILLED REVENUES:														
1	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	141,388,862	136,001,586	127,550,383	1,609,380,698	
2	Remove PBF revenues	(1,663,679)	(1,507,352)	(1,524,996)	(1,600,980)	(1,624,110)	(1,689,133)	(1,567,132)	(1,356,186)	(1,400,985)	(1,358,680)	(1,301,568)	(1,197,645)	(17,772,446)	
3	Remove Solar Saver non-revenues	-	-	-	60,714	80,514	(10)	9	-	-	-	-	-	141,227	
4	City & County traffic signal revenue adjustment	-	-	(9,472)	-	-	(9,519)	-	-	(9,454)	-	-	(9,510)	(37,955)	
5	Other electric revenues adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	
6 = sum 1-5	**BILLED REVENUES**	**124,112,396**	**120,186,471**	**125,469,184**	**131,589,358**	**131,359,295**	**133,015,053**	**139,458,438**	**141,599,153**	**143,748,748**	**140,030,182**	**134,700,018**	**126,443,228**	**1,591,711,524**	
	UNBILLED REVENUES														
7	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	84,690,390	80,678,883	82,126,621	76,454,549	77,212,019	893,681,200	
8	Reverse prior month's unbilled revenues (Unbilled Sales and Revenue Est)	(65,855,044)	(63,790,799)	(61,226,108)	(70,431,772)	(70,257,498)	(73,278,172)	(74,670,985)	(78,863,404)	(84,690,390)	(80,678,883)	(82,126,621)	(76,454,549)	(882,324,225)	
9 = 7+8	Unbilled revenues per Unbilled Sales and Revenue Estimat	(2,064,245)	(2,564,691)	9,205,664	(174,274)	3,020,674	1,392,813	4,192,419	5,826,986	(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	(3,937,609)	(3,594,550)	(4,116,236)	(4,036,294)	(4,234,109)	-	-	-	-	-	-	-	(19,919,000)	HECO-WP-B-001 page 1 of 2
11	Recovery of 12-31-16 RBA balance through RBA Rate Adjustment beginning 6-1-17	-	-	-	-	-	(3,951,922)	(4,214,357)	(4,351,190)	(4,180,899)	(4,200,512)	(3,776,375)	(3,624,054)	(28,299,309)	HECO-WP-B-001, page 2 of 2
12	ESM refund accrual	-	-	-	-	-	(15,526)	-	-	-	-	-	-	(15,526)	
13	Reversal of ESM refund previously recognized in prior yea	-	-	-	-	-	1,315	1,362	1,404	1,348	1,383	1,282	1,282	9,356	
14	RAM revenue recognized	(4,049,086)	(3,829,180)	(4,049,087)	(3,919,116)	(4,219,048)	-	-	-	-	-	-	-	(19,865,517)	
15	Accrual of ECAC adjustment	(1,037,500)	1,769,000	316,600	2,700,900	1,275,500	1,021,500	(825,800)	668,100	1,242,500	1,836,100	2,642,100	2,809,600	14,418,600	
16	Reversal of ECAC accrual	159,232	(1,606,800)	(1,606,800)	(1,606,800)	(349,367)	(349,367)	(349,366)	(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)	(15,413,632)	
19	Reclass excess DSM revenues	-	-	-	-	-	(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)	-	-	-	6,913	
21	Adjust prior period RBA related revenue taxes	113	-	(923)	809	687	-	-	-	(13)	-	-	-	673	
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	3,751,603	4,714,471	4,484,498	3,678,268	4,862,005	4,750,031	5,280,774	6,184,728	49,469,586	
23	RBA gross up for revenue taxes	465,319	254,088	216,479	211,192	365,834	459,727	437,301	358,683	474,114	463,195	514,949	603,098	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)	(1,584,796)	759,403	527,812	5,409,515	6,984,359	(11,052,456)	
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**	**4,262,190**	**(3,252,104)**	**1,975,550**	**(262,557)**	**7,741,829**	**304,519**	
26 = 6+25	**TOTAL REVENUES PER G/L (PUC Monthly Financial Report pg. 3)**	**119,961,532**	**113,322,259**	**128,027,153**	**126,246,099**	**131,128,183**	**134,918,311**	**141,426,267**	**145,861,343**	**140,496,643**	**142,005,733**	**134,437,461**	**134,185,057**	**1,592,016,042**	
	Billed Adjustments to Determine Adjusted Revenues for RBA														
27	Add back C&C unmetered revenue	-	-	9,472	-	-	9,519	-	-	9,454	-	-	9,510	37,955	
28	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	
29	Remove TY 2011 refund	(12)	-	-	-	-	(5)	-	-	3	-	-	-	(14)	
30	Remove TY 2006/2007 refund / increase & other rate adjustments	172	-	-	-	-	139	-	-	-	-	-	-	311	
31	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	13,187,683	12,151,027	9,821,624	139,245,121	
32	Remove PPAC revenues	(12,296,620)	(11,545,895)	(14,181,259)	(14,939,457)	(15,181,690)	(15,760,226)	(16,482,113)	(16,297,102)	(16,412,037)	(15,958,115)	(15,137,235)	(13,760,782)	(177,932,511)	
33	Remove REIP revenues	2	-	(1)	-	-	-	1	(1)	1	9	(9)	-	2	
34	Remove DSM revenues	(410,747)	(375,681)	(381,048)	(384,418)	(368,455)	(377,701)	(394,522)	(401,160)	(412,752)	(401,904)	(384,490)	(353,068)	(4,645,926)	
35	Remove IRP revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	
36	Remove revenue taxes of PBF revenues	(113,469)	(102,806)	(104,010)	(109,192)	(110,770)	(113,840)	(108,884)	(92,496)	(95,552)	(92,666)	(88,771)	(81,683)	(1,212,139)	
37	Remove Solar Saver revenues	1	-	-	3,921	5,199	(1)	1	5	-	1	5	-	9,132	
38	Remove revenue taxes on billed revenue	(11,269,951)	(10,487,215)	(10,650,957)	(11,111,280)	(11,211,112)	(11,495,155)	(11,960,796)	(12,159,425)	(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)	(51,030,656)	(52,510,341)	(51,300,801)	(49,174,087)	(45,183,841)	(575,687,712)	
40	Remove power purchase energy (adjusted for revenue taxes	(20,095,053)	(18,360,230)	(18,591,620)	(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 taxe	2,087	4,147	4,239	4,391	5,310	4,864	4,967	5,135	5,267	5,452	5,243	7,260	58,362	
43	Other operating revenues - SMNP revenues net of revenue taxe	-	-	-	1,913	4,142	6,497	7,052	7,533	8,558	9,278	9,860	10,050	64,883	
	Unbilled Adjustments to Determine Adjusted Revenues for RBA														
44	Remove ESM refund accrual & reversal	-	-	-	-	-	14,211	(1,362)	(1,404)	(1,348)	(1,383)	(1,282)	(1,282)	6,170	
45	Remove RAM revenue recognized	4,049,086	3,829,180	4,049,087	3,919,116	4,219,048	-	-	-	-	-	-	-	19,865,517	
46	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)	(994,665)	(1,595,826)	(5,470,508)	
47	Remove ECAC accrual	878,268	(162,200)	1,290,200	(1,094,100)	(928,133)	(672,133)	1,175,166	997,866	423,466	(170,132)	(2,280,500)	(2,448,000)	(2,988,232)	
48	Remove PPAC revenues	2,509,559	(1,813,767)	(1,052,187)	7,045	(698,712)	(175,362)	(426,976)	(380,879)	381,841	(93,618)	935,509	139,745	(667,780)	
49	Remove PPAC accrual	(1,540,134)	97,734	(381,766)	693,732	(150,068)	1,256,734	1,296,432	225,100	11,200	580,100	(1,112,967)	(1,324,967)	(348,868)	
50	Remove DSM revenues	17,993	17,542	(29,030)	20,712	(13,244)	(3,267)	(12,151)	(18,780)	9,391	(3,155)	20,299	3,589	9,899	
51	Remove excess DSM revenues	-	-	-	-	-	113,018	461,796	28,995	(37,639)	76,297	4,582	(46,338)	600,711	
52	Remove prior period RBA adjustment(s)	(1,275)	-	10,391	(9,104)	(7,736)	-	-	-	138	-	-	-	(7,586)	
53	Remove RBA accruals	(4,771,815)	(2,605,657)	(2,219,975)	(2,165,761)	(3,751,603)	(4,714,471)	(4,484,498)	(3,678,268)	(4,862,005)	(4,750,031)	(5,280,774)	(6,184,728)	(49,469,586)	
54	Remove RBA gross up for revenue taxes	(465,319)	(254,088)	(216,479)	(211,192)	(365,834)	(459,727)	(437,301)	(358,683)	(474,114)	(463,195)	(514,949)	(603,098)	(4,823,979)	
55	Remove revenue taxes on unbilled revenue	740,772	801,073	(385,598)	402,895	(57,045)	270,225	66,784	(197,647)	686,534	264,945	842,949	383,750	3,619,837	
56	Remove base fuel (adjusted for revenue taxes	2,098,945	2,088,414	(3,323,184)	199,060	(1,797,573)	(316,454)	(1,587,466)	(2,338,716)	1,092,258	(464,084)	2,534,579	468,085	(1,348,176)	
57	Remove power purchase energy (adjusted for revenue taxes	885,526	881,084	(1,402,022)	83,981	(758,380)	(133,509)	(669,747)	(986,684)	460,815	(195,793)	1,069,316	198,829	(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)	(88,448,423)	(92,913,500)	(94,910,732)	(92,905,255)	(93,698,069)	(89,802,909)	(90,454,459)	(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**	**45,789,648**	**44,302,812**	**46,273,239**	**46,469,888**	**48,512,767**	**50,950,611**	**47,591,388**	**48,307,684**	**44,634,552**	**43,730,598**	**550,226,167**	Sch B

NOTE: Totals may not add exactly due to rounding

SCHEDULE B2
PAGE 1 OF 1

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

Line No.	Decription (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	1.91%	$ 899
2	Base Non-Labor Expense	Schedule C2	$ 134,734		$ 134,734	2.10%	$ 2,829
3	Payroll Taxes	Footnote 1	$ 3,943		$ 3,943	1.91%	$ 75
4	Subtotal Expense Increase - RAM Adjustment before revenue taxes						$ 3,803
5	Revenue Tax Factor (Footnote 3)						1.0975
6	O&M RAM (SubTotal Expenses x Rev Tax Factor)						$ 4,174 To Sch A1

Footnotes:

1: Payroll Taxes per Stipulated Settlement Letter, filed March 5, 2018, in Docket No. 2016-0328, Exhibit 2C, page 6 — $ 9,342

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	2.67%	(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	1.91%	

Calculation of 2018 Compounded Labor Cost Escalation

2018 Labor Cost Escalation	1.0191	A (2018 labor escalation plus 1)
2018 Compounded Labor Cost Escalation	1.0191	B = A
2018 Compounded Labor Cost %	0.0191	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)

	Footnote 1		Footnote 2		
	(a)	(b)	(c)=(a)+(b)	(d)	(e)
DESCRIPTION	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	12,086	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 X
	To Sch C			To Sch C2	
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	ADJUSTMENT	STIPULATED 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 X

2a See Order No. 35280, For Approval of General Rate Case and Revised Schedules/Rules, filed on February 9, 2018, in which the Commmission 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 Commmission accepted the Parties' Stipulated Settlment 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 Commmission accepted the Parties' Stipulated Settlment 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)

Line No.	Decription (a)	Amount (b)	Reference (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,
10	(1- transfer rate of 42.57%)		filed November 15, 2017, in Docket No.
11			2016-0328, HECO T-16 Attachment 4,
12			page 1
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	134,734	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	PUC APPROVED CAPITAL STRUCTURE & COSTS (Note 2):						
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	$ 2,345,641	100.00%		7.57%		**9.47%**
8	RAM CHANGE IN RATE BASE $000 (From Schedule D1)						**$ 119,081**
9	PRETAX RATE OF RETURN (Line 7, Col g)						9.47%
10	PRETAX RETURN REQUIREMENT						**$ 11,276.9**
11	REVENUE TAX FACTOR (1/(1-8.885%))						1.0975
12	RATE BASE RAM - RETURN ON INVESTMENT $000						**$ 12,376.4** 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 Commmission accepted the Parties' Stipulated Settlment 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) Beg. Balance 12/31/2017	Budgeted Balance 12/31/2017	HECO 2018 RAM Rate Base Adjusted Recorded at 12/31/2017	RAM Projected Amounts	Estimated at 12/31/2018	
	(a)	(b)	(c)	(d)	(e)	(f)	
				(Note 1)	See Detail Below		
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	74,887				
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			(Note 5)
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)	(Note 3)
17	Customer Advances	(3,581)	(3,925)	Not Updated			(Note 3)
18	Customer Deposits	(12,101)	(12,005)				
19	Accumulated Def Income Taxes	(520,643)	(333,360)	(283,120)	(5,349)	(288,469)	(Note 4)
20	ADIT Excess Reg Liability	-	(203,950)	(274,758)	7,136	(267,622)	(Note 4)
21	Unamortized State ITC (Gross)	(56,323)	(54,903)	Not Updated			
22	Unamortized Gain on Sale	(248)	(182)				
23	Pension Reg Liability	-	-				
24	OPEB Reg Liability	(2,817)	(2,331)				
25	Total Deductions	$ (943,539)	$ (1,005,790)	$ (1,031,452)	$ (27,986)	$ (1,059,438)	
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*	*$ 2,003,122*		$ 2,221,757	
28	Average Rate Base		$ 1,993,359			$ 2,112,440	
29	**Change in Rate Base**					$ 119,081	To Schedule D

	Column (e) Projected Changes to Rate Base:	Reference	Amount $000
30			
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	(147,880)
34	Net Plant	Sum: Lines 31-33	246,621
35	Accum. Def Income Taxes - Baseline and Major Capital Projects	Schedule F	(5,349)
36	Excess ADIT Reg Liability Amortization	Schedule D5	7,136
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:

		Plant in Service	Acc. Depr.	CIAC Net	ADIT	ADIT Excess Reg Liab
				Schedule G	Schedule D4	Schedule D5
[A]	Unadjusted Balance	$ 4,536,540	$ (1,494,205)	$ (399,366)	$ (283,136)	$ (274,758)
	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)	8,662			
	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	$ -
					Schedule D4	Schedule D5
	Adjusted Balance	$ 4,522,339	$ (1,772,715)	$ (399,366)	$ (283,120)	$ (274,758)

2 See Order No. 35335, For Approval of General Rate Case and Revised Schedules/Rules, filed on March 9, 2018, in which the Commmission accepted the Parties' Stipulated Settlment 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 recevied 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 2013 (b)	3/27/2015 2014 (c)	3/29/2016 2015 (d)	3/30/2017 2016 (e)	NOTE (1) 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	Less Major Projects: (+$2.5 Million)	Dkt No.	Item No.					
6								
7	2008 In-service:							
8	CIP Generating Unit	05-0145	Y49000	(1,809,875)				
9								
10	2010 In-Service:							
11	K3 Biofuel Co-Firing	2009-0155	P0001577	(4,608)				
12								
13	2011 In-Service:							
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	2012 In-Service:							
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	2013 In-Service:							
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	Kaloi Substation - Land	2008-0070	Y00119	(2,276,439)				
29	North South Road 46kV Line	2008-0070	Y00119	(2,099,046)		(3,488)		
30								
31	2014 In-Service:							
32	Kaloi Substation	2008-0070	Y00119		(6,548,755)	(925)		
33	Kaloi Sub 46kV & 12kV Distr	2008-0070	Y00119		(1,218,895)			
34	Kaloi Telecomm	2008-0070	Y00119		(171,237)			
35	Kaloi 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	2016 In-Service:							
43	Pukele 80MVA Tsf #1	2011-0156	P0002264				(3,839,121)	(7,612)
44								
45	2017 In-Service:							
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

Line No.	Description (a)	PUC Docket Reference (b)	Estimated In Service Date (c)	Amount (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)			**$ 141,570,000**
				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	(44,838,042)	(9,080,838)	(53,918,880)	
4	Total Recorded Deferred Income Taxes		(242,496,847)	(40,639,529)	(283,136,376)	To Sch D1
5	Adjustments to Recorded Balances:					
6	ADIT on Major Project excess depreciation	HECO-WP-D4-002	15,713	461	16,174	
7	Total Adjustments to Recorded ADIT Balances		15,713	461	16,174	To Sch D1
8	Adjusted Recorded ADIT Balances -12/31/17		(242,481,134)	(40,639,068)	$ (283,120,202)	To Sch D1
9	282 ADIT adhysted for ADIT on Major Project excess depreciation	Line 2 + Line 6	(197,643,092) To HECO-WP-F1-003			

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

Line No.	NARUC Account (a)	Reference (b)	DR/(CR) ADIT (c)	DR/(CR) Reg Liab (d)	DR/(CR) Adjusted/Recorded at 12/31/17 (e) = (c) + (d)	Life (f)	Amortization (g) = (e) / (f)	Est Bal at 12/31/18 (h) = (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)
	Adjustment		(52,674)	(18,269)	(70,943)	5	14,189	(56,754)
8	Total Excess ADIT Regulatory Liability		(204,002,540)	(70,755,221)	(274,757,761) to Sch D1		7,135,604 to Sch D1	(267,622,157) to Sch D1

SOURCE: HECO-WP-D5-001

HAWAIIAN ELECTRIC COMPANY, INC.
DECOUPLING CALCULATION WORKBOOK
DETERMINATION OF DEPRECIATION & AMORTIZATION RAM 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 Cl)	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	4,184,969		4,184,969	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	**(7,135,604)**
88	LESS: Depreciation & Amortization in Current Revenues				Footnote 2	**$ (128,974,585)**
89						
90	RAM Adjustment for Depreciation & Amortization					**$ 7,995,646**
91	RAM Adjustment for CIAC Amortization				Schedule G Line 17	**$ (509,605)**
92	Total RAM Adjustment for Depreciation & Amortization					**$ 7,486,041**
93	Times: Factor for Revenue Taxes				Schedule C Line 5	1.09750
94						
95	RAM DEPRECIATION & AMORTIZATION					**$ 8,215,930**
						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)	Linked from D1
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

Line No.	NARUC Account (a)	Reference (b)	Projected ADIT Change (c)
1	State Tax Depreciation	Schedule F1	16,643,633
2	Amortization of Excess Deferreds	Schedule D5	7,135,604
3	Subtotal		23,779,237
4	Effective Federal Tax Rate	HECO-WP-F-001	19.7368%
5	Federal Deferred Tax on State Tax Depreciation		4,693,270
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		4,693,270
12	Proration Adjustment	HECO-WP-F1-003	(774,901)
13	Total Federal Deferred Taxes After Proration		3,918,369
	STATE DEFERRED TAXES		
14	State Tax Depreciation	Line 1	16,643,633
15	Amortization of Excess Deferreds	Line 2	7,135,604
16	Subtotal		23,779,237
17	Effective State Tax Rate	HECO-WP-F-001	6.0150%
18	Total State Deferred Taxes		1,430,330
19	TOTAL FED AND STATE DEFERRED TAXES		5,348,699
			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.		LIFE	HECO-WP-F1-002 PROJECTS	PROGRAMS	TOTAL	PROJECTS	PROGRAMS	TOTAL
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
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	2,562	-	2,562	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%	3.98%	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%

	PROJECTS	PROGRAMS	TOTAL
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%

Vintage 2018 - 40% Bonus Depreciation

NOTE (1) Basis subject to 40% bonus depreciation 0.00% 0.00%

					BASIS	FED YR 1 DEPR RATE	FED YR 1 TAX DEPR	STATE YR 1 DEPR RATE	STATE YR 1 TAX DEPR
5 yr	0.00%	0.00%	0.00%	5 yr	-	52.000%	-	20.00%	-
7 yr	0.00%	0.00%	0.00%	7 yr	-	48.574%	-	14.29%	-
15 yr	0.00%	0.00%	0.00%	15 yr	-	43.000%	-	5.00%	-
20 yr	0.00%	0.00%	0.00%	20 yr	-	42.250%	-	3.75%	-
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%	5 yr	5,723,096	20.00%	1,144,619	20.00%	1,144,619
7 yr	0.91%	1.31%	2.22%	7 yr	4,757,949	14.29%	679,911	14.29%	679,911
15 yr	15.02%	1.93%	16.95%	15 yr	36,324,798	5.00%	1,816,240	5.00%	1,816,240
20 yr	24.17%	49.00%	73.17%	20 yr	156,815,716	3.75%	5,880,589	3.75%	5,880,589
39 yr	1.53%	0.20%	1.74%	39 yr	3,718,080	1.177%	43,774	1.177%	43,774
	41.97%	54.77%	96.74%						
TOTAL ASSETS	41.97%	54.77%	96.74%						

Net Depreciable Baseline Plant Adds	207,340,639	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	348,910,639	16,643,633	16,643,633
		Fed Tax Depreciation to Schedule F	*St. Tax Depreciation to Schedule F*

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	38,606,235	<<supported by Special Study each year.
Net plant add basis		214,323,765	
Less: Land and Vehicles (3.26% x 214,323,765)		6,983,126	
		207,340,639	

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				$ 141,570,000	
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	STATE YR 1 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%	7,078,500
8	20 yr	-	3.75%	-	3.75%	-
9	39 yr					
10	Land					
11	Vehicles					
	Total	$ 141,570,000		$ 7,078,500		$ 7,078,500
		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	Reference	Unamortized CIAC	CIAC Amortization
	(a)	(b)	(c)	(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	2018 CIAC Additions:			
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	2018 CIAC Amortization:			
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 2013 (b)	2/26/2015 2014 (c)	2/23/2016 2015 (d)	2/24/2017 2016 (e)	3/1/2018 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 To Sch G
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	Less Major Projects:	Dkt No.	Item No.					
21								
22	2008 In-service:							
23	CIP Generating Unit	05-0145	Y49000					
24								
25	2010 In-service:							
26	K3 Biofuel Co-Firing	2009-0155	P0001577					
27								
28	2011 In-Service:							
29	W8 Boiler Controls Upgrade	2007-0365	P7650000					
30	EOTP Ph. 2 (Subs/Switch Stations)	2010-0062	Y48500	(87,994)	(43,725)	(15,232)	(718)	
31	W7 Controls Upgrade	2009-0195	P7590000					
32	W8 Main Transformer Replace		P0001399					
33								
34	2012 In-Service:							
35	K1 Condenser Tube Replace	2010-0126	P0000681					
36	BPT Tank 132 Improvements	2010-0286	P0000899					
37	Mobile Radio Replacement	2010-0162	P0001595					
38	Kapolei Substation	2011-0026	Y00127					
39								
40	2013 In-Service:							
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	Y00119					
44	North South Road 46kV Line	2008-0070	Y00119					
45								
46	2014 In-Service:							
47	Kaloi Substation	2008-0070	Y00119					
48	Kaloi Sub 46kV & 12kV Distr	2008-0070	Y00119					
49	Kaloi Telecomm	2008-0070	Y00119					
50	Kaloi Sub 12kV Work	2008-0070	Y00119					
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	2016 In-Service:							
58	Pukele 80MVA Tsf #1	2011-0156	P0002264					
59								
60	2017 In-Service:							
61	ERP EAM Hardware	2014-0170	Y00168					
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 year's 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 reclassed 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. 2016-0328).

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	2018 Major Project CIAC Additions by Project:			
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 Balance	2017 Amortization	2017 Balance	2018 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	986,131	41,089	945,042	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	5,617,820	200,637	5,417,183	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	76,856	2,689,967	76,856
24	2002	3,929,841	106,212	3,823,629	106,212
25	2003	4,273,673	112,465	4,161,208	112,465
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	16,395,712	356,429	16,039,283	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	29,559,794	603,261	28,956,533	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)	(18,684)	(915,493)	(18,684)
63	-adj 16 GET	(862,287)	(16,908)	(845,379)	(16,908)
64	-adj 17 GET			(1,104,366)	(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**	**$ 356,100,380**	**$ 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	Reference	Ratemaking Basis Return on Equity: Operating Income	Rate Base	Rate of Return
	(a)	(b)	(c)	(d)	(e)
1	Reported Operating Income before ratemaking adjustmen	Dec 2017 Mo. PUC rpt, pg 2A filed 3/1/18 & HECO-WP-H-001	$ 116,798	$ 1,976,816	
2	Ratemaking Adjustments to Line 1				
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 differentia	HECO-WP-H-003	185		
2d	Income tax on items to be replaced by synchronized interes	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	$ 1,976,816	

Line No.	Description	Reference	Balances	Ratios	Cost Rate	Weighted Cost
4	Ratemaking Capitalization					
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				$ 1,976,816	
12	Weighted Cost of Debt (Sum Lines 5-7)				2.13%	
13	Synchronized Interest Expense				$ 42,100	
	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					1,128,305
20	Return on Equity for Decoupling Earnings Sharing (Line 18/Line 19					6.82%

Line No.	Description	Basis Points	First 100 bp	Next 200 bp	All over 300 bp	Ratepayer Total
21	Earnings Sharing Revenue Credits:					
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	$ 1,128,305
	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	Reference	Amount $000
	(a)	(b)	(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 (a)	Reference (b)	Amount $000 (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
Total Billed + Unbilled		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	37,356,068
L3	L1 - L2	Target vs. Actual 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)
L4		Reversal of Previous Year Accrual	-	-	-	-	-	-	-	-	-	-	-	-
L5	L4 + L3	Net RBA Change	(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	12,445,972	18,207,533	24,035,403	18,705,434	20,780,294	22,486,053
L7	L6 + L5	End Balance Before Interest	(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	21,990,584
L8	(L6 + L7) ÷ 2 or (L6 + L7) ÷ 2 + [1]	Balance Subject to Interest	(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	Interest	(1,884)	(4,539)	(3,140)	5,211	18,383	43,560	76,443	105,483	133,586	98,468	107,896	111,192
L10	L7 + L9	Ending RBA Balance	(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	Target vs. Actual 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)
L4		Reversal of Previous Year Accrual	-	-	-	-	-	-	-	-	-	-	-	-
L5	L4 + L3	Net RBA Change	(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	L6 + L5	End Balance Before Interest	(753,465)	(978,492)	(273,029)	2,360,814	4,987,430	12,418,389	18,131,182	23,985,686	29,399,107	20,681,942	22,378,281	21,990,715
L8	(L6 + L7) ÷ 2 or (L6 + L7) ÷ 2 + [1]	Balance Subject to Interest	(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	Interest	(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	Ending RBA Balance	(755,349)	(983,030)	(276,169)	2,366,026	5,005,814	12,461,950	18,207,625	24,091,169	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 R 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	27,050,621	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	35,822,658	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	43,616,666	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	35,822,658	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	Target vs. Actual 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
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	Net RBA Change	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	60,913,594	61,546,805	63,126,164	64,552,840	65,724,351	66,230,945	66,185,006	66,564,524
L7	L6 + L5	End Balance Before Interest	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]	Balance Subject to Interest	54,944,175	56,246,699	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% ÷ 12	Interest	274,721	281,233	288,176	298,545	305,853	310,498	318,388	324,881	328,691	330,072	331,046	327,624
L10	L7 + L9	Ending RBA Balance	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	Target vs. Actual 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
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	Net RBA Change	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	60,913,916	61,547,158	63,126,553	64,553,268	65,724,806	66,231,420	66,185,498	66,565,030
L7	L6 + L5	End Balance Before Interest	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]	Balance Subject to Interest	54,944,433	56,246,969	57,635,452	59,709,356	61,170,941	62,099,899	63,677,944	64,976,556	65,738,629	66,014,958	66,209,739	65,525,403
L9	L8 x 6% ÷ 12	Interest	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	Ending RBA Balance	55,863,237	56,721,485	58,837,595	60,881,321	61,733,823	62,963,139	64,547,725	65,724,728	66,081,146	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	46,596,907	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)	(5,514,770)	(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)	323,787	(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	39,205,893	38,789,775	38,194,875	37,566,514	36,616,787	35,853,938	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	46,596,907	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	46,596,907	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)	(5,514,770)	(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)	(721,846)	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	38,790,132	38,195,254	37,566,919	36,617,215	35,854,383	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	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
		RBA Adjustment Recorded 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
		Adjustment to Revenue	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)	(3,665,156)	(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)	(559,014)	(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	30,672,681	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)	(3,665,156)	(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)	(559,003)	(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	51,557,064
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	48,177,995
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	30,464,074
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	44,427
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	48,222,422
		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	Target vs. Actual 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
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	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
L6		Beginning RBA Balance	41,669,775	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	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
L8	(L6 + L7) ÷ 2 ÷ [1]	Balance Subject to Interest	25,093,985	24,332,432	23,384,678	23,559,861	24,300,790	24,255,184	24,335,678	24,901,699	25,615,115	26,204,786
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
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

												Total Billing Adjustment
	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	
	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	Target vs. Actual 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
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	Net RBA Change	(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	End Balance Before Interest	47,167,798	45,716,116	44,176,242	46,295,175	46,594,496	46,198,833	47,014,982	47,908,606	49,301,454	49,925,643
L8	(L6 + L7) ÷ 2 ÷ [1]	Balance Subject to Interest	29,176,884	28,418,975	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	Interest	42,550	41,444	40,068	40,328	41,414	41,353	41,476	42,307	43,352	44,218
L10	L7 + L9	Ending RBA Balance	47,210,348	45,757,560	44,216,310	46,335,503	46,635,910	46,240,186	47,056,458	47,950,913	49,344,806	49,969,861

												Total RBA Adjustment
	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	
	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	
	Adjustment to Revenue	11	11	16	31	34	34	33	34	13	-	1,162

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	39,670,209	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	34,356	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:										Total Billing
		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	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	9,468
		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	24,898,345	25,611,141	25,352,958	26,386,448	
L9	L8 x 1.75% ÷ 12	Interest	34,102	34,357	35,436	35,369	35,486	36,310	37,350	36,973	38,480	
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	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
		RBA Adjustment Recorded to 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	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:		Total Billing Adjustment
Recorded Adjusted Revenues - Unadjusted	45,789,648	
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

		Total RBA Adjustment
Revised Adjustment to Revenue	2,228,270	
RBA Adjustment Recorded to Revenue	2,219,975	
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	3,886,770	5,005,495	4,917,480	5,016,661	4,430,153	4,771,815	2,605,657	2,219,975	2,165,761	
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)	(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	(669,517)	(1,530,535)	(1,511,908)	
L6		Beginning RBA Balance	41,669,775	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	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	23,559,861	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															Total Billing Adjustment
		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	
		Billing Adjustment 1	(624)	(860)	(815)	(627)	(557)	(456)	(1,130)	(921)	-	-	-	-	-	-	(5,990)
		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)	(3,792,632)	(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	(669,179)	(1,531,138)	(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	41,220,647	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	40,556,346	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	40,521,596	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	
		Adjustment to Revenue	624	860	815	627	557	456	1,130	921	377	432	503	338	(603)	13	7,049
																	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)

	Increase effective	Increase Amount (a)	Wage Rate With Increase (b) or prev (b) + (a)	Labor Cost Escalation Rate (c) (b) / prev (b) -1	
1.00	3.00% 1/1/2014	0.0300	1.0300		
	3.00% 1/1/2015	0.0300	1.0600	0.0291	2.91%
	3.25% 1/1/2016	0.0325	1.0925	0.0307	3.07%
	3.00% 1/1/2017	0.0300	1.1225	0.0275	2.75%
	3.00% 1/1/2018	0.0300	1.1525	0.0267	2.67%

(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

Wolters Kluwer

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 Gobal*	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
AIG	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 Thorton/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 MorganChase	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	6.9	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	-1.1	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	-2.1	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	na	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	6	4	10	14	7	38
Same	28	19	9	14	8	7	10	9	11	16	19	33	19	28	7
Up	19	23	37	33	30	12	39	29	15	22	26	7	16	6	5
February Median	2.8	2.0	4.9	2.3	3.4	2.5	2.8	5.7	6.1	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 %	52 %	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

JOB CODE	JOB TITLE	1/1/2013	7/1/2013	3.00% 1/1/2014	7/1/2014	3.00% 1/1/2015	7/1/2015	3.25% 1/1/2016	7/1/2016	3.00% 1/1/2017	7/1/2017	3.00% 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				
					[1]	[2] 2017 Plant Additions				[3]							
	Grand parent	Project #	Project	Plant Addition Date	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		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
					(A)	(B)	(C)	(D) = (B) + (C)	(E) = (A) + (D)	(F)		(E) - (F)	(G)	(H) = (E) - (G)	(I) = (F) - (G)	(J) = (G) - (I)	
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 by 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

[1] 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. 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. See HECO-WP-D2-002.

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

[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, Attachement 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, Attachement 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, Attachement 2, page 4 of 7)
2017 CIAC Estimate	-	(900,000)	(900,000)	(See CA-IR-304, Attachement 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]	CIAC Received/ Estimated CIAC	Gross PUC Approved	Gross Plant Adds thru 12/31/17 [2]	2018 Gross Plant Additions [3]	Estimated Gross Plant Adds thru 12/31/18	Over/ (Under) PUC Approved	2018 Plant Addition Qualifying for RB RAM (Note A)	Future Years [3]
				A	B	C = A - B	D	E	F = D + E	G = F - C		
	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	
											141,570,000	

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					
FEDERAL		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	
28311	Unearned Lease	-	-	-	
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 Removal)	65,471,201.45	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&LTIP)	34,973.68	10,659.71	45,633.39	
28327	Software (no APPRISE & e business)	172,604.75	101,232.22	273,836.97	
28328	G/L 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	
28338	Nondeductible Vac	-	-	-	
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	
28348	Nonutil Bad Debt	-	-	-	
28350	Outage Loss Adj Exp	-	(24,509.00)	(24,509.00)	
28401	Genl/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)	
28407	FAS 109 Flow Through	-	-	-	
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	Genl/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)	
28430	FMB X Premium	-	-	-	
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	
28437	HACOA	-	-	-	
28438	BONY Rev	-	-	-	
28439	GAOS Tel	-	-	-	
28440	Kalaeloa	-	-	-	
28441	Sun Power	6,327.28	1,928.31	8,255.59	
28442	Overhaul (Walau 3 Turbine)	-	-	-	
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	64,996.20	19,808.00	84,804.20	
28526	Emissions Fees	318,335.16	97,016.55	415,351.71	
28528	Substation land - Kuliouou	-	-	-	
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)	
28540	Kalaeloa PPA	-	-	-	
28542	QUIPS 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	
28556	Substation Land - Waianae	-	-	-	

HAWAIIAN ELECTRIC CO., INC.					
DEFERRED INCOME TAXES					
FEDERAL		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	
28558	Substation Land - Aiea	-	(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)	(6,949,221.27)	(29,751,396.92)	
28572	OPEB Tracker	670,072.85	204,211.64	874,284.49	
28574	Substation Land - Barber's Pt	-	-	-	
28576	Substation Land - Haiku	-	-	-	
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	
28586	Big Wind costs	-	-	-	
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	EOTP 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)	
28606	NOL	-	-	-	
28608	Franchise Tax	1,113,103.09	339,231.17	1,452,334.26	
28612	CIS interest	-	-	-	
28614	RBA revenues	(9,716,750.92)	(2,961,295.41)	(12,678,046.33)	
28616	RAM revenues	-	-	-	
28618	NOL - charitable	(6,347.36)	-	(6,347.36)	
28620	G/L Lauula	12,343.45	773.02	13,116.47	
28622	NOL - credits	-	-	-	
28624	AMT	-	-	-	
28626	Reg Asset - 2017 Excess-other	(3,919,451.08)	(5,808,094.36)	(9,727,545.44)	
28628	Reg Liab - 2017 Excess-other	8,913,736.41	7,330,156.01	16,243,892.41	
AOCINQ	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*	
50000	Rounding	(57.01)	432.88	375.87	
FED ACCOUNT 283, excluding state ITC		(56,640,866.01)	(12,444,056.67)	(69,084,922.68)	
28310	State ITC	11,398,011.89	3,456,270.09	14,854,281.98	
	TOTAL ACCOUNT 283	(45,242,854.11)	(8,987,786.58)	(54,230,640.69)	
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		(242,901,658.62)	(40,546,477.96)	(283,448,136.58)	
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		*(241,256,410.05)*	*(39,948,145.74)*	*(281,204,555.79)*	
RATE BASE CALCULATION					
TOTAL ACCOUNT 283		(45,242,854.11)	(8,987,786.58)	(54,230,640.69)	
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&LTIP)	34,973.68	10,659.71	45,633.39	

HAWAIIAN ELECTRIC CO., INC.					
DEFERRED INCOME TAXES					
FEDERAL		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	
28330	EICP	(249,684.26)	(92,265.26)	(341,949.52)	
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	
28338	Nondeductible Vac	-	-	-	
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	
28348	Nonutil Bad Debt	-	-	-	
28350	Outage Loss Adj Exp	-	(24,509.00)	(24,509.00)	
28401	Genl/Auto (& Accidents)	335,974.66	102,391.89	438,366.55	
28412	Genl/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)	
28586	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	-	-	-	
28618	NOL - charitable	(6,347.36)	-	(6,347.36)	
28622	NOL - credits	-	-	-	
28624	AMT	-	-	-	
AOCINQ	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 EOTP, CIS and CIP	(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		(44,838,042.18)	(9,080,838.38)	(53,918,880.56)	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		(242,496,846.69)	(40,639,529.76)	(283,136,376.45)	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	2,604,146	2,590,000	14,146				8,488
		Cumulative							8,488
HAWAII									
P0003205	v2017	ERP/EAM Hardware	2,604,146	2,590,000	14,146	Computer	5	0	2,829
		Total	2,604,146	2,590,000	14,146				2,829
		Cumulative							2,829

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	2,684,387	2,555,619	128,768				66,798
		Cumulative							66,798
HAWAII									
P0003465	v2017	Koolau-Wailupe #1	2,684,387	2,555,619	128,768	Trans	20	0	4,829
		Total	2,684,387	2,555,619	128,768				4,829
		Cumulative							4,829

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

HECO	ADIT	0.346835 Reg Liab	Total	Life	Rev Settlement Amortization
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	Date In Service	[2] Gross Plant Adds Thru 12/31/16	[1] Gross Plant Adds Thru 12/31/17	Plant Acct	Docket No 2010-0053 Depr Rate	2017 Depr	2018 Depr	[1] Gross PUC Approved	[2] 2016 Cost in Excess of Docket	[1] 2017 Cost in Excess of Docket	[3] Prior Years Depr Related to Excess	[2] 2017 Depr Related to Excess	2018 Depr Related to Excess	To Schedule D1 Cumulative Depr Related to Excess
			(A)	(B)		(C)	(D) = (A) * (C)	(E) = (B) * (C)	(F)	(G)	(H) = (B) - (F)	(I)	(J) = (G) / (A) * (D)	(K) = (H) / (B) * (E)	(L) = (I) + (J)
Y00168/ P0003205	ERP EAM Hardware	2017/06	-	2,604,146	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

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

Calculation of Effective Rates

Assumptions:
ST = State Income Tax Expense
FT = Federal Income Tax Expense
Pre-Tax Income = $1.00

	Eff 1/1/2018	*2017 & Prior*
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 x (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)

Effective 1/1/18
FT = .21 x (1 - ST)
FT = .21 x (1 - .060150376)
FT = .21 - .01263157896
FT = .197368421 or 19.7368421% of Pre-Tax Income

2017 & Prior
FT = .35 x (1 - ST)
FT = .35 x (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

	LIFE	*HECO-WP-F1-002* 5 YR AVERAGE	A Plant Adds	B *HECO-WP-F1-001, pg 2* Repairs Allocation	C = A x B Repairs Deduction	D = A - C 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

		2013 ACTUAL			2014 ACTUAL			2015 ACTUAL		
	LIFE	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

		2016 ACTUAL			2017 ACTUAL			LESS MAJOR PROJECTS		
	LIFE	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)

		TOTAL (2013 - 2017)			AVERAGE (2013 - 2017)			AVERAGE (2013 - 2017)		
	LIFE	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 accelerated depreciation		Federal ADIT DR/(CR)	January	February	March	April	May	June	July	August	September	October	November	December
Beginning balance	Sch D4	(197,643,092)	NOTE 1											
Net ADIT accrued 2018	Sch F	(4,693,270)												
Monthly Accrued evenly over 12 months		(391,106)												

WITHOUT PRORATION	Beg of Yr	January	February	March	April	May	June	July	August	September	October	November	December	End of Yr
Federal 282 ADIT Balance	(197,643,092)													
Monthly Additions		(391,106)	(391,106)	(391,106)	(391,106)	(391,106)	(391,106)	(391,106)	(391,106)	(391,106)	(391,106)	(391,106)	(391,106)	(4,693,270)
Cumulative Balance	(197,643,092)	(198,034,198)	(198,425,304)	(198,816,410)	(199,207,515)	(199,598,621)	(199,989,727)	(200,380,833)	(200,771,939)	(201,163,045)	(201,554,150)	(201,945,256)	(202,336,362)	(202,336,362)

Simple Year Average - Without Proration (199,989,727)

WITH PRORATION		Beg of Yr	January	February	March	April	May	June	July	August	September	October	November	December	End of Yr
Days new rates in effect	6/1/2018	214													
Prorated additions			(391,106)	(391,106)	(391,106)	(391,106)	(391,106)	(338,106)	(281,450)	(224,794)	(169,967)	(113,311)	(58,483)	(1,828)	(3,143,467)
Cumulative ADIT balance with proration		(197,643,092)	(198,034,198)	(198,425,304)	(198,816,410)	(199,207,515)	(199,598,621)	(199,936,727)	(200,218,177)	(200,442,971)	(200,612,938)	(200,726,249)	(200,784,732)	(200,786,559)	(200,786,559)

Simple Year Average - With Proration (199,214,826)

Adjustment to rate base ADIT 774,901
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	31	30	31	30	31	365

Note: Methodology based on IRS Private Letter Ruling 9313008

NOTE 1> Amount represents the regulatory balance for federal 282 subject to tax normalization. Original inadvertently started with the total ADIT balance. However, this change does not result in a change in the proration computation or the adjustment amount.

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

Grandparent	Project	Functional Category	Project > Plant Addition Date	Project to Date Recorded 12/31/17	2018 CIAC Additions		Future Years	
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 Dec 2016	Month-End Dec 2017	REFERENCE
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	283,136	Schedule D4
EXCESS ACCUMULATED DEF INCOME TAXES	-	278,582	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**	**1,040,405**	
WORKING CASH	7,421	7,068	HECO-WP-H-007
RATE BASE	**1,926,473**	**2,027,158**	
SIMPLE AVERAGE RATE BASE		**1,976,816**	**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. Deferred tax asset related to excess accumulated deferred taxes is included in Unamortized Net ASC 740 Reg Asset.

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	766,411		Incentive	
			2,982,424	**2,982**	**To Sch H, Line 2A**
P#R0001202	Executive life insurance(COLI) expense (credit) ***not tax deduct***	(604,105)			
93022 Schedule WO#AD000945/ *P#R0005071*	Company memberships ***not tax deduct*** (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	7,082			
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)	98,767		Other	
			842,434	**842**	**To Sch H, Line 2B**

Total adjustment to operating income	6,614,298	
Tax on adjustments	(2,789,440)	**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	1,592,330	**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

	Source	YTD	Rounded (000s)
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	(100,516)	
		44,114,071	
	Tax rate	38.9097744%	
		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%	(1)	
	15	
Income Taxes @38.9097744%	(6)	
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%	(6)	
	65	
Income Taxes @38.9097744%	(25)	
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	2017		(Note 1) Net Collection Lag Days	Amount	
	A	B		C	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				**7,068**	**To HECO-WP-H-001**

8	***Fuel Oil***	B1	**408,204**	Trial Balance: B20
9	***Purchased Power***	B2	**454,189**	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	**129,118**	
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	**150,096**	
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	**142,978**	
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	**27,006**	

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 Commmission accepted the Parties' Stipulated Settlment 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			
PAA202 2008-2011	Total	O&M % Portion 70.69%	(Jan-Nov 2017) 2017 Proration	O&M % Portion 57.43%	(Dec 2017) 2017 Proration	Annual 2017	**Rounded 000s**
(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			
PAA203 2008-2011	Total	O&M % Portion 70.69%	(Jan-Nov 2017) 2017 Proration	O&M % Portion 57.43%	(Dec 2017) 2017 Proration	Annual 2017	**Rounded 000s**
(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.							
PAA109 *18607004* OMS	*PAA133* *18606004* HR Suites Phase 1	*PAA143* *18606104* HR Suites Phase 2	*PAA163* *18607704* Budget Replace	*PAA195* *18670400* IVR System Replace	*PAA177* *18605005* CIS	Annual 2017	**Rounded 000s**
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.								
PAA166 *18670124* EOTP Depreciation	*PAA166* *18670125* EOTP AFUDC Debt	*PAA166* *18670126* EOTP AFUDC Equity	*PAA176* *18670120* CIP CT-1 Depreciation	*PAA176* *18670121* CIP CT-1 AFUDC Debt	*PAA176* *18670122* CIP CT-1 AFUDC Equity	*PAA132* *18670152* RO Pipeline	Annual 2017	**Rounded 000s**
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.

ATTACHMENT 2

RATE SCHEDULES (continued)

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
92E	"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

RATE SCHEDULES (continued)

Sheet	Schedule	Date Effective	Character of Service
93H	"RAM"	June 1, 2018	Rate Adjustment Mechanism Provision
93I	"RAM"	June 1, 2018	Rate Adjustment Mechanism Provision
94	"PPAC"	May 1, 2018	Purchased Power Adjustment Clause
94A	"PPAC"	May 1, 2018	Purchased Power Adjustment Clause
94B	"PPAC"	May 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

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.

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.

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.

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.

H: TARGET REVENUES CURRENTLY IN EFFECT

Hawaiian Electric Company, Inc.
Annual Target Revenue ($000s)

	Description	Amount
1	Electric Sales Revenue	$1,529,709
	Less:	
2	Fuel Expense	($327,609)
3	Purchase Power Expense	($466,211)
4	Revenue Tax on Electric Sales Revenue	($135,915)
5	Last Rate Order Target Revenues	$599,974
6	Authorized RAM Revenues	$13,828
7	Revenue Tax	($1,229)
8	Net RAM Adjustment	$12,599
9	Earnings Sharing Revenue Credits	$0
10	Revenue Tax	$0
11	Net Earnings Sharing Revenue Credits	$0
12	Effective Target Revenue	$612,574

Notes:

Totals may not add, due to rounding.

Line 1: Hawaiian Electric March 2018 Settlement Tariff Sheets, Attachment 1, Line 3. Filed March 16, 2018 in Docket No. 2016-0328.

Lines 2,3: Hawaiian Electric March 2018 Settlement Tariff Sheets, Exhibit 2C, Page 1. Filed March 16, 2018 in Docket No. 2016-0328.

Lines 4,7: Revenue Tax based on 8.885% statutory rates.

Line 6: Transmittal No. 18-01 (Decoupling), Schedule A, Line 4. Filed May 29, 2018.

Line 12: Transmittal No. 18-01 (Decoupling), Schedule B1, Line 24. Filed May 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.

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.

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

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

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

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:

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.

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.

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:

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.

ATTACHMENT 2A

Superseding Revised Sheet No. 50D
Effective April 13, 2018

REVISED SHEET NO. 50D
Effective June 1, 2018

Deleted: February 16, 2018

Deleted: April 13, 2018

RATE SCHEDULES (continued)

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
92E	"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: April 13, 2018

Deleted: June 8, 2015

Deleted: April 9, 2018

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated May 29, 2018.

Superseding Sheet No. 50E
Effective May 1, 2018

REVISED SHEET NO. 50E
Effective June 1, 2018

Deleted: April 1, 2018

Deleted: May 1, 2018

RATE SCHEDULES (continued)

Sheet	Schedule	Date Effective	Character of Service
93H	"RAM"	June 1, 2018	Rate Adjustment Mechanism Provision
93I	"RAM"	June 1, 2018	Rate Adjustment Mechanism Provision
94	"PPAC"	May 1, 2018	Purchased Power Adjustment Clause
94A	"PPAC"	May 1, 2018	Purchased Power Adjustment Clause
94B	"PPAC"	May 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

Deleted: June 8, 2015

Deleted: June 1, 2017

Deleted: April 20, 2018

HAWAIIAN ELECTRIC COMPANY, INC.

Transmittal Letter dated May 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 recordéd 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.

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

Deleted: January 1, 2018
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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.
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REVENUE BALANCING ACCOUNT ("RBA") PROVISION (continued)

H: TARGET REVENUES CURRENTLY IN EFFECT

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Hawaiian Electric Company, Inc.
Annual Target Revenue ($000s)

	Description	Amount
1	Electric Sales Revenue	$1,529,709
	Less:	
2	Fuel Expense	($327,609)
3	Purchase Power Expense	($466,211)
4	Revenue Tax on Electric Sales Revenue	($135,915)
5	Last Rate Order Target Revenues	$599,974
6	Authorized RAM Revenues	$13,828
7	Revenue Tax	($1,229)
8	Net RAM Adjustment	$12,599
9	Earnings Sharing Revenue Credits	$0
10	Revenue Tax	$0
11	Net Earnings Sharing Revenue Credits	$0
12	Effective Target Revenue	$612,574

Notes:

Totals may not add, due to rounding.

Line 1: Hawaiian Electric March 2018 Settlement Tariff Sheets, Attachment 1, Line 3. Filed March 16, 2018 in Docket No. 2016-0328.

Lines 2,3: Hawaiian Electric March 2018 Settlement Tariff Sheets, Exhibit 2C, Page 1. Filed March 16, 2018 in Docket No. 2016-0328.

Lines 4,7: Revenue Tax based on 8.885% statutory rates.

Line 6: Transmittal No. 18-01 (Decoupling), Schedule A, Line 4. Filed May 29, 2018.

Line 12: Transmittal No. 18-01 (Decoupling), Schedule B1, Line 24. Filed May 29, 2018.

Deleted: Docket No. 2016-0328; Order No. 35372, issued March 29, 2018.

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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.

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.

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

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

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

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:

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.

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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: ¶
¶
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.¶

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RATE ADJUSTMENT MECHANISM PROVISION (continued)

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.¶

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:

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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.

Deleted: SETTLEMENT AGREEMENT¶
¶
The provisions in this section are for the sole and limited purpose of implementing the *Stipulated Settlement Agreement between the Hawaiian Electric Companies and the Division of Consumer Advocacy regarding Certain Regulatory Matters*, filed in Docket No. 2008-0083, which the Commission approved in Order No. 31126, issued on March 19, 2013.¶
¶
The Company will include in the Rate Base RAM - Return on Investment Adjustment and the Depreciation and Amortization RAM Expense Adjustment, in 2013 and subsequent years, the recoverable costs of the Campbell Industrial Park Combustion Turbine Unit 1 ("CIP CT-1") and the Customer Information System ("CIS") projects, net of the Stipulated and Commission approved project cost write-downs and as otherwise provided for in the Stipulated Settlement Agreement. Recovery of the CIS costs through the RAM Revenue Adjustment is for the sole purpose of this settlement agreement and does not constitute a precedent for the recovery of any other software or regulatory asset deferred costs through the RAM Revenue Adjustment.

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.

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ATTACHMENT 3

RATE SCHEDULES (Continued)

Sheet	Schedule	Effective Date	Character of Service
89F	"RAM"	June 1, 2018	Rate Adjustment Mechanism Provision
89G	"RAM"	June 1, 2018	Rate Adjustment Mechanism Provision
89H	'RAM'	June 1, 2018	Rate Adjustment Mechanism Provision
89I	'RAM'	June 8, 2015	Rate Adjustment Mechanism Provision
90	"PPAC"	May 1, 2018	Purchased Power Adjustment Clause
90A	"PPAC"	May 1, 2018	Purchased Power Adjustment Clause
90B	"PPAC"	April 9, 2012	Purchased Power Adjustment Clause
91	"RBA"	January 1, 2018	Revenue Balancing Account Provision
91A	"RBA"	January 1, 2018	Revenue Balancing Account Provision
91B	"RBA"	August 31, 2017	Revenue Balancing Account Provision
91C	"RBA"	January 1, 2018	Revenue Balancing Account Provision
91D	"RBA"	June 1, 2018	Revenue Balancing Account Provision
91E	"RBA"	June 1, 2018	Revenue Balancing Account Provision
92	"TOU-RI"	November 21, 2016	Residential Interim Time-of-Use Service
92A	"TOU-RI"	November 21, 2016	Residential Interim Time-of-Use Service
92B	"TOU-RI"	November 21, 2016	Residential Interim Time-of-Use Service
92C	"TOU-RI"	November 21, 2016	Residential Interim Time-of-Use Service
93	'EV-F"	December 12, 2017	Commercial Public Electric Vehicle Charging Facility Service Pilot
93A	'EV-F"	December 12, 2017	Commercial Public Electric Vehicle Charging Facility Service Pilot
93B	'EV-F"	December 12, 2017	Commercial Public Electric Vehicle Charging Facility Service Pilot

REVENUE BALANCING ACCOUNT ("RBA") PROVISION

Supplement To:

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

All terms and provisions of the above listed rate schedules are 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 Hawaii Electric Light 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 Hawaii Electric Light Company's 2010 test year rate case, Docket No. 2009-0164, consistent with the Final Decision and Order in the Decoupling case, Docket No. 2008-0274.

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.

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

Monthly Allocation Factors for the Target Revenue are as follows:

January	8.437%
February	7.898%
March	8.410%
April	8.072%
May	8.292%
June	8.081%
July	8.630%
August	8.764%
September	8.213%
October	8.548%
November	8.263%
December	8.392%
Total	100.000%

These factors are based on the MWH sales forecast that is approved by the Commission in Hawaii Electric Light Company's 2016 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.

Docket No. 2015-0170; Order No. 34772, filed August 29, 2017.
Transmittal Letter Dated August 30, 2017.

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

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.

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 Mechanisms 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.

HAWAII ELECTRIC LIGHT 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 ..... 1.0006 ¢/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.

HAWAII ELECTRIC LIGHT COMPANY, INC.

Transmittal Letter Dated May 29, 2018.

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

H: TARGET REVENUES CURRENTLY IN EFFECT

Hawaii Electric Light Company, Inc.
Annual Target Revenue ($000s)

	Description	Amount
1	Electric Sales Revenue	$289,771
	Less:	
2	Fuel Expense	($45,996)
3	Purchase Power Expense	($72,438)
4	Revenue Tax on Electric Sales Revenue	($25,746)
5	Last Rate Order Target Revenues	$145,591
6	Authorized RAM Revenues	$6,577
7	Revenue Tax	($584)
8	Net RAM Adjustment	$5,993
9	Earnings Sharing Revenue Credits	$0
10	Revenue Tax	$0
11	Net Earnings Sharing Revenue Credits	$0
12	Effective Target Revenue	$151,583

Notes:

Totals may not add, due to rounding.

Line 1: Hawaii Electric Light Revision to Exhibits in Motion to Adjust Interim Increase, Exhibit 11, Line 3. Filed April 10, 2018 in Docket No. 2015-0170.

Lines 2,3: Hawaii Electric Light Revision to Exhibits in Motion to Adjust Interim Increase, Exhibit 3D, Page 1. Filed April 10, 2018 in Docket No. 2015-0170.

Lines 4,7: Revenue Tax based on 8.885% statutory rates.

Line 6: Transmittal No. 18-02 (Decoupling), Schedule A, Line 4. Filed May 21, 2018.

Line 12: Transmittal No. 18-02 (Decoupling), Schedule B1, Line 27. Filed May 21, 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.

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, 2012.

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.

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.

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 five hundred thousand dollars ($500,000) or more.

RATE ADJUSTMENT MECHANISM PROVISION

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 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.

RATE ADJUSTMENT MECHANISM PROVISION (continued)

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 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

RATE ADJUSTMENT MECHANISM PROVISION (continued)

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

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 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

RATE ADJUSTMENT MECHANISM PROVISION (continued)

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:

i. Plant in Service, Accumulated Depreciation, Accumulated Deferred Income Taxes and Contributions in Aid of Construction ("CIAC") shall be a <u>two-point average</u> 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.

RATE ADJUSTMENT MECHANISM PROVISION (continued)

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.

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.

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.

RATE ADJUSTMENT MECHANISM 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 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:

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.

RATE ADJUSTMENT MECHANISM PROVISION (continued)

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.

ATTACHMENT 3A

Superseding Sheet No. 50D
Effective May 1, 2018

REVISED SHEET No. 50D
Effective June 1, 2018

Deleted: May 1, 2018

Deleted: May 1, 2018

RATE SCHEDULES (Continued)

Sheet	Schedule	Effective Date	Character of Service	
89F	"RAM"	June 1, 2018	Rate Adjustment Mechanism Provision	Deleted: June 8, 2015
89G	"RAM"	June 1, 2018	Rate Adjustment Mechanism Provision	Deleted: June 8, 2015
89H	'RAM'	June 1, 2018	Rate Adjustment Mechanism Provision	Deleted: June 8, 2015
89I	'RAM'	June 8, 2015	Rate Adjustment Mechanism Provision	
90	"PPAC"	May 1, 2018	Purchased Power Adjustment Clause	
90A	"PPAC"	May 1, 2018	Purchased Power Adjustment Clause	
90B	"PPAC"	April 9, 2012	Purchased Power Adjustment Clause	
91	"RBA"	January 1, 2018	Revenue Balancing Account Provision	
91A	"RBA"	January 1, 2018	Revenue Balancing Account Provision	
91B	"RBA"	August 31, 2017	Revenue Balancing Account Provision	
91C	"RBA"	January 1, 2018	Revenue Balancing Account Provision	
91D	"RBA"	June 1, 2018	Revenue Balancing Account Provision	Deleted: January 1, 2018
91E	"RBA"	June 1, 2018	Revenue Balancing Account Provision	Deleted: May 1, 2018
92	"TOU-RI"	November 21, 2016	Residential Interim Time-of-Use Service	
92A	"TOU-RI"	November 21, 2016	Residential Interim Time-of-Use Service	
92B	"TOU-RI"	November 21, 2016	Residential Interim Time-of-Use Service	
92C	"TOU-RI"	November 21, 2016	Residential Interim Time-of-Use Service	
93	'EV-F"	December 12, 2017	Commercial Public Electric Vehicle Charging Facility Service Pilot	
93A	'EV-F"	December 12, 2017	Commercial Public Electric Vehicle Charging Facility Service Pilot	
93B	'EV-F"	December 12, 2017	Commercial Public Electric Vehicle Charging Facility Service Pilot	

Deleted: April 30, 2018

HAWAII ELECTRIC LIGHT COMPANY, INC.

Transmittal Letter Dated May 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 P	- Large Power Service
Schedule F	- Street Light Service
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 TOU-P	- Large Power Time-of-Use Service
Schedule SS	- Standby Service
Schedule TOU EV	- Residential Time-of-Use Service with Electric Vehicle Pilot
Schedule EV-F	- Commercial Public Electric Vehicle Charging Facility Service Pilot
Schedule TOU-RI	- Residential Interim Time-of-Use Service

All terms and provisions of the above listed rate schedules are 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 Hawaii Electric Light 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 Hawaii Electric Light Company's 2010 test year rate case, Docket No. 2009-0164, consistent with the Final Decision and Order in the Decoupling case, Docket No. 2008-0274.

HAWAII ELECTRIC LIGHT 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.

HAWAII ELECTRIC LIGHT 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	8.437%
February	7.898%
March	8.410%
April	8.072%
May	8.292%
June	8.081%
July	8.630%
August	8.764%
September	8.213%
October	8.548%
November	8.263%
December	8.392%
Total	100.000%

These factors are based on the MWH sales forecast that is approved by the Commission in Hawaii Electric Light Company's 2016 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.

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

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.

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 Mechanisms 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.

HAWAII ELECTRIC LIGHT 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.

Deleted: June 1, 2017

Deleted: January 1, 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 ..... 1.0006 ¢/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: Decision and Order No. 35165; Approving with Modifications, Proposed Revisions To RBA Tariffs, Filed December 29, 2017.¶

Deleted: January 11, 2018

HAWAII ELECTRIC LIGHT COMPANY, INC.

Transmittal Letter Dated May 29, 2018.

Deleted: May 1, 2018

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

H: TARGET REVENUES CURRENTLY IN EFFECT

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Hawaii Electric Light Company, Inc.
Annual Target Revenue ($000s)

	Description	Amount
1	Electric Sales Revenue	$289,771
	Less:	
2	Fuel Expense	($45,996)
3	Purchase Power Expense	($72,438)
4	Revenue Tax on Electric Sales Revenue	($25,746)
5	Last Rate Order Target Revenues	$145,591
6	Authorized RAM Revenues	$6,577
7	Revenue Tax	($584)
8	Net RAM Adjustment	$5,993
9	Earnings Sharing Revenue Credits	$0
10	Revenue Tax	$0
11	Net Earnings Sharing Revenue Credits	$0
12	Effective Target Revenue	$151,583

Notes:

Totals may not add, due to rounding.

Line 1: Hawaii Electric Light Revision to Exhibits in Motion to Adjust Interim Increase, Exhibit 11, Line 3. Filed April 10, 2018 in Docket No. 2015-0170.

Lines 2,3: Hawaii Electric Light Revision to Exhibits in Motion to Adjust Interim Increase, Exhibit 3D, Page 1. Filed April 10, 2018 in Docket No. 2015-0170.

Lines 4,7: Revenue Tax based on 8.885% statutory rates.

Line 6: Transmittal No. 18-02 (Decoupling), Schedule A, Line 4. Filed May 21, 2018.

Line 12: Transmittal No. 18-02 (Decoupling), Schedule B1, Line 27. Filed May 21, 2018.

Deleted: Docket No. 2015-0170; Order No. 35419, issued April 24, 2018.¶

Deleted: April 30, 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.*

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, 2012.

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.

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.

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 five hundred thousand dollars ($500,000) or more.

HAWAII ELECTRIC LIGHT COMPANY, INC.

Transmittal Letter Dated May 1, 2013.

RATE ADJUSTMENT MECHANISM PROVISION

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 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.

HAWAII ELECTRIC LIGHT COMPANY, INC.

Transmittal Letter Dated June 3, 2015.

RATE ADJUSTMENT MECHANISM PROVISION (continued)

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 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

RATE ADJUSTMENT MECHANISM PROVISION (continued)

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

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 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

RATE ADJUSTMENT MECHANISM PROVISION (continued)

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:

i. Plant in Service, Accumulated Depreciation, Accumulated Deferred Income Taxes and Contributions in Aid of Construction ("CIAC") shall be a <u>two-point average</u> 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.

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RATE ADJUSTMENT MECHANISM PROVISION (continued)

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.

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.

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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.

Deleted: Exception to the calculation of the RAM Revenue Adjustment Cap: ¶
¶
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.¶
¶
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.¶

Deleted: June 3, 2015

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RATE ADJUSTMENT MECHANISM 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 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:

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.

Deleted: SETTLEMENT AGREEMENT¶
¶
The provisions in this section are for the sole and limited purpose¶
of implementing the *Stipulated Settlement Agreement between the*¶
Hawaiian Electric Companies and the Division of Consumer Advocacy¶
regarding Certain Regulatory Matters, filed in Docket No. ¶
2008-0083, which the Commission approved in Order No. 31126, issued¶
on March 19, 2013.¶
¶
The Company will include in the Rate Base RAM - Return on¶
Investment Adjustment and the Depreciation and Amortization RAM¶
Expense Adjustment, in 2013 and subsequent years, the recoverable ¶
costs of the Customer Information System ("CIS") project, 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.¶

Deleted: June 3, 2015

RATE ADJUSTMENT MECHANISM PROVISION (continued)

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.

ATTACHMENT 4

MAUI DIVISION
RATE SCHEDULES (Continued)

Sheet	Schedule	Date Effective	Character of Service
94-94E	"FIT"	December 30, 2011	Schedule FIT Tier 3
94.1-94.1DX	"FIT"	December 30, 2011	Schedule FIT Tier 3 Agreement
94.2-94.2E	"FIT"	December 30, 2011	Schedule FIT Tier 3 Queuing and Interconnection Proc.
95	"PPAC"	May 1, 2018	Purchase Power Adjustment Clause
95A	"PPAC"	May 1, 2018	Purchase Power Adjustment Clause
95B	"PPAC"	May 4, 2012	Purchase Power Adjustment Clause
96	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
96A	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
96B	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
96C	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
96D	"RAM"	June 1, 2017	Rate Adjustment Mechanism Provision
96E	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
96F	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
96G	"RAM"	June 1, 2018	Rate Adjustment Mechanism Provision
96H	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
96I	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
97	"RBA"	January 1, 2018	Revenue Balancing Account Provision
97A	"RBA"	January 1, 2018	Revenue Balancing Account Provision
97B	"RBA"	January 1, 2018	Revenue Balancing Account Provision
97C	"RBA"	January 1, 2018	Revenue Balancing Account Provision
97D	"RBA"	January 1, 2018	Revenue Balancing Account Provision
97E	"RBA"	June 1, 2018	Revenue Balancing Account Provision
97F	"RBA"	June 1, 2018	Revenue Balancing Account Provision

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

Supplement To:

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

All terms and provisions of the above listed rate schedules are 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 Maui 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 Maui Electric Company's 2010 test year rate case, Docket No. 2009-0163, consistent with the Final Decision and Order in the Decoupling case, Docket No. 2008-0274.

MAUI ELECTRIC COMPANY, LTD.

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)
Maui, Lanai, and Molokai Divisions

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.

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)
Maui, Lanai, and Molokai Divisions

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.

Monthly Allocation Factors for the Target Revenue are as follows:

January	8.29%
February	7.35%
March	8.28%
April	7.88%
May	8.38%
June	8.51%
July	8.87%
August	9.00%
September	8.34%
October	8.78%
November	8.19%
December	8.13%
Total	100.00%

These factors are based on the MWH sales forecast that is approved by the Commission in Maui Electric Company's 2012 test year rate case and shall be updated in any subsequent test year rate case.

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

C: BALANCING ACCOUNT ENTRIES:

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

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.

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

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.

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.

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

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 ..... 1.8954 ¢/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.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter dated May 29, 2018.

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

H: TARGET REVENUES CURRENTLY IN EFFECT

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

	Description	Amount
1	Electric Sales Revenue	$410,903
	Less:	
2	Fuel Expense	($212,580)
3	Purchase Power Expense	($44,856)
4	Revenue Tax on Electric Sales Revenue	($36,509)
5	Last Rate Order Target Revenues	$116,958
6	Authorized RAM Revenues	$16,429
7	Revenue Tax	($1,460)
8	Net RAM Adjustment	$14,969
9	Earnings Sharing Revenue Credits	$0
10	Revenue Tax	$0
11	Net Earnings Sharing Revenue Credits	$0
12	Tax Reform Adjustment (1/1/18-5/31/18)	($2,769)
13	Revenue Tax	$246
14	Net Tax Reform Adjustment	($2,523)
15	Effective Target Revenue	$129,404

Notes:

Totals may not add, due to rounding.

Line 1: Transmittal No. 18-03 (Decoupling), Schedule B1, Line 1. Filed May 21, 2018.

Lines 2,3: MECO Revised Results of Operations, Tariff Sheets and Refund Plan, Exhibit 1A, Page 1. Filed June 17, 2013 in Docket No. 2011-0092.

Lines 4,7,13: Revenue Tax based on 8.885% statutory rates.

Line 6: Transmittal No. 18-03 (Decoupling), Schedule A, Line 4. Filed May 21, 2018.

Line 12: Transmittal No. 18-03 (Decoupling), Schedule A, Line 7. Filed May 21, 2018.

Line 15: Transmittal No. 18-03 (Decoupling), Schedule B1, Line 26. Filed May 21, 2018.

Transmittal Letter dated May 29, 2018.

RATE ADJUSTMENT MECHANISM PROVISION
Maui, Lanai, and Molokai Divisions

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.

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, 2012.

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.

RATE ADJUSTMENT MECHANISM PROVISION
Maui, Lanai, and Molokai Divisions

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.

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 five hundred thousand dollars ($500,000) or more.

RATE ADJUSTMENT MECHANISM PROVISION
Maui, Lanai, and Molokai Divisions

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 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

RATE ADJUSTMENT MECHANISM PROVISION (continued)
Maui, Lanai, and Molokai Divisions

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

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:

MAUI ELECTRIC COMPANY, LTD.

RATE ADJUSTMENT MECHANISM PROVISION (continued)
Maui, Lanai, and Molokai Divisions

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:

RATE ADJUSTMENT MECHANISM PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

i. Plant in Service, Accumulated Depreciation, Accumulated Deferred Income Taxes and Contributions in Aid of Construction ("CIAC") shall be a <u>two-point average</u> 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.

RATE ADJUSTMENT MECHANISM PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

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 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) 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.

Exception to the calculation of the RAM Revenue Adjustment Cap:

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.

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.

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:

RATE ADJUSTMENT MECHANISM PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

a) A description of the proposed revision of revenues, Earnings Sharing Credits, and Major or Baseline Capital Projects Credits;

b) The effect on the rates applicable to each customer class and on the typical bill for residential customers; and

c) The Company's address, telephone number and website where information concerning the proposed Revenue Balancing Account Rate Adjustment may be obtained.

SETTLEMENT AGREEMENT

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

The Company will include in the Rate Base RAM - Return on Investment Adjustment and the Depreciation and Amortization RAM Expense Adjustment, in 2013 and subsequent years, the recoverable costs of the Customer Information System ("CIS") project, 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.

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.

LANAI DIVISION
RATE SCHEDULES (Continued)

Sheet	Schedule	Date Effective	Character of Service
106	"PPAC"	May 4, 2012	Purchase Power Adjustment Clause
106A	"PPAC"	May 4, 2012	Purchase Power Adjustment Clause
106B	"PPAC"	May 4, 2012	Purchase Power Adjustment Clause
107	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
107A	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
107B	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
107C	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
107D	"RAM"	June 1, 2017	Rate Adjustment Mechanism Provision
107E	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
107F	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
107G	"RAM"	June 1, 2018	Rate Adjustment Mechanism Provision
107H	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
107I	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
108	"RBA"	January 1, 2018	Revenue Balancing Account Provision
108A	"RBA"	June 1, 2018	Revenue Balancing Account Provision
108B	"RBA"	June 1, 2018	Revenue Balancing Account Provision
108C	"RBA"	June 1, 2018	Revenue Balancing Account Provision
108D	"RBA"	June 1, 2018	Revenue Balancing Account Provision
108E	"RBA"	June 1, 2018	Revenue Balancing Account Provision
108F	"RBA"	June 1, 2018	Revenue Balancing Account Provision

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

Supplement To:

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

All terms and provisions of the above listed rate schedules are 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 Maui 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 Maui Electric Company's 2010 test year rate case, Docket No. 2009-0163, consistent with the Final Decision and Order in the Decoupling case, Docket No. 2008-0274.

MAUI ELECTRIC COMPANY, LTD.

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)
Maui, Lanai, and Molokai Divisions

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.

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

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.

Monthly Allocation Factors for the Target Revenue are as follows:

January	8.29%
February	7.35%
March	8.28%
April	7.88%
May	8.38%
June	8.51%
July	8.87%
August	9.00%
September	8.34%
October	8.78%
November	8.19%
December	8.13%
Total	100.00%

These factors are based on the MWH sales forecast that is approved by the Commission in Maui Electric Company's 2012 test year rate case and shall be updated in any subsequent test year rate case.

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

C: BALANCING ACCOUNT ENTRIES:

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

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.

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

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.

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.

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

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 ..... 1.8954 ¢/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.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter dated May 29, 2018.

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

H: TARGET REVENUES CURRENTLY IN EFFECT

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

	Description	Amount
1	Electric Sales Revenue	$410,903
	Less:	
2	Fuel Expense	($212,580)
3	Purchase Power Expense	($44,856)
4	Revenue Tax on Electric Sales Revenue	($36,509)
5	Last Rate Order Target Revenues	$116,958
6	Authorized RAM Revenues	$16,429
7	Revenue Tax	($1,460)
8	Net RAM Adjustment	$14,969
9	Earnings Sharing Revenue Credits	$0
10	Revenue Tax	$0
11	Net Earnings Sharing Revenue Credits	$0
12	Tax Reform Adjustment (1/1/18-5/31/18)	($2,769)
13	Revenue Tax	$246
14	Net Tax Reform Adjustment	($2,523)
15	Effective Target Revenue	$129,404

Notes:

Totals may not add, due to rounding.

Line 1: Transmittal No. 18-03 (Decoupling), Schedule B1, Line 1. Filed May 21, 2018.

Lines 2,3: MECO Revised Results of Operations, Tariff Sheets and Refund Plan, Exhibit 1A, Page 1. Filed June 17, 2013 in Docket No. 2011-0092.

Lines 4,7,13: Revenue Tax based on 8.885% statutory rates.

Line 6: Transmittal No. 18-03 (Decoupling), Schedule A, Line 4. Filed May 21, 2018.

Line 12: Transmittal No. 18-03 (Decoupling), Schedule A, Line 7. Filed May 21, 2018.

Line 15: Transmittal No. 18-03 (Decoupling), Schedule B1, Line 26. Filed May 21, 2018.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter dated May 29, 2018.

RATE ADJUSTMENT MECHANISM PROVISION
Maui, Lanai, and Molokai Divisions

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.

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, 2012.

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.

RATE ADJUSTMENT MECHANISM PROVISION
Maui, Lanai, and Molokai Divisions

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.

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 five hundred thousand dollars ($500,000) or more.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated May 1, 2013.

RATE ADJUSTMENT MECHANISM PROVISION
Maui, Lanai, and Molokai Divisions

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

RATE ADJUSTMENT MECHANISM PROVISION (continued)
Maui, Lanai, and Molokai Divisions

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

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:

RATE ADJUSTMENT MECHANISM PROVISION (continued)

Maui, Lanai, and Molokai Divisions

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:

RATE ADJUSTMENT MECHANISM PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

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.

g.) See also Settlement Agreement section below.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated June 3, 2015.

RATE ADJUSTMENT MECHANISM PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

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 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) 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.

Exception to the calculation of the RAM Revenue Adjustment Cap:

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.

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.

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:

RATE ADJUSTMENT MECHANISM PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

a) A description of the proposed revision of revenues, Earnings Sharing Credits, and Major or Baseline Capital Projects Credits;

b) The effect on the rates applicable to each customer class and on the typical bill for residential customers; and

c) The Company's address, telephone number and website where information concerning the proposed Revenue Balancing Account Rate Adjustment may be obtained.

SETTLEMENT AGREEMENT

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

The Company will include in the Rate Base RAM - Return on Investment Adjustment and the Depreciation and Amortization RAM Expense Adjustment, in 2013 and subsequent years, the recoverable costs of the Customer Information System ("CIS") project, 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.

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.

MOLOKAI DIVISION
RATE SCHEDULES (Continued)

Sheet	Schedule	Date Effective	Character of Service
151A	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
151B	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
151C	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
151D	"RAM"	June 1, 2017	Rate Adjustment Mechanism Provision
151E	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
151F	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
151G	"RAM"	June 1, 2018	Rate Adjustment Mechanism Provision
151H	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
151I	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
152	"RBA"	January 1, 2018	Revenue Balancing Account Provision
152A	"RBA"	January 1, 2018	Revenue Balancing Account Provision
152B	"RBA"	June 1, 2018	Revenue Balancing Account Provision
152C	"RBA"	June 1, 2018	Revenue Balancing Account Provision
152D	"RBA"	June 1, 2018	Revenue Balancing Account Provision
152E	"RBA"	June 1, 2018	Revenue Balancing Account Provision
152F	"RBA"	June 1, 2018	Revenue Balancing Account Provision

MOLOKAI DIVISION
RATE SCHEDULES (Continued)

Sheet	Schedule	Date Effective	Character of Service
153	EV-F	December 12, 2017	Commercial Public Electric Vehicle Charging Facility Service Pilot
153A	EV-F	December 12, 2017	Commercial Public Electric Vehicle Charging Facility Service Pilot
153B	EV-F	December 12, 2017	Commercial Public Electric Vehicle Charging Facility Service Pilot
154	EV-U	December 12, 2017	Commercial Public Electric Vehicle Charging Service Pilot
154A	EV-U	December 12, 2017	Commercial Public Electric Vehicle Charging Service Pilot
154B	EV-U	December 12, 2017	Commercial Public Electric Vehicle Charging Service Pilot
155	TOU-RI	November 21, 2016	Residential Interim Time-of-Use Service
155A	TOU-RI	November 21, 2016	Residential Interim Time-of-Use Service
155B	TOU-RI	November 21, 2016	Residential Interim Time-of-Use Service
155C	TOU-RI	November 21, 2016	Residential Interim Time-of-Use Service
156	"PIM"	January 1, 2018	Performance Incentive Mechanism Provision
156A	"PIM"	January 1, 2018	Performance Incentive Mechanism Provision
156B	"PIM"	January 1, 2018	Performance Incentive Mechanism Provision
156C	"PIM"	January 1, 2018	Performance Incentive Mechanism Provision
156D	"PIM"	January 1, 2018	Performance Incentive Mechanism Provision

REVENUE BALANCING ACCOUNT ("RBA") PROVISION

Maui, Lanai, and Molokai Divisions

Supplement To:

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

All terms and provisions of the above listed rate schedules are 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 Maui 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 Maui Electric Company's 2010 test year rate case, Docket No. 2009-0163, consistent with the Final Decision and Order in the Decoupling case, Docket No. 2008-0274.

MAUI ELECTRIC COMPANY, LTD.

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)
Maui, Lanai, and Molokai Divisions

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.

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

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.

Monthly Allocation Factors for the Target Revenue are as follows:

January	8.29%
February	7.35%
March	8.28%
April	7.88%
May	8.38%
June	8.51%
July	8.87%
August	9.00%
September	8.34%
October	8.78%
November	8.19%
December	8.13%
Total	100.00%

These factors are based on the MWH sales forecast that is approved by the Commission in Maui Electric Company's 2012 test year rate case and shall be updated in any subsequent test year rate case.

Transmittal Letter dated May 29, 2018.

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

C: BALANCING ACCOUNT ENTRIES:

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

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.

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

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.

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.

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

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 ..... 1.8954 ¢/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.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter dated May 29, 2018.

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

H: TARGET REVENUES CURRENTLY IN EFFECT

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

	Description	Amount
1	Electric Sales Revenue	$410,903
	Less:	
2	Fuel Expense	($212,580)
3	Purchase Power Expense	($44,856)
4	Revenue Tax on Electric Sales Revenue	($36,509)
5	Last Rate Order Target Revenues	$116,958
6	Authorized RAM Revenues	$16,429
7	Revenue Tax	($1,460)
8	Net RAM Adjustment	$14,969
9	Earnings Sharing Revenue Credits	$0
10	Revenue Tax	$0
11	Net Earnings Sharing Revenue Credits	$0
12	Tax Reform Adjustment (1/1/18-5/31/18)	($2,769)
13	Revenue Tax	$246
14	Net Tax Reform Adjustment	($2,523)
15	Effective Target Revenue	$129,404

Notes:

Totals may not add, due to rounding.

Line 1: Transmittal No. 18-03 (Decoupling), Schedule B1, Line 1. Filed May 21, 2018.

Lines 2,3: MECO Revised Results of Operations, Tariff Sheets and Refund Plan, Exhibit 1A, Page 1. Filed June 17, 2013 in Docket No. 2011-0092.

Lines 4,7,13: Revenue Tax based on 8.885% statutory rates.

Line 6: Transmittal No. 18-03 (Decoupling), Schedule A, Line 4. Filed May 21, 2018.

Line 12: Transmittal No. 18-03 (Decoupling), Schedule A, Line 7. Filed May 21, 2018.

Line 15: Transmittal No. 18-03 (Decoupling), Schedule B1, Line 26. Filed May 21, 2018.

RATE ADJUSTMENT MECHANISM PROVISION
Maui, Lanai, and Molokai Divisions

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.

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, 2012.

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.

RATE ADJUSTMENT MECHANISM PROVISION
Maui, Lanai, and Molokai Divisions

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.

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 five hundred thousand dollars ($500,000) or more.

RATE ADJUSTMENT MECHANISM PROVISION
Maui, Lanai, and Molokai Divisions

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

RATE ADJUSTMENT MECHANISM PROVISION (continued)
Maui, Lanai, and Molokai Divisions

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

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:

MAUI ELECTRIC COMPANY, LTD.

RATE ADJUSTMENT MECHANISM PROVISION (continued)
Maui, Lanai, and Molokai Divisions

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:

RATE ADJUSTMENT MECHANISM PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

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.

g.) See also Settlement Agreement section below.

RATE ADJUSTMENT MECHANISM PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

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 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) 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.

Exception to the calculation of the RAM Revenue Adjustment Cap:

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.

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.

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:

RATE ADJUSTMENT MECHANISM PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

a) A description of the proposed revision of revenues, Earnings Sharing Credits, and Major or Baseline Capital Projects Credits;

b) The effect on the rates applicable to each customer class and on the typical bill for residential customers; and

c) The Company's address, telephone number and website where information concerning the proposed Revenue Balancing Account Rate Adjustment may be obtained.

SETTLEMENT AGREEMENT

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

The Company will include in the Rate Base RAM - Return on Investment Adjustment and the Depreciation and Amortization RAM Expense Adjustment, in 2013 and subsequent years, the recoverable costs of the Customer Information System ("CIS") project, 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.

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.

ATTACHMENT 4A

Superseding Sheet No. 50D
Effective May 1, 2018

REVISED SHEET No. 50D
Effective June 1, 2018

Deleted: April 1, 2018

Deleted: May 1, 2018

MAUI DIVISION
RATE SCHEDULES (Continued)

Sheet	Schedule	Date Effective	Character of Service
94-94E	"FIT"	December 30, 2011	Schedule FIT Tier 3
94.1-94.1DX	"FIT"	December 30, 2011	Schedule FIT Tier 3 Agreement
94.2-94.2E	"FIT"	December 30, 2011	Schedule FIT Tier 3 Queuing and Interconnection Proc.
95	"PPAC"	May 1, 2018	Purchase Power Adjustment Clause
95A	"PPAC"	May 1, 2018	Purchase Power Adjustment Clause
95B	"PPAC"	May 4, 2012	Purchase Power Adjustment Clause
96	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
96A	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
96B	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
96C	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
96D	"RAM"	June 1, 2017	Rate Adjustment Mechanism Provision
96E	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
96F	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
96G	"RAM"	June 1, 2018	Rate Adjustment Mechanism Provision
96H	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
96I	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
97	"RBA"	January 1, 2018	Revenue Balancing Account Provision
97A	"RBA"	January 1, 2018	Revenue Balancing Account Provision
97B	"RBA"	January 1, 2018	Revenue Balancing Account Provision
97C	"RBA"	January 1, 2018	Revenue Balancing Account Provision
97D	"RBA"	January 1, 2018	Revenue Balancing Account Provision
97E	"RBA"	June 1, 2018	Revenue Balancing Account Provision
97F	"RBA"	June 1, 2018	Revenue Balancing Account Provision

Deleted: June 8, 2015

Deleted: January 1, 2018

Deleted: April 20, 2018

MAUI ELECTRIC COMPANY, LIMITED

Transmittal Letter dated May 29, 2018.

Superseding REVISED SHEET NO. 97
Effective June 1, 2017

REVISED SHEET NO. 97
Effective January 1, 2018

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

Supplement To:

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

All terms and provisions of the above listed rate schedules are 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 Maui 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 Maui Electric Company's 2010 test year rate case, Docket No. 2009-0163, consistent with the Final Decision and Order in the Decoupling case, Docket No. 2008-0274.

MAUI ELECTRIC COMPANY, LTD.

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)
Maui, Lanai, and Molokai Divisions

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.

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

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.

Monthly Allocation Factors for the Target Revenue are as follows:

January	8.29%
February	7.35%
March	8.28%
April	7.88%
May	8.38%
June	8.51%
July	8.87%
August	9.00%
September	8.34%
October	8.78%
November	8.19%
December	8.13%
Total	100.00%

These factors are based on the MWH sales forecast that is approved by the Commission in Maui Electric Company's 2012 test year rate case and shall be updated in any subsequent test year rate case.

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

C: BALANCING ACCOUNT ENTRIES:

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

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.

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

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.

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.

MAUI ELECTRIC COMPANY, LTD.

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

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

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 ..... 1.8954 ¢/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: Decision and Order No. 35165; Approving, With Modifications, Proposed Revisions To RBA Tariffs, Filed December 29, 2017.

Deleted: January 11, 2018

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter dated May 29, 2018.

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

H: TARGET REVENUES CURRENTLY IN EFFECT

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

	Description	Amount
1	Electric Sales Revenue	$410,903
	Less:	
2	Fuel Expense	($212,580)
3	Purchase Power Expense	($44,856)
4	Revenue Tax on Electric Sales Revenue	($36,509)
5	Last Rate Order Target Revenues	$116,958
6	Authorized RAM Revenues	$16,429
7	Revenue Tax	($1,460)
8	Net RAM Adjustment	$14,969
9	Earnings Sharing Revenue Credits	$0
10	Revenue Tax	$0
11	Net Earnings Sharing Revenue Credits	$0
12	Tax Reform Adjustment (1/1/18-5/31/18)	($2,769)
13	Revenue Tax	$246
14	Net Tax Reform Adjustment	($2,523)
15	Effective Target Revenue	$129,404

Notes:
Totals may not add, due to rounding.

Line 1: Transmittal No. 18-03 (Decoupling), Schedule B1, Line 1. Filed May 21, 2018.

Lines 2,3: MECO Revised Results of Operations, Tariff Sheets and Refund Plan, Exhibit 1A, Page 1. Filed June 17, 2013 in Docket No. 2011-0092.

Lines 4,7,13: Revenue Tax based on 8.885% statutory rates.

Line 6: Transmittal No. 18-03 (Decoupling), Schedule A, Line 4. Filed May 21, 2018.

Line 12: Transmittal No. 18-03 (Decoupling), Schedule A, Line 7. Filed May 21, 2018.

Line 15: Transmittal No. 18-03 (Decoupling), Schedule B1, Line 26. Filed May 21, 2018.

RATE ADJUSTMENT MECHANISM PROVISION
Maui, Lanai, and Molokai Divisions

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.

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, 2012.

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.

RATE ADJUSTMENT MECHANISM PROVISION
Maui, Lanai, and Molokai Divisions

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.

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 five hundred thousand dollars ($500,000) or more.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated May 1, 2013.

RATE ADJUSTMENT MECHANISM PROVISION
Maui, Lanai, and Molokai Divisions

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 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

RATE ADJUSTMENT MECHANISM PROVISION (continued)
Maui, Lanai, and Molokai Divisions

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

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:

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated March 31, 2017.

RATE ADJUSTMENT MECHANISM PROVISION (continued)
Maui, Lanai, and Molokai Divisions

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:

RATE ADJUSTMENT MECHANISM PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

i. Plant in Service, Accumulated Depreciation, Accumulated Deferred Income Taxes and Contributions in Aid of Construction ("CIAC") shall be a <u>two-point average</u> 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.

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RATE ADJUSTMENT MECHANISM PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

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 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) 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.

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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.

Exception to the calculation of the RAM Revenue Adjustment Cap:

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.

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

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applicable revenue taxes.

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:

RATE ADJUSTMENT MECHANISM PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

a) A description of the proposed revision of revenues, Earnings Sharing Credits, and Major or Baseline Capital Projects Credits;

b) The effect on the rates applicable to each customer class and on the typical bill for residential customers; and

c) The Company's address, telephone number and website where information concerning the proposed Revenue Balancing Account Rate Adjustment may be obtained.

SETTLEMENT AGREEMENT

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

The Company will include in the Rate Base RAM - Return on Investment Adjustment and the Depreciation and Amortization RAM Expense Adjustment, in 2013 and subsequent years, the recoverable costs of the Customer Information System ("CIS") project, 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.

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.

Superseding Sheet No. 50H
Effective January 1, 2018

REVISED SHEET NO. 50H
Effective June 1, 2018

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LANAI DIVISION
RATE SCHEDULES (Continued)

Sheet	Schedule	Date Effective	Character of Service
106	"PPAC"	May 4, 2012	Purchase Power Adjustment Clause
106A	"PPAC"	May 4, 2012	Purchase Power Adjustment Clause
106B	"PPAC"	May 4, 2012	Purchase Power Adjustment Clause
107	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
107A	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
107B	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
107C	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
107D	"RAM"	June 1, 2017	Rate Adjustment Mechanism Provision
107E	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
107F	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
107G	"RAM"	June 1, 2018	Rate Adjustment Mechanism Provision
107H	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
107I	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
108	"RBA"	January 1, 2018	Revenue Balancing Account Provision
108A	"RBA"	June 1, 2018	Revenue Balancing Account Provision
108B	"RBA"	June 1, 2018	Revenue Balancing Account Provision
108C	"RBA"	June 1, 2018	Revenue Balancing Account Provision
108D	"RBA"	June 1, 2018	Revenue Balancing Account Provision
108E	"RBA"	June 1, 2018	Revenue Balancing Account Provision
108F	"RBA"	June 1, 2018	Revenue Balancing Account Provision

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MAUI ELECTRIC COMPANY, LIMITED

Transmittal Letter dated May 29, 2018.

Superseding Sheet No. 108
Effective June 1, 2017

REVISED SHEET NO. 108
Effective January 1, 2018

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

Supplement To:

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

All terms and provisions of the above listed rate schedules are 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 Maui 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 Maui Electric Company's 2010 test year rate case, Docket No. 2009-0163, consistent with the Final Decision and Order in the Decoupling case, Docket No. 2008-0274.

MAUI ELECTRIC COMPANY, LTD.

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

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

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.

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

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.

Monthly Allocation Factors for the Target Revenue are as follows:

January	8.29%
February	7.35%
March	8.28%
April	7.88%
May	8.38%
June	8.51%
July	8.87%
August	9.00%
September	8.34%
October	8.78%
November	8.19%
December	8.13%
Total	100.00%

These factors are based on the MWH sales forecast that is approved by the Commission in Maui Electric Company's 2012 test year rate case and shall be updated in any subsequent test year rate case.

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

C: BALANCING ACCOUNT ENTRIES:

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

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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.

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.

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

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.

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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.

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

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 ..... 1.8954 ¢/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.

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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.

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MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter dated May 29, 2018.

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

H: TARGET REVENUES CURRENTLY IN EFFECT

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

	Description	Amount
1	Electric Sales Revenue	$410,903
	Less:	
2	Fuel Expense	($212,580)
3	*Purchase Power Expense*	*($44,856)*
4	Revenue Tax on Electric Sales Revenue	($36,509)
5	Last Rate Order Target Revenues	$116,958
6	Authorized RAM Revenues	$16,429
7	Revenue Tax	($1,460)
8	Net RAM Adjustment	$14,969
9	Earnings Sharing Revenue Credits	$0
10	Revenue Tax	$0
11	Net Earnings Sharing Revenue Credits	$0
12	Tax Reform Adjustment (1/1/18-5/31/18)	($2,769)
13	Revenue Tax	$246
14	Net Tax Reform Adjustment	($2,523)
15	Effective Target Revenue	$129,404

Notes:
Totals may not add, due to rounding.

Line 1: Transmittal No. 18-03 (Decoupling), Schedule B1, Line 1. Filed May 21, 2018.

Lines 2,3: MECO Revised Results of Operations, Tariff Sheets and Refund Plan, Exhibit 1A, Page 1. Filed June 17, 2013 in Docket No. 2011-0092.

Lines 4,7,13: Revenue Tax based on 8.885% statutory rates.

Line 6: Transmittal No. 18-03 (Decoupling), Schedule A, Line 4. Filed May 21, 2018.

Line 12: Transmittal No. 18-03 (Decoupling), Schedule A, Line 7. Filed May 21, 2018.

Line 15: Transmittal No. 18-03 (Decoupling), Schedule B1, Line 26. Filed May 21, 2018.

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RATE ADJUSTMENT MECHANISM PROVISION
Maui, Lanai, and Molokai Divisions

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.

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, 2012.

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.

RATE ADJUSTMENT MECHANISM PROVISION
Maui, Lanai, and Molokai Divisions

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.

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 five hundred thousand dollars ($500,000) or more.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated May 1, 2013.

RATE ADJUSTMENT MECHANISM PROVISION
Maui, Lanai, and Molokai Divisions

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

RATE ADJUSTMENT MECHANISM PROVISION (continued)
Maui, Lanai, and Molokai Divisions

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

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:

RATE ADJUSTMENT MECHANISM PROVISION (continued)

Maui, Lanai, and Molokai Divisions

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:

RATE ADJUSTMENT MECHANISM PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

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.

g.) See also Settlement Agreement section below.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated June 3, 2015.

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RATE ADJUSTMENT MECHANISM PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

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 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) 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.

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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.

Exception to the calculation of the RAM Revenue Adjustment Cap:

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.

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

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applicable revenue taxes.

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:

RATE ADJUSTMENT MECHANISM PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

a) A description of the proposed revision of revenues, Earnings Sharing Credits, and Major or Baseline Capital Projects Credits;

b) The effect on the rates applicable to each customer class and on the typical bill for residential customers; and

c) The Company's address, telephone number and website where information concerning the proposed Revenue Balancing Account Rate Adjustment may be obtained.

SETTLEMENT AGREEMENT

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

The Company will include in the Rate Base RAM - Return on Investment Adjustment and the Depreciation and Amortization RAM Expense Adjustment, in 2013 and subsequent years, the recoverable costs of the Customer Information System ("CIS") project, 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.

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.

Superseding Sheet No. 100E
Effective January 1, 2018

REVISED SHEET NO. 100E
Effective June 1, 2018

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MOLOKAI DIVISION
RATE SCHEDULES (Continued)

Sheet	Schedule	Date Effective	Character of Service
151A	"RAM"	June 1, 2013	Rate Adjustment Mechanism Provision
151B	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
151C	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
151D	"RAM"	June 1, 2017	Rate Adjustment Mechanism Provision
151E	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
151F	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
151G	"RAM"	June 1, 2018	Rate Adjustment Mechanism Provision
151H	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
151I	"RAM"	June 8, 2015	Rate Adjustment Mechanism Provision
152	"RBA"	January 1, 2018	Revenue Balancing Account Provision
152A	"RBA"	January 1, 2018	Revenue Balancing Account Provision
152B	"RBA"	June 1, 2018	Revenue Balancing Account Provision
152C	"RBA"	June 1, 2018	Revenue Balancing Account Provision
152D	"RBA"	June 1, 2018	Revenue Balancing Account Provision
152E	"RBA"	June 1, 2018	Revenue Balancing Account Provision
152F	"RBA"	June 1, 2018	Revenue Balancing Account Provision

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Deleted: EV-F
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Deleted: Commercial Public Electric Vehicle Charging Facility Service Pilot
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MAUI ELECTRIC COMPANY, LIMITED

Transmittal Letter Dated May 29, 2018.

Superseding Sheet No. 100F
Effective January 1, 2018

REVISED SHEET NO. 100F
Effective June 1, 2018

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MOLOKAI DIVISION
RATE SCHEDULES (Continued)

Sheet	Schedule	Date Effective	Character of Service
153	EV-F	December 12, 2017	Commercial Public Electric Vehicle Charging Facility Service Pilot
153A	EV-F	December 12, 2017	Commercial Public Electric Vehicle Charging Facility Service Pilot
153B	EV-F	December 12, 2017	Commercial Public Electric Vehicle Charging Facility Service Pilot
154	EV-U	December 12, 2017	Commercial Public Electric Vehicle Charging Service Pilot
154A	EV-U	December 12, 2017	Commercial Public Electric Vehicle Charging Service Pilot
154B	EV-U	December 12, 2017	Commercial Public Electric Vehicle Charging Service Pilot
155	TOU-RI	November 21, 2016	Residential Interim Time-of-Use Service
155A	TOU-RI	November 21, 2016	Residential Interim Time-of-Use Service
155B	TOU-RI	November 21, 2016	Residential Interim Time-of-Use Service
155C	TOU-RI	November 21, 2016	Residential Interim Time-of-Use Service
156	"PIM"	January 1, 2018	Performance Incentive Mechanism Provision
156A	"PIM"	January 1, 2018	Performance Incentive Mechanism Provision
156B	"PIM"	January 1, 2018	Performance Incentive Mechanism Provision
156C	"PIM"	January 1, 2018	Performance Incentive Mechanism Provision
156D	"PIM"	January 1, 2018	Performance Incentive Mechanism Provision

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MAUI ELECTRIC COMPANY, LIMITED

Transmittal Letter Dated May 29, 2018

Superseding Sheet No. 152
Effective June 1, 2017

REVISED SHEET NO. 152
Effective January 1, 2018

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

Supplement To:

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

All terms and provisions of the above listed rate schedules are 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 Maui 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 Maui Electric Company's 2010 test year rate case, Docket No. 2009-0163, consistent with the Final Decision and Order in the Decoupling case, Docket No. 2008-0274.

MAUI ELECTRIC COMPANY, LTD.

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)
Maui, Lanai, and Molokai Divisions

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.

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

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

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.

Monthly Allocation Factors for the Target Revenue are as follows:

January	8.29%
February	7.35%
March	8.28%
April	7.88%
May	8.38%
June	8.51%
July	8.87%
August	9.00%
September	8.34%
October	8.78%
November	8.19%
December	8.13%
Total	100.00%

These factors are based on the MWH sales forecast that is approved by the Commission in Maui Electric Company's 2012 test year rate case and shall be updated in any subsequent test year rate case.

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

C: BALANCING ACCOUNT ENTRIES:

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

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.

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

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.

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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.

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.

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

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.

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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 ..... 1.8954 ¢/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.

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MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter dated May 29, 2018.

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

H: TARGET REVENUES CURRENTLY IN EFFECT

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

	Description	Amount
1	Electric Sales Revenue	$410,903
	Less:	
2	Fuel Expense	($212,580)
3	Purchase Power Expense	($44,856)
4	Revenue Tax on Electric Sales Revenue	($36,509)
5	Last Rate Order Target Revenues	$116,958
6	Authorized RAM Revenues	$16,429
7	Revenue Tax	($1,460)
8	Net RAM Adjustment	$14,969
9	Earnings Sharing Revenue Credits	$0
10	Revenue Tax	$0
11	Net Earnings Sharing Revenue Credits	$0
12	Tax Reform Adjustment (1/1/18-5/31/18)	($2,769)
13	Revenue Tax	$246
14	Net Tax Reform Adjustment	($2,523)
15	Effective Target Revenue	$129,404

Notes:

Totals may not add, due to rounding.

Line 1: Transmittal No. 18-03 (Decoupling), Schedule B1, Line 1. Filed May 21, 2018.

Lines 2,3: MECO Revised Results of Operations, Tariff Sheets and Refund Plan, Exhibit 1A, Page 1. Filed June 17, 2013 in Docket No. 2011-0092.

Lines 4,7,13: Revenue Tax based on 8.885% statutory rates.

Line 6: Transmittal No. 18-03 (Decoupling), Schedule A, Line 4. Filed May 21, 2018.

Line 12: Transmittal No. 18-03 (Decoupling), Schedule A, Line 7. Filed May 21, 2018.

Line 15: Transmittal No. 18-03 (Decoupling), Schedule B1, Line 26. Filed May 21, 2018.

Deleted: Decision and Order No. 35165; Approving, With Modifications, Proposed Revisions To RBA Tariffs, Filed December 29, 2017.¶

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RATE ADJUSTMENT MECHANISM PROVISION
Maui, Lanai, and Molokai Divisions

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.

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, 2012.

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.

RATE ADJUSTMENT MECHANISM PROVISION
Maui, Lanai, and Molokai Divisions

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.

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 five hundred thousand dollars ($500,000) 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 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

RATE ADJUSTMENT MECHANISM PROVISION
Maui, Lanai, and Molokai Divisions

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

RATE ADJUSTMENT MECHANISM PROVISION (continued)
Maui, Lanai, and Molokai Divisions

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

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:

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated March 31, 2017.

RATE ADJUSTMENT MECHANISM PROVISION (continued)
Maui, Lanai, and Molokai Divisions

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:

RATE ADJUSTMENT MECHANISM PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

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.

g.) See also Settlement Agreement section below.

MAUI ELECTRIC COMPANY, LTD.

Transmittal Letter Dated June 3, 2015.

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RATE ADJUSTMENT MECHANISM PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

RAM REVENUE ADJUSTMENT CAP

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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 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) 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.

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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.

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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.

Exception to the calculation of the RAM Revenue Adjustment Cap:

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.

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

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RATE ADJUSTMENT MECHANISM PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

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.

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:

RATE ADJUSTMENT MECHANISM PROVISION (Continued)
Maui, Lanai, and Molokai Divisions

a) A description of the proposed revision of revenues, Earnings Sharing Credits, and Major or Baseline Capital Projects Credits;

b) The effect on the rates applicable to each customer class and on the typical bill for residential customers; and

c) The Company's address, telephone number and website where information concerning the proposed Revenue Balancing Account Rate Adjustment may be obtained.

SETTLEMENT AGREEMENT

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

The Company will include in the Rate Base RAM - Return on Investment Adjustment and the Depreciation and Amortization RAM Expense Adjustment, in 2013 and subsequent years, the recoverable costs of the Customer Information System ("CIS") project, 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.

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.